



Date: May 25, 2023

Board of Supervisors' Statement: Home Rule Charter/ Sewer Sale

We are aware of the unofficial results regarding the Home Rule Charter from the election last week. Although the vote was close, the Home Rule Charter did pass and we acknowledge that the Charter will be the law of the Township as of July 1. However, the relevant issue at this time is whether a prospective law can upend a contract. As have we previously stated, and as we have shared with the opponents of the sewer system sale, the Township legal team does not believe the passage of the Home Rule Charter negates the sewer sale under current Pennsylvania law and the Pennsylvania Constitution. There is strong legal precedent against overturning pre-existing contracts based on the passage of new laws. As such, we do not intend to seek to terminate the contract. We, as elected representatives of our citizens, continue to believe firmly that the sale is in the best interest of our community.

We explored privatization in accordance with Pennsylvania's Act 12 of 2016 (sale of municipal water/wastewater systems for fair market value), believing it was our duty to do so. Throughout this 18-month journey - including learning about how the Act 12 fair market value process works, retaining municipal finance experts, identifying current and future township needs, evaluating the benefits of a sale, pre-qualifying bidders and then finally making the decision to sell - we exercised due diligence and transparency. We remain confident that, after considering the many benefits to our community, we have made the right decision. We intend to honor our contractual commitments. We are committed to working with PA American Water Co. on a smooth transition.

This matter is pending at the Public Utility Commission. The Public Utility Commission is the statewide agency with jurisdiction to determine whether the transaction is in the public interest and to ensure that rates will be just and reasonable. The Township is confident that the Commission, after full consideration of the mounting environmental challenges of the system and other relevant facts, will find that the transaction is in the public interest.

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