

December 29, 2017

Dear Falls Township Board of Supervisors,

(Electronic delivery only)

Robert Harvie, Board Chairman (bharvie@fallstwp.org)

Jeffrey Dence, Vice Chairman (jdence@fallstwp.org)

Jeffrey Rocco, Secretary (jrocco@fallstwp.org)

Jeff Boraski, Supervisor (jborkski@fallstwp.org)

Brian Galloway, Supervisor (bgalloway@fallstwp.org)

Re: Elcon and possible impact on Falls Township credit rating due to Sea Level Rise

We would like to bring to your attention a new economic reality that the Falls Township Board of Supervisors must now weigh in considering approving the Elcon toxic waste processing facility in the Keystone Industrial Park Complex (KIPC).

We recognize that at this time, Elcon Recycling Services, LLC, does not have an active development project proposal in front of the Falls Township Board of Supervisors. However, the Pennsylvania Department of Environmental Protection (PADEP) is reviewing Elcon's October 13, 2017 re-submission of their Phase 2 Resource Conservation and Recovery Act (R.C.R.A.) application (the first Phase 2 submission was found deficient by PADEP) for administrative completeness. In anticipation that that application will, at some point in the near future, be deemed by PADEP to be "administratively complete", we are writing this letter to draw your attention to another reason to halt this project from going forward.

As you no doubt have heard through the Phase 1 permitting process, many area residents as well as some agencies feel that this project is simply too hazardous in terms of potential environmental catastrophe for the proposed site. We agree with them. But now, there is new economic information that makes it clear that locating here will impact the bottom line of Falls Township, both in terms of increased operating expenses and increased liability in the future.

Bloomberg News recently (11/29/17) reported that Moody's Investor Services has issued a warning that they will downgrade the credit of coastal communities threatened by flooding if they fail to plan for climate-related catastrophes. Read the full article here:

<https://www.bloomberg.com/news/articles/2017-11-29/moody-s-warns-cities-to-address-climate-risks-or-face-downgrades>

This is an alarming and consequential development. Key points from Moody's warning:

- **Focuses on Coastal Communities:** Falls Township is a coastal community, and the KIPC is within the Delaware Estuary Coastal Zone, as established by the Pennsylvania

Department of Environmental Protection.¹ Moody's will include Falls Township in this increased scrutiny, and Elcon's facility, by virtue of the environmental threat it poses to surrounding communities, will substantially increase the town's risk portfolio.

- **A downgraded credit rating can affect a township's bottom line.** From the article: "Bond rating agencies such as Moody's are important both for bond issuers and buyers, as they assign ratings that are used to judge the risk of default. The greater the risk, the higher the interest rate municipalities pay."

Recent (2017) findings in the U.S. Global Change Research Program's (USGCRP) Climate Science Special Report (CSSR), concludes that:

1. Global mean sea level (GMSL) has risen by about 7–8 inches since 1900, **with about 3 of those inches occurring since 1993** (*very high confidence*).
2. Relative sea level (RSL) rise in this century will vary along U.S. coastlines due, in part, to changes in Earth's gravitational field and rotation from melting of land ice, changes in ocean circulation, and vertical land motion (*very high confidence*). **For almost all future GMSL rise scenarios, RSL rise is likely to be greater than the global average in the U.S. Northeast...**
3. Both theory and numerical modeling simulations generally indicate an increase in tropical cyclone (TC) intensity in a warmer world, and the models generally show an increase in the number of very intense TCs. For Atlantic hurricanes, increases are projected in precipitation rates (*high confidence*) and intensity (*medium confidence*). **The frequency of the most intense of these storms is projected to increase in the Atlantic.** (emphasis added)
<https://science2017.globalchange.gov/>

We believe that it is findings such as these (and many other scientifically-based sources) that are raising these new economic concerns and realities from the business world. When Falls Township's rating is reviewed, the presence of an extremely toxic waste processing facility improperly and/or unwisely sited in an area known to be hydrologically connected to the River and at high risk for increased flooding will negatively affect that rating. The Delaware River provides drinking water for 17 million people. How can the Elcon facility be responsibly sited within the floodplain of this river? It can't. And bringing in fill-dirt to raise the facility above the floodplain as Elcon is proposing to do is no guarantee that the site will not be impacted by the realities of climate change, sea-level rise and tidal surges – the basis of concern leading to Moody's new position.

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<http://files.dep.state.pa.us/Water/Compacts%20and%20Commissions/River/About/Docs/DECZTopos.pdf>

Hurricane Sandy taught us all that weather-related catastrophes can affect the Northeast in alarming new ways for which responsible jurisdictions must prepare.

Please recognize the need to prepare for our communities' protection, and do everything within your power and authority to deny Elcon its permit to build in the Keystone Industrial Port Complex, both during the public commenting process through the PADEP, as well as when this project next comes before the Falls Township board of supervisors.



Peregrin (Perry) S. Jones
Concerned Citizen
73 Moran Ave, Princeton, NJ 08542
[415-806-1844](tel:415-806-1844)
perry@outersea.com
<https://www.linkedin.com/in/peregrin-jones/>



Fred Stine, Citizen Action Coordinator
Delaware Riverkeeper Network
925 Canal St., Suite 3701
Bristol, PA 19007
215.369.1188x113
Fred@Delawareriverkeeper.org

cc: (Electronic delivery only)
Perter Gray, Falls Township Manager
Charles H. Martin, Bucks County [Commissioner Chairman](#)
Robert G. Loughery, Bucks County [Commissioner Vice Chairman](#)
Diane M. Ellis-Marseglia, LCSW, Bucks County [Commissioner](#)
Charles T. McIlhinney Jr., PA State Senator, 10th District
Maya K. van Rossum, the Delaware Riverkeeper