

YORK WASTEWATER

Acquisition produces economic stability, long-term infrastructure solution and provides \$235.3 million for the city

Founded in 1741, the City of York has played an important role in our history. Serving as the nation's capital for nine months, this southcentral Pennsylvania municipality served as the birthplace of the Articles of Confederation and is where the name "The United States of America" was first used. As a manufacturing hub, over the years York saw significant population growth. According to the 2020 Census, the city is the 10th largest in Pennsylvania.

York's wastewater system serves more than 45,000 customer connections, including approximately 14,000 direct customers in the city and bulk service to indirect customers in the neighboring Townships of Spring Garden, Manchester, West Manchester, York and Springettsbury and the Boroughs of North York and West York.

CHALLENGES

Continuing to provide safe, reliable wastewater service to its customers became increasingly challenging for the city due to a decline in its customer base, aging infrastructure, and lack of funding for maintenance. As a result, numerous permit violations led to a consent order by the United States Environmental Protection Agency (EPA). Considerable investment into the wastewater system was necessary to make the upgrades needed to address these violations – investments that the city was not in a position to make.

The city, too, was facing financial hardship with a \$14 million deficit in its budget due to increasing pension and health care costs.

SOLUTION FOUND

York began a proactive search for solutions to these challenges and agreed to sell its wastewater system for \$235.3 million to Pennsylvania American Water in April 2021, citing that the proposed sale was important to improve the city's infrastructure, provide for resilient and responsive municipal services, and support the city's future.

Pennsylvania American Water is the largest water service provider in the state, serving approximately 2.3 million people in 417 communities. Approximately 1,200 highly-skilled and experienced professionals carry out the company's foremost priority of providing safe, reliable water and wastewater service to its customers.

Pictured above: Pennsylvania American Water President Justin Ladner and City of York Mayor Michael Helfrich.



For our residents and businesses who are proud to call York home, this sale brings stability and hope for our future.

Michael Helfrich
Mayor, City of York

YORK WASTEWATER SYSTEM AT A GLANCE

- **CUSTOMERS SERVED**
45,000+ direct and indirect customers
- **EMPLOYEES**
23
- **TREATMENT FACILITIES**
1 wastewater plant (26 MGD)
- **COLLECTION SYSTEM**
103 miles of sewer pipe;
1 lift station
- **MANHOLES**
2,630



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RESULTS

With the wastewater system acquisition, Pennsylvania American Water has been able to provide the following benefits to the City of York:

- \$235.3 million in proceeds to eliminate long-standing debts, avoid significant tax increases and build a reserve for ongoing fiscal health, public works and community resources.
- Strong community partnership and sponsorships with local businesses, schools, the parks and recreation, and other area nonprofit organizations and events.
- Retention of the 23 system employees with competitive pay and benefits package.
- Robust customer resources such as low-income grant and discount programs that previously had not been available.
- Online customer portal, MyWater, and several convenient billing and payment options.

SYSTEM IMPROVEMENTS

As part of the acquisition agreement, Pennsylvania American Water committed to invest approximately \$17.5 million in wastewater system improvements, including wastewater treatment process improvements, technology and control system upgrades and wastewater collection system rehabilitation projects.

Prior to the acquisition, the wastewater plant was troubled by numerous permit violations that led to a consent order from the EPA. Upon acquisition, Pennsylvania American Water began addressing the 10 consent order projects that were identified. As of June 2023, five have been remedied, three are nearing completion and two are expected to be completed within the next five years.

Within one year of the acquisition, 40 projects in the system were already in progress or have been completed. The improvements made helped keep the plant within PA Department of Environmental Protection (DEP) permit regulations; saved on operating costs; improved security and quality of service; and — at the same time — reduced environmental impacts on the local watershed.



SOLUTIONS. ONE MORE WAY WE KEEP LIFE FLOWING.



COMMUNITY PARTNER

Pennsylvania American Water committed to donating \$50,000 to nonprofit organizations serving the City of York and its residents.

At the one year mark, the company donated more than \$25,000 to organizations in York. Local community partners include Watershed Alliance of York, Byrnes Health Education Center, York County Economic Alliance, York County Envirothon, Rainbow Rose Center, York Revolution, York City Police, DreamWrights Center, Junior Achievement and Better York.

Separately, the American Water Charitable Foundation awarded a \$25,000 grant to the York City Parks Conservancy through an annual grant program to support its efforts to transform York's parks into safe, healthy destinations for residents to enjoy for generations.

QUESTIONS?

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