

THE AUTHORITY OF THE BOROUGH OF CHARLEROI
WASHINGTON COUNTY, PENNSYLVANIA
RESOLUTION NO. 2022 - 08

A RESOLUTION OF THE AUTHORITY OF THE BOROUGH OF CHARLEROI, WASHINGTON COUNTY, PENNSYLVANIA, OPPOSING THE SALE OF OUR COMMUNITIES WATER AND SEWER SYSTEM TO A FOR-PROFIT PRIVATE INVESTOR-OWNED COMPANY.

WHEREAS, the Authority of the Borough of Charleroi (“the Authority”) is a municipal authority organized by the Borough of Charleroi and existing under the Municipal Authorities Act of 1945, P.L. 382, as amended by Act 22 of 2001 (“Act”), and any other amendments.

WHEREAS, the Authority currently provides water and sewer services to Bentleyville Borough, Charleroi Borough, Cokeburg Borough, Donora Borough, Dunlevy Borough, Ellsworth Borough, Fallowfield Township, North Charleroi Borough, Speers Borough, Twilight Borough, a portion of Carroll Township, and a portion of Somerset Township, all municipalities being in Washington County, Pennsylvania, and Monessen City, and a portion of Rostraver Township, both of Westmoreland County, Pennsylvania.

WHEREAS, on or about July 1, 1968, as part of a Trust Indenture to secure sewer revenue bonds, the Authority entered into a Service Agreement to render sewage disposal service to said Boroughs of Charleroi, North Charleroi, Speers, and Dunlevy.

WHEREAS, said Indenture includes the acquisition of property and construction of infrastructure to adequately provide sewage disposal service to said Boroughs of Charleroi, North Charleroi, Speers and Dunlevy.

WHEREAS, said Indenture includes payments from the Municipalities and their residents for service from the Sewage System.

WHEREAS, per Article II of said Service Agreement, the Municipalities agreed the Authority would be the sole and exclusive agency to provide sewage treatment service to said Boroughs.

WHEREAS, per Article II of said Service Agreement, if the Authority issues additional bonds the term of the Service Agreement continues until the final payment is made by the Authority on the last outstanding bond.

WHEREAS, the Authority has continually issue bonds for sewer revenue, and currently there are two such outstanding sewer revenue bonds, namely 2017 Service Bonds – Series A and 2017 Service Bonds Series B.

WHEREAS, the 1968 Trust Indenture and Service Agreement between the Authority and said Boroughs of Charleroi, North Charleroi, Speers and Dunlevy, remains in full force and effect.

WHEREAS, any sale of the Authority, or changing the sewage service provider to someone other than the Authority, would be a breach of the existing Service Agreement between the Authority and said Boroughs.

WHEREAS, the Authority customers of said Bentleyville Borough, Charleroi Borough, Cokeburg Borough, Donora Borough, Dunlevy Borough, Ellsworth Borough, Fallowfield Township, North Charleroi Borough, Speers Borough, Twilight Borough, a portion of Carroll Township, a portion of Somerset Township, Monessen City, and a portion of Rostraver Township, have long-paid fees for services and in part for the costs of construction and maintenance of the water and sewer infrastructure of the Authority that provides them with clean water and efficient sewer services.

WHEREAS, at least some members of the Borough of Charleroi Council have

publicly stated their desire to sell the Authority and its assets, which in part has been and continues to be paid for by the citizens and businesses of fourteen different municipalities, to a for profit privately-owned investor company.

WHEREAS, if a private sale of the Authority and its assets to a for-profit company would occur our community would no longer own our water resources and the infrastructure it paid for over many years.

WHEREAS, if a private sale of the Authority and its assets would occur, all decisions concerning management, maintenance, operation and rates would no longer be made by our community and the Authority Board, but instead by a private company required to make decisions to maximize profit for its private investors and shareholders.

WHEREAS, if a private sale of the Authority and its assets would occur, our Board of Directors will no longer be making decisions to provide our community with the best services at the lowest possible prices, but instead a private company would be making decisions to maximize its profits and to include rate increases to assure a return on its investment.

WHEREAS, if a private sale of the Authority and its assets would occur, every two years the privately owned company will apply for rate increases to the Pennsylvania Public Utility Commission and the customers' rates will be set to assure that the Private Company will earn a certain level of profit.

WHEREAS, if a private sale of the Authority and its assets would occur, our customers would no longer be able to attend public meetings or submit right to know requests, as a private company is not subject to such transparency with its operations.

WHEREAS, if a private sale of the Authority and its assets would occur, the

private company would still be required to meet all government water quality and discharge standards, but it would do so with a profit motive mission.

WHEREAS, if a private sale of the Authority and its assets would occur, there would no longer be a local Board of Directors making decisions to balance the budget, but instead a for-profit private company would set rates that guarantee them a statutory return on their investment and with any surplus of funds being paid to investors and shareholders.

WHEREAS, based on the above-stated facts, a private sell of the Authority and its assets would cause an increase in rates to our customers and not be in the best interest of the people we serve.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors, that the Authority hereby opposes a sale of the Authority and its assets to any for-profit company.

BE IT FURTHER RESOLVED, that the Authority hereby authorizes its Solicitor to institute all necessary legal proceedings in accordance with appropriate procedures, statutes, regulations and Rules of Court, to oppose any attempt of the Borough of Charleroi to sell the Authority.

BE IT FURTHER RESOLVED, that the Chairman or Vice-Chairman of the Board of the Authority are hereby authorized, empowered and directed to execute any and all, any and any other legal documents or matters as may be necessary in order to carry out the intent and direction of this Resolution and the Secretary or any Assistant Secretary is hereby authorized, empowered and directed to attest to the signature of the Chairman or Vice-Chairman, and thereafter, both of said Officers are authorized, empowered and directed to cause and all matters to be appropriately certified or

notarized as is or may be required.

IN WITNESS WHEREOF, we have hereunder set our hands and seals on the below date.

RESOLVED this 25TH day of October, 2022.

ATTEST:



DAVID DiPIAZZA
Secretary

THE AUTHORITY OF THE
BOROUGH OF CHARLEROI

BY: 

THOMAS SANTORO
Chairman