



# UPPER POTTS GROVE TOWNSHIP

## Securing Upper Pottsgrove’s Future with a \$13.75 Million Wastewater Acquisition

### BENEFITS OF ASSET PURCHASE

Generated revenue from sale proceeds

Avoided future capital expenditures for systems’ upgrades and maintenance

Demonstrated commitment to employee retention and career development

Provided professional management of water operations

Protected water rates through single-tariff pricing, regulated by the Pennsylvania Public Utility Commission

### TOWNSHIP TO TRUSTED UTILITY

Upper Pottsgrove Township found itself at a crossroads in 2020. Confronted with aging infrastructure, escalating environmental compliance requirements, and the mounting financial risks of operating a municipal wastewater system, township leaders began exploring alternatives to ensure long-term service reliability and fiscal health.

The township’s wastewater system required significant capital investment to meet current and future regulatory standards that far exceeded the township’s financial and operational capacity. With limited resources and growing certainty of significantly higher wastewater rates for residents, officials recognized that continuing to manage the system posed substantial risks to both residents and the township’s budget.

### RELIEF THROUGH PARTNERSHIP

In May 2020, Upper Pottsgrove Township entered into an agreement to sell the wastewater system to Pennsylvania American Water. In September 2021, the Pennsylvania Public Utility Commission approved the sale of Upper Pottsgrove’s wastewater system to Pennsylvania American Water for \$13.75 million. As part of the acquisition, Pennsylvania American Water committed to investing over \$4 million in system upgrades in the next five years including:

- Wastewater main and manhole replacements
- Lift station and meter upgrades
- Technology and control enhancements

### SOLUTIONS AND BENEFITS

- **Debt Elimination:** Proceeds from the sale helped Upper Pottsgrove Township retire debt, replenish unfunded pension liabilities and provide funding for other township infrastructure needs.
- **Rate Stability:** Existing water rates were preserved with future changes subject to Pennsylvania Public Utility Commission approval.
- **Billing Improvements:** Transitioned customers from quarterly to monthly billing for easier household budgeting
- **Environmental Protection:** Upgrades support safer, more compliant wastewater treatment
- **Reduced Operational Risk:** Township relieved of the unpredictable and costly burden of managing aging infrastructure.

### PENNSYLVANIA AMERICAN WATER INVESTMENTS IN UPPER POTTS GROVE

Year	Investment
2022	\$324,554.87
2023	\$598,701.73
2024	\$197,304.79
<b>Total</b>	<b>\$1,120,561.39</b>

Since completing the purchase of Upper Pottsgrove Township’s wastewater assets in 2021, Pennsylvania American Water has invested over \$1.1 million to ensure safe, clean and reliable wastewater service to residents.

**“The proceeds of the sale will greatly enhance the long-term financial security of the township.”**

**- Commissioners of Upper Pottsgrove Township**