

KNOW THE FACTS

MUNICIPAL AUTHORITY

VS

PRIVATE INVESTOR-OWNED

Publicly/locally owned (community's water resources and infrastructure)	Privately investor owned (company shareholders' water resources and infrastructure)
Locally controlled (Decisions: management, maintenance, operations, rates)	Stockholder driven & controlled (Decisions: management, maintenance, operations, and state-controlled rates)
Local/community-based service	Statewide based service
Accountable to authority board of directors appointed by local elected officials	PA Public Utility Commission (PUC) required to approve certain level of profit
Greater transparency with operations — Public Meeting law Right-to-Know law requirement	Neither Public Meeting law nor Right-to-Know law requirement
Decision makers: Local individuals make up board of directors appointed by local elected officials	Decision makers: shareholders
Rates based locally	Rates based statewide
Employ local workforce	Outsource employees/jobs
Lower rates: Operate to serve community (non-profit)	Higher rates: Operate for-profit for shareholders
Must meet all water quality and discharge standards (not incentivized by profit to do the minimum)	Must meet all water quality and discharge standards with a profit motive mission
Ratepayer concerns addressed and rates set by authority staff and board members from the community (elected public officials appoint board members)	Ratepayer concerns addressed to PUC and rate set by PUC based upon a rate request
Lower costs: tax-free financing, NO PUC rate proceeding costs paid by ratepayers	Higher costs: taxed financing, significant PUC rate proceeding costs paid by ratepayers
Break-even budget (surplus funds invested back in the service)	Statutory return on investment (surplus funds returns investors/shareholders)
No foreign investment and/or ownership	Potential foreign investment and/or ownership
Conservation of water	Duty to sell as much as possible for stockholder fulfillment (conservation equates to limitation on revenues)
Mission: water is not a commodity but a basic need for the community	Mission: water is a commodity, purpose is to meet obligation to investors (the more money that is invested into the system, the more return on investment)
Statutorily cannot compete with other enterprises serving same purposes	Pursue any endeavor that results in profit