



FOR IMMEDIATE RELEASE

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BASA to Support Pennsylvania American Water's Application Filing with the Public Utility Commission

The company's application represents the next step in the acquisition process

BUTLER, Pa.— The Butler Area Sewer Authority (BASA) announced it will join the City of Butler and Butler Township as formal participants in support of Pennsylvania American Water's application that was filed with the Pennsylvania Public Utility Commission (PUC) today. Pennsylvania American Water is seeking PUC approval to acquire BASA's wastewater system assets. These actions represent the next step in the acquisition process, as the PUC regulates utility mergers and acquisitions, as well as rates and services of investor-owned water and wastewater utilities.

"Our board has repeatedly said that this acquisition process would continue to be transparent and subject to oversight," said Paul Sybert, Chairman of BASA's board of directors. "Our board provided multiple opportunities and avenues for our customers to engage directly with us on this matter. We, along with the City of Butler and Butler Township officials, spent nearly a year thoroughly researching what this acquisition would mean to our community. We are confident that after the PUC reviews the company's application and hears directly from us, it will come to the same conclusion we did—this acquisition serves the best interests of BASA's customers and employees."

As this acquisition moves forward, the process is expected to take anywhere between six to nine months to complete. Together, BASA, the City of Butler, and Butler Township will play an active role in the process and demonstrate to the PUC through facts, information, and testimony how and why this acquisition benefits BASA's customers. The City of Butler and Butler Township are the sole owners of BASA.

Once the PUC begins to review Pennsylvania American Water's application, along with the information submitted by BASA, the City of Butler, and Butler Township, the Commission will set a public hearing date. BASA customers and Pennsylvania American Water customers can provide their perspective on this acquisition during this hearing. For transparency purposes, the PUC often holds these hearings telephonically or online for anyone to participate.

Pennsylvania American Water's application comes after BASA, the City of Butler, and Butler Township notified customers of the company's offer to acquire its wastewater system last fall. Four separate public open houses, hosted jointly by BASA, the City of Butler, and Butler Township were held, and BASA customers were invited to attend and provide their perspectives on this issue.

Additionally, BASA hosted tours for community stakeholders and sent every customer a letter explaining the company's offer to acquire its wastewater system. The letter customers received also invited them to submit their comments and questions through a special [website](#) that BASA created, and some took this opportunity to engage directly with the board. After hearing the local community's feedback, BASA's board of directors voted unanimously to sell and signed an Asset Purchase Agreement with the company.

Because the City of Butler and Butler Township are the sole owners of BASA, officials voted to affirm BASA's decision to sell. When the Asset Purchase Agreement was signed and the votes occurred, BASA also sent every customer a letter detailing what the next steps were in this process.

When the PUC completes its review process and if it approves this acquisition, BASA's board will be dissolved. As per the agreement, more than \$75 million in improvements and upgrades to the BASA system as outlined in the Capital Cost list will be completed within a five-year period. The City of Butler and Butler Township will appoint individuals to a Working Committee to ensure that Pennsylvania American Water completes the projects.

As part of this sale, the company has committed to using Butler-area contractors for the Capital Cost projects, retaining all of BASA's employees, and keeping the current headquarters in place for at least the next ten years. Additionally, BASA's approximately \$46.5 million of debt and other liabilities will be eliminated utilizing the total proceeds of the sale, and all of BASA's 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, Pennsylvania American Water has agreed not to propose a rate increase for BASA customers 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.

As this process continues to move forward before the PUC, information and resources can be found at 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.