



Towamencin Township

PFM Update on the Sewer System Due Diligence Process As of February 19, 2021

Robert Ford
Township Manager
Towamencin Township
1090 Troxel Road
Lansdale, PA 19446

RE: Status Update

Dear Robert,

As part of the Township's ongoing exploration of a possible sale of its sewer system, the Township has asked PFM to provide regular updates to the Board on how the process has been proceeding. Below please find a list of events and actions that have occurred since our engagement in this exploration phase.

Sincerely,

PFM Financial Advisors LLC

Recent Events:

- On Thursday, February 4th PFM met with the Sewer Committee to discuss multiple items including, but not limited to:
 - The current working draft of the Township's Request for Qualification ("RFQ")
 - Any inter-municipal agreements that they Township/Authority may be a party to in connection to its System
 - The future of any tapping fees, should the Township enter into a transaction as it pertains to its sewer system
- Following the conversation with the Sewer Committee on February 4th, PFM continued refining the Township's RFQ.



- On February 12th, PFM distributed the Township's RFQ electronically to over 100 different firms that may be interested in exploring a transaction with the Township. This list included local regional authorities, investor owned utilities, etc.
- As part of the RFQ, firms that were interested in being included in the process were asked to submit a letter of intent by 12:00 (noon) on February 19th.
 - The Township has received letters of intent from five different firms
- PFM is currently working on creating virtual data room which will be populated with all the available information pertaining to the Township's system for the various interested firms to have access to. As more information becomes available, or is requested by the various firms, it will be added to the data room so all the firms will have access to the same information.

Immediate Next Steps:

- Continuing populating the virtual data room.
- Conduct discussions with the Township on which firms, if any, they would like to pre-qualify, and allow to continue in the process after RFQ responses are received on March 12th.