

ORDINANCE NO. 26-06
TOWNSHIP OF TOWAMENCIN,
MONTGOMERY COUNTY, PENNSYLVANIA

AN ORDINANCE OF THE TOWNSHIP OF TOWAMENCIN, MONTGOMERY COUNTY, PENNSYLVANIA (THE "TOWNSHIP") APPROVING AND AUTHORIZING: (1) THE TERMINATION OF THAT CERTAIN LEASE AND SERVICE AGREEMENT BETWEEN THE TOWNSHIP AND THE TOWAMENCIN MUNICIPAL AUTHORITY (THE "AUTHORITY"); (2) THE TRANSFER TO THE AUTHORITY OF WASTEWATER CONVEYANCE AND TREATMENT SYSTEM ASSETS; (3) THE EXECUTION AND DELIVERY OF THE TRANSACTION DOCUMENTS (AS DEFINED HEREIN) AND THE FILINGS REQUIRED BY THE PUC ORDER (AS DEFINED HEREIN); AND (4) THE AUTHORIZED OFFICERS OF THE TOWNSHIP TO EXECUTE ALL AGREEMENTS AND TAKE ALL ACTIONS NECESSARY OR DESIRABLE TO EFFECTUATE AND CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREBY.

WHEREAS, the Authority, a municipality authority created and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. Cons. Stat. §§5601-5622, as amended (the "Act"), owns the Towamencin wastewater collection, conveyance, treatment, and disposal system, as well the Towamencin Township Plant (the "**Plant**") located at 2225 Kriebel Road, Towamencin (collectively, the "**System**"); and

WHEREAS, the System provides wastewater collection and treatment services to customers within the Township's geographical boundaries (the "**Township Service Area**"), and to certain extraterritorial customers in Worcester Township, Lower Salford Township, Franconia Township, and the Borough of Lansdale (the "**Extra Territorial Service Area**" and together with the Township Service Area, the "**Service Area**"); and

WHEREAS, on June 30, 2015, the Township and the Authority entered into a certain Lease and Service Agreement (the "**Lease**"), pursuant to which all assets of the System, excluding the Plant, the interceptor located at Kriebel Road and portions of two (2) sewer trunk lines (the "**Excluded System**"), were leased to the Township (the "**Leased System**"); and

WHEREAS, under the Lease, the Authority continued to run the day-to-day operations of the Excluded System, while the Township oversaw and maintained the collection lines and other interceptors of the Leased System and performed billing and rate-setting; and

WHEREAS, on February 13, 2026, the Township filed with the Pennsylvania Public Utility Commission (the "**PUC**") an Application for Approval of the Abandonment or Discontinuance of Wastewater Conveyance Services (the "**Application**"), seeking approval to abandon/discontinue providing wastewater collection and treatment services entirely to the Extraterritorial Service Area, and terminate the Lease with the Authority; and

WHEREAS, as set forth in the Application, upon the termination of the Lease and execution of the Transaction Documents, the Township's rights to operate the Leased System will cease, the Township will transfer to the Authority any and all right, title, and interest in the System that the Township has, and the Authority will assume full operational control and ownership of the System and continue to provide wastewater collection and treatment services to customers within the Service Area (the "**System Transfer**");

WHEREAS, as a condition of the PUC's approval of the Application, and to facilitate a smooth transition of the System Transfer, the PUC issued an Order on July 16, 2026 (the "**PUC Order**") requiring the Township to file with the PUC, among other things, a fully executed copy of the lease termination notice, in accordance with the terms of the Lease (the "**Termination Notice**"), and a fully executed copy of a certain Assignment and Assumption Agreement, memorializing the transfer of the Township's rights and responsibilities under the relevant intermunicipal agreements to the Authority (the "**Assignment Agreement**"); and

WHEREAS, the Township desires to take and ratify all necessary and/or desirable steps to terminate the Lease and facilitate the System Transfer, and to assure that the appropriate officers are authorized and directed to take any and all actions necessary and/or desirable to effectuate the termination of the Lease and the System Transfer; and

WHEREAS, the Township is a home rule municipality operating under a home rule charter adopted pursuant to Article IX, Section 2 of the Constitution of the Commonwealth of Pennsylvania and the Home Rule Charter and Optional Plans Law, 53 Pa. C.S. § 2901 et seq., and the Board of Supervisors is authorized to enact this Ordinance pursuant to the Township's home rule charter and 53 Pa. C.S. § 2961; and

WHEREAS, notice of the proposed enactment of this Ordinance was duly advertised in a newspaper of general circulation in the Township in accordance with the Township's home rule charter, the Township's administrative code, and applicable law.

NOW THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF TOWAMENCIN, MONTGOMERY COUNTY, PENNSYLVANIA, AND IT IS HEREBY ORDAINED AND ENACTED BY THE AUTHORITY OF SAID BOARD OF SUPERVISORS THAT:

SECTION 1. Approval and Authorization of Lease Termination and Transfer of the System. The Board hereby approves and authorizes the termination of the Lease and the System Transfer.

SECTION 2. Execution and Delivery of the Transaction Documents. The Chairperson or Vice Chairperson and the Secretary of the Board of Supervisors (collectively the "**Authorized Officers**") are hereby authorized, empowered and directed in the name and on behalf of the Township and under its municipal seal, to execute, acknowledge and deliver the documents necessary to terminate the Lease and effectuate the System Transfer, including but not limited to the Termination Notice, the Assignment Agreement, a Bill of Sale, if necessary, an Assignment of Easements Agreement, notices and documents required to comply with the PUC Order, and such other certificates or agreements as deemed necessary to effectuate the System Transfer (collectively, the "**Transaction Documents**").

SECTION 3. Further Assurance. The Authorized Officers are authorized and directed to take all further actions and execute and deliver all further documents as may be necessary to comply with the PUC Order and facilitate the System Transfer.

SECTION 4. Severability. The provisions of this Ordinance are intended to be severable, if any section sentence, clause, part or provision hereof shall be held illegal, invalid or unconstitutional by any court of competent jurisdiction, such decision of the court shall not affect or impair the remaining sections, sentences, clauses, parts or provisions of this Ordinance. It is hereby declared to be the intent of the Board that this Ordinance would have been adopted even if such illegal, invalid or unconstitutional section, sentence, clause, part or provision had not been included herein.

SECTION 5. Effectiveness. This Ordinance shall take effect immediately from the Board's approval of it in accordance with Pennsylvania law.

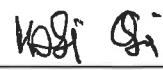
SECTION 6. Rescinding Inconsistent Ordinances. All ordinances or parts of ordinances inconsistent herewith be and the same hereby are rescinded, cancelled and annulled.

The undersigned certifies that the foregoing Ordinance was adopted by Board of Supervisors of the Township of Towamencin, Montgomery County, Pennsylvania at its meeting held on September 23, 2026.


Joyce F. Snyder, Chairperson

[SEAL]

ATTEST:


Kofi Osei, Secretary