



# KANE BOROUGH

## A Model Partnership for Municipal Leaders Seeking Long-term Service Excellence

### SOLUTIONS THAT WORK

#### BENEFITS OF ASSET PURCHASE

Generated revenue from sale proceeds

Avoided future capital expenditures for systems' upgrades and maintenance

Demonstrated commitment to employee retention and career development

Provided professional management of water operations

Protected water rates through single-tariff pricing, regulated by PA Public Utility Commission

#### KANE BOROUGH

For the Borough of Kane, the decision to sell its wastewater system was driven by mounting financial and operational pressures. As a small community serving just 2,100 customers, Kane faced rising regulatory costs, a growing municipal debt burden, and a limited revenue base. Much of its wastewater infrastructure—decades-old pipes, treatment facilities, and collection systems—had reached the end of its useful life, requiring extensive repair or full replacement.

Years of underinvestment had created a backlog of maintenance challenges, and the Borough's local team struggled to keep pace with emergency response, routine operations, and the demands of aging assets. The cumulative strain made continued public ownership of the system increasingly unsustainable.

#### A NEW ERA OF INVESTMENT

Pennsylvania American Water provided drinking water service to Kane for more than a century and emerged as a natural partner. In October 2020, Pennsylvania American Water completed the purchase of the wastewater system for \$17.5 million. In October 2025, Pennsylvania American Water committed \$30 million to upgrade two Kane Borough wastewater treatment facilities.

#### SOLUTIONS AND BENEFITS

- **Rate Stability:** Existing water rates were adopted, with future changes subject to Pennsylvania Public Utility Commission (PUC) approval.
- **Debt Elimination:** Proceeds from the sale allows the Borough to:
  - Eliminate existing wastewater debt
  - Fully fund pension plans
  - Invest in capital projects such as storm sewer improvements and park upgrades
- **Community Investment:** Kane Borough leveraged proceeds to address over 600 blighted structures, complete over 100 road paving repair projects, purchase all new equipment for the public works department and replace dozens of police vehicles.

#### PENNSYLVANIA AMERICAN WATER INVESTMENTS IN KANE BOROUGH

Year	Investment
2020	\$995,304.44
2021	\$2,094,036.91
2022	\$2,873,454.87
2023	\$6,931,600.12
2024	\$3,690,143.78
<b>Total</b>	<b>\$16,584,540.12</b>

“This transaction will greatly benefit our citizens’ future by eliminating the unfunded liability in the Borough’s pension plans and other post-employment benefits, as well as funding storm sewer improvements and equipment replacement expenses.”

-Don Payne  
Kane Borough Manager