

**VALLEY TOWNSHIP
RESOLUTION 2019- 21**

**APPROVING THE SALE
OF VALLEY TOWNSHIP WATER AND SANITARY SEWER SYSTEMS
TO THE
PENNSYLVANIA-AMERICAN WATER COMPANY**

WHEREAS, Valley Township (“Township”), by and through its Board of Supervisors (“Board”), staff, and consultants, has engaged in a process of evaluating the Township’s water and sanitary sewer systems, and potential sale of such systems; and

WHEREAS, on March 19, 2019, the Board publicly entered into an agreement with PFM Financial Advisors LLC (“PFM”) for a “Phase I” evaluation to perform an analysis of estimated values of the Township’s water and sanitary sewer systems; and

WHEREAS, on June 4, 2019, the Board publicly entered into an agreement with PFM for “Phase II and III” evaluations and services, in which PFM undertook outreach to potential investors and/or system operators to confirm market interest in candidate assets, establishment of a timeline for potential transactions, and identification of key issues; and

WHEREAS, on June 18, 2019, and again on July 16, 2019, the Board publicly entered into an agreement with special regulatory legal counsel to assist in the evaluation and transactional phases, and with forward-looking Public Utility Commission assistance as may be needed; and

WHEREAS, on October 1, 2019, following pre-qualifications of interested purchasers, the Board publicly authorized PFM to proceed with the release of a request for bids for the potential sale of Township water and sanitary sewer systems; and

WHEREAS, on November 18, 2019, the Township received compliant bids (collectively the “Bid”) for the purchase of Township water and sanitary sewer systems in the amount of \$21,275,000, submitted by the Pennsylvania-American Water Company (“PAWC”) (\$13,950,000 for the sanitary sewer system; and \$7,325,000 for the water system); and

WHEREAS, the Board, after careful consideration of the Bid submitted by PAWC, and in consultation with PFM and special regulatory counsel, determines that sale of the Township water and sanitary sewer systems, in accordance with the Bid, is in the best interest of the Township, its residents, taxpayers and ratepayers.

NOW THEREFORE BE IT RESOLVED, this 17th day of December, 2019, that the Valley Township Board of Supervisors accepts and awards the Bid of PAWC for the purchase of Township water and sanitary sewer systems, in the total amount of

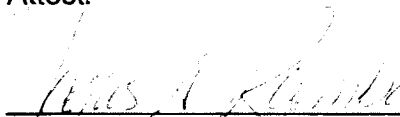
\$21,275,000, as detailed in this Resolution and in accordance with the Bid and bid documents; and enters into the Asset Purchase Agreements set forth in the bid documents; and

NOW THEREFORE BE IT FURTHER RESOLVED, that the Valley Township Board of Supervisors authorizes PFM, Township staff, special counsel, the Township solicitor and Township Engineer, and related consultants, to take all steps necessary to effectuate the award; to execute, deliver and perform the Asset Purchase Agreements, and all related agreements and documents necessary to close the sale transactions in an efficient and expeditious manner; and to proceed with all necessary regulatory and related submissions necessary to effectuate the sale; and

NOW THEREFORE BE IT FURTHER RESOLVED, that the Township bid package, the Bid submitted by PAWC, and the Asset Purchase Agreements, all as referenced in this Resolution, are incorporated by reference as though fully set forth herein.

RESOLVED as of this 17th day of December 2019.

Attest!




Janis Rambo, Secretary

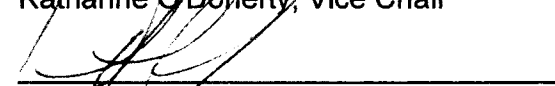
Valley Township Board of Supervisors



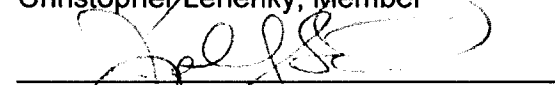
Patrice Proctor, Chair




Katharine O'Doherty, Vice Chair



Christopher Lehenky, Member



Joe Sciandra, Member



William H. Handy, Sr., Member