

ORIGINAL



March 23, 2018

Mr. Scott Shearer  
PFM Financial Advisors, LLC  
One Keystone Plaza  
North Front & Market Streets  
Harrisburg, PA 17101-2044

Mr. Brian Havir  
Township Manager  
Cheltenham Township  
8230 Old York Road  
Elkins Park, PA 19027

Dear Sirs,

On behalf of Aqua Pennsylvania Wastewater, Inc., ("Aqua PA") a subsidiary of Aqua America, Inc. ("Aqua"), I am pleased to submit this official bid in response to Cheltenham Township's ("Township") Request for Bids ("RFB") from Prospective Proposers with interest in purchasing its Sanitary Sewer System ("Sewer System"). Aqua is one of our nation's largest and most respected publicly-traded water and wastewater utilities, providing drinking water to 2.75 million people; owning and/or operating 1,447 public water systems; providing wastewater service to 250,000 people; and owning and/or operating 187 wastewater treatment plants and collection systems in 8 states.

There are many factors that must be considered in selecting the right partner to own and operate the Sewer System. As such, we urge the Township to consider the benefits of each proposer. Our long-standing relationship with Cheltenham Township as its water provider affords us personal insight into its inner workings, challenges and goals. We therefore understand the importance of selecting a partner who can cost-effectively and efficiently resolve the Township's sewer problems thereby assuring opportunities for community growth. We are proud to report that during the bid process we focused on developing the best plan for the Township and its residents. Our Cheltenham Plan, includes the following benefits at a fair and reasonable price.

- **Private Laterals:**
  - ✓ We believe system-wide replacements of private laterals may be avoided;
  - ✓ We actively support HB 2075 that allows regulated utilities to replace private laterals.

- **Rates:**
  - ✓ Upon closing, we will adopt the Townships existing sewer rates.
  - ✓ Existing sewer rates will remain unchanged until at least 2021 and can only be modified with approval from the Pennsylvania Public Utility Commission.
  
- **Relationships with Philadelphia Water Department & PA Department of Environmental Protection:**
  - ✓ Our staff and managers have long standing working relationships with PWD upon which we will rely to expeditiously implement our Cheltenham Plan. No other bidder has the same working relationship.
  - ✓ Recent discussions with PWD and DEP offered a better understanding of the problem which is now an integral part of our Cheltenham Plan. Our plan efficiently reduces I&I and sanitary sewer overflows, and offers timely resolution of the DEP Corrective Action Plan.
  
- **Growth:**
  - ✓ Capital improvements coupled with a comprehensive plan will result in Cheltenham's ability to add EDU's thereby enabling growth as it sees fit.

We believe our plan meets the needs of the Township and will quickly move to resolve the sewer system deficiencies.

On behalf of Aqua I would again like to thank you for the opportunity to submit our bid and look forward to expanding our relationship to include the Sewer System. You can rely on our expertise, talent, financial strength and first-hand experience in Cheltenham Township where we have partnered and served for over 130-years. I look forward to hearing from you. Please call me if you have any questions.

Respectfully submitted,



Marc A. Lucca