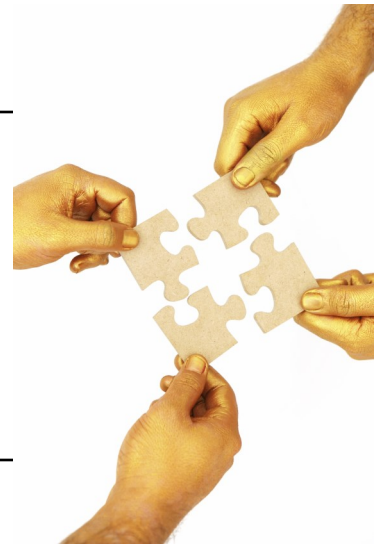


COMMUNITY— OUTREACH KIT

A Community Relations Guide
for
Municipal Authorities



The Authorities
PENNSYLVANIA MUNICIPAL AUTHORITIES ASSOCIATION

A PMAA MEMBER SERVICE PUBLICATION



COMMUNITY OUTREACH KIT

A Community Relations Guide
for
Municipal Authorities



A PMAA MEMBER SERVICE PUBLICATION

HOW TO USE THE KIT

MEET THE MEDIA

NEWSPAPERS

NEWS RELEASE PREPARATION
SAMPLE NEWS RELEASES
SAMPLE LETTERS TO THE EDITOR
SAMPLE OP-EDS
SAMPLE NEWS ADVISORIES

BROADCAST MEDIA

AUTHORITY VS. MUNICIPAL

AUTHORITY VS. PRIVATE

Dear Authority Member:

January 2008

The Pennsylvania Municipal Authorities Association (PMAA) through the QUAD A Committee (Association Alliance for Authority Advancement) is pleased to provide you with this valuable information packet and DVD specifically designed to assist your authority with its community outreach efforts.

More than ever municipal authorities need to gain a higher profile in the community and promote the exceptional services they provide - safe, reliable, affordable, and high quality utility service. Likewise, authorities also perform another role as environmentalists, economic development catalysts and community partners. Educating the public on the benefits of authority operated systems and their role in the community is vital to an effective community outreach program.

DVD

The enclosed DVD is designed to assist you in your efforts to educate and share the important role of authorities with customers, elected officials, civic and community organizations, i.e., Rotary and Lion's Clubs, Chambers of Commerce, community businesses and industry, sportsmen's clubs, church groups and schools.

In particular, the 13-minute DVD explains the purpose of authorities and provides interviews on the excellent and reliable service of authorities across the Commonwealth. Interviews with business owners and customers, members of the General Assembly, and authority members are featured. In addition, the DVD highlights future challenges authorities face in continuing to provide infrastructure and protect public health and the environment.

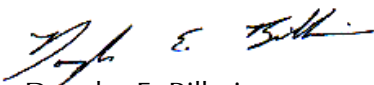
Community Outreach Kit

Finally, the enclosed Community Outreach Kit is a useful guide to assist you in developing communications and outreach with local media and your customers. In addition, information on working with the media and building relationships is provided and, in particular, preparing news releases, news advisories, op-eds, and letters. This kit provides the fundamentals and is only complete once you add information on your own authority such as annual reports, newsletter, project information and other development plans all of which personalize and customize the material for your own authority community outreach efforts (blank tabs and space provided). In the future, we hope to provide you with additional outreach materials for you to add to the kit.


Please feel free to make additional copies of any of the enclosed materials as necessary or contact us at PMAA for additional copies. Additionally, please don't hesitate to contact us if you have any questions.

We hope that you find this member service as a valuable tool in promoting the value and good work of your authority to the citizens in your community.

Sincerely,



Douglas E. Bilheimer
PMAA Executive Director



Anthony J. Bellitto, Jr. P.E.
Executive Director
North Penn Water Authority
Chair, QUAD A Committee



ABOUT PMAA

The Pennsylvania Municipal Authorities Association (PMAA) is the recognized association for municipal authorities in the Commonwealth of Pennsylvania. Founded in 1941, PMAA was established "to assist authorities in providing services that protect and enhance the environment, to present a united and common front in advocating favorable legislation and opposing detrimental legislative proposals, and to promote economic vitality and the general welfare of the Commonwealth of Pennsylvania and its citizens".

Today, PMAA represents more than 670 municipal authorities across the state providing drinking water, sewage treatment, waste management, and recreational and community projects to over 9 million Pennsylvania citizens.

In addition to active members, PMAA has more than 500 associate members, such as CPAs, engineers and solicitors, who provide services to municipal authorities.

Located across the Susquehanna River from Harrisburg, PMAA offers its members legal counsel, legislative services, education and training workshops, an annual convention, various insurance and pension programs, information services and a wide collection of publications.

ABOUT QUAD A

This publication and DVD was prepared by the QUAD A committee of the Pennsylvania Municipal Authorities Association. The primary purpose and responsibility of QUAD A (Association Alliance for Authority Advancement) is to promote authorities and their successes, and provide education and information in order for authorities to establish and strengthen relationships with their citizens/customers, state and local officials, and the media.

QUAD A committee members: Anthony J. Bellitto, Jr., Chair, North Penn Water Authority; Aurel M. Arndt, Lehigh County Authority; Edward J. Englehart, Highland Sewer & Water Authority; Max Gill, State College Borough Water Authority; Mike Kenney, Municipal Authority of Westmoreland County; Brian Mac Ewen, Chester Water Authority; Anthony A. Russo, Jr., Wilkesburg-Penn Joint Water Authority; Paul D. Vojtek, Erie Water Works.

MEET THE MEDIA

The media need news as much as your authority needs publicity. Given this reciprocal need, how can a mutually beneficial relationship be built?

The key is to get to know the media. Don't be intimidated or overwhelmed. Journalists and broadcasters are individuals with whom you can develop positive relationships.

The better you know the media, the better you can use it as a tool to communicate with the public. Gather as much information as possible on the various media outlets in your community, including:

➤ **Television** – In most cities local TV programming is available on UHF as well as VHF stations. There may also be locally originated programs on certain cable channels (including public, government and leased access channels). Many stations air editorials on current local issues, and welcome editorial replies from viewers. Requests for replies should be addressed to the editorial director.

➤ **Radio** – AM and FM stations offer a wide array of formats from all-talk to mostly music.

➤ **Daily newspapers** – Your community's large circulation daily newspaper is staffed by reporters, editors, and photographers, many of whom cover local stories. National and international stories are often picked up from one of the wire services – Associated Press (AP) or United Press International (UPI), or news syndicates (such as *The New York Times*, *Washington Post* and *Los Angeles Times*).

• Sunday supplements – In many markets, the Sunday edition of the major daily paper contains a community-oriented Sunday supplement. These magazine-format sections usually include colorfully illustrated feature stories of local origin.

• Weekly newspapers – Community newspapers usually have small circulations and staff. They often have carefully targeted audiences (e.g., a particular neighbor or ethnic community). The nature of the audience usually determines the nature of the news covered by the paper.

Media Organizational Structures

For each media outlet in your community, you should gather information on its operating policies, audiences, deadlines, and key personnel (reporters, writers, TV anchors, news directors, assignment editors, public service directors).

INTERACTION WITH REPORTERS, PREPARATION OF NEWS RELEASES - DOS AND DON'TS

DO keep it simple. Leave the creative writing to the editor and the reporter. Stick to who, what, where, when and why at all times.

DO remember to put your customer – and the newspaper reader or TV news viewer first. A capital plan to invest millions of dollars in new pipes means clean, safe water. It means fewer traffic jams due to water pipes bursting. It means clean water and safer environmental conditions.

DO include a valid contact name and number for the media to contact and to interview. Reporters are busy and cannot afford to waste time waiting for someone to return a call to answer basic questions.

DO include at least one quote from your authority in every news release that focuses on what impact the news will have on the reader.

DO follow up every release with one phone call to your targeted media outlets and be sure to talk with a live human being – e-mail or a voicemail alone will not cut it.

DO try and line up a quote or a possible interview with at least one ratepayer or local businessman who would be willing to offer an independent but positive view on your news release. A local fire chief could provide a positive quote on a capital improvement plan if that plan means a reliable water supply in the event of an emergency.

DO ask reporters when you contact them if they are working on a deadline so that you are aware and courteous of their time constraints with other news stories. If they contact you, also be courteous of deadlines that they must meet on information they need from you.

DO NOT put your authority at the center of the editor or reporter's universe. It is not about you: It is about your customers and their readers/viewers.

DO NOT assume that reporters/editors already know the issue or your agency. In each release, include 1-2 boiler plate paragraphs that provide the key background on your authority including how many consumers and/or communities you serve.

DO NOT use technical jargon, bureaucratese or legalese. Reporters/editors do not want to have to consult an expert in authority rules, regulations or finance to decipher what exactly the news release is attempting to state.

DO NOT issue a news release at 5:00 p.m. on a Monday afternoon and expect it to magically appear in Tuesday's editions. Be cognizant of local news cycles so that you can give both print and electronic media enough time to review your news release and decide whether or not it warrants coverage

DO NOT take it personally if the media declines to tackle your news release. There is only so much space in the newspaper and so many minutes in the evening newscast. News judgment is an art – not a science so you have to keep at it.

YOUR LOGO

NEWS RELEASE

FOR IMMEDIATE RELEASE:

Day and Date

CONTACT:

Name & Phone #, email

Headline (Hook: A Capsule Summary of Release)

Lead Paragraph: Who, What, When, Where, & Why.
(Lines)

Second Paragraph: More essential information.
(Lines)

Third Paragraph: Soundbite, said spokesperson.
(Hook)

Fourth & Additional Paragraphs: More detail, consider using bullets to highlight key data.
(Lines)

Last Paragraph: Strong closing statement. Use a soundbite or summary information.
(Hook or Lines)

(In smaller print size)

Include a short description of your authority, i.e., function of the authority and service provided, number of customers, service area, mission statement). If news release extends to second page, include the headline of the release, page #, contact information (name of authority, contact person, address, phone, fax, email).

Crafting Your Message: A Fishing Analogy

Hooks, Lines & Sinkers

HOOKS:

A pithy, short attention-getting statement crafted to evoke a desired response from the press and a general or targeted audience. Often the leadoff part of your message, a hook can be a headline (a complete phrase) or a sound bite (one or two sentences).

LINES:

Elaboration, explanation and reinforcement of the hook. The “key” information, presented in a clear, compelling manner.

SINKERS:

Anticipates the content of an opponent’s attack on your hook and lines and pre-empts it with a defense.

Sample News Release 1

A news release is designed to be sent to the media in order to encourage them to develop articles on a subject. It is generally biased towards the objectives of the author. The purpose is to attract favorable media attention and publicity.

Your Logo

News Release

DATE ____
FOR IMMEDIATE RELEASE
CONTACT:

Mt. Memory Authority Approves Capital Budget Plan

\$1.5 Million Plan Ensures Safe, Reliable Water Service for Residents

Yourtown, PA (January XX, 200X) Mt. Memory Municipal Authority officials have approved a \$1.5 million capital budget plan that calls for replacing XX miles of water pipes and critical systems.

The authority serves XX customers in the region and its pipes cover XXX square miles. In the past XX years, the authority has replaced and/or upgraded XX miles of its system as part of an aggressive capital improvement campaign.

“Our goal is to continue providing affordable access to critical services. We all recognize the need for clean and safe water systems. This capital investment will enable us to ensure our systems continue to meet the level of service our customers warrant,” said Executive Director _____. “It’s important to note that every rate dollar we collect is re-invested in our systems and this capital budget demonstrates our commitment to provide a high level of service while maintaining a fair rate structure.”

The board approved the plan unanimously at its monthly public meeting. Copies of the plan are available at the authority’s offices and on the authority’s home page at www.mtmemoryauthority.org.

###

Sample News Release 2

A news release is designed to be sent to the media in order to encourage them to develop articles on a subject. It is generally biased towards the objectives of the author. The purpose is to attract favorable media attention and publicity.

Your Logo

News Release

DATE _____
FOR IMMEDIATE RELEASE
CONTACT:

Yourtown, PA (January XX, 200X) – The XX Municipal Authority is sponsoring an educational day for the community to learn about their wastewater treatment service (or water) provider.

The event will take place at (municipal authority location), and the authority will offer tours and literature about the services provided by the authority for the community.

The educational information will focus on the benefits of having a local municipal authority as a utility service provider, the process of (water or wastewater treatment.

“It is important for us to educate the community because municipal authorities are the heartbeat of the community. We keep all (water or wastewater) services working, repair infrastructure and make sure that all federal and state regulations are met,” said xxx. “This is a great opportunity for us to reach out and help the community understand our full role in their lives.

Municipal authorities provide services ranging from water purification, pumping, wastewater treatment, and infrastructure improvement. And, since authorities are a not-for-profit- organization every dollar paid in service charges is placed back into providing improvements and maintenance to the municipal authority.

“We have been looking for a way to inform the people about what we do,” said xx. “This gives us that chance, and also the ability to meet face-to-face with our customers in the community.”

###

Sample letter to the editor from business customer
(Customers telling your story is an effective communications tool)

Letters to the editor generally respond to something previously published in the paper. They are much shorter than Op-Eds--a few paragraphs instead of several hundred words. Writers often express a personal viewpoint and may not be writing as experts or as representatives of institutions.

Private Business-Public Authority Partnerships Important

Dear Editor:

As a business owner, I understand the importance of strategic partnerships and cooperation in bringing a good or service to market. The relationships between Pennsylvania businesses and our local municipal authorities are vitally important to building community infrastructure in urban and rural areas alike along with creating the economic engine necessary to keep Pennsylvania moving forward.

These municipal authorities are in a unique position to use publicly-backed authority funds to finance important sewer and water projects across the Commonwealth. In cooperation with private businesses, such as the one I operate, the bidding process is competitive, taxpayer dollars are spent efficiently, and a safe, reliable product is delivered to our cities and neighborhoods. When businesses and public authorities partner together, real people benefit from real results.

Dealing with municipal authorities ultimately leaves the power over projects in the hands of the people. They decide how money should be spent and the priorities of each municipality by the elected officials they support on each board. Private business can thus carry out the will of the people when accomplishing worthwhile capital improvements.

For the future of our citizens and our communities, large and small, we must continue the important working relationships between public municipal authorities and private business and industry. These partnerships are important and their results deliver for all Pennsylvanians.

Sincerely,

Sample letter to the editor from residential customer
(Customers telling your story is an effective communications tool)

Letters to the editor generally respond to something previously published in the paper. They are much shorter than Op-Eds--a few paragraphs instead of several hundred words. Writers often express a personal viewpoint and may not be writing as experts or as representatives of institutions.

Dear Editor:

I read with interest the recent article published regarding the Mt. Memory Municipal Authority and the efforts of a private firm to purchase the authority. I feel the authority does not receive enough credit for the high level of service its management team provides our community.

As a resident for _____ years, I have found that our municipal authority works hard to maintain prices, while providing a high level of service. The authority is managed by officials who are accountable to the public --- not to the shareholders of a for-profit company.

We pay less for a full day's worth of service from the authority than many people do for a bottle of water at the local convenience store. Is there any other critical commodity we need that is so affordable and so readily available?

For years, the authority has met or exceeded all of my expectations of a service provider, from seeking cost savings for customers to outstanding quality and service to the consumer.

Pennsylvania communities are best served by local ownership and local management of our water systems because authorities are more responsive to specific community needs.

The community depends on the services that are provided by our local water authority, and it should remain in the hands of those who care about it the most - the residents of the community.

Sincerely,

Sample OP-ED from Local Municipal Authority Leader

An Op-Ed is an article expressing an opinion that often appears on the page opposite a newspaper's editorial. They are designed to express an opinion, so you must take a position on an issue. Focus on one idea and have an opening and closing paragraph that clearly states your conclusion or opinion. Avoid the tendency to explain all sides of an issue unless you have been asked to provide an analysis of a specific topic.

Out of Sight, Out of Mind

It is an old adage but it happens to be quite true: Out of sight, out of mind. Think about it for just one second: When was the last time you paused before turning on your spigot, crossed your fingers and hoped that clean, safe water would tumble out?

When was the last time you took a shower or flushed the commode and wondered whether the wastewater would disappear?

In our region and in many parts of the state, clean water is a given. The pipes and pumps will work and we never give it a second thought. As the ___ of the ___ Water and Sewer Authority, this is just fine by me. Our first job is to provide high quality, affordable and dependable water service.

We serve 10,000 customers in the region, including residents and hundreds of businesses that cannot open their doors without reliable water service. Our pipes cover XXX miles. Still, looking ahead, it is time to recognize that we must continue making significant capital investments in our system.

Some of our pipes and systems are more than XX years old and are reaching the end of the line. If we do not replace these pipes, the system could fail. In all, we estimate that we will need to invest \$___ in capital improvements in the coming months and years.

We are not alone. According to independent studies, Pennsylvania faces a required investment of \$10 billion over the next 20 years to replace aging facilities and comply with safe drinking water regulations. Our Commonwealth must invest \$12 billion over the next 20 years to upgrade its existing sewage treatment plants and lines, including \$4 billion to remedy combined sewer overflows.

The good news is that we recognize the challenges we confront and are prepared to address them head on. As a publicly-owned entity, we can make the appropriate levels of investment in our system while balancing the need to maintain fair and reasonable rates.

The authority is accountable to its ratepayers – not to shareholders. We have no profit motive and every penny in rate dollar that we collect is re-invested back into the system. Our authority is managed by local residents who rely on the very system they are managing and have more than a passing interest in making sure that the pipes and pumps do, in fact, continue working.

Sample News Advisory 1

Used for news announcement of special events or meetings.

WHAT: The Mt. Memory Water Authority will approve a \$1.5 million capital budget program at its monthly meeting. The plan calls for replacing and/or upgrading XX miles of pipe and other critical improvements. The authority serves XX customers in the region. The capital budget plan will allow the authority to continue making the proper level of investment while maintaining a fair and balanced rate structure.

WHERE: The Mt. Memory Water Authority main offices, XX Water Drive.

WHEN: Tuesday, January XX, 200X at 7:00 p.m.

CONTACT: Authority name, phone, address, email, contact person.

Sample News Advisory 2

Used for news announcement of special events or meetings.

WHAT: The Mt. Memory Water Authority will approve a \$1.5 million capital budget program at its monthly meeting. The plan calls for replacing and/or upgrading XX miles of pipe and other critical improvements. The authority serves XX customers in the region. The capital budget plan will allow the authority to continue making the proper level of investment while maintaining a fair and balanced rate structure.

WHO: State Representative _____ of the XX district and State Senator _____ of the XX district will be present to learn about the proposed improvement plan and discuss possible state funding.

WHERE: The Mt. Memory Water Authority main offices, XX Water Drive.

WHEN: Tuesday, January XX, 200X at 7:00 p.m.

CONTACT: Authority name, phone, address, email, contact person.

Legislators will be available for interviews
Photo opportunity

TIPS FOR TV AND RADIO INTERVIEWS

No amount of training and public relations experience can help your effectiveness on the air if you have nothing to say, or if your position is untenable. However, plenty of people who have reasonable things to say about important issues do not do as well as they might.

Do not be intimidated by the following warnings and advice. If you take heed, you will be more effective, but the most important thing is knowing your subject, and knowing what you want to say.

GENERAL ADVICE

1. Prepare, but do not over-prepare

You cannot anticipate every question, and you can never predict the exact form in which even the most obvious ones will arise. Anticipate subject areas and specific problems, and think about brief, punchy answers, but don't memorize whole answers to questions you may not get.

2. Conceive of a general theme

If you can develop a consistent framework, your answers will reinforce each other.

3. Decide the major points you want to make

Think about how to work them into your answers to questions you are likely to receive. Often, you will get to mention only one or two. Stress them early and often.

4. Be concise

Even if your appearance is live and unedited, long rambling answers are ineffective. When your interview is to be edited for a news show or documentary, think about how your answers or statements will sound standing alone. Learn how to estimate time, and try to keep answers to 15-20 seconds.

5. Generalize

Don't let the side points or minor exceptions get in the way of your major point. When appropriate, start with answers like this: "For the most part, yes." "Sometimes." "Usually." "With some exceptions." Then discuss your major point. Make the interviewer ask another question to explore the side issues.

6. Listen and wait

Make sure you understand the question before you answer. If you are confused, ask for clarification – it makes the interviewer look bad, not you. If you need to think about your answer for a moment, do so.

7. Taped interviews will be edited

This is both good and bad. Long answers will be cut. Pauses can be deleted, so take your time to think. Themes may be distorted, so make your points often. If you want to redo all or part of an answer for some reason, ask the interviewer to go back to a specific place; then give your corrected answer starting at the beginning – never in the middle – of a sentence.

8. Stay calm

Don't let an interviewer get you angry. Pause. Think. Smile. On a live show, state simply that the question is unfair or that the tone makes it very hard to have a productive discussion.

9. Remember that everyone is listening

You are not speaking to move people who share all your values and assumptions. Calling someone a “Conservative” doesn’t help when at least half your audience is conservative.

10. Be a little early

You can relax once you’re at the studio, and you need to allow for foul-ups.

11. Ask questions to learn the basics

Don’t be afraid to find out about the format, who else will be on, who goes first, and especially, how long you’ll be interviewed. Also, ask them in advance for the questions they may pose so you can prepare ahead of time.

12. Anything you say had better be something you won’t mind seeing or hearing on the air

Your slightest whisper will be picked up by a microphone. You must assume that a camera or tape recorder will be on at all times, anywhere in the studio. This cannot be overemphasized. The reason that this is the oldest trick in the book for interviewers is that it works all too often.

RADIO

1. The focus is on your words

Be very clipped and precise. Every “uh” and “er” is magnified on radio.

2. You can’t win them over with a smile . . . Gestures don’t help either

Nodding “yes” or “no” is a waste of time, but a lot of people answer that way. Point or emphasis with your body doesn’t help. Sounding friendly on radio is very important, but it’s harder to sound friendly than to be friendly. Smiling while you talk may help you give the right quality to your voice, but remember it’s the voice that counts.

3. Radio is an intimate medium

As far as the listener is concerned, you are sitting right in his or her living room or car. Don’t shout; don’t preach; don’t give a speech. Use a gentle, conversational tone.

TV

1. Moderate gestures help make you interesting

Smiles, pointing, nods are good devices when used sparingly to drive home a major point.

2. Everything you do is magnified

Think small. If you scratch your head or wring your hands, it is the only thing people will notice. Sit still; don’t swivel in your chair or dangle your legs.

3. Act as if you are on camera at all times

You may think someone else is being pictured, but even if you see only one camera, there may be others. Do not slouch. Keep your feet together.

4. Dress carefully and conservatively

Missing buttons, unshined shoes, etc. distract the audience. Even if your clothes are a political statement, the message is distorted in a studio setting. Extreme styles of any kind are dangerous, even if they are the “real you” off the air.

5. Use makeup

If they offer, accept the offer. Bring your own compact and put on your own makeup if they don’t. Men: this means you! Get someone to help you find the right color. Women should avoid extreme makeup – strange colors, etc. are dangerous.

Twelve Tips for Broadcast Interviews

- **Define your message:** What's the issue and what do you want to have happen?
- **Know the interviewer and your audience:** Who is going to see and hear you; what's the most effective way to communicate your message to them?
- **Simplify:** Keep it simple and clear, in both concept and context. Hold on to one theme and two or three central, reinforcing points.
- **Practice the 3 R's:** Rehearse, Roleplay and Revise (and then repeat this step!)
- **YOU are the message:** Focus your words, voice tone, facial expressions and body language. Emote without shrill attacks.
- **Control the interview:** Stay on target with your message. Use "bridging" and other techniques.
- **Being nervous is normal:** "Reframe" the fear into excitement and enthusiasm. Use breathing, centering and other relaxation techniques that you know work for you.
- **Create a relationship with the interviewer and the audience:** Use interviewer's first name, anecdotes and succinct, colorful sound bites to connect with them.
- **It's OK not to be the "Know it all":** Say, "I don't know" in a way that adds to your credibility instead of detracting from it.
- **Be prepared:** Repeat step #4.
- **Anticipate:** Be ready for hostile questions and questioners.
- **Remember:** Your point of view is the most important thing at the moment. You are being interviewed because what you know and think is of value. **Stay centered and stay focused.**

Sound Bites

Here are at least nine characteristics of sound bites:

1. **Avoid rhetoric.** Give specific examples.
2. **Use analogies.** The more homespun, the better, especially on complex issues.
3. **Use “The Three C’s”.** Colorful words, Clichés and Contemporary references (pop culture).
4. **Use one-liners.** Not the Henny Youngman-type of one-liners. Make yours well crafted. You have to practice them. Be prepared.
5. **Absolutes, superlatives and summary lines.** Reporters and editors love “The best...” “The First...” “The Only...” “The Greatest...”.
6. **Use proportionate numbers,** or use approximate numbers. If a reporter wants to know the exact numbers, he or she will ask. Besides, these numbers are easier for you to remember.
7. **Be personal** – use “I” statements. These are anecdotal, reaffirm your authority and, best of all, no reporter can challenge you on it. They don’t know if you were there or not, or whether you felt that way.
8. **Quote your enemies,** especially if they agree with you. Your friends will always be on your side. If your enemy agrees with you, then you’ve got a story.
9. **Include a second-person perspective.** Let the reader know what will happen to him or her. Let the people in Milwaukee know what will happen to them. Let the state of California know what will happen to it.

FACT SHEET

SEWER/WATER SYSTEM OPERATIONS:

MUNICIPAL AUTHORITY OR MUNICIPALITY

If a municipality is considering disbanding or dissolving their authority in order to operate the sewer and/or water system themselves, below are some key facts to be aware of prior to a final decision.

- **Outstanding Debt**

The municipality will be required to assume the debt or pay off the debt presently held by the authority. This debt is properly the responsibility of the customers as this debt represents money borrowed to construct improvements for the sewer and/or water system. Taxes of the municipality should not be used to secure repayment of debt or assumption of debt which benefits customers in all municipalities served by the authority.

- **Pennsylvania Public Utility Commission (PUC) Involvement**

Municipal operations serving outside boundaries of the municipality are subject to PUC regulations (note: authorities are not regulated by the PUC for service outside the municipal governing body). If the authority's service area extends beyond the municipal boundaries, those areas will be under PUC jurisdiction once operated by a municipality.

PUC regulated utilities are consistently and significantly more costly to the ratepayers in the community than non-regulated service providers:

- 1) Applying to the PUC – The municipality must apply to the PUC in order to be granted a “certificate of public convenience” (or a license to operate as a public utility). This is a time-consuming and expensive process, which involves establishment of a service territory, preparation of a five-year plan, a business plan, submittal of all original costs and depreciation of facilities, summaries of customers, existing rates, costs of service, operators’ certificates, and a number of other components. The estimated cost for this initial submittal is approximately \$50,000.
- 2) Following the initial submittals to the PUC, whenever an adjustment in rates outside of the municipality itself is needed (either up or down), a rate filing must be made to the PUC. The initial filing is estimated to cost \$20,000 to \$25,000. To this amount must be added legal costs, filing fees, advertising, notification, etc. If so much as one customer complaint is received with regard to the proposed rate increase, then hearing costs and dispute resolution must be added. It is not unusual to see rate filings climb to \$100,000 or even \$150,000. This is for every rate filing. These costs, of course, must be factored into the rates for utility service and are paid by the ratepayers.

- **Assuming Debt**

Any time the municipality would want to borrow money for needed projects on the water or sewer system, the municipality would be required, by law, to go through the provisions of the Local Government Unit Debt Act. This Act requires a municipality to seek State approval before incurring any debt.

- **Function of Reserves & Future User Fees**

Municipalities acquiring projects from authorities are required to retain the reserves received from the authority and proceeds of financing in a separate fund. These monies may only be used for operating, maintaining, repairing, improving and extending of the project. The Municipality Authorities Act, Section 5622 (d) prohibits a municipality from using those reserves for street maintenance or any purpose other than operation of the sewer and/or water system.

In the case of the second class township code, Section 2511(c) and Section 3302(a), prohibits future money derived from user fees are to be used for any purpose other than the operation of the sewer and/or water service.

- **Separation of Government from Utility Operations**

The primary reasons for the enactment of the Municipality Authorities Act of 1945 and the creation of authorities was to separate operation of a utility system from the other responsibilities of local government, to operate the system and incur indebtedness outside of the taxing structure through imposition of user rates, and to buffer operation of the utility system from the other local political and financial decisions facing local governments.

Once a municipal authority is created, it becomes an independent agency of the Commonwealth and is given powers by the Legislature so that municipal authorities may accomplish the purposes granted under the Act in an efficient and economical manner.

Authority operations are often highly complex, demanding significant attention from the officials overseeing the project. Board members appointed by the elected officials are able to focus on a specific operation or project, concentrating on the financial, engineering and environmental decisions that impact the operation and maintenance of an infrastructure system.

- **Sale of water system by Boroughs** (includes a borough run water system and a dissolved water authority taken over by the borough).

The borough code provides a public process in the case of a **sale** of a water system in Section 2409. If the public disagrees with the **sale** of a borough's water system, a procedure is established which allows the citizens of the borough an avenue to thwart a planned sale of a water system. Section 2409 empowers citizens who object to such a sale to gather petitions of only 10% of registered electors, which would stay the sale and force a referendum on the issue. The question is placed on the ballot at the next primary, general or municipal election.

BENEFITS OF AUTHORITY INFRASTRUCTURE MANAGEMENT

Public versus private ownership:

- Pennsylvania communities are best served by local ownership and local management of critical infrastructure because local owners and local managers are more responsive to specific community needs.
- Local ownership translates into better service, more accountability, a guarantee that every ratepayer dollar will be re-invested back into the community. There is no profit margin to consider.
- Municipal authority board members are appointed by their member municipalities and are therefore accountable to the general public they serve. Municipal authorities have a vested interest in maintaining fair rates and in returning those rate dollars back to the public in the form of appropriate capital investments to ensure safe and reliable service.
- As public entities, municipal authorities are best able to balance the need for continual reinvestment in their systems while protecting the public from onerous rate hikes.

Economic development:

- Sound local economies can only be built on functional and safe infrastructure.
- Municipal authorities partner with business, civic and local leaders in communities across the state to ensure that they can continue providing the infrastructure necessary to meet growing business and community needs.
- The need for continued investment is critical: every statewide and national study indicates that the businesses that drive our economy need significant capital investment in infrastructure.

Environmental stewardship:

- Protection of public health and the environment are paramount goals of authorities as they strive to maintain and enhance the quality of life in their communities.
- While state and federal laws and regulations drive environmental protection programs, municipal authorities, operated by citizens of the local community, have a vested interest and obligation to protect their local natural resources and the citizens of the community.

Sample OP-ED from municipal authority leader on privatization

An Op-Ed is an article expressing an opinion that often appears on the page opposite a newspaper's editorial. They are designed to express an opinion, so you must take a position on an issue. Focus on one idea and have an opening and closing paragraph that clearly states your conclusion or opinion. Avoid the tendency to explain all sides of an issue unless you have been asked to provide an analysis of a specific topic.

The recent series of articles concerning the potential privatization of our local water authority warrants a greater context than we have seen to date. As a member of the authority's board, I'd urge your readers to step back and consider the long-term consequences of the proposed takeover.

There is a vast difference between the private sector and our public municipal authority but I'd like to focus on the bottom line. That is, the bottom line that appropriately drives the private sector.

The for-profit sector must make a return on its capital investment. The company has shareholders to consider. Some percentage of every rate dollar the company realizes by definition belongs to the shareholder.

This authority does not have to consider shareholders – just our customers. We have no profits or margins. Every rate dollar our customers pay for service is invested in the system. We can make appropriate long-term capital investments while maintaining fair and reasonable rates.

There are several examples of authorities that have been taken over in our Commonwealth. The for-profits have realized their profits but the ratepayers have had to pick up the tab.

It is easy to dismiss these concerns as self-interest because I am, after all, actively involved with managing the very entity that would go out of business if this proposal is approved.

The fact is that there is no financial gain and/or fame in being involved with a municipal authority. Our only goal is to ensure safe, reliable water and sewer service. It is far from glamorous but it is critically important to the quality of life we enjoy.

Our community needs to protect its vital assets. We need to ensure that we have affordable access to safe and reliable water services. The best way to achieve this goal is to continue our long tradition of public accountability and local ownership. The best way to achieve that goal is to reject this takeover.