

Coatesville, PA

Building Long-Term Community Stability Through Water and Wastewater Partnership

**TRUST IN
WATER**

In March 2001, the City of Coatesville Authority made the decision to sell its water and wastewater systems to a private, regulated water and wastewater service provider for \$48 million. The sale transferred responsibility for future infrastructure investment, operations and regulatory compliance to a private, regulated provider while providing significant financial benefits to the community. Over the next 25 years of ownership, the private, regulated provider invested over \$77 million to improve service quality and return the systems to compliance.

The Challenges

A Legacy of Underinvestment

Significant infrastructure investment in the water and wastewater systems was needed to address a severe infrastructure backlog.

Aging Infrastructure

An aging wastewater treatment plant dating back to 1932 required major modernization to meet treatment quality and capacity requirements.

Environmental Compliance

Upgrades were necessary to address a consent decree issued by the Pennsylvania Department of Environmental Protection.

Municipal Finances

The city faced budget deficits and could not fund major capital improvement projects with existing revenue.

The Solution

2001

Following the acquisition, Coatesville realized more than \$39.5 million in proceeds after debt obligations were satisfied. The city placed those funds into a reserve account that generated investment income for the community. At a blended investment return of approximately 6.8 percent, the reserve fund generated at least \$2.7 million annually that was initially used to support tax reductions and program enhancements. The result was a financial resource that continued benefiting residents while utility infrastructure responsibilities shifted to a dedicated service provider.

2008

Pennsylvania American Water invested \$8.7 million in the wastewater treatment facility and collection system serving the Coatesville area.

2010-2013

Pennsylvania American Water invested \$57.7 million in a major plant upgrade and expansion to replace a facility that had served the region since 1932. The project doubled treatment capacity, enabled the town to continue to grow and addressed environmental compliance issues identified by state environmental regulators.

2012

Pennsylvania American Water invested \$24 million in an extensive plant upgrade to the Rock Run Water Treatment Plant, increasing capacity from 5 MGD to 7 MGD to meet customer demand. Improvements replaced aging equipment, enhanced safety and plant operations to meet more stringent drinking water regulations.

Results

Investment, Stability & Community Benefit

INVESTMENT IN COATESVILLE FOLLOWING TRANSITION TO A PRIVATE PROVIDER

Year	Investment
2007-2014	\$7,475,590.86
2015	\$6,252,079.34
2016	\$2,596,180.28
2017	\$2,786,429.51
2018	\$3,861,631.05
2019	\$12,499,279.23
2020	\$5,411,748.20
2021	\$3,425,707.93
2022	\$10,357,030.70
2023	\$18,178,619.46
2024	\$5,002,181.22
Total	\$77,846,477.78

Supporting Affordability for Pennsylvania Families

For more than 35 years, Pennsylvania American Water's **H2O Help to Others Program™** has provided bill discounts, grants and payment assistance to eligible households.

In recent years, the program has delivered more than **\$16 million in annual bill discounts and nearly \$2 million in grants**, helping more than 30,000 customers manage water and wastewater costs.