

## WAYNE INDEPENDENT

---

# Honesdale Water Co. being bought by Aqua Pa.

Wednesday

Posted Jul 2, 2008 at 12:01 AM

Updated Jul 2, 2008 at 2:20 AM

Honesdale Consolidated Water Company, owned by a small group of shareholders for more than 100 years, is about to be sold to Aqua Pennsylvania Inc.

By Peter Becker

Honesdale Consolidated Water Company, owned by a small group of shareholders for more than 100 years, is about to be sold to Aqua America Pennsylvania Inc.

Donna Alston, Aqua Pa. spokesperson, affirmed that they have filed with the Public Utility Commission (PUC) for approval of the transfer, by merger, of the stock and rights of the Honesdale company. A public comment period has begun, due in writing at the PUC in Harrisburg by July 14.

The purchase price is \$5 million, she said, plus whatever is left to pay on the outstanding Pennvest loan, which currently is \$1-1/2 million. Lynn Simons, current manager of the Honesdale company, said they were approached a couple years ago by Aqua Pa., and negotiations had to satisfy the 24 share holders. He said it was the first time he had seen full participation by the share holders at a meeting, and they voted unanimously to accept the merger.

The public can expect no immediate rate increase, said Aqua officials. Roswell McMullen, Manager of Special Projects & Development, with Aqua, stated that replacement of some old pipe is expected, but no other major capital investment. Aqua Pa. will be changing the meters on the exterior of homes and other buildings, with new radio technology meters. These will allow meter crews to

record water usage electronically, as they drive by. A worker will no longer need to access private property to read the meters, once they are installed. This is expected to take six to nine months to complete.

Another change customers can expect is monthly billing. Presently, Honesdale's water bills are mailed quarterly.

McMullen is a native of Waymart. He said his father and grandfather once owned the Waymart Water Company, which is now part of Aqua Pa.

Aqua America has been on an expansion strategy for several years, acquiring local water companies. As the customer base grows, everyone benefits, said Alston. Expenses can be spread out and ultimately there is a positive impact on rates. In the last 10 years, Aqua Pa. has moved into the Wayne County region, buying up Waymart and Hawley's water companies as well as those in Mount Cobb, Moscow, Tafton, Fawn Lake, Paupack and Woodloch. Although termed the Waymart Division, the office is currently at Hawley. This office would close, and operations consolidated at the present Honesdale office on North Main Street.

Aqua Pa. started in 1886 in southeast Pennsylvania, where the main office is located at Bryn Mawr. They have approximately 400,000 customer accounts in Pennsylvania, serving some 1.3 million people.

Honesdale Consolidated Water Company has over 1,850 metered accounts, said Simons, in Honesdale Borough, Seelyville and Indian Orchard. They currently have eight employees. Simons said Aqua had not yet met with the staff about their part in the merger. He stated he expected to stay at least awhile. Simons started with the Honesdale company "in the ditches" 38 years ago, he said, and worked his way up to manager, in about 1990. Under Aqua, operations will be managed by Steve Clark, also a Waymart native, who oversees the local division.

Around 1991, they moved their office from 7th Street to the present location, which had been a car dealership.

The Honesdale firm's biggest change in the last 38 years came in 1996 when they changed their source of water from three ponds in Dyberry Township, to using six deep wells. They dug five of those wells and added four storage tanks at strategic locations above the Honesdale valley. Most of the water is gravity fed to their customers, which is a bonus in the event of a power outage, Simons said.

This project was necessitated by changes in the Safe Water Drinking Act and requirement to build a costly treatment plant if the ponds had been retained.

The state Pennvest loan was taken to finance the well project. That was also when they had their last large rate increase, recalled Simons. They have not had an increase in five or six years.

The Honesdale company was chartered in 1905, consolidating three local water companies.

There were some taste and odor issues when they used water from the ponds, Simons noted. He said they still get some taste or odor complaints which partly relate to old piping, but added overall they have excellent water quality.

McMullen noted that Honesdale Consolidated Water Company has no water quality violations. Their 2008 water quality report, just issued, notes that last year, the Honesdale company's water met or exceeded all state and federal health standards. Aqua Pa. must meet those water quality regulations, McMullen stated, and are committed to providing quality water.

### **H'dle Water Co. issues report**

**HONESDALE** - The Honesdale Consolidated Water Company (HCWC) is now mailing to all its customers the Consumer Confidence Report (CCR) for the year 2007

In 1996, Congress amended the Safe Drinking Water Act, with a provision requiring all community water systems to deliver to their customers a brief annual water quality report. The rationale for CCR's is that consumers have the right to know what is in their drinking water and where that water comes from. The report helps consumers to make informed choices that could affect the health of themselves and their families.

The HCWC report includes testing information, a brief history of the company, a map showing the location of the company's wells and storage tanks, how the water is treated before the customer receives it, explanation of terms used in the report and some information on water conservation.

The reports should be delivered to homes within the next few days. If you don't receive a copy and would like one, you may pick one up at the company office at 1775 North Main Street or visit their website at

**[www.honesdalewaterco.com](http://www.honesdalewaterco.com)**.

