



FOR IMMEDIATE RELEASE

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Butler Area Sewer Authority Signs Agreement to Sell Its Wastewater System to Pennsylvania American Water

The Authority's Board of Directors Voted Unanimously to Sell

BUTLER, Pa.— The [Butler Area Sewer Authority \(BASA\)](#) Board of Directors today signed an Asset Purchase Agreement (APA) to sell its wastewater system to Pennsylvania American Water (PAW) for \$231.5 million. BASA's Board of Directors signed the APA following its monthly public meeting earlier this morning where members voted unanimously to sell the system.

"Since the beginning of this process, our board prioritized the needs of our employees and customers," said Paul Sybert, Chairman of BASA's Board of Directors. "Without BASA's dedicated and hardworking employees, this facility would not run. They, and our customers, always remained at the forefront of our minds. This acquisition is the right decision, and we are confident that the upcoming months will bring forward a seamless transition as we continue to work with Pennsylvania American Water."

The board's decision to sell and sign the APA comes after four open houses where residents were invited to learn about the potential acquisition and to provide their thoughts and opinions on this matter. BASA also hosted tours for community stakeholders and sent every resident a letter explaining that the board was considering a potential acquisition of its system. The letter that residents received invited them to submit comments and questions through BASA's [website](#), and some took advantage of this opportunity to engage directly with the board and officials.

On this website, BASA provided substantial information about its service area, the history of the authority, when open houses were being held, and documents pertaining to the proposed acquisition like the APA and the Sewer Schedules to the APA—all for residents to easily access and review.

BASA board members, in conjunction with City and Township officials, spent more than 10 months actively engaged in ongoing discussions with PAW over the possibility of an acquisition. After conducting extensive research and consulting with independent individuals and other municipalities that have gone through this process before, the Board decided—unanimously—that this sale was in the best interest of the communities BASA serves.

As part of this sale, Pennsylvania American Water will assume BASA's current list of Capital Cost projects and upgrades, which total more than \$75 million in improvements and upgrades to its aging facilities and infrastructure. The company has committed to using Butler-area contractors for the Capital Cost projects. Once the sale is finalized, the BASA board will be dissolved, and the City and Township will appoint individuals to a Working Committee to ensure that Pennsylvania American Water completes the projects outlined in Capital Cost list within five years.

"We spent a lot of time analyzing how this acquisition would impact our community," said Butler Township Commissioner President Dave Zarnick. "As infrastructure ages, it becomes more costly to maintain and repair. Pennsylvania American Water has vast resources and is equipped to make the \$75 million in improvements that the BASA's facility requires. We hosted several open houses that enabled us to solicit

feedback from residents, and while some had questions, many I talked to were in support of this sale. Our residents should remain confident and know that they will receive the highest quality wastewater services from Pennsylvania American Water.”

Additionally, BASA’s debt of \$49 million will be eliminated utilizing the total proceeds of the sale, and the current operations center will be maintained for a minimum of 10 years. Under the APA, all employees (union and non-union) will maintain their jobs based on current salaries and collective bargaining agreements. Employees will have access to substantially similar retirement and insurance benefits, and the pensions of retirees will not be impacted by this sale.

Furthermore, customers are guaranteed a minimum one-year rate freeze that would take effect upon closing until the later of the one-year anniversary of the closing or Jan. 1, 2025. BASA’s rates have remained arbitrarily low for years, and well below many other sewer authorities across Pennsylvania. Because of the immediate operational needs that BASA’s facility currently requires, it will implement a rate increase of \$2.50 prior to or on the day the acquisition is finalized.

Toward that end, as part of the APA, Pennsylvania American Water agreed to petition the Public Utility Commission (PUC) to request approval to initiate a pilot program in BASA’s service area to replace or repair customers’ laterals to address stormwater inflow (these are the lateral pipes that connect homes and businesses to the public sewers). For years, BASA customers have experienced costly headaches caused by aging laterals that have failed and damaged their properties. The average cost of a lateral repair is \$8,500. If the PUC approves the company’s pilot program, individual customers within BASA’s service area will no longer have to foot the bill to fix their broken laterals.

“We have done our due diligence and we are firmly united,” said City of Butler Mayor Bob Dandoy. “For nearly an entire year, we looked at every aspect of what this sale would mean to those in BASA’s service territory. From Pennsylvania American Water’s commitment to petition the PUC for approval on a lateral pilot program to a one-year rate freeze to low-income customers having the ability to access the company’s grant programs—our residents are the ones who will reap the extensive benefits that this acquisition provides.”

The City of Butler and Butler Township, as the sole owners of BASA, will split the proceeds from this sale equally. The City of Butler and Butler Township are proposing to use the proceeds from the sale to support essential services for residents, future financial obligations, and various other community improvements that they deem necessary.

City of Butler officials are scheduled to vote on a resolution at their public meeting on Oct. 13, and Butler Township officials are expected to do the same on Oct. 17—these resolutions will simply affirm the board’s decision to sell and sign the APA.

Moving forward, Pennsylvania American Water will initiate a formal application to the PUC to acquire BASA’s system, and this process to secure approval can take anywhere from nine months to one year. For more information on this acquisition visit www.resources4BASAcustomers.org.

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About the Butler Area Sewer Authority:

BASA serves 14,655 customers over 32.5 square miles, including the city of Butler; Butler and Center townships; East Butler Borough; and parts of Connoquenessing Borough, Summit and Oakland townships, and a small portion of Penn Township. BASA’s area is serviced by more than 230 miles of interceptor sewers, 22 pump stations, and the 10 million gallon per day sewage treatment plant on Litman Road. Learn more at www.BASApa.org.