

This was mailed only to the residents of the Act 537 plan-(Phase 1 & Phase 2)

June 4, 2015

Dear Resident:

At the Board of Supervisors meeting on May 28th after careful consideration of the Pennsylvania American Water Company's proposal, the Board agreed to sell the sewer system to the Pennsylvania American Water Company.

The current rate for sewer is \$192.00 per quarter. Future rates are projected to increase \$50.00 +/- or more per quarter beginning as early as January 2016 without the sale of the system. Part of the proposal from PAWC will lock in this rate through December 31, 2017.

You were previously advised that as part of the Act 537 Plan, you would be required to pay a tapping fee of \$9,500.00. If this sale is approved by the Public Utility Commission you will not have to pay this fee to the Township or PAWC. The Township will also assist you by purchasing a meter pit and related equipment to facilitate your connection to the water system.

The tapping fee for new development requiring sewer hook ups will decrease from \$9,500.00 to \$4,000.00.

PAWC will assume the responsibility for the construction of the balance of the Act 537 plan, (about 200+/- connections) which is to be completed no later than December of 2016.

PAWC has also arranged for various financing programs to assist with the sewer installation fee and the fee for water installation.

Recently, some of you received a letter telling you to connect to the system. **That has not changed.** Until such time the sale is complete, all sewer connections will be handled by the Township at no cost to you. We are deferring the \$9,500.00 cost for the tapping fee, subject to regulatory review. If in fact the PUC or DEP does not approve the sale of the sewer system then each of you would still be responsible for the payment of the \$9,500.00 tapping fee.

From the proceeds of the sale, the Township will pay off the current debt and be debt free. The Township will not be required to borrow additional funds to complete the Act 537 project or other matters that would ultimately be part of your sewer bills.

If the sale does not go through, we would still have our current debt of Twenty One million (\$21,000,000 +/-) and anticipate borrowing additional debt of nearly Fourteen million (\$14,000,000 +/-) to complete the Act 537 plan and make appropriate upgrades as required.

The Board of Supervisors, from the beginning of the Act 537 plan, has worked diligently to keep your costs to a minimum and has worked with your best interest in mind since this project began.

A copy of PAWC's presentation and other documents related to this project are available on the Township Web Site, www.twp.fairview.pa.us, on the tab "Sale of Sewer System".

Sincerely,



Steve Smith
Township Manager

CC: BOS
CC: PAWC