



## Willistown Township

Board of Supervisors Meeting – September 12, 2022

### Sale of Township Sewer System

#### Frequently Asked Questions

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#### **Will there be a vote tonight on the closing of the sewer sale?**

No. No action will be taken at this meeting to finalize the sale of Willistown Township's sewer system.

#### **Why is Willistown selling the sewer system?**

By exiting the business of sewer system operation, the Township can better focus on core government functions while ensuring the residents are still offered safe and reliable sewer service by a Commonwealth-regulated utility. In addition, the funds generated by the sale will be used to pay off sewer debt. The sale also allows the Township and ratepayers to avoid future costs of sewer system upgrades. Furthermore, it was concluded that a utility company such as Aqua could maintain the sewer system as it ages at a lower cost than a single municipality.

#### **Who approved the sale of the sewer system?**

The Asset Purchase Agreement was approved by the Township Board of Supervisors in December of 2020, but it required further approval at the State level. The sale was subsequently approved by the Pennsylvania Public Utility Commission (PUC) in July of 2022.

#### **Didn't an Administrative Law Judge recommend against the sale?**

Yes, but the PUC is not bound by the recommendation of the Administrative Law Judge.

#### **Can the Township reverse the decision to sell the sewer system?**

No. The Asset Purchase Agreement is a binding agreement between the Township and Aqua, and the sale has been approved by the PUC. The Township cannot legally take action to reverse the sale. Aqua has denied the Township's requests to reconsider or terminate the sale.

#### **Wasn't the sale appealed?**

Yes. There were two requests for a "stay" – this is a request for emergency action. Those were filed with the PUC and the Commonwealth Court. The stay filed with the PUC has been denied. The stay filed with the Commonwealth Court has not yet been ruled upon.

In addition, an appeal of the PUC decision has been filed with the Commonwealth Court. This appeal has yet to come before any judge(s), and the timing of any outcome is unknown.

#### **When will the sale be finalized?**

The sale will not go to closing while a stay is outstanding. The sale could be finalized while there is an outstanding appeal, but the legal obligations of both the Township and Aqua will need to be determined before the sale is finalized.

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**What will happen to the appeal if the sale is finalized before the appeal goes before the Court?**

If the Township closes on the sale, the appeal will still go to the Court. If the appeal is successful under these circumstances, the deal would be undone, and ownership of the sewer system would be returned to the Township.

**What will be done with the money the Township receives from Aqua for the sewer system?**

The Board has not yet made a final decision on the allocation of these funds. A portion of the funds must go toward repayment of debt, as well as transaction fees related to the sale. In early 2021, the Township formed a Sewer Customer Benefit Committee to develop ideas for fund allocation. Two ideas put forward include a Capital Replacement Fund to pay for replacing grinder pumps for residents in the Low-Pressure system; and a Customer Benefit Fund to stabilize sewer rates from potential increases from Aqua until the year 2030. These funds were created by Resolution 23 of 2020 but have not yet been codified or funded. Other potential allocation includes open space acquisition or capital project funding.

**Can I make a comment or ask a question?**

Yes, the Board of Supervisors will be taking public comments and questions on this issue at tonight's meeting. Given the expected crowd and to ensure everyone has a chance to be heard, each commenter will be limited to 2 minutes.