

**PUBLIC UTILITY CODE (66 PA.C.S.) - VALUATION OF ACQUIRED WATER  
AND WASTEWATER SYSTEMS FOR RATEMAKING PURPOSES**

**Act of Apr. 14, 2016, P.L. 76, No. 12**

**Cl. 66**

Session of 2016  
No. 2016-12

HB1326

**AN ACT**

Amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, in rates and distribution systems, providing for valuation of acquired water and wastewater systems for ratemaking purposes.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Title 66 of the Pennsylvania Consolidated Statutes is amended by adding a section to read:

**§ 1329. Valuation of acquired water and wastewater systems.**

(a) Process to establish fair market value of selling utility.--Upon agreement by both the acquiring public utility or entity and the selling utility, the following procedure shall be used to determine the fair market value of the selling utility:

(1) The commission will maintain a list of utility valuation experts from which the acquiring public utility or entity and selling utility will choose.

(2) Two utility valuation experts shall perform two separate appraisals of the selling utility for the purpose of establishing its fair market value.

(3) Each utility valuation expert shall determine fair market value in compliance with the Uniform Standards of Professional Appraisal Practice, employing the cost, market and income approaches.

(4) The acquiring public utility or entity and selling utility shall engage the services of the same licensed engineer to conduct an assessment of the tangible assets of the selling utility. The assessment shall be incorporated into the appraisal under the cost approach required under paragraph (3).

(5) Each utility valuation expert shall provide the completed appraisal to the acquiring public utility or entity and selling utility within 90 days of execution of the service contract.

(b) Utility valuation experts.--

(1) The utility valuation experts required under subsection (a) shall be selected as follows:

(i) one shall be selected by the acquiring public utility or entity; and

(ii) one shall be selected by the selling utility.

(2) The utility valuation experts shall not:

(i) derive any material financial benefit from the sale of the selling utility other than fees for services rendered; or

(ii) be an immediate family member of a director, officer or employee of either the acquiring public utility, entity or selling utility within a 12-month period of the date of hire to perform an appraisal.

(3) Fees paid to utility valuation experts may be included in the transaction and closing costs associated with acquisition by the acquiring utility or entity. Fees eligible for inclusion may be of an amount not exceeding 5% of the fair

market value of the selling utility or a fee approved by the commission.

(c) Ratemaking rate base.--The following apply:

(1) The ratemaking rate base of the selling utility shall be incorporated into the rate base of:

(i) the acquiring public utility during the acquiring public utility's next base rate case; or

(ii) the entity in its initial tariff filing.

(2) The ratemaking rate base of the selling utility shall be the lesser of the purchase price negotiated by the acquiring public utility or entity and selling utility or the fair market value of the selling utility.

(d) Acquisitions by public utility.--The following apply:

(1) If the acquiring public utility and selling utility agree to use the process outlined in subsection (a), the acquiring public utility shall include the following as an attachment to its application for commission approval of the acquisition filed pursuant to section 1102 (relating to enumeration of acts requiring certificate):

(i) Copies of the two appraisals performed by the utility valuation experts under subsection (a).

(ii) The purchase price of the selling utility as agreed to by the acquiring public utility and selling utility.

(iii) The ratemaking rate base determined pursuant to subsection (c) (2).

(iv) The transaction and closing costs incurred by the acquiring public utility that will be included in its rate base.

(v) A tariff containing a rate equal to the existing rates of the selling utility at the time of the acquisition and a rate stabilization plan, if applicable to the acquisition.

(2) The commission shall issue a final order on an application submitted under this section within six months of the filing date of an application meeting the requirements of subsection (d) (1).

(3) If the commission issues an order approving the application for acquisition, the order shall include:

(i) The ratemaking rate base of the selling utility, as determined under subsection (c) (2).

(ii) Additional conditions of approval as may be required by the commission.

(4) The tariff submitted pursuant to subsection (d) (1) (v) shall remain in effect until such time as new rates are approved for the acquiring public utility as the result of a base rate case proceeding before the commission. The acquiring public utility may collect a distribution system improvement charge during this time, as approved by the commission under this chapter.

(5) The selling utility's cost of service shall be incorporated into the revenue requirement of the acquiring public utility as part of the acquiring utility's next base rate case proceeding. The original source of funding for any part of the water or sewer assets of the selling utility shall not be relevant to determine the value of said assets.

(e) Acquisitions by entity.--An entity shall provide all the information required by subsection (d) (1) to the commission as an attachment to its application for a certificate of public convenience filed pursuant to section 1102.

(f) Postacquisition projects.--The following apply:

(1) An acquiring public utility's postacquisition improvements that are not included in a distribution improvement charge shall accrue allowance for funds used during construction after the date the cost was incurred until the asset has been in service for a period of four years or until

the asset is included in the acquiring public utility's next base rate case, whichever is earlier.

(2) Depreciation on an acquiring public utility's postacquisition improvements that have not been included in the calculation of a distribution system improvement charge shall be deferred for book and ratemaking purposes.

(g) Definitions.--The following words and phrases when used in this section shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Acquiring public utility." A water or wastewater public utility subject to regulation under this title that is acquiring a selling utility as the result of a voluntary arm's-length transaction between the buyer and seller.

"Allowance of funds used during construction." An accounting practice that recognizes the capital costs, including debt and equity funds that are used to finance the construction costs of an improvement to a selling utility's assets by an acquiring public utility.

"Entity." A person, partnership or corporation that is acquiring a selling utility and has filed or whose affiliate has filed an application with the commission seeking public utility status pursuant to section 1102.

"Fair market value." The average of the two utility valuation expert appraisals conducted under subsection (a)(2).

"Rate-making rate base." The dollar value of a selling utility which, for postacquisition ratemaking purposes, is incorporated into the rate base of the acquiring public utility or entity.

"Rate stabilization plan." A plan that will hold rates constant or phase rates in over a period of time after the next base rate case.

"Selling utility." A water or wastewater company located in this Commonwealth, owned by a municipal corporation or authority that is being purchased by an acquiring public utility or entity as the result of a voluntary arm's-length transaction between the buyer and seller.

"Utility valuation expert." A person hired by an acquiring public utility and selling utility for the purpose of conducting an economic valuation of the selling utility to determine its fair market value.

Section 2. This act shall take effect in 60 days.

APPROVED--The 14th day of April, A.D. 2016.

TOM WOLF

## **APPENDIX C**

### **OWNED PROPERTY & EASEMENTS OF VALUE**

- **30 Charter Oak Drive-easement-ROW-DELCORA signed 12-2014**
- **City of Chester**
- **Marcus Hook PS Deed**



DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY  
P.O. Box 999 • Chester, PA 19016-0999

December 9, 2014

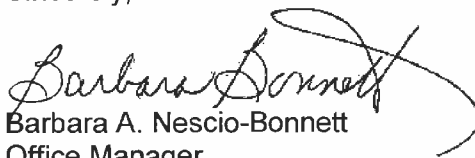
Samantha Reiner  
Township Manager  
Township of Edgmont  
P. O. Box 267  
Gradyville, PA 19039

RE: Sanitary Sewer Easement and Right-of-Way Agreement  
30 Charter Oak Drive

Dear Ms. Reiner:

Enclosed is the above mentioned agreement signed and notarized by DELCORA. Please send us a copy once fully executed and recorded. Thank you.

Sincerely,

  
Barbara A. Nescio-Bonnett  
Office Manager

enclosure

cc: File

ADMINISTRATION

☐ 610-876-5523  
☐ FAX: 610-876-2728

CUSTOMER SERVICE/BILLING

☐ 610-876-5526  
☐ FAX: 610-876-1460

PURCHASING & STORES

☐ 610-876-5523  
☐ FAX: 610-497-7959

PLANT & MAINTENANCE

☐ 610-876-5523  
☐ FAX: 610-497-7950



## TOWNSHIP OF EDMONT

1000 Gradyville Road  
PO Box 267  
Gradyville, Pennsylvania 19039  
610-459-1662 phone 610-459-3760 fax

*Orig: Adm. Dept.*  
**RECEIVED**  
DEC 02 2014  
BY: 2014-1204

December 2, 2014

Robert A. Powell  
Manager, Business Development and Strategic Planning  
Delcora  
P.O. Box 999  
Chester, PA 19016-0999

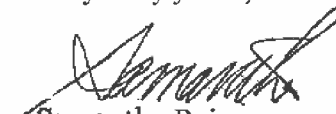
**Re: Sanitary Sewer Easement and Right of Way Agreement**

Dear Rob:

Please have the enclosed Easement and Right of Way Agreement signed, notarized and returned to me as soon as possible.

Feel free to give me a call with any questions.

Very truly yours,

  
Samantha Reiner  
Township Manager

Enclosure

Record and Return To:  
Edgmont Township  
P.O. Box 267  
Gradyville, PA 19039

Folio No. 19-00-00037-78

**DELCORA and EDMONT TOWNSHIP**  
  
**SANITARY SEWER EASEMENT AND**  
**RIGHT OF WAY AGREEMENT – 30 CHARTER OAK DRIVE**

**THIS SANITARY SEWER EASEMENT AND RIGHT OF WAY AGREEMENT** (the "**Easement Agreement**"), made this \_\_\_\_\_ day of \_\_\_\_\_, 2014, among **DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY** ("**DELCORA**"), a body corporate and politic formed under the Municipality Authorities Act of 1945, as amended and reenacted, having an address of 100 E 5th St, Chester, PA 19013, **EDGMONT TOWNSHIP** (the "**Township**"), a Pennsylvania Township of the Second Class, and having an address of 1000 Gradyville Road, P.O. Box 267, Gradyville, Pennsylvania 19039, and **ROBERT E. AND LAURI LEMBO GRAJEWSKI**, (collectively the "**Owner**"), having an address of 30 Charter Oak Drive, Newtown Square, Pennsylvania 19073.

**WITNESSETH:**

**WHEREAS**, the Owner owns a tract of land situate in Edgmont Township, Delaware County, Pennsylvania, as acquired by deed recorded on July 24, 2003 in Book 2861, Page 2284, in the Office of the Recorder of Deeds of Delaware County, Pennsylvania (the "**Property**"); said Property being commonly known and referred to as **30 Charter Oak Drive**, Edgmont Township, Delaware County, Pennsylvania and being identified as tax folio number **19-00-00037-78**;

**WHEREAS**, the Township, in cooperation with DELCORA is in the process of constructing public sewer facilities to serve the eastern portion of the Township, including the Property (the "**Public Sewer System**");

**WHEREAS**, as a part of the Public Sewer System DELCORA and the Township desire to obtain a perpetual sanitary sewer easement and right of way upon, across, over, under and through the Property of the Owner to connect the future Edgmont Township pump station no. 1 ("**EPS-1**") to an existing sanitary sewer easement and sanitary sewer infrastructure which, together with EPS-1, will become a part of the Public Sewer System serving the Property, among others; and

**WHEREAS**, the Owner has agreed to grant DELCORA and the Township the perpetual sanitary sewer easement and right of way under and subject to the terms of this Easement Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter contained, and in consideration of the payment of **FORTY THOUSAND DOLLARS (\$40,000.00)** to the Owner, and other good and valuable consideration as set forth herein, the receipt and sufficiency of which is hereby acknowledged by the Owner, the Township and the Owner, each intending to be legally bound hereby, do hereby agree as follows:

1. **RECITALS**: The foregoing recitals and Exhibits, if any, are incorporated herein as if each was fully set forth below.
2. **SEWER LINES AND EASEMENT AREA**: The term "**Sewer Lines**" when used in this Easement Agreement shall be construed in the broadest sense and shall refer, without limitation, to sanitary sewer pipe, conduit, manholes, drains, markers, service connections and other appurtenances to be constructed by DELCORA for the Township as part of Public Sewer System, meeting the specifications of the consulting engineers of DELCORA and the Township, as approved by DELCORA and the Township and necessary or desired for the connection of the Sewer Lines to the Public Sewer System, all of which shall be located within the sanitary sewer easement (the "**Easement Area**") on Owner's property, as depicted and shown on the plan entitled *30 CHARTER OAK DR. EASEMENT PLAN*, prepared by Bradford Engineering Associates, Inc., dated April 1, 2014, last revised October 15, 2014, and marked as **Exhibit "A"** hereto and made a part hereof.
3. **GRANT OF EASEMENT**: Owner hereby sells, transfers conveys, gives and grants to DELCORA and the Township and their respective successors and assigns, the free and uninterrupted right, liberty and privilege, in perpetuity:
  - A. To install, construct, reconstruct, replace, remove, enlarge, inspect, operate, repair, make connections with and to and maintain perpetually the Sewer Lines, together with their accessories and appurtenances, as DELCORA and the Township may from time to time require, upon, across, over, under and through the Easement Area, provided that DELCORA and Edgmont Township shall place and maintain all such permanent Sewer Lines below the surface of the ground;
  - B. To make connections to and to otherwise accept, transport, convey, carry away and dispose of sanitary sewage through said Sewer Lines, regardless of the source of such sewage; and
  - C. To have and to hold the same perpetually to DELCORA and the Township and their respective successors and assigns, together with the right and privilege at any



and all times, hereafter, to enter the Easement Area, or any part thereof, provided that DELCORA and/or the Township (as the case may be) gives to the Owner reasonable advance notification of the intent to exercise the rights and privileges granted under this Easement Agreement; all upon the condition that DELCORA and/or the Township, as the case may be, will at all times during the exercise of said rights and privileges, cause every reasonable means to be used to protect from injury or damage all property, including lawns, trees (except those trees removed in connection with the exercise of the rights and privileges hereunder), shrubbery, fences, buildings, walls, or any existing improvement thereto, and will at all times after doing any work in connection with the exercise of said rights and privileges, cause the said Easement Area to be restored to the condition in which the same was found before such work was undertaken, including replacement and/or repair of damaged property, to the extent reasonably possible under the circumstances and consistent with the rights and privileges herein granted.

**4. COVENANTS OF THE OWNER:**

A. The Owner does hereby release, remise, waive, quitclaim and discharge DELCORA and the Township, and their several directors, appointed and elected officials, agents, servants, contractors, employees successors and assigns from any claim or right to damages, additional consideration or other emolument of value for the rights, liberties and privileges given and granted to DELCORA and/or the Township under this Easement Agreement and also on account of the construction, location and impact of EPS-1 and represents and affirms to DELCORA and the Township that the consideration paid to Owner in exchange for this Easement Agreement has been fully negotiated and is fair, reasonable and complete.

B. The Owner does hereby covenant that they are lawfully seized and possessed of a good and marketable title in fee simple to the aforesaid tract of land and that Owner has a good and lawful right to grant the rights and privileges herein granted to DELCORA and the Township, and Owner further covenants that Owner will execute any additional assurances of the rights and privileges herein granted.

C. The Owner does hereby agree that the terms of this Easement Agreement are and shall be confidential and Owner agrees not to disclose the terms hereof, except as necessary to obtain the consent to this Easement Agreement from any mortgagee or other holder of an interest in the Property. Except as specifically permitted, disclosure of the terms hereof by the Owner shall be deemed a material breach of this Easement Agreement.

D. The Owner does hereby expressly consent to any transfer, conveyance, pledge, lease, or assignment by DELCORA and/or the Township of any part or portion of the said Sewer Lines and/or Easement Area, without restriction or condition.

E. The Owner does hereby covenant that on and after the date of this Easement Agreement, that no structure or other obstruction is located in the Easement

Area and that none shall be erected or installed in the aforesaid Easement Area and that the same shall remain free from trees and other vegetation which in the reasonable opinion of DELCORA or the Township may interfere with the rights and privileges granted hereunder (collectively the "**Prohibited Obstructions**"). Notwithstanding anything else in this Easement Agreement to the contrary, neither DELCORA nor the Township shall be responsible for any damage to any Prohibited Obstruction in, of or to the Easement Area, which occurs after the date of this Easement Agreement. In addition, Owner agrees that Owner shall not interfere with the exercise of the rights and privileges by DELCORA and/or the Township under this Easement Agreement.

F. The provisions of this Easement Agreement shall run with the land and be binding upon and inure to the benefit of DELCORA, the Township, and their respective successors and assigns, and the Owner, and their heirs, executors, administrators, successors and assigns.

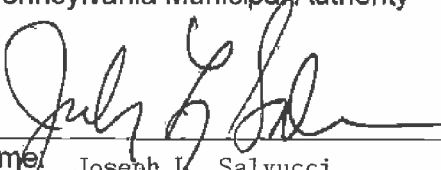
G. Owner shall, obtain the written consent of any mortgagee or other holder of an interest in the Property necessary or required by DELCORA and/or the Township to consent to the grant of the rights and privileges hereunder, substantially in the form as attached hereto, prior to the payment of the recited consideration.

H. Costs of recording shall be paid by DELCORA and/or the Township.

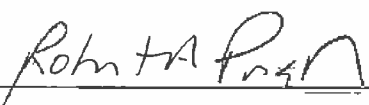
**[SIGNATURE PAGE TO FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Easement Agreement to be duly executed on the day and year first above written.

**DELCORA,**  
A Pennsylvania Municipal Authority


By:   
Name: Joseph L. Salvucci  
Title: Executive Director

Attest:

  
Robert A. Powell  
Business Development & Strategic  
(Authority Seal) Planning Manager

**EDGMONT TOWNSHIP**

Attest:   
Township Secretary

By:   
Name:  
Title:

(Township Seal)

**OWNER**

Witness: 

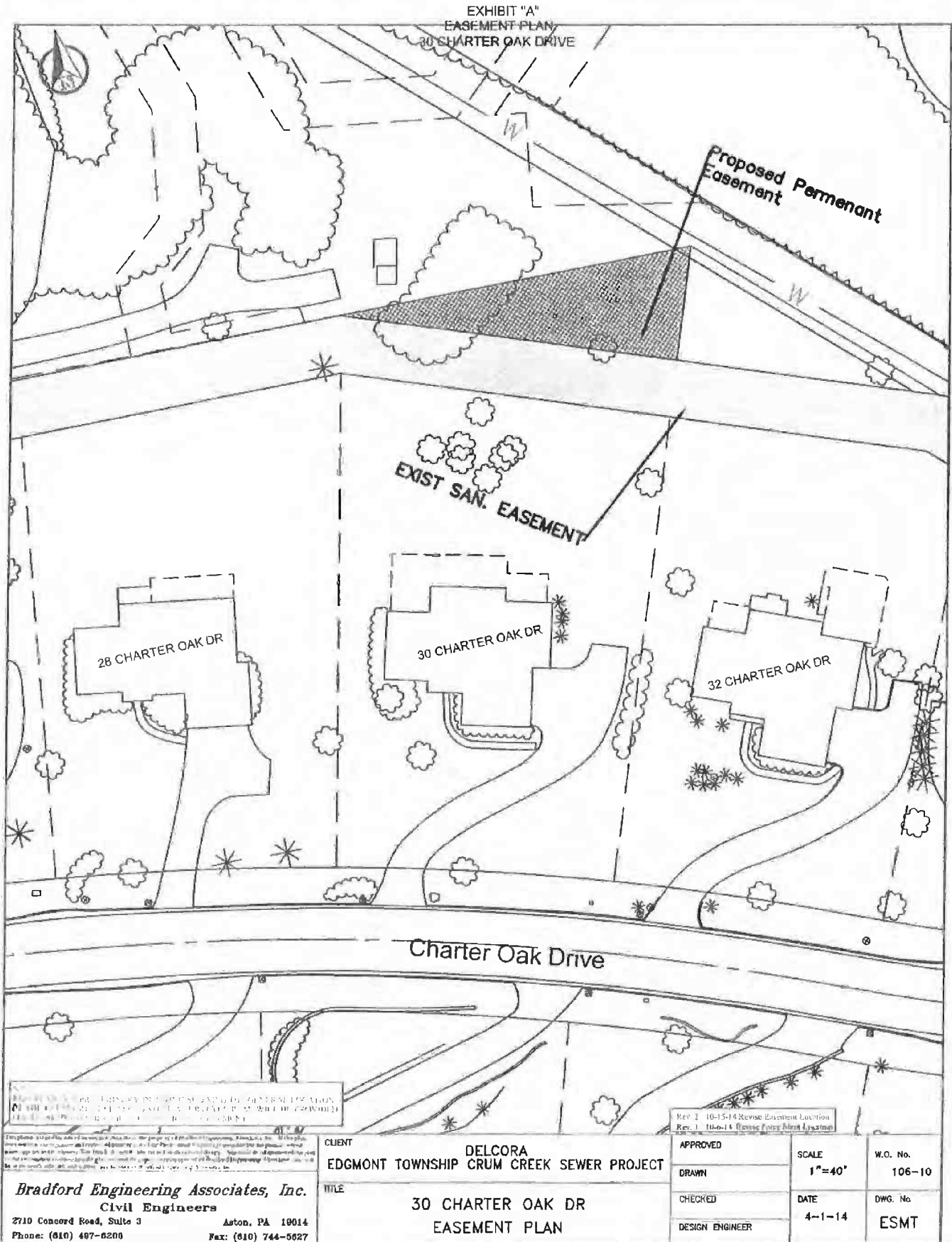
 (Seal)  
ROBERT E. GRAJEWSKI

Witness: 

 (Seal)  
LAURI LEMBO GRAJEWSKI

**EXHIBIT "A"**  
**EASEMENT AREA**

01106\00189\18U6832.DOC

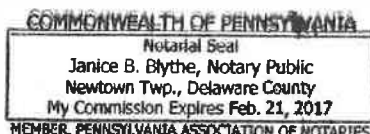


**OWNER ACKNOWLEDGEMENT**

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF Delaware : ss  
:

On this 7<sup>th</sup> day of November, 2014 before me a notary public,  
duly commissioned in and for said County and Commonwealth, personally appeared the  
within named Owner, ROBERT E. GRAJEWSKI and LAURI LEMBO GRAJEWSKI,  
known to me (or satisfactorily proven) to be the persons whose names are subscribed  
to the within instrument and acknowledged execution of the same for the purpose  
therein contained, and desired the same to be recorded as such.

WITNESS my hand and notarial seal the day and year aforesaid.



Janice Blythe  
Notary Public

(Seal)

Commission Expires

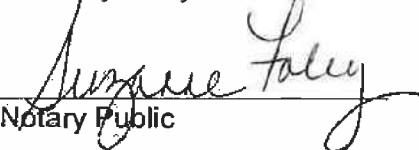
February 21<sup>st</sup> 2017

**DELCORA AND TOWNSHIP ACKNOWLEDGMENTS**

COMMONWEALTH OF PENNSYLVANIA :  
: SS  
COUNTY OF DELAWARE :

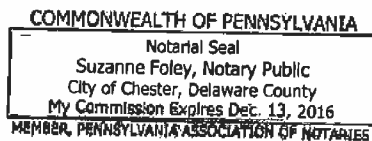
On this 8<sup>th</sup> day of December, 2014, before me, a notary public, duly commissioned in and for said County and Commonwealth, personally appeared Joseph L. Salucci who acknowledged himself to be the Vice/Chairman of the Delaware County Regional Water Quality Control Authority ("DELCORA"), a body corporate and politic, and that he as such Vice/Chairman, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of DELCORA by himself as Vice/Chairman, and desiring that the same might be recorded as such.

Witness my hand and notarial seal the day and year aforesaid.

  
Notary Public

(Seal)

Commission Expires



COMMONWEALTH OF PENNSYLVANIA :  
 : SS  
COUNTY OF DELAWARE :

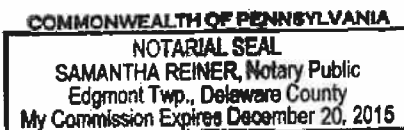
On this 28<sup>th</sup> day of November, 2014, before me, a notary public, duly commissioned in and for said County and Commonwealth, personally appeared RONALD GRAVINA who acknowledged himself to be the ~~Vice~~/Chairman of the Edgmont Township, a Pennsylvania Township of the Second Class, and that he as such ~~Vice~~/Chairman, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of Edgmont Township by himself as Vice/Chairman, and desiring that the same might be recorded as such.

Witness my hand and notarial seal the day and year aforesaid.

Samantha Reiner  
Notary Public

(Seal)

Commission Expires





Loan Number \_\_\_\_\_

**CONSENT OF MORTGAGEE (LIEN HOLDER)**

The undersigned, Mortgagee, \_\_\_\_\_ ("**Mortgagee**") with respect to the Property in which the Sewer Lines and rights and privileges in the foregoing Easement (the "**Easement**") are a part, by mortgage dated \_\_\_\_\_, and recorded in the Office of the Recorder of Deeds, in and for Delaware County, in book \_\_\_\_\_, at page \_\_\_\_\_ (the "**Mortgage**"), hereby consents to the foregoing grant of Easement by ROBERT E. GRAJEWSKI and LAURI LEMBO GRAJEWSKI, husband and wife to DELCORA and Edgmont Township, and their respective successors and assigns, and joins in the execution hereof solely as Mortgagee and hereby does agree that in the event of the foreclosure of said Mortgage, or other sale of said Property described in said Mortgage under judicial or non-judicial proceedings, the same shall be sold subject to said Easement.

**MORTGAGEE**

By: \_\_\_\_\_  
Name:  
Title:

Attest: \_\_\_\_\_

(Mortgagee Seal)

**MORTGAGEE (LIEN HOLDER) CONSENT ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ :  
COUNTY OF \_\_\_\_\_ : ss  
\_\_\_\_\_ :

BEFORE ME, the undersigned authority, personally appeared \_\_\_\_\_ the \_\_\_\_\_ of \_\_\_\_\_  
(the "Bank"), known to me to be the person and Officer whose name is subscribed to the foregoing instrument and who acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, as the act and deed of said Bank and desiring that the same might be recorded as such.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS \_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_.

\_\_\_\_\_  
Notary Public

(Seal)

My Commission Expires

DEED—Trustees' Covenant - (Corp. - Ind.) No. 772A Printed for and Sold by John C. Clark Co., 1326 Walnut St., Pl. Ia.

# This Indenture, Made the

eleventh day of June in the year of our Lord  
one thousand nine hundred and seventy-six (1976)

**Between**

THE CITY OF CHESTER, a PENNSYLVANIA CORPORATION,  
(hereinafter called the Grantor) of the one part, and

DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY  
(Hereinafter called the Grantee), of the other part,

of the other part, **Witnesseth,** That the said Grantor \_\_\_\_\_  
for and in consideration of the sum of TWELVE THOUSAND DOLLARS (\$12,000.00)  
lawful money of the United States of America, unto —it — well and truly paid by the said  
Grantee  
at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowl-  
edged, have —granted, bargained, sold, aliened, enfeoffed, released and confirmed and by these  
presents Doth —  
grant, bargain, sell, alien, enfeoff, release and confirm unto the said Grantee, its successors

and assigns, \_\_\_\_\_

west corner of lands of Delcora containing the existing pumping station; thence extending along lands of the Chester and Delaware Railroad Company South 72 degrees, 11 minutes 9 seconds West 27.20 feet to a point; thence extending along lands of the City of Chester of which this was a part and along Area C and Area D hereinafter described North 16 degrees, 48 minutes 51 seconds West 198.47 feet to the first mentioned point and place of beginning.

CONTAINING 5,392 square feet of land.

BEING the same premises which Luther Mendenhall and Kate B., his wife, by Indenture bearing date the 9th day of March, A.D. 1922, and recorded in the Office of the Recorder of Deeds &c., in and for the County of Delaware, aforesaid, in Deed Book 502 page 98, granted and conveyed unto City of Chester, in fee.

RESERVING unto the grantor herein the right of ingress and regress to and from Second Street through that part of the above premises described as follows:

BEGINNING at a point on the Southeasterly side of Second Street (60 feet wide) at the distance of 397.10 feet measured North 73 degrees, 11 minutes, 9 seconds East, along same, from its intersection with the Northeasterly side of Penn Street (60 feet wide); thence extending from said beginning point, along the said Southeasterly side of Second Street, North 73 degrees, 11 minutes, 9 seconds East, 27.20 feet to a point in line of lands of Delcora Second and Dock Street Pumping Station Site; thence extending along said lands South 16 degrees, 48 minutes, 51 seconds East 85 feet to a point; thence extending South 24 degrees, 32 minutes West 19.98 feet to a point; thence extending South 73 degrees, 11 minutes, 9 seconds West 14 feet to a point; thence extending North 16 degrees, 48 minutes, 51 seconds West 100 feet to the first mentioned point and place of beginning.

TOGETHER with the right of ingress and regress to said premises above described along and through a certain piece of ground adjoining to the Southwest and described according to the above described plan as follows: BEGINNING at a point on the Southeasterly side of Second Street (60 feet wide) at the distance of 374.31 feet measured North 73 degrees, 11 minutes, 9 seconds East, along same, from its intersection with the Northeasterly side of Penn Street (60 feet wide); thence extending from said beginning point, along the said Southeasterly side of Second Street, 22.80 feet to a point in line of the above described premises; thence extending partly along same South 16 degrees, 48 minutes, 51 seconds East 198.47 feet to a point in line of lands of Chester and Delaware Railroad Company; thence extending along said lands South 72 degrees, 11 minutes, 9 seconds West 10 feet to a point; thence

**Together** with all and singular buildings and improvements \_\_\_\_\_  
ways, waters, water-courses, rights, liberties, privileges, hereditaments and appurtenances whatso-  
ever thereunto belonging, or in any wise appertaining, and the reversions and remainders, rents,  
issues and profits thereof; and all the estate, right, title, interest, property, claim and demand  
whatsoever of it \_\_\_\_\_

or otherwise howsoever, of, in, and to the same and every part thereof. \_\_\_\_\_ in law, equity,

**To have and to hold** the said lot or piece of ground above  
described with the buildings and improvements thereon erected \_\_\_\_\_

hereditaments and premises hereby granted, or mentioned and  
intended so to be, with the appurtenances, \_\_\_\_\_ unto the said  
Grantee, its successors \_\_\_\_\_

and assigns to and for the only proper use and  
behooof of the said Grantee, its successors \_\_\_\_\_

and assigns forever \_\_\_\_\_

**And** the said Grantor, for itself and its successors and assigns \_\_\_\_\_

covenant, promise and agree, to and with the said Grantee, its successors \_\_\_\_\_  
and assigns, by these presents, that \_\_\_\_\_ it \_\_\_\_\_ the said

Grantor, its successors and assigns, has \_\_\_\_\_

not done, committed, or knowingly or willingly suffered to be done or committed, any act, matter  
or thing whatsoever whereby the premises hereby granted, or any part thereof, is, are, shall or may  
be impeached, charged or incumbered, in title, charge, estate, or otherwise howsoever.

**In Witness Whereof**, the party of the first part hath hereunto set  
its Common or Corporate Seal affixed the day and year aforesaid.

THE CITY OF CHESTER

SEALED AND DELIVERED  
IN THE PRESENCE OF US:

By\*

Mayor

Attest\*

City Clerk

Received, the day of the date of the above Indenture, of the within named Grantee

On this, the day of 1976, before me the subscriber, a  
Notary Public for the Commonwealth of Pennsylvania, residing in  
the County of Delaware, the undersigned officer, personally appeared

of known to me (or satisfactorily proven) to be the person described in the, State  
foregoing instrument, and acknowledge that he executed the same in the capacity therein stated  
and for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and official seal.

On this, the eleventh day of June 1976, before me the subscriber, a  
Notary Public, the undersigned officer, personally appeared JOHN H. NACRELLI  
Mayor of The City of Chester who acknowledged himself Mayor to be the  
Mayor, being authorized to do so, executed the foregoing instrument for the purposes therein  
contained by signing the name of the corporation by himself Mayor as Mayor.

In Witness Whereof, I hereunto set my hand and official seal.

Patherine Phillips  
Notary Public  
The address of the within-named Grantee  
is 100 East Fifth Street  
Chester, Pa. 19013  
On behalf of the Grantee

FILE ABSTRACT COMPANY OF PA

TA# 189,966

**DEED** 10.25

ITY OF DELAWARE  
ENNSYLVANIA  
ECEIVED

UN 22 1976

REGISTRATION DEPT.

THE CITY OF CHESTER  
(a Pennsylvania Corporation)

T O

DELAWARE COUNTY REGIONAL  
WATER QUALITY CONTROL  
AUTHORITY

Premises:

2nd St., 397.10' East of  
Penn St., Chester City  
Del. Co., Pa.

471 John C. Clark Company, Philadelphia 772A

Penna. Realty Transfer Tax Affidavit filed

Corporation Deed. No. 652.

Printed for and Sold by John C. Clark Co., 1326 Walnut St., Phila.

# *This Indenture, Made the*

6th                      day of                      JUNE                      in the year of our  
**Lord one thousand nine hundred and SEVENTY-SEVEN (1977)**

**Between** BOROUGH OF MARCUS HOOK, DELAWARE COUNTY, PENNSYLVANIA,  
a Municipal Corporation organized and existing under the Laws of  
the Commonwealth of Pennsylvania (hereinafter called "Grantor"),  
of the one part

A N D

DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY, a Municipal  
Authority organized and existing under the Laws of the Commonwealth  
of Pennsylvania (hereinafter called "Grantee"), of the other part,

**Witnesseth,** *That the said* Grantor

*for and in consideration of the sum of* Seventy-nine Thousand Five Hundred Dollars

*lawful money of the United States of America, unto* it *well and truly paid by the said*

Grantee *at and before the sealing and delivery*  
*of these presents, the receipt whereof is hereby acknowledged,* has *granted, bargained, sold,*  
*aliened, enfeoffed, released and confirmed, and by these presents* does *grant, bargain, sell,*  
*alien, enfeoff, release and confirm unto the said* Grantee, its successors  
*and assigns,*

ALL THAT CERTAIN tract of land situate in the Borough of  
Marcus Hook, Delaware County, Pennsylvania bounded and described  
in accordance with a plan prepared by Betz Environmental Engineers,  
Plymouth Meeting, Pennsylvania dated October 31, 1975 as follows:

BEGINNING at the Northwesterly corner of land of the Borough  
of Marcus Hook containing the existing pumping station said corner  
being on the Southeasterly right of way line of the South Chester  
Branch of the Philadelphia, Baltimore, and Washington Railroad  
(now Penn Central) and being at the distance of 167.45 feet  
measured North 60 degrees, 00 minutes East along said railroad  
right of way line from a point being the Northwesterly corner of  
lands of the Borough of Marcus Hook containing the existing sewage  
treatment plant site, said last mentioned point being at the distance  
of 584.55 feet measured North 60 degrees, 00 minutes East along said  
railroad right of way line from its point of intersection with the  
centerline of Penn Avenue (60 feet wide), thence from said beginning  
corner extending along said railroad right of way line North 60  
degrees, 00 minutes East 100.00 feet to a point, thence leaving said

North 30 degrees, 00 minutes West 150.00 feet to the first mentioned corner the point and place of beginning.

CONTAINING 15,000 square feet or 0.344 acres of land.

BEING the same premises which Reading Company Railroad, by deed dated May 31, 1910 as recorded in Deed Book No. R-14 Page 47, granted and conveyed to the Borough of Marcus Hook.

AND ALSO, Grantor does grant, bargain, sell, release and confirm unto the Grantee, its successors and assigns, at all times, the free and uninterrupted use, liberty, right and privilege, for the construction, operation and maintenance of a sanitary sewer force main, together with free ingress, egress and regress, an easement or right-of-way through the lands of Grantor as shown on a plan of said easement or right-of-way prepared by Betz Environmental Engineers, Inc., dated October 31, 1975, the same being attached hereto and made a part hereof, and marked Exhibit "A", described as follows:

SANITARY SEWER FORCE MAIN RIGHT OF WAY

ALSO ALL THAT CERTAIN 20 feet wide permanent right of way for the construction and maintenance of a sanitary sewer force main through lands of the Borough of Marcus Hook containing the existing sewage treatment plant situate in the Borough of Marcus Hook at the Borough of Trainer as follows:

BEGINNING at a point on the Northeasterly side of the herein-before described pumping station site, said point being at the distance of 123.50 feet measured South 30 degrees, 00 minutes East along said pumping station site from a point on the Southeasterly right of way line of the South Chester Branch of the Philadelphia, Baltimore, and Washington Railroad, said last mentioned point being at the distance of 100 feet measured North 60 degrees, 00 minutes East along said railroad right of way line from the Northwesterly corner of lands of the Borough of Marcus Hook containing the existing pumping station site (being the beginning point of the hereinbefore described Pumping Station Site), thence from said beginning point extending in and through lands of the Borough of Marcus Hook containing the existing sewage treatment plant and through a portion of Marcus Hook Creek the following (3) courses and distances: (1) North 60 degrees, 00 minutes East 11.58 feet to a point, (2) North 15 degrees, 00 minutes East 63.64 feet to a point and (3) North 60 degrees, 00 minutes East 246.41 feet to a point in the title line and along lands of B. P. Oil Corporation and in and through the bed of Marcus Hook Creek South 45 degrees, 18 minutes, 32 seconds East 20.73 feet to a point, thence extending in and through lands of the Borough of Marcus Hook containing the existing sewage treatment plant and recrossing a portion of Marcus Hook Creek the following (3) courses and distances: (1) South 60 degrees, 00 minutes West 243.59 feet to a point, (2) South 15 degrees, 00 minutes West 63.63 feet to a point and (3) South 60 degrees, 00 minutes West 19.82 feet to a point in line of lands of the hereinbefore described pumping station site, thence extending along the Northeasterly side of the pumping station site North 30 degrees, 00 minutes West 20.00 feet to the first mentioned point and



BEGINNING at a point in line of other lands now of the said Borough of Marcus Hook and upon right of way of Philadelphia Electric Company and at the distance of 4 feet Southeastwardly of the Southeasterly right of way line of the South Chester Branch of the Philadelphia, Baltimore and Washington Railroad Company; thence by said other lands of the herein grantee, South 30 degrees, 00 minutes East 20 feet; South 60 degrees, 00 minutes West 255.0 feet to a point of curve; thence on an arc of a curve to the left in a Southwesterly direction and having a radius of 80 feet, the arc distance of 40.07 feet to a point of reverse curve; thence on an arc of a curve to the right in a Southwesterly direction and having a radius of 148.0 feet the arc distance of 148.24 feet to another point of reverse curve; thence on an arc of a curve to the left in a Southwesterly direction and having a radius of 80 feet the arc distance of 40.07 feet to a point of tangency; South 60 degrees, 00 minutes West 94.08 feet to a point in line of lands of Chester and Delaware River Railroad Company; thence by said lands, North 17 degrees, 34 minutes, 20 seconds East 29.64 feet; thence parallel with said Southeasterly right of way line of South Chester Branch of the Philadelphia, Baltimore and Washington Railroad Company, and 4 feet therefrom, North 60 degrees, 00 minutes East 72.10 feet to a point of curve; thence on an arc of a curve to the right in a Northeasterly direction and having a radius of 100 feet the arc distance of 50.08 feet to a point of reverse curve; thence on an arc of a curve to the left in a Northeasterly direction and having a radius of 128.0 feet the arc distance of 128.21 feet to another point of reverse curve, thence on an arc of a curve to the right in a Northeasterly direction and having a radius of 100.0 feet the arc distance of 50.08 feet to a point of tangency; thence parallel with said Southwesterly right of way line of the South Chester Branch of the Philadelphia, Baltimore and Washington Railroad Company, and 4 feet therefrom, North 60 degrees, 00 minutes East 255.0 feet to the point or place of beginning.

BOOK 2612 PAGE 575

**And** the said Grantor, for itself, its successors and assigns,  
Does by  
these presents, covenant, grant and agree, to and with the said Grantee, its successors  
and assigns, that it the said Grantor, its successors and assigns  
all and singular  
the hereditaments and premises herein above described and granted, or mentioned and intended  
so to be, with the appurtenances, unto the said Grantee, its successors  
and assigns, against it the said Grantor, its successors and assigns,  
and against all and every person or persons whomsoever lawfully claiming or to claim  
the same or any part thereof,  
it shall and will


Received, the day of the date of the above Indenture, of the above-named

Commonwealth of Pennsylvania

County of Delaware

On this, the 6th day of JUNE, 19 77, before me, the sub-  
scriber, a notary public in and for the State and the undersigned officer,  
personally appeared Joseph Bonavita County aforesaid, who acknowledged himself (himself)  
to be the Secretary of Borough of Marcus Hook,  
a municipal corporation, and that he as such Secretary, being authorized to do so, executed  
the foregoing instrument for the purposes therein contained by signing the name of the corporation  
by himself (himself) as Secretary.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

  
Jean Irving  
Notary Public, Del. Co., Media, Pa.  
My Commission Expires March 17, 1981

The of the within named Grantee  
is

On behalf of said Grantee

BOROUGH OF MARCUS HOOK

T O

DELCORA

Premises:  
Marcus Hook Pumping Station  
at Penn Central RR Site  
Marcus Hook Boro., Pa.

652

John C. Clark Co., Phila.

1974

JUL 6 2 00 PM '77

Penna. Realty Transfer Tax Affidavit filed

#### **DIGITAL FILES**

- **UNIFORM SYSTEM OF ACCOUNTS**
- **DOCUMENTS**

2/13/2019


Illinois American Water Announces Agreement to Acquire Alton's Regional Wastewater System

[Home](#) [Mail](#) [Tumblr](#) [News](#) [Sports](#) [Finance](#) [Entertainment](#) [Lifestyle](#) [Answers](#) [Groups](#) [Mobile](#) [More](#)[Matthew](#)  [Mail](#)[Finance Home](#) [Watchlists](#) [My Portfolio](#) [Screeners](#) [Markets](#) [Industries](#) [Ideas](#) [Reporters](#)**S&P 500**2,757.63  
+12.90 (+0.47%)**Dow 30**25,569.77  
+144.01 (+0.57%)**Nasdaq**7,446.13  
+31.52 (+0.43%)**Russell 2000**1,543.52  
+5.29 (+0.34%)**Crude Oil**54.02  
+0.92 (+1.73%)**SUBSCRIBE****Yahoo Finance's Morning Brief**

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# Illinois American Water Announces Agreement to Acquire Alton's Regional Wastewater System

 Business Wire April 13, 2018

ALTON, Ill.--(BUSINESS WIRE)--

Illinois American Water, a subsidiary of American Water (AWK), has signed an asset purchase agreement today to acquire Alton's regional wastewater system. Today's agreement follows Wednesday night's vote (7-1) by the Alton City Council in favor of Illinois American Water purchasing the regional wastewater system.

"I believe this transaction, approved by our council, is in the best interests of our city, now and in the future," said Alton Mayor Brant Walker. "It allows us significant net proceeds to help fund other city needs and priorities. It also puts our wastewater system and its ongoing needs in professional hands with Illinois American Water, a company that is familiar with Alton and its residents."

Walker added a key component of the deal is Illinois American Water's commitment to continued employment for current city wastewater employees. There will be continued employment in current roles for all existing city employees as well as training, career advancement and professional development opportunities.

The total value of the proposed transaction is approximately \$53.8 million, subject to certain adjustments provided in the agreement.

The Alton wastewater system serves approximately 23,000 customers, including customers in the nearby communities Bethalto and Godfrey.

Illinois American Water has owned, operated and maintained the water system serving Alton for the past 140 years.

"Illinois American Water appreciates the continued confidence the Alton City Council has shown in us by accepting our proposal," said Karen Cooper, senior manager, Illinois American Water. "Illinois American Water is part of the Alton community. We have been providing water service here for more than 140 years. We are excited

[Quote Lookup](#)**Recently Viewed >**

Symbol	Last Price	Change	% Ch.
WTR Aqua America, Inc.	35.90	-0.01	-0.1
EVRG Evergy, Inc.	58.11	-0.19	-0.3
PCG PG&E Corporation	15.76	+0.32	+2.1
ED Consolidated Edison, Inc.	77.33	-1.24	-1.6
^DJI Dow Jones Industrial Average	25,569.77	+144.01	+0.6
HBI Hanesbrands Inc.	18.67	+0.07	+0.4
PVH PVH Corp.	113.68	-0.65	-0.6
^VIX CBOE Volatility Index	15.49	+0.06	+0.4
^GSPC S&P 500	2,757.63	+12.90	+0.5
CRON Cronos Group Inc.	20.09	+0.42	+2.1
ETRN Equitrans Midstream Corporation	19.44	+0.18	+0.9
D Dominion Energy, Inc.	73.25	+0.05	+0.1
FLT FleetCor Technologies, Inc.	219.98	+1.10	+0.5
TWNB Hostess Brands, Inc.	11.77	-0.03	-0.3
LRCX Lam Research Corporation	180.17	+0.92	+0.5

2/13/2019

# Illinois American Water Announces Agreement to Acquire Alton's Regional Wastewater System

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Search for news, symbols or companies

Matthew  Mail

Finance Home atchlists My Portfolio creeners Markets Industries ideos Reporters

approval, the deal could close in First Quarter 2019.

Cooper said Illinois American Water is committed to making capital improvements to the infrastructure of the wastewater system, including upgrades to the city's wastewater treatment facility, pump station improvements, and completion of requirements set forth in the city's long-term control plan included in Alton's National Pollution Discharge Elimination System (NPDES) permit.

SAVE UP TO  
25% OFF EACH

SHOP NOW

Bruce Hauk, president, Illinois American Water, said the company is committed to continued growth and economic development in the River Bend region, which includes Alton. A recent study by the University of Illinois said the sale of the wastewater system assets to Illinois American Water would mean \$65.8 million overall economic impact in Alton in the first five years.

"This is an exciting acquisition for Illinois American Water and our team of employees in Alton and throughout the state of Illinois," said Hauk.

SAVE UP TO  
25% OFF EACH

SHOP NOW

## Cautionary Statement Concerning Forward-Looking Statements.

Certain statements in this press release are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to, among other things, the execution of a definitive purchase agreement; the completion of the proposed acquisition; the ability to satisfy closing and other conditions related to the proposed transaction, including obtaining regulatory approvals; anticipated capital investments; and the ability to achieve certain benefits, synergies and goals relating to the transaction and the operations to be acquired. These statements are based on the current expectations of management of Illinois American Water. There are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements, including with respect to (1) obtaining the regulatory and other approvals required for the acquisition; (2) satisfying other conditions to the closing of the acquisition; (3) the occurrence of the benefits and synergies expected or predicted to occur as a result of the acquisition; (4) unexpected costs, liabilities or delays associated with the acquisition or the integration of the acquired business; (5) regulatory, legislative, local or municipal actions affecting the water and wastewater industries, which could adversely affect Illinois American Water; and (6) other economic, business and other factors. Forward-looking statements are not guarantees or assurances of future performance or results, and Illinois American Water and its affiliates do not undertake any duty to update any forward-looking statement

Story continues



## Indiana American Water Acquires American Suburban Utilities Water System in North Central Indiana

September 21, 2015 06:53 PM Eastern Daylight Time

GREENWOOD, Ind.--(BUSINESS WIRE)--Indiana American Water President Alan DeBoy today announced the company's acquisition of an investor owned water utility in north central Indiana from American Suburban Utilities. The purchase of the system increases the company's customer base by approximately 330 residents.

"The acquisition of this system will provide American Suburban water customers with lower rates and access to operations and capital management water professionals and a number of customer service options and payment methods," said DeBoy. "Indiana American Water already provides water service to the nearby City of West Lafayette in this part of the state, so this is a good fit for us and a continuation of our efforts to expand our presence across Indiana.

"The acquisition will also improve water quality for area residents," DeBoy continued. "We have made significant investments recently in new and existing water treatment facilities in the area, and customers should notice less iron and manganese in their water after we hook them into our West Lafayette water system."

The acquisition of the American Suburban Utilities system for approximately \$140,000 was approved by the Indiana Utility Regulatory Commission last month and closed by Indiana American Water and American Suburban on Monday, September 21, 2015. The American Suburban water system will be incorporated into the company's West Lafayette district, which currently serves approximately 11,000 customers or approximately 28,000 residents in the area.

### About Indiana American Water

Indiana American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 1.2 million people. Founded in 1886, American Water is the largest and most geographically diverse publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs 6,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found at [www.amwater.com](http://www.amwater.com).

### Contacts

Indiana American Water

Joe Loughmiller, 317-885-2434

Cell 317-903-7431

[joe.loughmiller@amwater.com](mailto:joe.loughmiller@amwater.com)



## Missouri American Water Acquires City of Arnold's Sewer System

### *Arnold voters overwhelmingly approved referendum in November 2014*

May 22, 2015 04:17 PM Eastern Daylight Time

ST. LOUIS--(BUSINESS WIRE)--Today, Missouri American Water announced the closing of the company's acquisition of the City of Arnold's sanitary sewer system. The acquisition adds 8,800 sewer customers to Missouri American Water's operations in St. Louis County.

The Missouri Public Service Commission approved the sale on April 14, 2015.

Arnold voters overwhelmingly approved a public referendum of the sale to Missouri American Water in November 2014.

Arnold is the largest city in Jefferson County. The city's population is an estimated 21,000 residents.

Missouri American Water's sewer bills will continue Arnold's current rates and rate structure -- based on winter water usage.

"Missouri American Water's St. Louis County operation serves more than one million people just a few miles north of Arnold," said Frank Kartmann, President of Missouri American Water. "We are pleased to bring our engineering and system operation expertise to deliver high quality sanitary sewer service to our new Arnold customers."

"Over the next four years, Missouri American Water will invest approximately \$5 million to upgrade and improve the infrastructure of the Arnold sanitary sewer system," said Kartmann.

The company expects a smooth transition for customers. Starting today, the sewer system is managed and operated by Missouri American Water. Sewer employees, formerly employed by the City of Arnold, will continue to provide system operation and field services now as Missouri American Water employees.

Customers are receiving information about the sanitary sewer system transition in their current City of Arnold sewer/storm water and trash bills. Missouri American Water will also mail a new customer information package to all Arnold customers prior to the first Missouri American Water sanitary sewer bills, which will arrive in August.

A new company website at [www.arnoldmoaw.com](http://www.arnoldmoaw.com) will keep City of Arnold customers informed during the transition.

**Missouri American Water**

Missouri American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.5 million people.

Founded in 1886, American Water (NYSE: AWK) is the largest publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs 6,400 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found at [www.amwater.com](http://www.amwater.com).

## Contacts

Missouri American Water

Ann Dettmer

Communications Manager

T - 314-996-2356

C - 314-623-3822

**[Ann.Dettmer@amwater.com](mailto:Ann.Dettmer@amwater.com)**



6/1/2017

Arnold nears sale of sewer system | Political Fix | stltoday.com

## Political Fix

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[http://www.stltoday.com/news/local/govt-and-politics/arnold-nears-sale-of-sewer-system/article\\_df4bdcb0-4430-5cbc-bf1e-4255301961af.html](http://www.stltoday.com/news/local/govt-and-politics/arnold-nears-sale-of-sewer-system/article_df4bdcb0-4430-5cbc-bf1e-4255301961af.html)

### Arnold nears sale of sewer system

Special to the Post-Dispatch May 22, 2015

**ARNOLD** • Officials are set to close on the sale of the city sewer system to the Missouri American Water Co.

On Nov. 4, voters agreed to sell the wastewater utility to Missouri American Water for \$13.2 million. The city would net \$5.2 million from the sale, along with a sewer reserve fund of \$4 million.

At the meeting Thursday night, the City Council approved legislation to grant the franchise the right to use the city's infrastructure, including streets, right of ways, parks and other public places for the wastewater system. It also authorized the city to assign its Metropolitan Sewer Department obligations to the water company.

The city will lease office space to the water company on a temporary basis for about \$2,000 per month until a permanent facility can be located. In addition, five of the city's sewer employees will be employed by the company.

Dan Kroupa, city treasurer, said the sale would allow the city to pay off an existing debt of \$8 million and be relieved of the \$12 million it currently owes to MSD for the treatment plant, along with any future expansion costs.

"It puts Arnold in a good financial position," he said. "And residents will have the same level of service as they did before."

Syberg's restaurant to open in Arnold

Arnold to use money from sale of sewer system for road work

1/18/2020

Document

8-K 1 ctwsform8-k2017x07x06.htm CTWS FORM 8-K 07-06-2017

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): July 6, 2017 (July 1, 2017)

Commission File Number 0-8084

**Connecticut Water Service, Inc.**  
(Exact name of registrant as specified in its charter)

Connecticut  
(State or other jurisdiction of  
incorporation or organization)

06-0739839  
(I.R.S. Employer Identification No.)

93 West Main Street, Clinton, CT  
(Address of principal executive office)

06413  
(Zip Code)

(860) 669-8636  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

1/18/2020

Document

## Item 8.01 Other Events

### Completion of Acquisition of The Avon Water Company

As previously reported, on October 12, 2016, Connecticut Water Service, Inc. ("CTWS" or "Connecticut Water") announced that it had reached an agreement to acquire The Avon Water Company ("AWC"), pending a vote of AWC shareholders, approval by the Connecticut Public Utilities Regulatory Authority ("PURA") and the Maine Public Utilities Commission ("MPUC") and the satisfaction of other various closing conditions, pursuant to the terms of that certain Agreement and Plan of Merger dated October 11, 2016 as amended on March 29, 2017 between and among AWC, the Company, and WC-A I, Inc., the Company's wholly-owned Connecticut subsidiary (the "Merger Agreement"). AWC serves approximately 4,800 customers in the Farmington Valley communities of Avon, Farmington, and Simsbury, Connecticut.

On February 10, 2017, Connecticut Water received regulatory approval from MPUC and on April 12, 2017, Connecticut Water received regulatory approval from the PURA to proceed with the transaction. The shareholders of AWC voted to approve the acquisition at a special meeting of AWC's shareholders held on June 16, 2017.

Effective July 1, 2017, Connecticut Water completed the acquisition of AWC by completing the merger of Connecticut Water's wholly-owned subsidiary WC-A I, Inc. with and into AWC, with AWC as the surviving corporation, pursuant to the terms of the Merger Agreement and Connecticut corporate law. Upon the effective time of the Merger, the holders of AWC's 122,289 issued and outstanding shares of common stock became entitled to receive the following merger consideration for each share of AWC common stock held: (i) a cash payment of \$50.11; and (ii) a stock consideration component, consisting of 3.97 shares of the common stock of Connecticut Water, without par value. The exchange will be commenced promptly by the issuance of a letter of transmittal and related materials by Connecticut Water's exchange agent to the former shareholders of AWC.

The transaction was completed through a stock-for-stock exchange where AWC shareholders received Connecticut Water stock valued at approximately \$27.9 million, in a tax-free exchange, and a cash payment of \$6.1 million for a total payment to shareholders of \$34.0 million. The transaction reflects a total enterprise value of approximately \$40.1 million, with the \$34.0 million paid to shareholders and the assumption by CTWS of approximately \$6.1 million of debt of AWC.

1/18/2020

Document

### News Release

On July 5, 2017, Connecticut Water issued a press release describing the completion of its acquisition of AWC. A copy of the press release dated July 5, 2017 is filed herewith as Exhibit 99.1 and is hereby incorporated herein by reference.

### Item 9.01 Financial Statements and Exhibits

The following document is filed herewith as an exhibit hereto:

#### (d) Exhibits

99.1 Connecticut Water press release regarding the completion of Connecticut Water's acquisition of The Avon Water Company, dated July 5, 2017, is filed herewith.

-2-

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1/18/2020

Document

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Connecticut Water Service, Inc.  
(Registrant)

Date: July 6, 2017

By: /s/ David C. Benoit

David C. Benoit  
Senior Vice President – Finance and  
Chief Financial Officer

-3-

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1/18/2020

Document

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
--------------------	--------------------

99.1	Connecticut Water press release regarding the completion of Connecticut Water's acquisition of The Avon Water Company, dated July 5, 2017, is filed herewith.
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1/6/2020

American Water finalizes takeover of Boone-Raleigh PSD water service | Business | wvgazettemail.com

[https://www.wvgazettemail.com/business/american-water-finalizes-takeover-of-boone-raleigh-psd-water-service/article\\_95a5c271-f526-585b-ae04-67c151580ced.html](https://www.wvgazettemail.com/business/american-water-finalizes-takeover-of-boone-raleigh-psd-water-service/article_95a5c271-f526-585b-ae04-67c151580ced.html)

## American Water finalizes takeover of Boone-Raleigh PSD water service

By Caity Coyne Staff writer  
Aug 8, 2019

Customers who once relied on the Boone-Raleigh Public Service District for water service are now officially customers of West Virginia America Water, after the company's acquisition of the PSD was finalized Thursday, according to a news release.

Boone-Raleigh PSD served about 470 water customers in Sylvester and Whitesville. Now, WVAW will serve those customers through an interconnection constructed between its existing lines in the area and the PSD's lines.

WVAW will only provide water service to the PSD's customers. Those who receive sewage service from the PSD will soon see a 16 percent increase (about \$6 per 3,000 gallons of water) to their bill due to the decrease in revenue from losing its water customers, according to a filing with the state Public Service Commission.

Water customers will also see an increase in their bills as the water rates raise to meet WVAW's rates — a \$19.18, or 57.8 percent, increase.

Per the joint stipulation agreement between the PSD and WVAW, which was approved earlier this year by the PSC, WVAW will pay \$115,000 to acquire the water system and its facilities.

Over the past few years, the PSC approached WVAW several times about the possibility of taking over water operations for Boone-Raleigh, especially as its service deteriorated. Earlier this year, John Lipford, chairman of the Boone-Raleigh PSD, said he was confident that this time, the deal would come to fruition, and he was right.

The hope, Lipford said, is that WVAW can provide safer, more reliable water service to those who depend on it.

Boone-Raleigh experiences an unaccounted water loss rate of 69 percent, according to its 2017 annual report filed to the PSC. That's the fourth-highest rate of any water system in the state.

1/6/2020

American Water finalizes takeover of Boone-Raleigh PSD water service | Business | wvgazettemail.com

The Environmental Protection Agency classifies Boone-Raleigh as being in “significant noncompliance” for drinking water standards. The PSD has been cited for violations in 11 of the last 12 quarters on record with the EPA.

Now that the acquisition is complete, WVAW is the sole water provider in Boone County, according to testimony given by WVAW representatives to the PSC.

For the past few years, WVAW has been stepping in regularly to offer emergency help to Boone-Raleigh when lines break or water stops flowing, and now, that service will be permanent.

“Once the takeover is finished, the customers will have better water quality and it will be more consistent,” Lipford said earlier this year. “This is a good thing for everyone involved. It really is.”

Caity Coyne is a corps member with Report for America, an initiative of The GroundTruth Project.

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Caity Coyne





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## Pennsylvania American Water Signs Agreement to Acquire Borough of Kane Authority's Wastewater System

November 14, 2019 04:45 PM Eastern Standard Time

KANE, Pa.--(BUSINESS WIRE)--Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced that it has signed an agreement to acquire the wastewater assets of the Borough of Kane Authority in McKean County for approximately \$17.5 million. The Authority's wastewater system serves nearly 2,100 customers in Kane Borough and Wetmore Township.

"We have been providing reliable water service to this area for more than 100 years and are deeply rooted in these communities," said Pennsylvania American Water President Mike Doran. "The proceeds of the sale will support local infrastructure improvements and economic development activities that will be vital to supporting a high quality of living for residents."

Pennsylvania American Water and the Authority will seek approval of the acquisition from the Pennsylvania Public Utility Commission (PUC) and other necessary approvals from the Pennsylvania Department of Environmental Protection.

"We look forward to bringing our operational and engineering expertise, as well as our commitment to make necessary capital investments, to improve the wastewater system and ensure its compliance with environmental regulations," Doran added. "We also plan to welcome Kane's four wastewater treatment plant operators to the Pennsylvania American Water family."

The signing of the purchase agreement is the culmination of several years of negotiations between Pennsylvania American Water, the Authority, Kane Borough, and Wetmore Township officials. The company expects to close the transaction in the later part of 2020, pending regulatory approvals.

The pending transaction will be executed under Pennsylvania's Act 12 statute, which allows municipalities to sell water and wastewater systems for a price based on the fair market value of the facilities. Prior to the passage of Act 12, the valuation process was based on assessing the system's original cost at the time of construction – which may be 50 years old or more – less depreciation and contributed property.

"The law enacted in 2016 now provides municipalities the opportunity to receive a purchase price that is more reflective of the current value of the system assets," Doran explained.

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.4 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and



## **Pennsylvania American Water Signs Agreement to Acquire New Cumberland Wastewater System**

May 05, 2016 11:03 AM Eastern Daylight Time

HERSHEY, Pa.--(BUSINESS WIRE)--Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced today that it has signed an agreement to acquire the wastewater assets of the Borough of New Cumberland in Cumberland County. The total value of the transaction is approximately \$23 million.

Pennsylvania American Water and the Borough will seek approval of the acquisition from the Pennsylvania Public Utility Commission and other necessary approvals from the Pennsylvania Department of Environmental Protection. The signing of the purchase agreement is the culmination of negotiations between Pennsylvania American Water and Borough officials since the Borough Council unanimously voted in March to accept the company's proposal. The Borough initially issued a request for bids in January 2016, for the potential acquisition of its wastewater system.

"Our company and our employees have been the water service provider for this community for many, many years, and we are excited for the opportunity to be the future provider of wastewater service to our New Cumberland customers," said Pennsylvania American Water President Kathy L. Pape. "We look forward to providing the technical expertise and financial resources needed to ensure the system meets all the environmental compliance challenges it will face in the future."

The New Cumberland wastewater system serves approximately 3,100 customers.

Pape said long-term rate stability is one of the most important benefits for wastewater customers, who faced significant rate increases if the Borough continued to operate the system. Under the purchase agreement, Pennsylvania American Water will not change wastewater rates any earlier than January 1, 2018, with a maximum 2.5 percent increase in both 2018 and 2019. The company's rates are regulated by the Public Utility Commission and future rate changes would have to be reviewed and approved by the PUC.

Pennsylvania American Water's purchase of the sewer system will enable the Borough to eliminate all debt, which is approximately \$16 million, by retiring outstanding bonds within the next three years.

Pennsylvania American Water has also committed to invest \$2 million in wastewater and/or water improvements within New Cumberland over the next five years. The company will partner with the Borough to identify areas where aging wastewater and water facilities can be replaced in conjunction with street and sidewalk improvements.

Pape said upon closing the acquisition that "we look forward to welcoming the Borough's five wastewater employees to the Pennsylvania American Water team." All active employees will be offered jobs, subject to standard pre-employment screening.



December 29, 2015

## Aqua America Subsidiaries End 2015 With 16 Acquisitions

### Three completed in 4Q - total includes four municipal systems

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE: WTR) announced that its subsidiaries in Pennsylvania and Virginia completed purchases of one wastewater and two water utilities in the fourth quarter of this year, bringing its total to 16 acquisitions for 2015.

- Aqua Virginia acquired the assets of the Captain's Cove Utility Company in Accomack County, Virginia, which provides water and wastewater service to the Captain's Cove subdivision in that county for \$2.4 million. The utility has 977 active water customer connections and 280 active wastewater connections. There are also 2,489 availability customers who currently pay for service to properties planned for future construction.
- Aqua Pennsylvania completed the \$231,000 purchase of the Robin Hood Lakes Water Company, which serves Polk Township, helping to fill out its footprint in Monroe County where Aqua Pennsylvania serves customers in Hamilton and Ross townships. The system consists of 210 customer connections and serves approximately 600 people.

"Our business development team worked very hard this year to complete 16 acquisitions, including four municipal deals, which added 10,588 additional customer connections to Aqua's growing customer base," said Aqua America President and CEO Christopher Franklin. "We have seen more municipalities considering their options now that recent legislation in several states has allowed regulated utilities to pay fair market value for these municipal assets."

Franklin notes that as a result of these new customers and organic growth of approximately 0.6 percent, the company anticipates meeting its 2015 customer base growth goal of 1.7 to 2 percent.

"I'm confident our new customers in Pennsylvania and Virginia will find that Aqua offers exceptional service and improved infrastructure in the communities we have the privilege to serve," Franklin said. "We welcome them to Aqua."

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) for more information.

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to invest capital, receive governmental approval of the transition and close the acquisition. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions; the company's ability to meet its anticipated growth goals, the successful integration of the customers, employees and the acquired facilities; and other factors discussed in our Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation — and expressly disclaims any such obligation — to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRF

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## Indiana American Water acquires Charlestown Water System in southern Indiana

Friday, March 8, 2019 6:50 AM ET

By Nephele Kirong  
*Market Intelligence*

Indiana American Water Co. Inc. has completed its approximately \$13.4 million acquisition of the municipal water utility Charlestown Water in southern Indiana, the company said March 7.

"Our community was facing tremendous capital costs to address water quality and local infrastructure needs," Charlestown Mayor Bob Hall said. "This acquisition will help us to address these concerns at a lower overall cost than we would otherwise be able to do and also provide funds to help us address other pressing priorities in our community."

The Indiana Utility Regulatory Commission approved the deal on March 14, 2018.

The acquisition adds approximately 2,900 customers to Indiana American Water's customer base, according to a news release. The Charlestown system will be incorporated into the company's Southern Indiana district, which currently serves approximately 100,000 residents.

Indiana American Water, a subsidiary of American Water Works Co. Inc., serves approximately 300,000 water customers.

*This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.*

2/12/2019

Aqua America to acquire Cheltenham Township's wastewater system

TECHNOLOGY



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4 JULY 2018 NEWS

## Aqua America to acquire Cheltenham Township's wastewater system



Aqua America's Pennsylvania subsidiary has signed an agreement to acquire Cheltenham Township's wastewater system for \$50.25m.

This wastewater system currently serves around 10,500 connections in Montgomery County.

The deal must be approved by the Pennsylvania Public Utility Commission.

2/12/2019

Aqua America to acquire Cheltenham Township's wastewater system

This deal will be Aqua Pennsylvania's fourth acquisition application referred to the Pennsylvania PUC after the enactment of Act 12 in 2017.

The Pennsylvania subsidiary has asset purchase agreements with New Garden Township wastewater system, which has 2,100 customers, in Chester County and the Limerick Township wastewater system, which has 5,400 customers, in Montgomery County.

Furthermore, the firm signed an agreement with East Bradford Township in Chester County last December to acquire its 1,200-customer wastewater collection system.

Aqua provides water service to East Bradford just as it does with Cheltenham.

These four systems total over 19,000 wastewater connections. It will almost double Aqua Pennsylvania's existing 22,000-customer wastewater operation.

The Act 12 encourages consolidation of the fragmented industry to benefit customers, the environment and local governments. This deal is expected to benefit customers as it would leverage

2/12/2019

Aqua America to acquire Cheltenham Township's wastewater system

compliance expertise, purchasing power gained through economies of scale and operational efficiencies.

Aqua America chairman and CEO Christopher Franklin said: “We are pleased with the momentum we are gaining to reach agreements with municipal systems.

“Act 12 is having its intended impact, allowing municipalities to be compensated for the fair value of their water and wastewater assets and enabling utility professionals to bring expertise to systems in need.”

Aqua Pennsylvania president Marc Lucca said: “As with our pending agreements with New Garden, East Bradford and Limerick, the Aqua Pennsylvania team is looking forward to assuming Cheltenham’s sewer utility responsibilities so the township can direct its attention and capital to other priorities.

“We are anxious to begin the work necessary to help the township meet the requirements of an outstanding Pennsylvania Department of Environmental Protection consent order, specifically related to inflow and infiltration issues there.”

2/12/2019

Aqua America to acquire Cheltenham Township's wastewater system

Aqua has plans to invest almost \$50m over the next decade to improve Cheltenham's wastewater system.

Aqua America is a publicly traded water utility, serving almost three million people in the US states of Pennsylvania, Ohio, Texas, New Jersey, Indiana, North Carolina, Illinois and Virginia.



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## Aqua America's Ohio Subsidiary Reaches Asset Purchase Agreement With City of Campbell to Acquire Water System

August 05, 2019 01:01 PM Eastern Daylight Time

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aqua America Inc. (NYSE: WTR) announced today its Ohio subsidiary has signed an agreement with the City of Campbell, Mahoning County, to purchase the city's water treatment plant and distribution system for \$7.5 million. The system serves approximately 3,200 connections.

Closing of the sale is anticipated in late 2019 upon approval by the Public Utilities Commission of Ohio.

"This purchase will enable Aqua to bring benefits to the Campbell community by leveraging expertise in compliance, large-scale purchasing power and other efficiencies that can be realized with a larger, combined regional operation," said Aqua America Chairman and CEO Christopher Franklin. "Purchasing private and municipally owned systems is about more than growth. It allows us to do our part to strengthen water and wastewater infrastructure in the communities we serve, something that's vitally important for the future. At the same time, proceeds from the sale of a water or wastewater system can enable municipal leaders to pursue other important initiatives in their communities."

Aqua Ohio President Ed Kolodziej said Aqua will invest an estimated \$4.3 million in the water system to enhance water quality, reliability, and regulatory and environmental standards. "I commend the City of Campbell's mayor and council members for administering an open and transparent evaluation process," said Kolodziej. "Campbell's officials remained focused on making sure any resolution would offer the best solution for the community, and we look forward to serving our new customers."

Last year, Aqua completed municipal acquisitions in the Village of Manteno, Illinois; Limerick Township, Pennsylvania; the Village of Peotone, Illinois; East Bradford Township, Pennsylvania; and the Tredyffrin Township Municipal Authority's Valley Creek Trunk Sewer System in Pennsylvania. Including Campbell, Ohio, Aqua now has eight pending water and wastewater acquisitions under agreement totaling about 22,600 customer connections, which are expected to close in 2019 or 2020. Additionally, Aqua has signed a letter of intent with the Delaware County Regional Water Quality Control Authority, the large wastewater system that serves approximately 500,000 people in 42 municipalities in Delaware and Chester counties, Pennsylvania.

Aqua also announced on Oct. 23, 2018 an agreement to acquire Pittsburgh-based natural gas company Peoples for \$4.275 billion. Expected to close in 2019, Aqua will add 740,000 customers in Western Pennsylvania, Kentucky and West Virginia, while continuing to improve infrastructure reliability, quality of life and economic prosperity in these regions.

Aqua America is the second-largest publicly traded water utility based in the U.S., and serves more than 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) for more information.

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## Missouri American Water Announces Acquisition of the City of Lawson Water and Wastewater Systems

August 31, 2018 01:41 PM Eastern Daylight Time

LAWSON, Mo.--(BUSINESS WIRE)--Missouri American Water completed its acquisition of the Lawson water and wastewater systems today, adding approximately 968 new water customers and 913 new sewer customers to its more than 480,000 statewide customers. The purchase price for both the water and wastewater system is \$4 million.

Customers in Lawson, located southeast of the St. Joseph district, will receive their first statement from Missouri American Water during the first week of October. All customers will be charged the existing inside city water and wastewater rates upon completion of the acquisition.

Information about the system purchase, and general information about water and wastewater service with Missouri American Water was delivered to residents the week of August 27.

"We are very excited to welcome our new customers in the Lawson community and expand our presence in the northwest part of the state," said Cheryl Norton, President of Missouri American Water. "Missouri American Water brings over 125 years of expertise to the water and wastewater industries, by joining our large customer base, we will be able to utilize that expertise to provide high quality service for a reasonable cost in Lawson."

A town hall meeting is scheduled for September 11, at the Lawson Community Center at 6:30 p.m. This will allow residents to meet with representatives from Missouri American Water who can answer billing and service related questions.

### Missouri American Water

Missouri American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.5 million people.

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to over 14 million people in 45 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [amwater.com](http://amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

## Contacts



## **Illinois American Water Acquires Dana/Long Point/Reading/Ancona Public Water District Water System**

### **Acquisition will add about 150 new direct customers in Streator District**

January 26, 2016 04:14 PM Eastern Standard Time

STREATOR, Ill.-(BUSINESS WIRE)--Illinois American Water President Bruce Hauk today announced the Company's acquisition of the Dana/Long Point/Reading/Ancona Public Water District (Water District) water system. The purchase of the system adds approximately 150 customers to the Company's customer base in the Streator District and serves a population of nearly 300 residents.

Illinois American Water is familiar with the Water District water system, and vice versa. Since 2009, the Water District continued to own its water distribution system while Illinois American Water operated and maintained the system. With the dissolution of the Water District in April 2015, the Water District chose to sell the water system to Illinois American Water.

"We have a strong legacy and presence in this area and nearby Streator where we've been providing water service for over 125 years," said Bruce Hauk, president of Illinois American Water. "With this acquisition, we will expand our existing footprint and help ensure local residents have access to a long-term, reliable water supply for years to come."

Former Water District Board President Ron Guest said, "We are pleased residents will continue to have excellent water service from Illinois American Water and also have access to all of the benefits their customers enjoy. Residents are assured of not only a reliable water supply, but one of high quality."

The appraisal process used for the system was conducted under the supervision of the Illinois Commerce Commission (ICC) and established as part of the Illinois Water Systems Viability Act. According to Hauk, this new law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility. He said, "Previous law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a small system, public or private. Because of this, systems were deprived of receiving adequate value for their system."

The acquisition of the Water District water system for \$1.075 million was approved by the ICC on Dec. 16, 2015. The sale was closed today, Jan. 26, 2016, by Illinois American Water and the Water District. Customers will receive an Illinois American Water welcome packet in the mail.

Under Illinois American Water's ownership, Water District customers will experience a decrease in their water bill due to no longer being required to reimburse the Water District for the local water system infrastructure. This will result in an approximate decrease of about \$45 a month per customer. The typical residential customer uses between 4,500 and

6,000 gallons of water per month. Under Illinois American Water's rate structure, customers using about 5,000 a month will pay a little over \$44.00 a month for water service.

The Water District will be incorporated into the company's Streator District service area and join Illinois American Water's other systems as a regulated utility under the jurisdiction of the ICC. Customers with questions may contact the local operations office at 815-672-4557.

### **About Illinois American Water**

Illinois American Water, a wholly owned subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.2 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville.

Founded in 1886, American Water is the largest and most geographically diverse publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs 6,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found at [www.amwater.com](http://www.amwater.com).

### **Contacts**

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2/12/2019

Pennsylvania American Water paying nearly \$62K for wastewater system in Pike County | CPBJ

## Central Penn Business Journal - cpbj.com

### Energy & Environment

# Pennsylvania American Water paying nearly \$62K for wastewater system in Pike County

By **Jason Scott**, September 19, 2018 at 9:09 AM

Pennsylvania American Water, the commonwealth's largest investor-owned water utility, is scooping up a small wastewater system in Pike County.

The Derry Township-based company, which is **moving to Cumberland County next year**, announced Tuesday that it has signed an agreement to purchase the wastewater assets of the Delaware Sewer Company in Delaware Township. The system serves 40 customers and the transaction is valued at \$61,700.

**Pennsylvania American Water** said the small system has suffered from a lack of investment and proper maintenance, including failing sand mounds, which led to an investigation by the Pennsylvania Public Utility Commission in 2016. That process resulted in the the system being put up for sale.

The PUC must approve the system sale and Pennsylvania American will be required to submit a plan for infrastructure upgrades.

Pennsylvania American Water said it expects to close on the deal by the third quarter of 2019. After the deal wraps up, the utility said it plans to start making improvements.

The company also owns the Clean Treatment wastewater operations in Delaware Township. That system, which was acquired in 2013, serves about 1,000 residents.





The Pike County system is one of several recent additions for Pennsylvania American Water.

Last month, the company agreed to buy **Steelton's water system in Dauphin County**.

Prior to that, the company completed a **\$1 million acquisition in the Borough of Turbotville**, Northumberland County. At the end of May, it spent **\$96 million on a wastewater system** in Exeter Township, Berks County.

Pennsylvania American is a subsidiary of New Jersey-based American Water.

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## **Deadline to intervene set in case involving proposed sale of Eagle Water Company**

**BOISE (Dec. 10, 2018)** – State regulators have set a deadline for parties seeking to intervene in a case involving the proposed sale of Eagle Water Company to Suez Water Idaho.

The [proposal](#), which requires the approval of the Idaho Public Utilities Commission, calls for a purchase price of \$10 million as well as significant rate increases for the approximately 4,200 customers of Eagle Water.

The proposal includes a third entity, Wyoming-based H2O Eagle Acquisition LLC, which has entered into asset purchase agreements with both Suez and Eagle Water. Those agreements call for H2O Eagle to purchase Eagle Water and its assets, and for H2O Eagle to sell the company and assets to Suez.

If the deal is approved as proposed, these transactions would close simultaneously, and Suez would take over all ownership and operations of the water system, which is not the same as the city of Eagle's municipal water system.

Suez has proposed that rates for Eagle Water's current customers be increased in three phases over three years, in order to create "rate parity" with Suez's approximately 96,000 customers in the Boise area.

Under the proposed rate adjustment period, Eagle Water customers would see an approximate monthly increase of \$6.44 in the first year, and monthly increases of \$9.40 in both the second and third years.

Eagle Water's owner cited his age, "the increasing complexity of regulatory requirements, necessary and costly system upgrades" and the utility's limited access to capital to fund those upgrades as reasons for the proposed sale.

Both Eagle Water and Suez contend that the proposal is in the public interest and will result in significant benefits to customers of both utilities by “among other things, realizing certain efficiencies in water service, water supply and operating costs.”

Parties seeking to intervene in order to present testimony and exhibits and cross-examine witnesses must do so by Dec. 28.

Later, the Commission will announce dates for public comment deadlines and customer workshops and hearings.

Written comments are being accepted. Go [here](#) to submit a comment electronically. Or go to the Commission’s web site, [www.puc.idaho.gov](http://www.puc.idaho.gov) and click on “Case Comment Form” under the “Water” heading.

Comments can also be submitted via fax to (208) 334-3762 or by mail to P.O. Box 83720, Boise, ID 83720-0074. Please be sure to include the case number, EAG-W-18-01 or SUZ-W-18-02.

All documents related to this case are available [here](#). Or go to the Commission’s web site, [www.puc.idaho.gov](http://www.puc.idaho.gov), click on “Open Cases” under the “Water” heading and scroll down to case number EAG-W-18-01 or SUZ-W-18-02.

1/20/2020

Aqua Pennsylvania Closes Purchase of East Bradford Wastewater System | Aqua America, Inc.



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## Press Release

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### Aqua Pennsylvania Closes Purchase of East Bradford Wastewater System

Dec 13, 2018

BRYN MAWR, Pa.—(BUSINESS WIRE)—Dec. 13, 2018— Aqua America Inc. (NYSE: WTR) announced today that its Pennsylvania subsidiary acquired the nearly 1,250-connection wastewater assets of East Bradford Township, Chester County for \$5 million, marking Aqua Pennsylvania's second acquisition to close under fair market valuation legislation, which encourages consolidation in a fragmented water and wastewater industry and allows resources to be shared among a larger service area.

Aqua Chairman and CEO Christopher Franklin firmly believes these aspects benefit customers.

"Our acquisition of East Bradford is another example of how Act 12 can help a municipality ensure its residents have professional and reliable wastewater service into the future, while reaping the benefit of a fair price for its assets for their community," said Franklin.

Aqua Pennsylvania President Marc Lucca looks forward to adding wastewater to the water service it already provides for East Bradford.

"I'd like to thank the community leaders of East Bradford Township for having the confidence to entrust their residents' wastewater service to Aqua," he said. "We're proud to have the opportunity to now provide wastewater service to our East Bradford water customers, which enables us to offer greater economies of scale and operational efficiencies. We look forward to this additional service opportunity."

Aqua Pennsylvania has three other fair market value asset purchase agreements in place: New Garden Township, Chester County with approximately 2,100 customer connections; and Cheltenham and East Norriton townships in Montgomery County with about 10,500 and 4,950 customer connections, respectively. In addition to these fair market value agreements, Aqua Pennsylvania has an asset purchase agreement with the Borough of Phoenixville, Chester County that would yield approximately 560 water connections. Collectively, when closed, these agreements, along with East Bradford, will allow the company to welcome more than 19,000 additional customers. Aqua Pennsylvania acquired the Limerick Township, Montgomery County wastewater system July 25 using Act 12, adding more than 5,400 customer connections.

Outside of Pennsylvania, Aqua America's Illinois subsidiary acquired the Village of Manteno's wastewater assets July 2, and the Village of Peotone wastewater system Oct. 1 employing similar Illinois legislation. These two acquisitions added more than 6,800 new customer connections and brought Aqua to its 1 million customer-connection milestone.

In terms of the company's growth efforts in other regulated utilities, on Oct. 23, Aqua announced it will acquire Pittsburgh-based natural gas company Peoples for \$4.275 billion, creating a platform that can have a more significant impact on improving infrastructure reliability, quality of life and economic prosperity in the areas it will serve. When this acquisition closes, expected in mid-2019, Aqua will add 740,000 customers in Western Pennsylvania, Kentucky and West Virginia to its family of companies.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) for more information.

#### Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: that the implementation of Act 12 allows resources to be shared to the benefit of utility customers and that the Aqua America and Peoples transaction will have a more significant impact on improving infrastructure reliability, quality of life, and economic prosperity in the areas the Company will serve following the closing of the transaction. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: the company's ability to close the company's and Peoples transaction, the company's ability to close the company's and Peoples transaction with reasonable conditions; general economic business conditions; the company's ability to fund the Company and Peoples transaction; the company's ability to fund capital growth; housing and customer growth trends; changes in regulations or regulatory treatment; availability and access to capital; the cost of capital; disruptions in the credit markets; the success of growth



1/20/2020

Aqua Pennsylvania Closes Purchase of East Bradford Wastewater System | Aqua America, Inc.

initiatives; and other factors discussed in our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q, which is filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation - and expressly disclaims any such obligation - to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

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Source: Aqua America Inc.

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AQUA

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2/12/2019

Aqua Pennsylvania to acquire neighboring wastewater system - WaterWorld



# AQUA PENNSYLVANIA TO ACQUIRE NEIGHBORING WASTEWATER SYSTEM

*November 13, 2018*

**BRYN MAWR, PA, NOV 13, 2018** -- Aqua America Inc. announced its Pennsylvania subsidiary has signed an agreement with East Norriton Township, Montgomery County to acquire its [wastewater](#) assets, serving roughly 4,950 wastewater connections, for \$21 million. The agreement falls under Pennsylvania's Act 12 fair market value legislation.

Act 12 encourages consolidation in a fragmented water and wastewater industry, allowing resources to be shared among a larger service area, ultimately benefiting utility customers, according to Aqua America Chairman and CEO Christopher Franklin.

"Act 12 has enabled [water utilities](#) like Aqua and municipal systems like East Norriton to enter into agreements that benefit customers by ensuring professionally run, reliable service into the future," said Franklin. "The legislation also provides municipalities with a fair market price for their assets, which can be used to address other important community priorities."

Aqua Pennsylvania President Marc Lucca said he is looking forward to working with the township and residents in East Norriton.

"The decision to sell water and wastewater assets is an important one for municipal leaders," said Lucca. "We look forward to serving this community."

Aqua Pennsylvania has three other fair market value asset purchase agreements in place: New Garden and East Bradford townships in Chester County with 2,100 and 1,200 customer connections, respectively; and Cheltenham Township, Montgomery County with 10,500 customer connections. In addition to these three fair market value agreements, Aqua Pennsylvania has an asset purchase agreement with the Borough of Phoenixville, Chester County that would yield another 556 water connections outside its municipal boundary. Collectively, when closed, these five agreements would allow the company to welcome roughly 19,300 additional customer connections.

2/12/2019

Aqua Pennsylvania to acquire neighboring wastewater system - WaterWorld

Aqua Pennsylvania completed the acquisition of the Limerick Township, Montgomery County wastewater system in July 2018 using Act 12 fair market value legislation, adding 5,400 customer connections.

Aqua America's Illinois subsidiary completed acquisitions of the Village of Manteno's wastewater assets July 2, and the Village of Peotone wastewater system on Oct. 1 and employing similar Illinois legislation, collectively adding more than 6,800 new customer connections and bringing Aqua America to its 1 million customer-connection milestone.

In terms of the company's growth efforts in other regulated utilities, on Oct. 23, Aqua America announced it will acquire Pittsburgh-based natural gas company Peoples for \$4.275 billion, creating a partnership that can have a more significant impact on improving infrastructure reliability, quality of life and economic prosperity in the areas it will serve. When this acquisition closes, expected in mid-2019, Aqua will add 740,000 customers in Western Pennsylvania, Kentucky and West Virginia to its family of companies.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves about 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) for more information.



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## Kentucky American Water Acquires Water Assets of Eastern Rockcastle Water Association in Livingston

February 28, 2018 04:11 PM Eastern Standard Time

LEXINGTON, Ky.--(BUSINESS WIRE)--Kentucky American Water announced today that it has acquired the water assets of Eastern Rockcastle Water Association in Livingston, Ky., in Rockcastle County. The transaction, completed today, adds approximately 610 water customers in Rockcastle and Jackson counties to the Kentucky American Water system. The acquisition of the system expands the company's total service area to portions of 14 Kentucky counties.

"We are pleased to welcome Eastern Rockcastle Water Association customers to Kentucky American Water," said Nick Rowe, president of Kentucky American Water. "Our company will bring to the community 24-hour customer service for water service emergencies, unique water system expertise, and additional capital resources for water infrastructure investment. We look forward to providing excellent service to these new customers and being an active corporate citizen in the community."

"The Eastern Rockcastle Water Association board is pleased to announce the sale of the water system to Kentucky American Water," said Russell Barron, president of Eastern Rockcastle Water Association. "This was a decision we took seriously. We are confident that the system will be in great hands with Kentucky American Water, and that our customers will benefit by receiving great service."

### About Kentucky American Water

Kentucky American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately half a million people.

### About American Water

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 6,900 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [amwater.com](http://amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

### Contacts

1/28/2020

State approves sale of Eastern Rockcastle Water Association

# State approves sale of Eastern Rockcastle Water Association



By WKYT News Staff | Posted: Fri 10:03 AM, Jan 19, 2018

**LEXINGTON, Ky. (WKYT)** - Members of the Eastern Rockcastle Water Association will soon get their water through Kentucky American Water Company.

The Kentucky Public Service Commission approved the sale of the Eastern Rockcastle Water Association to the PSC on Friday. The PSC says it believes the sale will benefit Eastern Rockcastle's customers because KAWC has more resources to make system improvements.

KAWC will pay \$770,000 as part of the deal. It will keep Eastern Rockcastle's water rates in place after the sale is complete. The Eastern Rockcastle Water Association will issue final bills that include credits for customer deposits. KAWC does not require customer deposits.

Two Eastern Rockcastle customers objected to the sale, saying it was not conducted according to state law. The PSC reviewed those arguments and says it found everything was done properly.

The Eastern Rockcastle Water Association is owned by and serves more than 600 customers. KAWC serves 131,000 customers in 11 Kentucky counties, including Fayette County.



1/27/2020

McHenry-, Island Lake-area water companies sale to Aqua Illinois approved by ICC | Northwest Herald

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# NORTHWEST HERALD

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LOCAL

## McHenry-, Island Lake-area water companies sale to Aqua Illinois approved by ICC

Unanimous vote means about doubled water bills for some families, businesses locally

By **EMILY K. COLEMAN** - [ecoleman@shawmedia.com](mailto:ecoleman@shawmedia.com)

Nov. 12, 2015

Up Next - Netflix Notches Some Q4 Wins Despite Launches of Disney+ and AppleTV+



1/27/2020

McHenry-, Island Lake-area water companies sale to Aqua Illinois approved by ICC | Northwest Herald

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# NORTHWEST HERALD

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[McHENRY](#) – The sale of two small water companies in unincorporated McHenry County to the state's second-largest water and sewer utility was approved by a state regulatory agency.

The unanimous approval by the five-member Illinois Commerce Commission means 510 single-family residential users and 20 commercial users in eastern unincorporated McHenry and western unincorporated [Island Lake](#) will see their water bills about double.

Aqua Illinois will take over the operations and maintenance over the Eastwood Manor and Nunda water companies in exchange for \$1.5 million in cash and company stock, according to its petition to the ICC.

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# NORTHWEST HERALD

replacement of all of the meters so they can be read remotely, Blanchette testified.

The rate increases, which would bring Nunda and Eastwood users in line with the rest of the local division, would help pay for the work.

Customers in both systems using 5,000 gallons a month would see their bills jump to \$47.60, a 126 percent increase for Eastwood consumers and an 85 percent increase for Nunda consumers, according to testimony submitted by the company's controller, Paul Hanley.

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April 20, 2016

## **Aqua America Completes Seven Acquisitions, Adds More Than 4,700 Customer Connections in Q1**

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE: WTR) announced today that the company has completed seven acquisitions in Pennsylvania, Illinois, Indiana and North Carolina during the first quarter of 2016, adding 4,722 customer connections.

- Superior Water Company, Inc. is comprised of five water systems that serve 3,868 customer connections (approximately 11,000 people) in parts of Berks, Chester and Montgomery counties in southeastern Pennsylvania
- The Galena wastewater system serves 123 wastewater connections (approximately 400 people) near Greenville in Floyd County, Indiana.
- The Eastwood Manor Water Company and the Nunda Utility Company in McHenry County, Illinois collectively serve 525 customer connections and approximately 1,600 people. Both systems were acquired under the provisions of the Illinois Water Systems Viability Act 98-0213, a law that promotes the acquisition of smaller, often troubled utilities by larger, more efficient utilities.
- The water and wastewater utility assets of Golf Greenwood Gardens Improvement Association each serve 72 customer connections located in unincorporated Cook County, within Aqua Illinois' existing North Maine Utility's certificated area.
- The Clear Meadow water system in the Mint Hill area of Mecklenburg County, North Carolina serves 62 customer connections.

"We welcome our new customers in these four states," said Executive Vice President for Strategy and Corporate Development Dan Schuller. "We look forward to serving these customers and investing in the utility infrastructure necessary to provide them with the quality water and reliable water and wastewater service they deserve, and for which Aqua is known."

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) for more information.

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to invest capital in these systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: the successful integration of the customers and the facilities; the company's ability to execute capital improvements to ensure compliance with state and federal environmental regulations; and other factors discussed in our Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation — and expressly disclaims any such obligation — to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRF

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## **Pennsylvania American Water Expands Footprint with Acquisition of Township of Exeter Wastewater System in Berks County**

### ***Transaction secures long-term wastewater solution for Exeter Township***

October 24, 2019 04:30 PM Eastern Daylight Time

MECHANICSBURG, Pa.--(BUSINESS WIRE)--Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced today that it has acquired the wastewater assets from the Township of Exeter in Berks County. The purchase price for the system, which serves more than 9,000 customers, is \$93.5 million and marks Pennsylvania American Water's fifth acquisition in 2019.

"We welcome this opportunity to provide our new customers the same high level of quality wastewater service that our current Exeter Township water customers have come to expect from our company," said Pennsylvania American Water President Mike Doran. "We will now commit our resources to the wastewater system improving environmental compliance and dependability."

"The sale of the wastewater treatment plant and collection system to Pennsylvania American Water is a great benefit to current and future residents of Exeter," said John Granger, township manager. "The plant and system were becoming an increasing burden on the township as federal and state regulations were becoming too difficult for the township to manage."

"The sale presents a unique opportunity to secure the finances of the township for residents who presently live here, while also planning for those who come later," Granger continued. "We intend to use proceeds from the sale to eliminate all wastewater debt, make deposits into pension funds, and implement new tax exemptions – providing tax savings for all eligible residents."

As approved by the Pennsylvania Public Utility Commission (PUC), Pennsylvania American Water has adopted Exeter's existing sewer rates, which will now be billed monthly. The company's rates and rules of service are regulated by the PUC and are posted on the company's [website](#).

Over the next three years, Pennsylvania American Water plans to invest \$3 million in water and wastewater infrastructure improvements within Exeter Township.

This sale was executed under Pennsylvania's Act 12 statute, which allows municipalities to sell water and wastewater systems for a price based on the fair market value of the facilities. Prior to the passage of Act 12, the valuation process was based on assessing the system's original cost at the time of construction – which may be 50 years old or more – less depreciation and contributed property.

“Act 12 allows municipalities the opportunity to receive a purchase price that is more in line with the current value of its system assets,” explained Doran.

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water and wastewater utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.4 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water and wastewater services to our customers to make sure we keep their lives flowing. For more information, visit [amwater.com](http://amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

*This release contains forward looking statements, including, among others, our plan to continue our long-term strategy of capital investment in our systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions, unfavorable weather conditions, changes in regulations or regulatory treatment and availability and the cost of capital. We undertake no obligation to publicly update or revise any forward-looking statement.*

## Contacts

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## Tweets by [@paamwater](#)



**Pennsylvania American Water**  
[@paamwater](#)

WASHINGTON COUNTY CUSTOMERS: For your convenience, a water buffalo is available at the North Strabane fire station for customers in the Route 19 repair area. Please bring your own container to fill.

## Water Tanker Available

We're stationing a water tanker in your area.  
Please bring your own water container(s), and we'll fill them.



**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265**

Public Meeting held December 17, 2015

Commissioners Present:

Gladys M. Brown, Chairman  
John F. Coleman, Jr., Vice Chairman  
Pamela A. Witmer  
Robert F. Powelson  
Andrew G. Place

Application of the Pennsylvania-American Water  
Company - Wastewater Division (PAWC-WD)  
for approval of (1) the transfer, by sale, of  
substantially all of the wastewater system assets  
and rights of Fairview Township to PAWC-WD,  
and (2) the right of PAWC-WD to furnish  
wastewater service to the public in a portion of  
Fairview Township, York County, Pennsylvania

A-2015-2486532

**ORDER**

**BY THE COMMISSION:**

By the application (Application) filed on June 5, 2015, the Pennsylvania-American Water Company - Wastewater Division (PAWC-WD), utility code 230073, 800 West Hersheypark Drive, Hershey, PA 17033, seeks a certificate of public convenience pursuant to Sections 1102(a)(1)(i) and (3) of the Public Utility Code, 66 Pa. C.S. §§ 1102(a)(1)(i), and (3), evidencing Commission approval of: 1) the acquisition by PAWC-WD of substantially all of the wastewater system assets of Fairview Township,

and 2) the right of PAWC-WD to begin to offer or furnish wastewater service to the public in a portion of Fairview Township, York County, Pennsylvania. PAWC-WD is a wholly-owned division of the Pennsylvania-American Water Company (PAWC), utility code 212285.

## **I. BACKGROUND AND AFFECTED ENTITIES**

Proofs of publication and service to appropriate entities were submitted by PAWC-WD. In addition, notice of this Application was published in the *Pennsylvania Bulletin*, 45 Pa.B. 3297, on Saturday, June 20, 2015. The protest period ended July 6, 2015. No protests were filed and no hearings were held.

PAWC-WD is a regulated public utility company, duly organized and existing under the laws of the Commonwealth of Pennsylvania. PAWC-WD is currently engaged in the business of collecting, treating, transporting and disposing of wastewater and sewage for the public. PAWC-WD and its parent company, PAWC, respectively furnish wastewater and water service to the public in service territories encompassing more than 400 communities across the Commonwealth with a combined population of over 2,200,000. As of April 30, 2015, PAWC-WD furnished wastewater service to 17,198 customers as follows: 16,254 residential, 882 commercial, 7 industrial, 51 municipal and 4 bulk. The Application provided a description of PAWC-WD's and PAWC's certificated service territories, along with a detailed history that outlined all the mergers, acquisitions and consolidations which have created PAWC-WD and PAWC as both utilities exist today.

Fairview Township is a township of the second class, organized and existing under the laws of the Commonwealth of Pennsylvania, which owns and operates wastewater systems that provide wastewater collection, conveyance, treatment and disposal services to the public in Fairview Township, York County. Two of Fairview Township's

wastewater systems include wastewater treatment plants (WWTPs) while the third system collects and conveys wastewater to a WWTP owned and operated by a municipal authority in another municipality. As of April 30, 2015, Fairview Township furnished wastewater service to 3,912 customers consisting of 3,724 residential and 188 commercial customers. Fairview Township has a mailing address of 599 Lewisberry Road, New Cumberland, PA 17070.

## **II. LOCATION OF FACILITIES TO BE ACQUIRED**

Fairview Township is located in the northern most portion of York County. Cumberland County and the Yellow Breeches Creek border Fairview Township to the northwest and Dauphin County and the Susquehanna River border the Township to the northeast. Two interstate highways, I-83 and I-76 (Pennsylvania Turnpike) traverse the Township. Interstate I-83 crosses the Township generally from north to south while the Pennsylvania Turnpike crosses from east to west. The junction of the two interstate highways is situated in the northern portion of the Township. According to mapping depicting the existing sewer areas in Fairview Township's Act 537 Sewage Facilities Plan Update (Act 537 Plan Update) approved by the Pennsylvania Department of Environmental Protection (DEP) on July 27, 2011, Fairview Township's wastewater system assets are situated within the following three service areas that are generally described in terms of each service area's proximity to Interstate I-83 and the Pennsylvania Turnpike:

1. Fairview Township's North WWTP service area, which is generally the northcentral and northeastern portions of Fairview Township situated along the Interstate I-83 corridor between the Pennsylvania Turnpike and Reesers Summit and extending east to the Susquehanna River,

2. Fairview Township's South WWTP service area, which is generally the south-central portion of Fairview Township situated along the Interstate I-83 corridor between Reesers Summit and the border with Newberry Township, and
3. Lower Allen Township's WWTP service area, which is generally the developed portion of Fairview Township located north of the Pennsylvania Turnpike and west of Interstate I-83.

Maps depicting the proposed wastewater service territory and a description of the proposed territory's boundaries are contained in the Application marked as Exhibit L. The proposed overall wastewater service territory area encompasses approximately 7,517 acres. PAWC provides water service in a portion of Fairview Township and Fairview Township's wastewater systems are contained within PAWC's existing water system footprint.

### **III. DESCRIPTION OF FACILITIES TO BE ACQUIRED**

As of December 31, 2014, Fairview Township owned and maintained wastewater system assets that include approximately 360,600 feet (68 miles) of collection and conveyance pipe, approximately 1,700 manholes, 12 pump stations, and two wastewater treatment plants. Fairview Township's wastewater system assets consist of three separate systems. Two of Fairview Township's wastewater systems, the North and South wastewater systems, provide collection, conveyance, treatment and disposal services to approximately 3,300 customers while its third system provides wastewater collection and conveyance services to approximately 600 customers with treatment and disposal provided by the Lower Allen Township Authority's wastewater treatment facility.

Fairview Township's North WWTP service area, generally situated in the northcentral and northeastern portions of the Township, has a collection and conveyance



system that includes approximately 99,200 feet (18 miles) of sewer pipe, approximately 510 manholes and four pump stations. According to Fairview Township's 2014 Annual Municipal Wasteload Management Report for the North WWTP (North WWTP's 2014 Report), the North WWTP's collection and conveyance facilities include sewer mains ranging in size from 8 to 12 inches in diameter. The North WWTP's 2014 Report states there are no known major problems within the North WWTP's collection system and there are no combined sewers in the collection system. Further, the North WWTP's 2014 Report states the oldest sewer lines contributing flow to the North WWTP were constructed in 1965 and describes the overall condition of the collection system as being reflective of its age and materials of construction.

The North WWTP operates under the National Pollutant Discharge Elimination System (NPDES) Permit No. PA0081868 and has a permitted and designed average wastewater flow of 0.726 million gallons per day (MGD) based on monthly average flow and 1.206 MGD based on maximum monthly flow. Following its original construction in 1965, the North WWTP underwent upgrades in 1992 and again in 2013. Improvements to the wastewater treatment plant constructed in 2013 consisted of a new headworks building, screening and replacement of chlorine disinfection with ultraviolet (UV) disinfection. The North WWTP's process now consists of preliminary screening, extended aeration activated sludge, final clarification and UV disinfection. Solids are wasted periodically and are transported to Fairview Township's South WWTP for further processing. The effluent is discharged into Lower Allen Township Authority's outfall interceptor that leads to the Susquehanna River, which is governed by the Fairview Township and Lower Allen Township Authority agreement for Fairview Township to have capacity rights to discharge treated wastewater into Lower Allen Township Authority's outfall interceptor. In addition, Fairview Township maintains an agreement with the Red Barn Trading Company for the purchase of 20,000 pounds total nitrogen credits per year for 15 years (i.e., 2010 to 2024) to comply with the Chesapeake Bay requirements contained in the North WWTP's NPDES Permit.



Fairview Township's South WWTP service area, generally situated in the southcentral portion of the Township, has a collection and conveyance system that includes approximately 210,600 feet (40 miles) of sewer pipe, approximately 1,010 manholes and six pump stations. According to Fairview Township's 2014 Annual Municipal Wasteload Management Report for the South WWTP (South WWTP's 2014 Report), the collection and conveyance facilities include sewer mains ranging in size from 8 to 16 inches in diameter. The South WWTP's 2014 Report states there are no known major problems within its collection system which was primarily constructed in 1993. The South WWTP's 2014 Report describes the collection system as in relatively good condition. There are no combined sewers in the South WWTP's collection system.

The South WWTP operates under NPDES Permit No. PA0082589 and has the permitted and designed average wastewater flow of 0.50 MGD based on monthly average flow and 0.94 MGD based on maximum monthly flow. The South WWTP was constructed in 1993 and consists of preliminary screening, sequencing batch reactors and disinfection with chorine. The treated wastewater is discharged to an unnamed tributary to Fishing Creek. Solids handling facilities are comprised of an aerobic digester/storage tank and belt press filtration. Dewatered biosolids are disposed of at Modern Landfill in Lower Windsor and Windsor Townships, York County. Fairview Township maintains an agreement with the Red Barn Trading Company for the purchase of 20,000 pounds total nitrogen credits per year for 15 years (i.e., 2010 to 2024) to comply with the Chesapeake Bay requirements contained in the South WWTP's NPDES Permit.

Fairview Township's wastewater service area that collects and conveys wastewater flow to the Lower Allen Township Authority's WWTP, generally situated in the northwest portion of the Township, has a collection and conveyance system that includes approximately 50,800 feet (10 miles) of sewer pipe, approximately 200 manholes, and two pump stations. According to PAWC, the collection area encompasses

approximately 670 acres and the collection and conveyance facilities include interceptors and gravity sewer mains ranging in size from 8 to 10 inches in diameter along with 2 inch diameter force mains that transport wastewater to the Lower Allen Township Authority's WWTP. The flow of wastewater from Fairview Township to the Lower Allen Township Authority WWTP is governed by an agreement between the two entities that allocates reserve capacity to Fairview Township at the Lower Allen Township Authority's WWTP for the collection, transportation, treatment and discharge of sewage.

#### **IV. PURCHASE AGREEMENT**

On June 1, 2015, PAWC-WD entered into a purchase agreement (Agreement) with Fairview Township by which PAWC-WD agreed to purchase the wastewater system assets of Fairview Township for the consideration of \$16,800,000. In addition, PAWC-WD will pay Fairview Township for the costs incurred by Fairview Township less the reimbursement from the Pennsylvania Turnpike Commission for the Lewisberry Road sewer main relocation project, referred to as the Turnpike Relocation Project, up to a maximum of \$1,000,000. Both the purchase price and the reimbursement shall be paid to Fairview Township on the date of closing. A copy of the Agreement is attached to the Application and is marked as Exhibit F. According to PAWC-WD, the negotiations were conducted at arm's length. PAWC-WD and Fairview Township are not affiliated with each other. Also, PAWC-WD states no investment securities will be transferred in the proposed transaction.

PAWC-WD will purchase Fairview Township wastewater system assets as defined in the Agreement's Section 1.1. Generally, the Agreement states that every asset, property and right owned by Fairview Township and used in the provision of sanitary wastewater service, whether real, personal, mixed, tangible or intangible, and including all the physical plant, property, equipment, and facilities comprising the wastewater systems owned by Fairview Township shall be conveyed. Also, included in the acquired

assets is the remaining deposit balance from the contract with the Red Barn Trading Company as well as developer/customer deposits.

Excluded assets are described in the Agreement's Section 1.2 and specifically exclude sewer service laterals on the customer side, any and all grinder pump units and related appurtenances of the individual customers, and all storm water system facilities as well as the assets listed in the Agreement's Schedule 1.2. The list of excluded assets in the Agreement's Schedule 1.2 consists of cash, accounts receivable, two-way radio communications equipment, 2005 John Deere tractor, 2011 Ford F-550 truck, Mitel phone equipment, Trimble survey equipment and a push camera. Excluded liabilities are discussed in the Agreement's Section 1.3 and specifically exclude any liabilities of Fairview Township including any obligations owed by Fairview Township to others.

The Agreement's Section 4.8 mentions that, at the time of closing, PAWC-WD and Fairview Township will enter into a mutually agreeable lease to allow Fairview Township's continued use of the existing yard waste and household electronics recycling center located adjacent the Fairview Township's North WWTP until such time as Fairview Township is able to relocate the recycling center to another site.<sup>1</sup>

The Agreement's Schedule 4.11 lists a land lease agreement between the Fairview Township Authority and the Pennsylvania Cellular Telephone Corp., dated April 18, 1996, for the installation of a communication tower. The initial annual rent was \$13,200 and is adjusted periodically based upon the National Consumer Price Index. The maximum length of term for this lease is 25 years. Schedule 4.11 also lists the

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<sup>1</sup> See Docket U-2015-2507298 filed by PAWC-WD on October 5, 2015. The term of the subject Lease is three years and the rent will be \$1.00 annually. In addition, Fairview Township has agreed to pay PAWC-WD 10% of all taxes or assessments against the premises located at 57 Fairview Road, New Cumberland, Pennsylvania 17070. The property PAWC-WD is acquiring from Fairview Township for the North WWTP is comprised of six separate parcels of which two appear to contain the proposed lease area for the recycling center.

assignment of the communication tower's land lease agreement to Fairview Township dated June 25, 1997.

The Agreement's Section 4.12 and Schedule 4.12 identify the following known contracts that Fairview Township has relating to its wastewater systems:

1. Red Barn Trading Agreement of Sale - On April 10, 2008, the Fairview Township Authority and Fairview Township entered into an agreement with the Red Barn Trading Company for the Fairview Township Authority and Fairview Township to purchase in advance \$375,000 nitrogen water quality nutrient credits for a period of 15 years. Each year \$12,500 of this advance payment is used to meet the annual obligation. As of December 31, 2014, \$312,500 of the advance payment was still available. During 2014, Fairview Township paid \$100,051, net of the \$12,500 advance payment, for the nutrient credits. Fairview Township has commitments through 2024 of \$1,016,477, net of the advance payment of \$312,500 as of December 31, 2014. According to the Agreement, the Red Barn Trading Agreement of Sale will be assigned to PAWC-WD.
2. Reservation of Capacity Fee Agreements - The following is a list of the six owners who purchased capacity fee reservations from Fairview Township along with their equivalent dwelling unit (EDU) allocation: Chris McKinney (1 EDU); Paul E. Shearer Trust (3 EDUs); DJH Penn Valley (13 EDUs); Eastern Development & Planning (157 EDUs); Old York Developers, LLC (26 EDUs); and Gemcraft Homes (39 EDUs). While the Application references these agreements, the filing is silent as to whether PAWC-WD will assume the same. Therefore, we shall direct PAWC-WD to provide copies of the agreements and clarify its intention thereto.

3. Prepaid Tapping Fee Agreements - The following is a list of 8 owners who purchased prepaid tapping fees with their remaining EDUs and associated EDU value: Briarcliff, Phase 1 & 2 (3 EDUs, \$9,045); Old Orchard, Phase 3 (46 EDUs, \$204,240); Woods @ Deer Run (7 EDUs, \$31,080); Pelleschi (2 EDUs, \$8,880); Beinhower (2 EDUs, \$8,880); Woodbridge, Phase 7 – S&A (6 EDUs, \$26,640); Woodbridge, Phases 8-11 (31 EDUs, \$252,030); and Weatherstone (27 EDUs, \$108,27). According to the Agreement, the Prepaid Tapping Fee Agreements will be assigned to PAWC-WD.
4. Lower Allen Township Agreement for Connection to the Outfall Line of the Lower Allen Township Authority - The original agreement was between the Fairview Township Authority and the Lower Allen Township Authority is dated December 28, 1976. This agreement was amended twice: first on June 6, 1994 and then on March 13, 2000. The total reserved outfall capacity from Fairview Township's North wastewater treatment plant in the Lower Allen Township Authority outfall line is 726,000 gallons per day. According to the Agreement, the Connection to the Outfall Line of the Lower Allen Township Authority Agreement will be assigned to PAWC-WD.
5. Lower Allen Township Agreement for Collection, Transportation, Treatment, and Discharge of Sewage from Portions of Fairview Township - The original Agreement between the Fairview Township/Fairview Township Authority and the Lower Allen Township is dated December 28, 1976. This agreement was amended twice; first on September 6, 1990 and then on September 4, 1997. This agreement with Lower Allen Township is for the collection, transportation, treatment and discharge of sewage from portions of Fairview Township. According to the Agreement, the Collection, Transportation, Treatment, and Discharge of Sewage from Portions of Fairview Township Agreement with Lower Allen Township will be assigned to PAWC-WD.

Finally, the Agreement's Section 6.2.3 states that PAWC-WD will construct at its sole cost and expense the Phase 2 Collection System Extension within the North WWTP's service area as identified in Fairview Township's Act 537 Plan Update. The Phase 2 Collection System Extension will be constructed within the time frame stipulated and agreed to with DEP, which as of June 1, 2015, is December 31, 2016. Prior to closing, Fairview Township shall have completed the design for the Phase 2 Collection System Extension and shall have all permits in hand and shall have secured easements, rights-of-way and property necessary for the project. The Phase 2 Collection System Extension will include the construction of 21,425 feet of gravity sewer pipe; 9,110 feet of force main; 735 feet of low pressure sewer pipe and three pump stations. The project is expected to cost approximately \$8,297,000 and will serve approximately 250 additional customer connections.

## **V. ADDITIONAL CAPITAL REQUIREMENTS**

PAWC-WD provided supplemental information stating it will spend approximately \$13.1 million on improvements to Fairview Township's wastewater system and anticipates completing the capital improvements within the first five years of ownership. Of the \$13.1 million in proposed improvements, approximately \$8.3 million is for the construction of the sewer extension to serve Fairview Farms, which is identified as the Phase 2 Sewer Project in Fairview Township's Act 537 Plan Update. The Meadowbrook Mobile Home Park is included in the Fairview Farms sewer service area.

**PAWC-WD**  
**Capital Improvements Schedule and Cost Estimate**  
**for Fairview Township Wastewater Systems**

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Infiltration and Inflow Study	\$46,970	\$53,680	\$0	\$0	\$0	\$100,650
Targeted Sewer Replacements	\$0	\$0	\$1,006,500	\$1,006,500	\$1,006,500	\$3,019,500
Flow Meter Installation	\$134,200	\$0	\$0	\$0	\$0	\$134,200
Safety and Security	\$67,100	\$0	\$0	\$0	\$0	\$67,100
Pump Station SCADA	\$106,018	\$0	\$0	\$0	\$0	\$106,018
Pump Station Improvements	\$201,300	\$247,599	\$0	\$0	\$0	\$448,899
Treatment Plant SCADA	\$127,490	\$0	\$0	\$0	\$0	\$127,490
Treatment Plant Improvements	\$134,200	\$641,476	\$0	\$0	\$0	\$775,676
Phase 2 Sewer Project	\$4,148,257	\$4,148,257	\$0	\$0	\$0	\$8,296,514
<b>TOTALS</b>	<b>\$4,965,535</b>	<b>\$5,091,012</b>	<b>\$1,006,500</b>	<b>\$1,006,500</b>	<b>\$1,006,500</b>	<b>\$13,076,047</b>

The following are the tentative journal entries that will be used to record the Fairview Township wastewater system purchase into the accounts of PAWC-WD:

	<u>Debit</u>	<u>Credit</u>
Utility Plant	\$27,499,024	
Accumulated Depreciation		\$12,213,025
Utility Plant Acquisition Adjustment	\$1,514,001	
Short Term Debt		\$16,800,000

PAWC-WD will undertake an original cost study and will establish the depreciated original costs of Fairview Township's wastewater system assets including any contributed property. Subsequently, PAWC-WD will amend the pro forma balance sheet giving effect to the transfer. PAWC-WD will initially finance the purchase by short term bank debt that will be replaced through the issuance of long-term debt at the appropriate time.



## VI. PROPOSED RATES

At the time of closing, the Fairview Township wastewater customers will be transferred to PAWC-WD at Fairview Township's existing rates, which shall be maintained at least until December 31, 2017 as specified in the Agreement. However, PAWC-WD intends to bill on a monthly basis in lieu of quarterly billing and will propose in its next base rate filing to move the flat rate customers to a volumetric-based tariff rate. In addition, PAWC-WD will apply its currently tariffed rules and regulations as well as miscellaneous fees including the capacity reservation fee in lieu of Fairview Township's current tap-in fee effective at closing.

For residential customers, Fairview Township currently charges a quarterly flat rate of \$192 per EDU in accordance with Sections 232-14 and A302-1 of its municipal ordinances. Further, Section 232-13 of Fairview Township's municipal ordinance, last amended December 6, 2010, defines an EDU as a daily sewage flow in any amount up to 225 gallons per day. Accordingly, a typical Fairview Township residential customer using 10,950 gallons per quarter with a 1 EDU allocation currently pays \$192 quarterly or \$768 annually. After closing, the same Fairview Township residential customer will pay \$64 monthly or \$768 annually. Under PAWC-WD's current Zone 1 Rates, the same Fairview Township residential customer would pay \$54.51 per month (\$7.50 Service Charge + [ $\$1.2880 \text{ Usage Charge}/100 \text{ gallons} \times 3,650 \text{ gallons}$ ]) or \$654.12 annually.

PAWC-WD represents that the Fairview Township non-residential customers are metered and billed on a volumetric-basis. Accordingly, a typical Fairview Township non-residential customer using 55,290 gallons per quarter with a 1 EDU allocation currently pays \$636.17 quarterly ( $\$233.00 \text{ per EDU} + [(55,290 \text{ gallons} - 20,250 \text{ gallons}) \times \$1.1506/100 \text{ gallons}]$ ) or \$2,544.68 annually. After closing, the same Fairview Township non-residential customer will pay \$212.06 monthly ( $\$77.67 \text{ per EDU} +$



$[(18,430 \text{ gallons} - 6,750 \text{ gallons}) \times \$1.1506/100 \text{ gallons}]$  or \$2,544.72 annually. Under PAWC-WD's current Zone 1 Rates, the same Fairview Township non-residential customer would pay \$226.31 monthly (\$20.00 Service Charge +  $[\$1.1194 \text{ Usage Charge}/100 \text{ gallons} \times 18,430 \text{ gallons}]$ ) or about \$2,715.72 annually.

We note that Fairview Township also has a non-metered quarterly flat rate contained in Sections 232-14 and A302-1 of its municipal ordinances. For clarification, we shall direct PAWC-WD to confirm whether all non-residential customers are metered and, if not, how those customers will be billed.

In supplemental information provided, PAWC-WD estimated its annual revenue based upon Fairview Township's 2014 financial information will be approximately \$4,198,000. PAWC-WD estimated its annual operating expenses will be \$2,191,000 producing an estimated operating income of approximately \$2,007,000 ( $\$4,198,000 \text{ Annual Revenues} - \$2,191,000 \text{ Annual Expenses}$ ).

## **VII. OPERATIONS UNDER PAWC-WD**

PAWC-WD's target date to begin providing service to the homes currently served by the Fairview Township wastewater systems is immediately upon closing. PAWC-WD stated Fairview Township's wastewater systems will be operated as stand-alone systems and will be operated and managed from PAWC's Mechanicsburg operations.

## **VIII. ACT 537 SEWAGE FACILITIES PLAN AND LAND-USE PLANNING COMPLIANCE**

PAWC-WD stated its proposed service territory is in accordance with Fairview Township's Act 537 Plan Update as approved by DEP on July 27, 2011. The proposed service territory includes the Timber Ridge and Fairview Farms areas of Fairview

Township. The Timber Ridge area is being served by the Phase 1 Collection System extension to the North WTP. The Fairview Farms area will be served by the Phase 2 Collection System extension to the same plant.

PAWC-WD sent letters to Fairview Township and the York County Planning Commission seeking verification that its acquisition of the Fairview Township wastewater system will comply with municipal and county land use planning. PAWC-WD submitted copies of the subject request letters that it sent to Fairview Township and York County along with corresponding certified mail receipts as well as the responses from entities indicating the acquisition is in compliance with current municipal and county land use planning.

## **IX. OTHER CONSIDERATIONS**

According to DEP, PAWC-WD and Fairview Township have no outstanding compliance or operational issues. Also, PAWC-WD is current with its annual, quarterly earnings and security planning and readiness report filing requirements. Further, PAWC-WD has no outstanding fines or assessments due to the Commission.

## **X. CONCLUSION**

PAWC-WD avers the proposed transfer will have no detrimental effect on the service provided to PAWC-WD's existing customers or the customers transferred by Fairview Township. The transferred customers will receive the benefit of PAWC-WD's experience in managing and operating wastewater systems which will result in efficiencies and improvements in service. PAWC-WD's existing customers will benefit because the acquisition will expand the customer base, over which existing costs are recovered and thereby stabilize per-customer costs. PAWC-WD also has the managerial, technical and financial capabilities to safely and adequately operate the Fairview

Township's wastewater systems in compliance with the Public Utility Code, the Clean Streams Law and other regulatory requirements, and to make improvements as needed, on a short and long term basis.

Based upon the facts that PAWC-WD will expand its service territory to customers in compliance with Commission regulations and that PAWC-WD will be meeting the needs of new customers without any detriment to its existing customers, the Commission finds that granting PAWC-WD's application for the acquisition is necessary or proper for the service, accommodation, convenience, or safety of the public;

**THEREFORE,**

**IT IS ORDERED:**

1. That the Application of the Pennsylvania-American Water Company - Wastewater Division at Docket A-2015-2486532 is hereby approved.
2. That Pennsylvania-American Water Company - Wastewater Division shall notify the Commission within 10 days of the closing with Fairview Township.
3. That upon notice of closing, a Certificate of Public Convenience be issued pursuant to 66 Pa. C.S. § 1102(a)(1)(i) evidencing Commission approval for the Pennsylvania-American Water Company - Wastewater Division to begin to offer, render, furnish and supply wastewater service to the public in a portion of Fairview Township, York County.
4. That within 10 days of the date of this Order, Pennsylvania-American Water Company - Wastewater Division shall provide the Commission with clarification as to how each of Fairview Township's 188 non-residential wastewater customers were previously billed (i.e., flat rate, volumetric-based, or other) in order to verify

Pennsylvania-American Water Company – Wastewater Division’s commitment to retaining the same rates as Fairview Township.

5. That a Certificate of Public Convenience be issued pursuant to 66 Pa. C.S. § 1102(a)(3) evidencing Commission approval of the acquisition by the Pennsylvania-American Water Company - Wastewater Division of substantially all of the wastewater system assets of Fairview Township as described in the Application.

6. That Pennsylvania-American Water Company - Wastewater Division will file copies of its original cost study of the wastewater system assets acquired from Fairview Township with the Secretary’s Bureau and the Bureau of Technical Utility Services, upon completion of said study.

7. That Pennsylvania-American Water Company - Wastewater Division file copies of all the Reservation of Capacity Fee Agreements listed in the Application’s Schedule 4.12 with the Secretary’s Bureau and the Bureau of Technical Utility Services within 10 days of the closing with Fairview Township and clarify whether PAWC-WD will assume responsibility for the agreements.

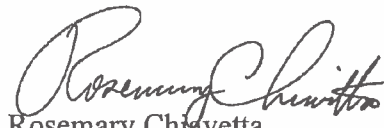
8. That Pennsylvania-American Water Company - Wastewater Division file copies of all the Prepaid Tapping Fees Agreements listed in the Application’s Schedule 4.12 with the Secretary’s Bureau and the Bureau of Technical Utility Services within 10 days of the closing with Fairview Township.

9. That Pennsylvania-American Water Company - Wastewater Division shall file a tariff supplement incorporating Fairview Township’s wastewater service territory and existing wastewater service rates within 10 days following the date of closing, to become effective on one day’s notice.

10. That nothing herein shall be construed as an approval or determination of costs or expenses for the purpose of just or reasonable rates or to exempt Pennsylvania-American Water Company - Wastewater Division from obtaining all necessary permits, licenses, and approvals from other federal, state, and local government agencies having jurisdiction.

11. That a copy of this Order be served upon The Pennsylvania-American Water Company - Wastewater Division, York County Commissioners, Fairview Township Board of Supervisors, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, the Department of Revenue, the Bureau of Corporate Taxes, the Department of Environmental Protection – Southcentral Regional Office and its Central Office Bureau of Regulatory Counsel.

**BY THE COMMISSION,**

  
Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: December 17, 2015

ORDER ENTERED: December 17, 2015



## **Pennsylvania American Water Acquires Municipal Wastewater System in York County**

December 22, 2015 12:08 PM Eastern Standard Time

HERSHEY, Pa.--(BUSINESS WIRE)--Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced today that it has acquired the wastewater system of Fairview Township, York County. The purchase price for acquisition is approximately \$16.8 million.

The newly acquired system provides wastewater service to approximately 4,000 customers, including more than 200 businesses and commercial accounts where Pennsylvania American Water is already the provider of water service for Fairview Township.

"We are very pleased to close the year with a significant acquisition that further expands our roster of wastewater operations," said Pennsylvania American Water President Kathy L. Pape. "The acquisition provides a long-term wastewater solution and financial relief for the local community, and is also a perfect fit within our existing water footprint."

In addition to the \$16.8 million purchase price, the company agreed to invest \$13 million in system improvements and reimburse the township for up to \$1 million for a sewer line relocation project related to the Pennsylvania Turnpike.

"This transaction brings a number of benefits for our community," said Fairview Township Board of Supervisors Chairman Robert P. Stanley Jr. "As a result of the sale, township residents will receive a 50 percent reduction in real estate taxes in 2016. The sale's proceeds will help pay off approximately \$21 million in sewer debt and avoid an anticipated \$14 million in additional debt that might have been incurred to complete planned projects."

Under terms of the purchase agreement approved by the Pennsylvania Public Utility Commission, Pennsylvania American Water has adopted Fairview Township's existing wastewater rates through December 31, 2017. In addition, the four township employees who operate the wastewater system have been offered employment with Pennsylvania American Water.

As part of its \$13 million capital improvement commitment, Pennsylvania American Water will install approximately 23,500 feet of new wastewater lines to provide public wastewater service to about 200 homes and businesses in Fairview Township. Furthermore, under the company's ownership, the \$9,500 per EDU tap-in fee for existing homes and businesses, which the township had been charging, will not be required. The company's tap-in fees for new homes and business will be \$4,000 per EDU.

This transaction follows a series of acquisitions announced by the company in October, comprising five municipal and privately owned water and wastewater systems in Clarion, Northumberland and Butler counties. Pennsylvania American Water also operates wastewater systems in Adams, Beaver, Chester, Monroe, Pike and Washington counties.

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.2 million people. Founded in 1886, American Water is the largest and most geographically diverse publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs approximately 6,800 dedicated professionals who provide drinking water, wastewater and other related services to an estimated 15 million people in 47 states and parts of Canada.

*This release contains forward looking statements, including, among others, our plan to continue our long-term strategy of capital investment in our systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions, unfavorable weather conditions, changes in regulations or regulatory treatment and availability and the cost of capital. We undertake no obligation to publicly update or revise any forward-looking statement.*

## Contacts

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## Illinois American Water Acquires City of Farmington Water System

***Acquisition will add approximately 1,125 new customers in Peoria Service Area***

April 05, 2018 03:42 PM Eastern Daylight Time

FARMINGTON, Ill.--(BUSINESS WIRE)--Illinois American Water President Bruce Hauk today announced the Company's acquisition of the City of Farmington's water system. The purchase of the system adds approximately 1,125 new customers to the Company's customer base in the Peoria District and serves a population of about 2,500 residents.

The Farmington City Council voted in favor of the sale in March 2017 and the Illinois Commerce Commission (ICC) approved the sale for \$3.75 million on March 21, 2018. Today, Illinois American Water acquired the water system.

"We look forward to investing in the City of Farmington and ensuring quality water service to our new customers," said Hauk.

City of Farmington Mayor Kent Kowal also supports the acquisition. He said, "We welcome Illinois American Water and look forward to their team helping us meet our water service needs. Their knowledge and ability to upgrade our aging water system is critical to our community's economic future."

Illinois American Water will invest \$5 million in the first five years of ownership. This investment will include a hydraulic study to be completed in 2018 with a focus on improving water pressure and fire flow. Investment will also include GIS updates and meter exchanges. In coming years, Illinois American Water will focus on water main replacements and installations to loop water mains.

Roger Goodson, sr. manager of field operations and production for the Peoria District, said, "We are excited to become a member of this vibrant community, not only as the water service provider, but as a good neighbor."

New customers will soon receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing and more.

The appraisal process used for the Farmington water system was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. According to Hauk, this law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility. He said, "Previous law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a small system, public or private. Because of this, systems were deprived of receiving adequate value for their system."



The City of Farmington will be incorporated into the company's Peoria District, which currently serves residents in Peoria, West Peoria, Bartonville, Bellevue, Rome, Mapleton and parts of several surrounding townships. Dunlap, Hanna City and the Timber Logan Water District are sale for resale (wholesale) customers.

**About Illinois American Water** - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Bellevue. With a history dating back to 1888, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 6,900 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [amwater.com](http://amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

## Contacts

Illinois American Water

Karen Cotton, 309-566-4126

External Affairs Manager

**I Accept**

12/30/2019

Aqua Completes purchase of Cheltenham Township Wastewater System - News Story

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## Aqua Completes purchase of Cheltenham Township Wastewater System

*Posted on Thursday December 19, 2019*

Sewer sale is complete. All sewer calls should go to Aqua PA local office (610) 792-2112 from 8:30 A.M. to 4:30 P.M. and the call (877) 987-2782 (for off hours and emergencies).

**Aqua America's Pennsylvania subsidiary completes purchase of Cheltenham Township wastewater system  
Acquisition is Aqua's fourth in 4Q; eighth for 2019**

**BRYN MAWR, Pa.** – Aqua America (NYSE:WTR) announced today that its Pennsylvania subsidiary has completed the purchase of the Cheltenham Township wastewater system, which serves approximately 10,200 connections in Montgomery County, for \$50.25 million.

12/30/2019

Aqua Completes purchase of Cheltenham Township Wastewater System - News Story

“This is an exciting time in the water industry, and we are pleased to offer a compelling set of solutions for municipal leaders who are considering the sale of their utilities. We have forged a strong partnership with leaders Cheltenham to bring significant investment to improve sewer pipes and provide high quality service to residents the township,” said Aqua America Chairman and CEO Christopher Franklin.

“We are proud that the Board of Commissioners of Cheltenham Township, where we’ve provided drinking water for decades, chose to have us provide their wastewater service as well and entrusted us to be stewards of those assets,” said Aqua Pennsylvania President Marc Lucca.

“Cheltenham Township is pleased to close on the sale of the sewer system to Aqua because it’s truly a win-win for all parties. The multi-year collection system re-lining and replacement work needed for the *90-year-old sewer system* would have cost \$10 million per neighborhood at a total cost of \$50 million, which the township couldn’t cover without assuming loans and significant tax increases,” said Cheltenham Township Manager Bryan Havir. “This sale allows Aqua and the Pennsylvania Department of Environmental Protection to address needed collection system and lateral repairs without the township having to saddle residents with increased taxes and costly repairs

The Cheltenham wastewater acquisition is the third municipal transaction completed by Aqua Pennsylvania using the Commonwealth’s fair market value legislation, Act 12, since the law was enacted in 2016. Collectively, those transactions have yielded an additional 16,901 wastewater customers.

Earlier this month, Aqua Pennsylvania completed the purchase of three municipal water systems previously served by the Phoenixville Borough water system, totaling 535 customer connections in Chester and Montgomery counties, for \$3.5 million. This was not a fair market value transaction.

Currently, Aqua Pennsylvania has two transactions under review by the Pennsylvania Public Utility Commission and recently announced an asset purchase agreement with DELCORA, which if approved would be the largest municipal transaction for Aqua America and the largest water/wastewater municipal transaction in Pennsylvania’s history, yielding Aqua Pennsylvania the equivalent of 165,000 wastewater customers.

“Representatives from the Aqua team and Cheltenham Township have worked cooperatively for several months in anticipation of this acquisition. We are now ready to initiate the necessary improvements required by infiltration and inflow issues, that resulted in the township receiving a DEP consent order,” said Lucca. “I believe our longstanding relationship with the township, its residents as well as the regulatory community will make for a smooth transition.”

In total, Aqua has plans to spend more than \$50 million over the next 10 years to improve Cheltenham’s wastewater system.

Aqua’s Illinois subsidiary acquired the Skyline water and wastewater systems in November from the Fox River Water Reclamation District, located in South Elgin, IL for \$3.5 million. Each system serves 376 customer connections in the Skyline and Valley View communities of Saint Charles Township, Illinois. Earlier this month, Aqua Illinois acquired the Village of Grant Park’s wastewater system, which serves more than 1,200 people through approximately 540 connections for \$2.3 million. The Public Utilities Commission of Ohio yesterday approved Aqua Ohio’s agreement with the City of Campbell to purchase the city’s water treatment plant and distribution system, which serves 3,200 customer connections.

12/30/2019

Aqua Completes purchase of Cheltenham Township Wastewater System - News Story

In total, Aqua America subsidiaries completed eight acquisitions in 2019, adding a total of 1,495 new water customer connections and 11,130 new wastewater customer connections.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com for more information.

###

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## Indiana American Water Acquires Georgetown Water System in Southern Indiana

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Dateline City:

GREENWOOD, Ind.

Sale will result in lower rates for Georgetown residents

GREENWOOD, Ind.--(BUSINESS WIRE (<http://www.businesswire.com>))--Indiana American Water President Deborah Dewey today announced the company's acquisition of Georgetown Water, a municipal water utility located in southern Indiana. The purchase of the system adds approximately 1,300 customers to the company's customer base, which represents a population of approximately 3,500 residents.

"The acquisition of this system will provide Georgetown customers with lower rates and access to operations and capital management water professionals and a number of customer service options and payment methods," said Dewey. "Indiana American Water already provides water to several nearby communities and to the Town of Georgetown through a wholesale contract, so this is a good fit for us and a continuation of our efforts to expand our presence across Indiana."

"In a time when communities are looking for new and innovative ways to deal with challenges they're facing and hold the bottom-line on expenses, this acquisition is a great solution for the utility and its customers," Dewey continued.

Georgetown Town Council President Everett Pullen is also enthusiastic in his support of the acquisition. "Our community was struggling to address pressing local infrastructure needs," said Pullen. "This acquisition will help us to address these concerns while also lowering customers' water rates. We appreciate the experience, knowledge and resources that Indiana American Water brings to the table and look forward to working with them."

The acquisition of the Georgetown system for approximately \$6.4 million was approved by the Indiana Utility Regulatory Commission in October and closed by Indiana American Water and the Town of Georgetown on Wednesday, Nov. 15, 2017. The Georgetown system will be incorporated into the company's Southern Indiana district, which currently serves approximately 100,000 residents.

### About Indiana American Water

Indiana American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 1.3 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly-traded water and wastewater utility company. The company employs more than 6,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting [www.amwater.com](http://www.amwater.com) (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.amwater.com&sheet=51718549&newsitemid=20171117005701&lan=en-US&anchor=www.amwater.com&index=1&md5=94d2572c502f12d0f12dd7c12bbb7e7>).

Language:

English

Contact:

Indiana American Water

Joe Loughmiller, 317-885-2434

Cell: 317-903-7431

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Ticker:

AWK

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@inamwater

Indiana American Water today announced it has acquired Georgetown Water in southern Indiana.



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- Pay your bill
- Check your account balance
- Turn your service on/off
- Sign up for alerts
- View your water usage
- Set up paperless billing



## Illinois American Water Signs Agreement to Acquire Granite City Wastewater Collection System

December 26, 2019 10:43 AM Eastern Standard Time

BELLEVILLE, Ill.--(BUSINESS WIRE)--Illinois American Water, a subsidiary of American Water (NYSE: AWK), has entered into an agreement with Granite City to acquire the City's wastewater collection assets. The agreement for the sale of the wastewater collection system, which serves 12,500 customer connections, is for \$18 million.

"Since 1885, Illinois American Water has delivered safe, reliable drinking water to Granite City. We enjoy being a part of the community and are excited to own and manage the wastewater collection for our valued customers in Granite City," said Bruce Hauk, Illinois American Water President. "Our team's expertise is a benefit to communities looking to sell their water and/or wastewater assets to Illinois American Water. We are proud of these partnerships."

Illinois American Water will seek approval of the acquisition from the Illinois Commerce Commission. The company expects to close the transaction in late 2020, pending regulatory approval.

Approval for the pending transaction will be sought under the Illinois Systems Viability Act, which allows municipalities in Illinois to sell water and wastewater systems for a price based on fair market value. Prior to the Systems Viability Act, the valuation process was based on assessing the system's original cost at the time of construction – which may be 50 years old or more – less depreciation and contributed property.

The company has also signed purchase agreements with the Villages of Andalusia, Leonore, Shiloh and Sydney as well as the Cities of Rosiclare and Jerseyville. To learn more about Illinois American Water and hear testimonials from communities the company has partnered with, please visit the Doing Business with Us page under About Us at [www.illinoisamwater.com](http://www.illinoisamwater.com).

### About Illinois American Water

Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [www.amwater.com](http://www.amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

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## Aqua Completes purchase of Cheltenham Township Wastewater System

*Posted on Thursday December 19, 2019*

Sewer sale is complete. All sewer calls should go to Aqua PA local office (610) 792-2112 from 8:30 A.M. to 4:30 P.M. and the call (877) 987-2782 (for off hours and emergencies).

**Aqua America's Pennsylvania subsidiary completes purchase of Cheltenham Township wastewater system  
Acquisition is Aqua's fourth in 4Q; eighth for 2019**

**BRYN MAWR, Pa.** – Aqua America (NYSE:WTR) announced today that its Pennsylvania subsidiary has completed the purchase of the Cheltenham Township wastewater system, which serves approximately 10,200 connections in Montgomery County, for \$50.25 million.

12/30/2019

Aqua Completes purchase of Cheltenham Township Wastewater System - News Story

“This is an exciting time in the water industry, and we are pleased to offer a compelling set of solutions for municipal leaders who are considering the sale of their utilities. We have forged a strong partnership with leaders Cheltenham to bring significant investment to improve sewer pipes and provide high quality service to residents the township,” said Aqua America Chairman and CEO Christopher Franklin.

“We are proud that the Board of Commissioners of Cheltenham Township, where we’ve provided drinking water for decades, chose to have us provide their wastewater service as well and entrusted us to be stewards of those assets,” said Aqua Pennsylvania President Marc Lucca.

“Cheltenham Township is pleased to close on the sale of the sewer system to Aqua because it’s truly a win-win for all parties. The multi-year collection system re-lining and replacement work needed for the *90-year-old sewer system* would have cost \$10 million per neighborhood at a total cost of \$50 million, which the township couldn’t cover without assuming loans and significant tax increases,” said Cheltenham Township Manager Bryan Havir. “This sale allows Aqua and the Pennsylvania Department of Environmental Protection to address needed collection system and lateral repairs without the township having to saddle residents with increased taxes and costly repairs

The Cheltenham wastewater acquisition is the third municipal transaction completed by Aqua Pennsylvania using the Commonwealth’s fair market value legislation, Act 12, since the law was enacted in 2016. Collectively, those transactions have yielded an additional 16,901 wastewater customers.

Earlier this month, Aqua Pennsylvania completed the purchase of three municipal water systems previously served by the Phoenixville Borough water system, totaling 535 customer connections in Chester and Montgomery counties, for \$3.5 million. This was not a fair market value transaction.

Currently, Aqua Pennsylvania has two transactions under review by the Pennsylvania Public Utility Commission and recently announced an asset purchase agreement with DELCORA, which if approved would be the largest municipal transaction for Aqua America and the largest water/wastewater municipal transaction in Pennsylvania’s history, yielding Aqua Pennsylvania the equivalent of 165,000 wastewater customers.

“Representatives from the Aqua team and Cheltenham Township have worked cooperatively for several months in anticipation of this acquisition. We are now ready to initiate the necessary improvements required by infiltration and inflow issues, that resulted in the township receiving a DEP consent order,” said Lucca. “I believe our longstanding relationship with the township, its residents as well as the regulatory community will make for a smooth transition.”

In total, Aqua has plans to spend more than \$50 million over the next 10 years to improve Cheltenham’s wastewater system.

Aqua’s Illinois subsidiary acquired the Skyline water and wastewater systems in November from the Fox River Water Reclamation District, located in South Elgin, IL for \$3.5 million. Each system serves 376 customer connections in the Skyline and Valley View communities of Saint Charles Township, Illinois. Earlier this month, Aqua Illinois acquired the Village of Grant Park’s wastewater system, which serves more than 1,200 people through approximately 540 connections for \$2.3 million. The Public Utilities Commission of Ohio yesterday approved Aqua Ohio’s agreement with the City of Campbell to purchase the city’s water treatment plant and distribution system, which serves 3,200 customer connections.



12/30/2019

Aqua Completes purchase of Cheltenham Township Wastewater System - News Story

In total, Aqua America subsidiaries completed eight acquisitions in 2019, adding a total of 1,495 new water customer connections and 11,130 new wastewater customer connections.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com for more information.

###

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5/31/2017

Connecticut Water - Connecticut Water Service, Inc. Completes Acquisition of Heritage Village Water Company

02/27/2017

CLINTON, CONNECTICUT, Feb. 27, 2017 (GLOBE NEWSWIRE) -- Connecticut Water Service, Inc. (NASDAQ: CTWS) announced today that it has completed the acquisition of the Heritage Village Water Company (HVWC). Shareholders of HVWC exchanged their stock for CTWS stock in a transaction with an enterprise value of \$20.7 million. HVWC serves approximately 4,700 water customers in the Connecticut communities of Middlebury, Oxford and Southbury and approximately 3,000 wastewater customers in the Town of Southbury, Connecticut. HVWC owns and operates the only wastewater system regulated by the Connecticut Public Utilities Regulatory Authority (PURA).

According to Eric W. Thornburg, CTWS's Chairman, President and Chief Executive Officer, HVWC will operate as a subsidiary of CTWS, which is among the nation's fastest growing water utility companies. He states, "Customers will benefit by being part of larger, regional company, which has a size and presence that provides for operational efficiencies, purchasing power and other economies of scale." Mr. Thornburg further states, "CTWS subsidiaries, including The Connecticut Water (Connecticut Water) and The Maine Water Company (Maine Water) have long histories of delivering world-class satisfaction to customers and being good stewards of the natural resources entrusted to us and we are eager to demonstrate our commitment to HVWC customers."

Mr. Thornburg thanked Keith Sorensen, the former president of HVWC, for his efforts that contributed to a smooth transition for customers and employees with the completion of this transaction. PURA approved the acquisition on December 5, 2016, and the closing was completed on February 27, 2017.

HVWC retains its current name, a local office, and its employees were invited to continue their employment under CTWS ownership. HVWC is a sister company to Connecticut Water and Maine Water. The merger will not affect the rates or service for any of those water company customers. As part of CTWS, HVWC will now be able to offer its customers a website, online bill payment, and timely emergency notification via phone and e-mail. Customers will receive information in the mail on these and other enhancements.

As called for under the previously announced agreement, the acquisition was executed through a stock-for-stock merger transaction valued at approximately \$16.1 million. Holders of HVWC common stock received shares of CTWS common stock in a tax-free exchange. In addition, Connecticut Water will assume approximately \$4.6 million in debt of HVWC. The transaction reflected a total enterprise value of approximately \$20.7 million.

Since January 2012, CTWS has grown its customer base by more than 43%, or more than 39,000 customers, primarily through large acquisitions in Maine in 2012 and HVWC in 2017. In addition, CTWS previously announced on October 12, 2016, an agreement to acquire the Avon Water Company that serves 4,800 customers in the Connecticut towns of Avon, Farmington, and Simsbury. A PURA decision on the acquisition is expected this April with a closing to follow within the second quarter.

CTWS is one of the ten largest U.S.-based publicly-traded water utilities, and is listed on the NASDAQ Global Select Market under the ticker symbol CTWS. Including the HVWC acquisition, CTWS, through its regulated utility subsidiaries in Connecticut and Maine, serves more than 129,000 water customers, or nearly 440,000 people in 79 communities across Connecticut and Maine, and more than 3,000 wastewater customers in Southbury, Connecticut.

News Media Contact:

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Director of Corporate Communications  
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[dmeaney@ctwater.com](mailto:dmeaney@ctwater.com)





## Illinois American Water Signs Agreement to Acquire City of Jerseyville Water and Wastewater Systems

December 20, 2019 12:22 PM Eastern Standard Time

BELLEVILLE, Ill.--(BUSINESS WIRE)--Illinois American Water, a subsidiary of American Water (NYSE: AWK), signed an agreement yesterday, Dec. 19, 2019, to acquire the City of Jerseyville's water and wastewater systems. The agreement for the sale of the systems, which each serve about 4,100 customer connections for a total of 8,200 customers, is for \$43.25 million.

"Illinois American Water is proud of our over 140-year history of providing safe, reliable service to our customers. Our team of wastewater and water service experts are looking forward to serving our new customers and making critical improvements to ensure reliable service for public health," said Bruce Hauk, Illinois American Water President. "Many communities are looking for new and innovative ways to deal with challenges they're facing while controlling expenses. There's nothing more important to our team than ensuring our customers receive the best service possible at a good value. These partnerships are a great solution for residents."

Illinois American Water will seek approval of the acquisition from the Illinois Commerce Commission. The transaction is expected to close in late 2020, pending regulatory approval.

Approval for the pending transaction will be sought under the Illinois Systems Viability Act, which allows municipalities in Illinois to sell water and wastewater systems for a price based on fair market value. According to Hauk, "Prior law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a system, public or private. Because of this, systems were previously deprived of receiving adequate value for their system."

In 2019, Illinois American Water acquired the Alton Regional Wastewater System and the Village of Godfrey's wastewater system, also located in Southern Illinois. The Village of Glasford's water and wastewater systems, located in Central Illinois, were also acquired. These acquisitions added a total of 30,174 new Illinois American Water customer connections.

**About Illinois American Water** - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [www.amwater.com](http://www.amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).



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## Indiana American Water Acquires Lake Station Water System in Northwest Indiana

October 22, 2019 05:19 PM Eastern Daylight Time

GREENWOOD, Ind.--(BUSINESS WIRE)--Indiana American Water President Matt Prine today announced the company's acquisition of the City of Lake Station's water system in northwest Indiana. The purchase of the system adds more than 3,270 water customers, representing a population of more than 8,800 residents, to the company's customer base.

"Indiana American Water already provides water service to much of northwest Indiana, so this is a good fit for us," said Prine. "The acquisition provides access to operations and customer service professionals for Lake Station residents and broadens the footprint of Indiana American, allowing existing customers to benefit from efficiencies in delivering service and the ability to attract capital for investment in the system."

"Communities are looking for new and innovative ways to deal with challenges they're facing and hold the bottom-line on expenses," Prine continued. "This acquisition is a great solution for the City and its customers."

Lake Station Mayor Christopher Anderson also expressed his support of the acquisition.

"The acquisition of our water system by Indiana American Water has several benefits to our community, including additional local and property tax revenues, the expertise and resources to address system and aging infrastructure issues, and significant proceeds from the sale to help us address financial challenges and other pressing community needs," said Anderson. "This sale will position our community for continued growth and prosperity well into the future."

The acquisition of the Lake Station water system for approximately \$20.68 million was approved by the Indiana Utility Regulatory Commission in August 2018 and closed by Indiana American Water and the City of Lake Station on Tuesday, October 22, 2019. The closing was delayed by appeals which have now been resolved. The Lake Station system will be incorporated into the company's Northwest Indiana Operations, which currently serves more than 250,000 residents.

### About Indiana American Water

Indiana American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 1.3 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [amwater.com](http://amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

### Contacts

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1/27/2020

\$75 million sale of Limerick sewer system completed | News | pottsmmerc.com

[https://www.pottsmmerc.com/news/million-sale-of-limerick-sewer-system-completed/article\\_c2829766-f124-57d9-8617-5cf820d4e1c6.html](https://www.pottsmmerc.com/news/million-sale-of-limerick-sewer-system-completed/article_c2829766-f124-57d9-8617-5cf820d4e1c6.html)

## **\$75 million sale of Limerick sewer system completed**

by Evan Brandt  
Aug 8, 2018



Limerick's wastewater treatment plant on King Road is one of two that has been sold to Aqua PA.  
Digital First Media File Photo

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LIMERICK >> The long-delayed sale of the Limerick Township sewer system to a private utility company for \$75.1 million has finally been closed, township supervisors were informed this week.

The sale to Aqua Pennsylvania was approved by the Pennsylvania Utility Commission on July 13. The closing on the sale occurred on July 25, Assistant Township Manager/Treasurer Beth DiPrete said.

The system has two treatment plants, one on Possum Hollow Road and the other on King Road, as well as 18 pump stations and miles of underground pipe.

DiPrete said after deductions were made to the sale price to pay off a \$3.7 million sewer bond incurred by the sewer authority, and other debts by the township, that the net gain for Limerick is \$70,489,941.

Supervisors' Chairwoman Elaine DeWan said the board decided to sell the sewer system because of the potential for increased operating costs, and the need to pay for a number of major capital projects driven by the burgeoning population.

Twitter recap: Mega Projects and Sewer Systems

"When I moved here in 2001, there were 9,000 people and now there are 19,000," she said.

One of those capital projects can be seen at 646 Ridge Pike, where a new \$10 million township and police building has risen where the former township building once stood. The township has been operating for months out of temporary quarters on South Limerick Road.

Plans call for the township to move back into the new offices on Aug. 15, when the township will be closed for business.

DiPrete said the township borrowed \$6 million for that project because of the delay caused by the PUC in obtaining the money from the sewer system sale. "We initially thought it would close about December of last year," she said.

1/27/2020

\$75 million sale of Limerick sewer system completed | News | pottsmmerc.com

Another \$4 million was borrowed to pay for the new public works garage built behind the new township building.

DeWan said the township built a new Limerick Fire Station on Ridge Pike and intends to undertake a \$2.5 million renovation of the Linfield Fire station. Both fire companies are in the process of merging into a single company, but both stations are still needed, she said.

She said the sale will also fund other major capital projects, such as improvements to the intersection of Royersford Road and Linfield-Trappe Road.

"To pay for all that would have required us to double the township's taxes or more," DeWan said.

The sale was made easier, said DiPrete, by a change in Pennsylvania law on how the value of such facilities are calculated.

The transaction falls under the recently enacted Act 12, which allows municipalities that own water and wastewater systems to sell their systems to regulated public utilities at fair market valuation.

"Aqua is thrilled to welcome our new Limerick customers and employees," Aqua America Chairman and CEO Christopher Franklin, said in a prepared statement.

"This purchase was a collaborative effort that will allow us to bring benefits to the Limerick community by leveraging expertise in compliance, large-scale purchasing power and efficiencies in a larger, regional operation."

Including Limerick, Aqua America has four fair market value asset purchase agreements in place, with Cheltenham, East Bradford and New Garden townships in Pennsylvania.

Also aided by Act 12, Exeter Township in Berks County sold its sewer treatment plant to Pennsylvania American Water Co. for \$96 million earlier this year.

In the same prepared statement, Aqua Pennsylvania President Marc Lucca says his team will bring a sharp environmental focus to the service they provide for Limerick's residents.

"It's imperative we return treated wastewater back to our rivers and streams cleaner than when we first take it out," Lucca said. "I welcome our new employees who've done a great job ensuring the Limerick system is compliant and well maintained, and look forward to serving our new

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\$75 million sale of Limerick sewer system completed | News | pottsmmerc.com

customers.”

The sale of the Limerick system, which serves approximately 5,400 wastewater connections, comes with some historical baggage.

The township took over operation of the sewer system from the Limerick Sewer Authority in 2008 in what might be described as a hostile take-over and only after a protracted fight between the two.

Limerick Township Municipal Authority was created by the Limerick supervisors in 1966 and operated as an independent municipal authority.

In March, 2008, one month after the supervisors moved to dissolve the authority, the authority filed a court injunction to prevent the township from taking over the authority.

The township argued said such a power transfer would achieve cost savings for Limerick in the long run, while those representing the authority said pure politics were at play.

Much of the political accusations were aimed at former supervisors chairman David Kane, who was sentenced to four years in federal prison in 2012 after pleading guilty to filing a false income tax return, failure to file income tax returns, tax evasion and mail fraud.

Kane was a member of both the authority board and the board of supervisors and after he admitted publicly he wanted to install former supervisor Frank Kotch as sewer authority administrator, as well as install a member of Township Solicitor Joe McGrory's law firm as the authority solicitor, he was accused of cronyism.

But ultimately, the issue was resolved in the township's favor, after thousands of dollars in legal fees had been accumulated, and the transfer moved ahead in September of 2008.

Flash forward to 2016, when the Board of Supervisors unanimously approved the \$75.1 million sale of the township sewer system to Aqua Pennsylvania Wastewater Inc.

The sale, which had been discussed previously, but not seriously, got more serious after the passage of Act 12 and the offers for the system started coming in much higher.



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Aqua's \$75.1 million bid came in 43 percent higher than the other two offers, includes an additional \$400,000 for future developments and requires that sewer rates not be raised for three years.

## Evan Brandt

@PottstownNews on Twitter

Evan Brandt has been a staff reporter for The Mercury for more than 20 years. He covers municipal, school district, political, state government, federal government and environmental news.

## NJ American Water to pay \$12.7M for municipal-owned sewer system

By: David Hutter

January 2, 2020 5:03 pm

Camden-based New Jersey American Water signed an agreement Thursday to acquire the wastewater assets of the Township of Long Hill for \$12.7 million.

The municipally owned sewer system serves about 2,800 customers, most of whom already receive water service from New Jersey American Water, according to the company.

The agreement follows voters approving the sale of the system to American Water at a referendum in November 2019. American Water spokeswoman Denise Venuti Free expects the purchase to be approved by the New Jersey Board of Public Utilities in summer 2020.

As part of the acquisition agreement, New Jersey American Water says it will invest more than \$13 million in critical sewer system improvements in the next five years, while freezing current sewer rates for residents for two years and increasing rates no more than 3 percent annually for the next three years.

New Jersey American Water says these improvements include pump station upgrades, sewer main lining and replacements to reduce the infiltration of storm water, and treatment plant upgrades to reduce and eliminate the release of partially treated wastewater during heavy rain.

The company will coordinate sewer and water pipeline replacements with Long Hill's road paving schedule to minimize disruption.



**David Hutter**

David Hutter grew up in Darien, Conn., and covers higher education, transportation and manufacturing for NJBIZ. He can be reached at: [dhutter@njbiz.com](mailto:dhutter@njbiz.com).

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2/15/2019

Aqua Illinois Completes Village of Manteno Wastewater System Acquisition - Water By Aqua

« Back to [News \(http://www.waterbyaqua.com/news/\)](http://www.waterbyaqua.com/news/)

## Aqua Illinois Completes Village of Manteno Wastewater System Acquisition

July 5, 2018

### ***Aqua to provide lower wastewater rates, commits \$7.5 million for capital investments***

BRYN MAWR, Pa. & MANTENO, Ill.— Aqua America Inc. (NYSE: WTR) and the Village of Manteno, Illinois announced today they have completed the acquisition of the village's wastewater system, which serves more than 9,000 people through approximately 3,800 wastewater connections. Under the agreement, approved by the Illinois Commerce Commission May 31, Aqua Illinois purchased the system for \$25 million.

Aqua has committed to investing more than \$7.5 million in wastewater system upgrades over the next ten years to continue enhancements already initiated by the village. The company is also planning other future investments to improve reliability, ensure adequate capacity for growth, and protect receiving streams through new and innovative treatment techniques.

"Aqua Illinois is happy to be able to provide the residents and businesses of Manteno with quality wastewater services, reasonable rates and excellent customer service," said Craig Blanchette, president of Aqua Illinois. "We have provided our award-winning water service to the village since 2007, and our company has been providing water and wastewater utility service throughout Illinois for more than 130 years, serving more than 250,000 people in 13 counties throughout the state. Our staff has extensive industry experience, and we look forward to serving Manteno for decades to come."

Aqua America Chairman and CEO Christopher Franklin noted the continued opportunity he sees in the municipal market.

"We are excited by the momentum we are gaining in reaching agreements with municipal systems," said Franklin. "This purchase is all part of Aqua's efforts to do our part to strengthen infrastructure for communities in the states we serve, which means improved compliance, service and environmental stewardship for generations to come."

In addition, Manteno Mayor Tim Nugent outlined several benefits to the sale.

"We are very happy to continue to work with Aqua. The sale of our wastewater system allows the village to reduce costs to our homeowners and still maintain the sale proceeds in an investment account," said Nugent. "Our citizens will see an immediate, positive impact on their monthly expenses, as the village eliminates each resident's garbage collection fee of \$16.55 per month for the coming year. This will save each homeowner almost \$200 per year this year and more in the years to come as garbage rates rise. This transaction locks in Manteno's stable financial future for generations."

Aqua Illinois provides water and wastewater service to approximately 250,000 people in 13 counties.

Including the Village of Manteno, Aqua America has five fair market value asset purchase agreements in place. Other agreements are with Cheltenham, East Bradford, Limerick and New Garden townships in Pennsylvania. A settlement agreement with Limerick is before the Pennsylvania Public Utility Commission, and the New Garden commission order is on appeal to Pennsylvania Commonwealth Court. When it completes these acquisitions, the company will welcome approximately 23,000 new customer connections to the Aqua family.

### **About Aqua**

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.aquaamerica.com%2F&esheet=51832720&newsitemid=20180705005561&lan=en-US&anchor=AquaAmerica.com&index=1&md5=3913bb83f82f6f32e77bab512d7f1aeb>) for more information, or follow Aqua on Facebook at [facebook.com/MyAquaAmerica](https://facebook.com/MyAquaAmerica) and on Twitter at [@MyAquaAmerica](https://twitter.com/MyAquaAmerica).

### **Forward-looking statement**

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to invest capital in the system over the next ten years. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions; the company's ability to fund needed infrastructure; changes in regulations or regulatory treatment; availability and access to capital; the cost of capital; disruptions in the credit markets; and other factors discussed in our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q, which are filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation—and expressly disclaims any such obligation—to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

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1/9/2020

Exhibit

EX-99.2 3 exhibit992.htm EXHIBIT 99.2 - ACQUISITION FACT SHEET

**Exhibit 99.2**

## ACQUISITION FACT SHEET

### DECEMBER 18, 2017

### AMERICAN WATER: ACQUISITION OF McKEESPORT (PA) WASTEWATER SYSTEM

#### Acquisition Overview

- First acquisition utilizing Act 12 to close in Pennsylvania; consistent with state policy to promote use of fair market value for water and wastewater system acquisitions. Approved by PUC following stipulated settlement by all parties.
- Acquisition consistent with American Water's strategy to grow its regulated business by acquiring wastewater customers in areas where it already provides water services to customers.
- Purchase price of \$159 million with approved rate base of \$158M.
- Acquisition consistent with intent of Pennsylvania Act 11 legislation (facilitates needed investment in wastewater systems)
- Transaction expected to be EPS accretive in the first year after close (2018); with additional EPS growth expected.
- Recently completed \$62 million expansion and upgrade project for the main treatment plant and related infrastructure to comply with more stringent state and federal wastewater treatment guidelines and to accommodate growth.
- American Water expects to finance this acquisition with debt allocated to Pennsylvania American Water.
- Will operate as a part of Pennsylvania American Water; all 44 Authority employees were offered employment.

#### KEY FACTS

Customers (including those served under bulk contracts)	22,000
Miles of collection & interceptor sewers	144
Treatment Plant Capacity (MGD)	62.5 (peak)
Employees	47

#### Acquisition Financing

- American Water has sufficient financing capacity to fund the transaction.

#### Acquisition Strategy

- McKeesport transaction strengthens the company's position in wastewater sector and further demonstrates its capabilities
- Acquisition of customers adjacent to existing water footprint allows Pennsylvania American Water to achieve operating efficiencies
- As the largest regulated water and wastewater utility in the United States and Pennsylvania, this acquisition further increases scale, demonstrating American Water as the preferred partner for water and wastewater acquisitions.

#### Service Area

- Expands PAWC service area in Southwestern part of the state
- MACM is adjacent to PAWC Mon-Valley operations, with some overlap in customer base
- Additional growth opportunity through regionalization of nearby systems and bulk treatment contracts

\* Anchored off of 2016 Adjusted EPS (a non-GAAP measure)

#### 2018 - 2022 Growth Plan \*

#### AMERICAN WATER

Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. Marking its 130th anniversary this year, the company employs more than 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 35 million people in 47 states and Ontario, Canada. More information can be found at [www.amwater.com](http://www.amwater.com).

#### Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this Acquisition Fact Sheet are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to, among other things, the source of financing for the acquisition; the determination of the final purchase price; the ability to achieve certain benefits relating to the transaction and the operations acquired; Pennsylvania American Water's ability to retain the employees of the acquired system; unexpected costs, liabilities or delays associated with the acquisition or the integration of the acquired assets; regulatory, legislative, local or municipal action affecting the water and wastewater industries, which could adversely affect PAWC; and other economic, political, litigation and other factors. These statements are based on the current expectations of management of Pennsylvania American Water. There are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements, which are disclosed in Pennsylvania American Water's press release dated December 18, 2017 and American Water's filings with the Securities and Exchange Commission (the "SEC"). Forward looking statements are not guarantees or assurances of future performance or results, and American Water and Pennsylvania American Water do not undertake any duty to update any forward looking statements. A reconciliation of 2016 Adjusted EPS to 2016 GAAP EPS and other related information may be found in American Water's Current Report on Form 8-K, as filed with the SEC on December 16, 2017.

#### The City of McKeesport

The Municipal Authority of the City of McKeesport was established in 1949 to provide wastewater treatment to the City. The Authority provided wastewater treatment for 8 surrounding municipalities under bulk contracts, resulting in service to a population of 64,000 people. The Authority will be dissolved as a result of this transaction.

"The crux of this transaction is bringing financial stability to the City of McKeesport and saving our taxpayers from Act 47 municipal bankruptcy. When we think about it, the privatization of local sewage services truly makes sense. The City isn't involved in other utility businesses – gas, electric, water – and this is a first step in providing consistent, regulated utility services to our community."

- Michael Cherepko, McKeesport Mayor

## New Jersey American Water closes acquisition of wastewater assets

Wednesday, July 3, 2019 8:38 AM ET

By Nephele Kirong  
*Market Intelligence*

American Water Works Co. Inc. subsidiary New Jersey American Water has completed the acquisition of the wastewater assets of the Borough of Mount Ephraim, N.J., for approximately \$1.4 million.

The sewer system serves approximately 1,800 customers, most of whom already receive water service from New Jersey American Water, according to a July 2 news release.

A November 2018 referendum resulted to more than 80% voting in favor of the acquisition. Under the deal, New Jersey American Water agreed to invest more than \$4 million in needed improvements, to freeze current rates for two years and to increase rates no more than 3% annually for the three years after that.

The New Jersey Board of Public Utilities cleared the transaction on June 21.

The borough plans to use the sale proceeds to reduce debt. "By selling the system, we are eliminating uncontrollable sewer costs which have been a major uncertainty in our budget," Mount Ephraim Mayor Joseph Wolk said.

*This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.*



## **Aqua Pennsylvania to Welcome New Garden Township as First Municipal Acquisition Using Fair Market Valuation Legislation**

June 14, 2017 01:21 PM Eastern Daylight Time

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aqua America, Inc. (NYSE: WTR) today announced its largest subsidiary, Aqua Pennsylvania, received approval from the Pennsylvania Public Utility Commission to purchase the wastewater assets of New Garden Township, serving approximately 2,100 customer connections in southeast Pennsylvania's Chester County.

Aqua's application was the first that the PUC has considered since the state enacted Act 12, commonly referred to as fair market valuation legislation.

"We're proud that Aqua is the first to have an acquisition approved by the PUC under this new legislation," said Aqua America CEO Christopher Franklin.

The new law allows companies like Aqua to pay a fair market amount for municipal water and wastewater systems, benefitting local governments, customers, and the environment. Prior to FMV legislation, utilities were often limited to including only the original depreciated cost into their rate base, which became a regulatory barrier to a sale. Now, Aqua and other regulated utilities can leverage compliance expertise, purchasing power and operational efficiencies to benefit local systems' infrastructure and service.

"This purchase is all part of Aqua's efforts to do our part to strengthen wastewater infrastructure for communities in the states we serve, which means improved service and environmental stewardship for generations to come," Franklin said.

With the new legislation, Aqua is focused on balancing fair price for systems, making important infrastructure improvements and ensuring reasonable rates for its service. Aqua paid \$29.5 million for the New Garden system.

"We're thrilled to welcome New Garden Township residential and business customers to the Aqua family, and look forward to providing them the highest level of service and value," Franklin said. "We hope more communities take advantage of the benefits this new legislation can bring."

According to Franklin, Aqua expects to grow its customer base 1.5 to 2 percent in 2017.

### **About Aqua America**

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) for more information, or follow Aqua on Facebook at [facebook.com/MyAquaAmerica](https://facebook.com/MyAquaAmerica) and on Twitter at [@MyAquaAmerica](https://twitter.com/MyAquaAmerica).

### **Forward-Looking Statements**

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to grow its customer base 1.5 to 2.0 percent in 2017, and the ability of the company to acquire additional wastewater systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business

conditions, the successful integration of the customers and the facility, the ability to improve customer service and environmental stewardship, the success of the company's growth efforts including its ability to utilize Act 12, and other factors discussed in our Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation — and expressly disclaims any such obligation — to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRF

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# Liberty Utilities Co. Expands Water Utility Presence with an Agreement to Acquire American Water's Regulated Operations in New York

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NEWS PROVIDED BY

**Algonquin Power & Utilities Corp. →**

Nov 20, 2019, 16:05 ET

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*Transaction represents execution on Liberty Utilities' strategy to expand its regulated utility business in high-quality jurisdictions*

This news release constitutes a "designated news release" for the purposes of Algonquin Power & Utilities Corp.'s prospectus supplement dated February 28, 2019 to its short form base shelf prospectus dated September 18, 2018.

## **Highlights:**

- **Liberty Utilities Co., the regulated utility operating subsidiary of Algonquin Power & Utilities Corp., has entered into a stock purchase agreement to acquire American Water's regulated operations in the State of New York ("New York American Water").**
- **New York American Water is a regulated water and wastewater utility serving over 125,000 customer connections across seven counties in southeastern New York.**
- **New York American Water's customer rates are not expected to be affected by the acquisition.**
- **Existing local management and operations teams will be maintained and empowered to continue to deliver the safe and reliable water utility services that customers expect, with a commitment by Liberty Utilities to maintain at least existing employment terms for two years following the closing.**
- **Closing of the transaction remains subject to regulatory approval and other typical closing conditions.**

OAKVILLE, ON, Nov. 20, 2019 /PRNewswire/ - Algonquin Power & Utilities Corp. (TSX/NYSE:AQN) ("Algonquin") today announced that Liberty Utilities Co. ("Liberty Utilities"), Algonquin's regulated utility operating subsidiary, has entered into a stock purchase agreement with American Water Works Company, Inc. (NYSE: AWK) ("American Water"), to purchase American Water's regulated operations in the State of New York ("New York American Water") for a purchase price of US\$608 million, subject to customary adjustments.

Headquartered in Merrick, NY, New York American Water is a regulated water and wastewater utility serving over 125,000 customer connections across seven counties in southeastern New York. Operations include approximately 1,270 miles of water mains and distribution lines with 98% of customers in Nassau County on Long Island.

"We are thrilled to expand our customer base in the great state of New York," said Ian Robertson, Chief Executive Officer of Algonquin. "New York State has demonstrated a commitment to ensuring regulated utilities put their customers first. We believe the state's vision aligns with our customer-driven focus. We have experience in multiple states as a water utility operator and are known for our commitment to excellence. We are committed to partnering with our regulator and other state officials to support the affordability of water services, including reducing the burden of local taxes on New York American Water's customers, which can account for more than half of their monthly bills. We are also excited to welcome New York American Water's employees to our Liberty Utilities team."

## **Continuing Commitment to Our Communities, Customers and Employees**

Liberty Utilities will work closely with American Water, New York American Water, and the New York Public Service Commission to ensure a smooth transition. Under Liberty Utilities' local and responsive operating model, existing local management and operations teams will be maintained and empowered to continue to deliver the safe and reliable service that customers expect, with a commitment by Liberty Utilities to maintain at least existing employment terms for two years following the closing. Customers should not expect any impact on rates as a result of the acquisition. Liberty Utilities is committed to continuing to invest in the water system to improve water quality, customer education on conservation and community outreach.

"This was a very difficult decision for American Water, as we have had the privilege of serving customers and communities in New York for more than 130 years," said Susan Story, president and CEO of American Water. "After careful and comprehensive analysis, we believe it is in the best interest of our customers in New York to sell to Liberty Utilities, which already has utility operations in the state of New York and will have a larger presence once the transaction closes. We are committed to working together to ensure that the transition is unnoticeable to our customers and that safe and reliable water service continues throughout the transition and beyond."

## ***Investment Grade Financing Plan and Transaction Details***

The financing for the transaction will be consistent with Algonquin's current investment grade credit profile. Closing of the transaction is subject to the satisfaction or waiver of various customary conditions including regulatory approval by the New York Public Service Commission and review and clearance under U.S. antitrust laws.

For more transaction details, see the fact sheet located at <http://investors.algonquinpower.com/MNA> and filed with securities regulatory authorities at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov). The fact sheet is incorporated by reference herein.

Algonquin's management team will provide further insights on the transaction at its upcoming Analyst & Investor Days in Toronto on December 3, 2019 and New York on December 6, 2019.

## ***Advisors***

CIBC Capital Markets acted as Financial Advisor to Liberty/Algonquin and Husch Blackwell LLP served as transaction legal counsel to Liberty/Algonquin.

## ***About Algonquin Power & Utilities Corp.***

Algonquin is a diversified international generation, transmission and distribution utility with approximately U.S. \$11 billion of total assets. Through its two business groups, Algonquin is committed to providing safe, reliable and cost effective rate-regulated natural gas, water, and electricity generation, transmission and distribution utility services to over 800,000 connections in the United States and Canada, and is a global leader in renewable energy through its portfolio of long-term contracted wind, solar and hydroelectric generating facilities representing over 2,500 megawatts of net installed capacity and more than 1,400 megawatts of additional renewable energy capacity under construction. Algonquin delivers continuing growth through an expanding global pipeline of renewable energy, electric transmission, and water infrastructure development projects, organic growth within its rate-regulated generation, distribution and transmission businesses, and the pursuit of accretive acquisitions. Algonquin's common shares, Series A preferred shares, and Series D preferred shares are listed on the Toronto Stock Exchange under the symbols AQN, AQN.PR.A, and AQN.PR.D. Algonquin's common shares, Series 2018-A subordinated notes and Series 2019-A subordinated notes are listed on the New York Stock Exchange under the symbols AQN, AQNA and AQNB.

Visit Algonquin at [www.algonquinpowerandutilities.com](http://www.algonquinpowerandutilities.com) and follow us on Twitter @AQN\_Uilities.

## ***Caution Regarding Forward-Looking Information***

Certain statements included in this news release constitute "forward-looking information" within the meaning of applicable securities laws in each of the provinces of Canada and the respective policies, regulations and rules under such laws and "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). The words "will", "expects", "intends", "should" and similar expressions are often intended to identify forward-looking statements, although

not all forward-looking statements contain these identifying words. Specific forward-looking statements contained in this news release include, but are not limited to: statements regarding expected financing plans and impact on credit metrics, expectations regarding current New York American Water customers, rates and employees, Liberty Utilities' future investments and community engagement, the completion and benefits of the proposed transaction, and New York American Water's continuing operations. These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments. Since forward-looking statements relate to future events and conditions, by their nature they rely upon assumptions and involve inherent risks and uncertainties. Algonquin cautions that although it is believed that the assumptions are reasonable in the circumstances, actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those set out in Algonquin's most recent annual and interim Management's Discussion and Analysis and most recent Annual Information Form, filed with securities regulatory authorities in Canada and the United States. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of their dates. Other than as specifically required by law, Algonquin undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

SOURCE Algonquin Power & Utilities Corp.

#### Related Links

<http://www.algonquinpower.com>



April 30, 2015

## **Aqua America's Illinois Subsidiary Announces Acquisition of North Maine Utility Water and Wastewater System from the Village of Glenview**

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE: WTR) announced today that its Illinois subsidiary completed the successful purchase of the municipally owned North Maine Utilities (NMU) water and wastewater system from the Village of Glenview, Illinois for \$22 million. The system serves more than 44,000 people through 4,700 metered water connections and nearly 2,500 wastewater connections.

Aqua Illinois' purchase of the system includes a commitment by Aqua to freeze rates for NMU customers through June of 2020, excluding any purchased-water increases from the current provider, which will be passed through under a purchased-water surcharge approved by the Illinois Commerce Commission. This agreement addresses the Village of Glenview's concern of rate stability for NMU customers. Aqua Illinois has also committed to invest \$10 million to construct a needed interconnection with Glenview to purchase Lake Michigan water from Glenview at a significantly lower price than the projected rate of the current provider.

"Aqua Illinois is excited to be able to serve the residents and businesses of North Maine with quality water and wastewater services, reasonable rates and excellent customer service," said Aqua America Chairman and CEO Nicholas DeBenedictis. "With more than 125 years of experience in the water industry, we have the operational capacity, technical expertise and resources needed to meet the needs of NMU customers. We look forward to being a community partner with the Village of Glenview for many years to come."

Glenview Village President Jim Patterson pointed out that the Village of Glenview had provided greatly needed repairs and improvements to North Maine Utilities during its 17-year ownership, including proactively replacing underground water and sanitary sewer pipes, performing system maintenance and repainting a large water tank.

"We believe NMU customers can benefit from a new owner that has more flexibility, especially to provide rate stability," Patterson said. "It was important that the sale to Aqua include an agreement that NMU be provided with less expensive water from Wilmette via Glenview in the future."

Aqua America has completed 26 acquisitions in Illinois since 1999, and more than 300 acquisitions company-wide since 1995. Last year, Aqua America completed 16 water and wastewater acquisitions and grew its customer base by 1.3 percent.

Aqua Illinois provides water and wastewater service to approximately 175,000 people in 13 counties throughout Illinois.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) for more information.

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to invest capital, receive governmental approval of the transition and close the acquisition. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions; the receipt of governmental approvals; the successful closing of the acquisition; the successful integration of the customers and the facility; and other factors discussed in our Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation — and expressly disclaims any such obligation — to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRF

Aqua America, Inc.  
Donna Alston  
Manager, Communications

[http://www.theadvocate.com/new\\_orleans/news/communities/article\\_b7ef581a-9d26-5759-b04f-a0b1e1b9695e.html](http://www.theadvocate.com/new_orleans/news/communities/article_b7ef581a-9d26-5759-b04f-a0b1e1b9695e.html)

# Tentative deal made for Ascension Parish to buy Peoples Water system in Donaldsonville

Ascension plans to buy Donaldsonville system

by David J. Mitchell [dmitchell@theadvocate.com](mailto:dmitchell@theadvocate.com) SEP 6, 2015 - 3:22 PM

GONZALES — Ascension Parish government has reached an agreement in principle with Peoples Water Service Co. to buy its water operations in Donaldsonville for \$5.9 million.

If the deal goes through, the parish plans to inject another \$5 million in upgrades to the water system, parish officials said.

After months of negotiations, Ascension Parish President Tommy Martinez said Friday, company and parish officials were able to agree on a number between the parish's earlier offer of \$5 million and Peoples Water's most recent price of \$7.5 million.

*Story Continued Below*

Many steps need to happen for the deal to go through, including state Public Service Commission review of the sale and Parish Council approval of it.

But the proposed purchase would allow the parish to combine the 3,100-customer water system serving Donaldsonville with a parish-owned system of 700 customers that exists on the city's periphery and extends far afield to the upriver community of Modeste.

The parish system, known as Ascension Consolidated Utilities District No. 1, has not been able to turn a profit, and recently, tests revealed that the brain-eating amoeba *Naegleria fowleri* was in the water.

After discovery of the amoeba July 28, the state Department of Health and Hospitals ordered the district to conduct a chlorine burn, in which chlorine levels are increased and maintained at that level for a 60-day period to kill the amoeba. State officials said the system hit the required chlorine levels Aug. 17 to start the 60-day clock on the burn.

The Peoples Water purchase would give the parish a centrally located, 3 million-gallon-per-day water plant and disinfection system on the Mississippi River with excess capacity and would allow the parish to stop buying and piping in water from neighboring parishes.

The deal's financing also is projected to turn an annual profit for the now money-losing ACUD No. 1 system but would come with a 33 percent rate increase for current Peoples Water customers in Donaldsonville to help finance the Peoples Water system upgrades and for paying off the debt owed on ACUD, parish officials said.

"I think it's a great deal for everyone concerned here, and I think it'll work and it's a step in the right direction," Martinez told the Parish Council Utilities Committee Thursday night when he first announced the agreement.

As the purchase plan is envisioned, the parish would use \$5.9 million in cash to buy the system and then would borrow \$9.1 million, either with a low-interest loan through DHH or revenue bonds. The loan would provide \$5 million in upgrades for the Peoples Water system, while the remaining \$4.1 million would pay off the remaining debt for the ACUD No. 1 system, Martinez said.

Donaldsonville officials have aired their concerns about the parish's proposed purchase and the possible rate hike, which they see as their city bailing out the debt-laden ACUD system. Those worries have spurred anew long-standing interest in Donaldsonville to buy Peoples Water, but Mayor Leroy Sullivan has acknowledged the city also would have to raise rates to finance a purchase of Peoples Water.

Martinez pointed out, though, that while ACUD No. 1 customers would not see the water rate increase as Donaldsonville customers would, existing ACUD customers would continue to pay a 10-mill property tax adopted in 2006 to pay for the debt taken out for ACUD's infrastructure. With all that taken together, he argued, overall water bills for city and existing ACUD No. 1 customers would end up about the same.

When and if the entire financing effort takes place, Martinez said, the ACUD system is projected to net \$525,000 per year in profit. The system now must rely on the general fund and other parish sources because it runs at an annual loss with its existing revenue sources.

The council previously had authorized Martinez to offer up to \$5 million to buy Peoples Water, but, at his request Thursday, the committee recommended the new offer price, plus other terms requested by Peoples Water.

The parish also must keep the 15 Peoples Water employees.

Martinez said Friday that the council could vote on the new offer as soon as Thursday evening in Donaldsonville.

Sherlock "Shockey" Gillet Jr., president of Peoples Water, confirmed Friday that the two sides had reached an agreement, but he was reluctant to offer many details due to confidentiality agreements his company has with the parish and Donaldsonville. He did say a lot of details must be worked out with the parish.

"It seems that it's going, as both partners are interested in it, and we'll just see if we get across the finish line," Gillet said.

He declined to comment on the status of Donaldsonville's purchase bid.

Peoples Water, which is based in Maryland, runs water systems in Bastrop and Pensacola, Florida, in addition to Donaldsonville. The company has been in the city since 1941.

Even if Martinez's deal gains council backing Thursday, he said the council would have to come back and adopt an ordinance — a process that happens over two meetings with extensive public advertising in advance. He said the deal would not be wrapped up until early December, just before his term as parish president ends.

Follow David J. Mitchell on Twitter, @NewsieDave.



2/12/2019

With Peotone, Illinois Acquisition, Aqua America Celebrates 1 Million Customer-Connection Milestone

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# With Peotone, Illinois Acquisition, Aqua America Celebrates 1 Million Customer-Connection Milestone

 Business Wire October 2, 2018

BRYN MAWR, Pa.--(BUSINESS WIRE)--

[Quote Lookup](#)

Aqua America Inc., one of the largest U.S.-based, publicly traded water utilities, today announced it has reached its 1 million customer-connection milestone with the purchase of Peotone Village's water and wastewater systems by subsidiary Aqua Illinois. The purchase was finalized Oct. 1 and will result in the company welcoming nearly 3,000 new customer connections.

"We are pleased to welcome the residents and businesses of Peotone to the Aqua family with this momentous occasion," said Aqua America Chairman and CEO Christopher Franklin. "From day one, Aqua has been committed to expertly addressing the water needs of growing communities, and being a partner where we serve. We have a long history as a guardian of Earth's most essential resource, and I congratulate our dedicated team as we reach this milestone together."

Founded in 1886 in southeastern Pennsylvania, Aqua America and its eight state subsidiaries own and operate approximately 1,700 water and wastewater systems, many of which have been acquired in Aqua's 300 acquisitions since 1995. In these communities, Aqua leverages its expertise in compliance, large-scale purchasing power and efficiencies to provide needed infrastructure improvements to enhance water quality and reliability. Since 2012, Aqua has invested approximately \$2.2 billion to improve infrastructure in the communities it serves, with plans to invest an additional \$1.4 billion through 2020.

"The growth that has led to our 1 millionth customer connection is a direct result of Aqua's commitment to improving water quality and infrastructure in the United States," said Franklin. "By partnering with municipalities that need help with maintaining their water and wastewater systems, we make essential infrastructure investments in the communities we serve, and that leads to improved service for our customers, regulatory compliance and environmental stewardship."

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Symbol	Last Price	Change	% Ch.
<b>WTR</b> Aqua America, Inc.	35.91	-0.13	-0.3%
<b>PCG</b> PG&E Corporation	15.43	+1.10	+7.1%
<b>EVRG</b> Eversource Energy, Inc.	58.30	+0.23	+0.4%
<b>ED</b> Consolidated Edison, Inc.	78.57	+0.34	+0.4%
<b>^DJI</b> Dow Jones Industrial Average	25,425.76	+372.65	+1.5%
<b>HBI</b> Hanesbrands Inc.	18.60	+0.21	+1.1%
<b>PVH</b> PVH Corp.	114.33	+1.55	+1.4%
<b>^VIX</b> CBOE Volatility Index	15.45	-0.52	-3.3%
<b>^GSPC</b> S&P 500	2,744.73	+34.93	+1.3%
<b>CRON</b> Cronos Group Inc.	19.67	+0.23	+1.2%
<b>ETRN</b> Equitrans Midstream Corporation	19.26	+0.44	+2.3%
<b>D</b> Dominion Energy, Inc.	73.20	+0.39	+0.5%
<b>FLT</b> FleetCor Technologies, Inc.	218.88	+1.62	+0.7%
<b>TWNC</b> Hostess Brands, Inc.	11.80	+0.08	+0.7%
<b>LRCX</b> Lam Research Corporation	179.25	+3.33	+1.9%

2/12/2019

# With Peotone, Illinois Acquisition, Aqua America Celebrates 1 Million Customer-Connection Milestone

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Matthew  Mail

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Village of Peotone Mayor Steven Cross echoed the sentiment.

"It's wonderful for Peotone to be recognized in such a significant way and we look forward to the service Aqua will provide now and in the future."

Aqua has several fair market value asset purchase agreements in place, including Cheltenham, East Bradford and New Garden townships in Pennsylvania. The Village of Manteno in Illinois and Limerick Township in Pennsylvania both closed in July 2018. When it completes all these acquisitions, the company will welcome approximately 23,000 new customer connections to the Aqua family. Aqua paid \$12.3 million for Peotone's systems.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) for more information, or follow Aqua on Facebook at [facebook.com/MyAquaAmerica](https://facebook.com/MyAquaAmerica) and on Twitter at [@MyAquaAmerica](https://twitter.com/MyAquaAmerica).

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1/6/2020

Phoenixville-area water systems sold for \$3.5M to Aqua Pennsylvania | Local News | pottsmmerc.com

[https://www.pottsmmerc.com/news/local/phoenixville-area-water-systems-sold-for-m-to-aqua-pennsylvania/article\\_22b2f848-16dd-11ea-99d4-2beb7441921c.html](https://www.pottsmmerc.com/news/local/phoenixville-area-water-systems-sold-for-m-to-aqua-pennsylvania/article_22b2f848-16dd-11ea-99d4-2beb7441921c.html)

FEATURED

## Phoenixville-area water systems sold for \$3.5M to Aqua Pennsylvania

MediaNews Group  
Dec 5, 2019



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Crews work to replace aging cast iron pipes as part Aqua Pennsylvania's \$323 million water and wastewater infrastructure upgrades in Pennsylvania.

Submitted Photo

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1/6/2020

Phoenixville-area water systems sold for \$3.5M to Aqua Pennsylvania | Local News | pottsmmerc.com

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**SIGN UP**

BRYN MAWR — Aqua America announced Wednesday that its Pennsylvania subsidiary has completed the purchase of three municipal water systems previously served by the Phoenixville Borough water system, totaling 535 customer connections in Chester and Montgomery counties, for \$3.5 million.

The water systems serve customers in East Pikeland, Schuylkill and Upper Providence townships.

“We are excited to expand our services in an area where we serve water to an adjacent municipality, which is also home to our largest surface water plant,” said Aqua Pennsylvania President Marc Lucca.

The Phoenixville-area acquisition is expected to be followed by the acquisition of the Cheltenham Township wastewater system in Montgomery County, which has 10,200 customer connections, and was recently approved by the Pennsylvania Public Utility Commission.

“We have worked with Phoenixville Borough in the past and have a longstanding relationship with them that will make for a smooth transition and integration. We look forward to serving these new customers with the same outstanding service that all of our other customers enjoy,” said Lucca.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia.

Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

Visit [AquaAmerica.com](http://AquaAmerica.com) for more information.

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2/15/2019

Illinois American Water announces acquisition; Celebrates safety milestones - WaterWorld



# ILLINOIS AMERICAN WATER ANNOUNCES ACQUISITION; CELEBRATES SAFETY MILESTONES

*September 19, 2017*

**ILLINOIS, SEPT 19, 2017** -- Illinois American Water President Bruce Hauk recently announced the company's [acquisition](#) of the Piasa Township Sanitary District. The purchase of the system adds approximately 120 customers to the company's customer base in the Alton District.

In a public referendum on April 4, 2017, residents of Piasa Township Sanitary District voted in favor of dissolving the sewer district, and supported a sale of the [wastewater system](#) to Illinois American Water. The Illinois Commerce Commission (ICC) approved the sale for \$60,000 on Aug. 25, 2017.

"We are excited to serve these customers and to help decrease one of their household bills. Through this acquisition, we will expand our existing footprint and ensure local residents have access to a long-term, reliable and affordable wastewater service for years to come," said Karen Cooper, senior manager of field operations and production.

Additionally, the utility's Cairo and Pekin Districts celebrated multiple years of safety.

According to Michael Brown, Operations Superintendent, the Cairo District has gone 18 years without experiencing any lost-time accidents. The Pekin District has gone over 7 years without experiencing any lost-time accidents.

He said, "The work we do is complex. This is why our safety program is a top priority. We want our employees to go home in the same condition they arrived at work, if not better. We are proud of our continued years of excellence in safety."

The Cairo District conducts both classroom and hands-on training on a regular basis. Cairo District employees also participate in facility and job site audits at every job site to ensure

2/15/2019

Illinois American Water announces acquisition; Celebrates safety milestones - WaterWorld

compliance with established [workplace safety](#) practices.

Brown said, "Safety is a daily focus. We continuously evaluate and remove hazards to prevent injury."

Cord Crisler, Operations Superintendent with the Pekin district, said, "Safety is on our minds every minute of every day. There is nothing more important than ensuring our employees go home in the same condition they arrived at work, if not better. We owe that to our coworkers and their families. There is no room for shortcuts when it comes to safety."

Illinois American Water conducts both classroom and hands-on training on a regular basis. Employees also participate in facility and job site audits to ensure compliance with established workplace safety practices.

### **About Illinois American Water**

Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. More information can be found by visiting [www.amwater.com](http://www.amwater.com).



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## **Indiana American Water Acquires Russiaville Water System in Northern Indiana**

### **Town's Residents Approved Sale in November 2014 Referendum**

July 27, 2015 05:36 PM Eastern Daylight Time

GREENWOOD, Ind.--(BUSINESS WIRE)--Indiana American Water President Alan DeBoy today announced the company's acquisition of Russiaville Water, a municipal water utility located in northern Indiana. The purchase of the system adds approximately 430 customers to the company's customer base and serves a population of approximately 1,200 residents.

"The acquisition of this system will provide Russiaville customers with lower rates and access to operations and capital management water professionals and a number of customer service options and payment methods," said DeBoy. "Indiana American Water already provides water service to the nearby City of Kokomo in this part of the state, so this is a good fit for us and a continuation of our efforts to expand our presence across Indiana.

"In a time when communities are looking for new and innovative ways to deal with challenges they're facing and hold the bottom-line on expenses, this acquisition is a great solution for the utility and its customers," DeBoy continued. "Indiana American Water brings a broad range of experience, resources and knowledge to the community through this transaction that ultimately will have a positive impact on the area."

The acquisition of the Russiaville system for approximately \$1.8 million was approved by the Indiana Utility Regulatory Commission earlier this month and closed by Indiana American Water and the Town of Russiaville on Monday, July 27, 2015. Town residents also approved the sale in a referendum conducted in November 2014. The Russiaville system will be incorporated into the company's Kokomo district, which currently serves approximately 57,000 residents.

#### **About Indiana American Water**

Indiana American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 1.2 million people. Founded in 1886, American Water is the largest and most geographically diverse publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs 6,400 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found at [www.amwater.com](http://www.amwater.com).

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4/22/2019

American Water's Arm Acquires Sadsbury Township Sewer System - Nasdaq.com

# American Water's Arm Acquires Sadsbury Township Sewer System

March 07, 2019, 08:20:00 AM EDT By Zacks Equity Research, [Zacks.com](https://www.zacks.com)



Shutterstock photo

**American Water Works Company** [AWK](#) announced that its unit, Pennsylvania American Water, has entered into an agreement to acquire the wastewater assets of the Sadsbury Township in Chester County, for nearly \$8.6 million. This acquisition will add nearly 1,000 wastewater customers to its existing customer base. Most of these customers receive water services from Pennsylvania American Water.

Pennsylvania American Water, through its existing distribution network, serves nearly 2.4 million people in Pennsylvania. The said acquisition will expand the existing customer base and allow the company to render quality services to new customers at a reasonable cost.

## Consolidation & Investment is Essential

Since the existing water and wastewater infrastructure in the United States is aging, proper maintenance and upgradation of the system will require investment of billions of dollars, which becomes difficult for small water utilities to make arrangement for. Per an American Water Works Association ("AWWA") report, the cost of restoring aging underground water pipelines in the United States will be at least \$1 trillion in the next 25 years.

Therefore, through the acquisition of small utilities, it becomes easier for large companies to make arrangement for funds to carry out these major overhauls. American Water, which is one of the most active players in the water space, continues to widen its market reach through acquisitions. In 2018, the company added 25,000 new customers in the regulated business through organic growth and acquisitions. It already completed a few acquisitions in 2019 and the pending ones, on completion, are expected to add nearly 61,000 customers to its customer base during the year.

We can also notice that other active water utilities like Global Water Resources, Inc. [GWRS](#) and Aqua America [WTR](#) have been pursuing acquisitions.

Large water utilities continue to invest in upgrading as well as maintaining their existing water and wastewater infrastructure. The water utilities have been undertaking initiatives to upgrade the systems of the newly-acquired assets and quality of services.



4/22/2019

American Water's Arm Acquires Sadsbury Township Sewer System - Nasdaq.com

The company aims to invest within \$8-\$8.6 billion from 2019 through 2023, which will help improve earnings by 7-10% per year in the aforesaid period from a 2017 base. A major chunk of \$7.3 billion will be directed to strengthen regulated businesses. Another water utility, Aqua America aims to make capital investment in excess of \$1.4 billion over the 2019-2021 time period.

## Price Performance

Shares of American Water have outperformed the [industry](#) in a year's time.



## Zacks Rank & Another Key Pick

Currently, American Water has a Zacks Rank #2 (Buy). Another top-ranked stock from the same industry is AquaVenture Holdings Ltd. [WAAS](#) , sporting a Zacks Rank #1 (Strong Buy). You can see [the complete list of today's Zacks #1 Rank stocks here](#) .

The Zacks Consensus Estimate for 2019 loss of the company has narrowed 2.9% in the past 60 days. The earnings and revenue estimates reflect year-over-year growth of 26.7% and 16%, respectively.

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# PRESS RELEASE



FOR IMMEDIATE RELEASE

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## PENNSYLVANIA AMERICAN WATER CLOSES ACQUISITION OF SCRANTON WASTEWATER SYSTEM

*Transaction ranks among largest wastewater acquisition in company history*

**SCRANTON, Pa. (December 29, 2016)** – Pennsylvania American Water, a wholly owned subsidiary of American Water, announced today that it has completed the acquisition of the wastewater system assets of the Scranton Sewer Authority (SSA). The purchase price is approximately \$195 million.

The newly acquired system provides wastewater service to approximately 31,000 customers in Scranton and Dunmore. Pennsylvania American Water already provides water service to residents and businesses in both communities. The transaction represents one of American Water's largest wastewater acquisitions in the parent company's history.

"This acquisition marks a significant milestone for our company and our employees, based on the size and scope of this wastewater operation and the environmental challenges facing the system," said Pennsylvania American Water President Kathy L. Pape. "We bring both the technical expertise and financial resources to meet these challenges and provide a long-term wastewater solution, while establishing a plan to maintain reasonable rates for the customers."

The transaction's closing follows a lengthy regulatory approval process by the U.S. Environmental Protection Agency (EPA), Pennsylvania Department of Environmental Protection (DEP), the U.S. Department of Justice, and the Pennsylvania Public Utility Commission (PUC). The wastewater system is under an EPA Consent Decree that mandates significant upgrades, totaling an estimated \$140 million, to bring the system into environmental compliance. As the system's owner, Pennsylvania American Water will continue the projects started by the SSA and assume the SSA's obligations under the Consent Decree.

As part of the PUC's approval of the purchase, Pennsylvania American Water agreed to adopt the existing wastewater rates for customers served by the SSA system, although such rates will now be billed on a monthly rather than bi-monthly basis. The PUC regulates the company's rates, rules and regulations of service, so any future rate change will need to be reviewed and approved by the PUC.

"Our employees have been providing water service for a long time for the Scranton and Dunmore communities, and we are very pleased to now be the wastewater provider as well," said Pape. "We are also excited to welcome the SSA employees to the Pennsylvania American Water team."

All of the approximately 80 SSA workers who operate the wastewater system have been offered employment. The employees are represented by the Teamsters Union, Local 229, who voted on Dec. 2, to ratify a new contract offered by Pennsylvania American Water. The employees gain immediate access to the training,

## PENNSYLVANIA AMERICAN WATER CLOSES ACQUISITION OF SCRANTON WASTEWATER SYSTEM

development and career opportunities in any of the operations of Pennsylvania American Water or its parent company.

Pennsylvania American Water's purchase of the sewer system enables SSA to pay off its existing debt.

Under the purchase agreement, Pennsylvania American Water also committed to bring 100 new jobs to Scranton by 2020. "As we continue to invest in the region and expand our operations, these will be important jobs to support not only Pennsylvania but the growth of our national footprint," said American Water Chief Operating Officer Walter Lynch. "We expect the new jobs to generate a very positive economic impact for the Greater Scranton Area."

This acquisition adds to the company's series of large municipal wastewater transactions. In December 2015, Pennsylvania American Water acquired the wastewater assets of Fairview Township, York County. On October 31, 2016, the company purchased the wastewater assets of the Borough of New Cumberland in Cumberland County. In September 2016, Pennsylvania American Water executed an agreement to acquire the wastewater system assets of the Municipal Authority of the City of McKeesport, Allegheny County, which is currently pending regulatory approvals. Pennsylvania American Water now operates wastewater systems in Adams, Beaver, Butler, Chester, Clarion, Cumberland, Lackawanna, Monroe, Northumberland, Pike, Washington and York counties.

Pennsylvania American Water, a wholly owned subsidiary of American Water (NYSE: AWK), is the largest water utility in Pennsylvania, providing high-quality and reliable water and/or wastewater services to approximately 2.3 million people. Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. Marking its 130th anniversary this year, the company employs more than 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found at [www.amwater.com](http://www.amwater.com).

### Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this press release are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to, among other things, anticipated capital investments, the ability of Pennsylvania American Water to comply with the Consent Decree, and the ability to achieve certain benefits, synergies and goals relating to the transaction and the acquired operations. These statements are based on the current expectations of management of Pennsylvania American Water. There are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements, including with respect to (1) the occurrence of the benefits and synergies expected or predicted to occur as a result of the acquisition; (2) unexpected costs, liabilities or delays associated with the integration of the acquired business; (3) regulatory, legislative, local or municipal actions affecting the water and wastewater industries, which could adversely affect Pennsylvania American Water; (4) Pennsylvania American Water's ongoing compliance with the Consent Decree; and (5) other economic, business and other factors. Forward-looking statements are not guarantees or assurances of future performance or results, and Pennsylvania American Water and its affiliates do not undertake any duty to update any forward-looking statement.

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## Aqua America Announces Acquisitions in Virginia, Texas, Pennsylvania, North Carolina and Illinois

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America (NYSE:WTR) announced today that its subsidiaries in Virginia, Texas, Pennsylvania, North Carolina and Illinois have completed the acquisitions of water and wastewater systems in their states.

Aqua Virginia acquired the assets of Wintergreen Valley Utility Company, L.P., owner of the Wintergreen Stoney Creek public water and sewer systems, which serve water to approximately 1,200 residents and provide wastewater service to approximately 475 residents in Nelson County, Virginia. The water and wastewater systems were purchased for \$537,950 and \$113,250, respectively. The company also acquired the assets of the Venter Heights public water system, which serves approximately 400 people in King William County, Virginia, for \$85,000.

Aqua Texas acquired the assets of Union Hill Water Supply Corporation, which serves approximately 500 people in Henderson County, Texas, for \$356,000.

Aqua Pennsylvania purchased the assets of the Bunker Hill Wastewater Company and the Factoryville Bunker Hill Water Company, each of which serves approximately 180 residents in Factoryville Borough, Wyoming County, for \$135,000.

Aqua North Carolina acquired the assets of the Water Works of Alamance County, which serves approximately 300 residents in Cary, for \$43,000. In addition, Aqua North Carolina invested \$5,200 to acquire the assets of the Mountain Ridge Estates water system, a utility that serves 100 residents in Watauga County.

Aqua Illinois acquired the water utility assets of Summerdale from the Village of Norridge in Cook County for \$5,000. This system serves approximately 180 residents in unincorporated Norwood Township, near Aqua's recently acquired North Maine Utility.

"Each of these acquisitions represents our ability to fill in our footprint and take advantage of economies of scale in areas where we currently do business," explained Aqua America President and CEO Christopher Franklin. "While we will continue to add acquisitions like these to our portfolio where they make sense, we are concentrating our growth efforts on larger municipal acquisitions, similar to the North Maine Utilities acquisition we completed in April. With our 2015 completed acquisitions to date, we are in the position to exceed our 2014 performance in customer growth, the number of total acquisitions and the number of municipal acquisitions for the year."

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit [AquaAmerica.com](http://AquaAmerica.com) for more information.

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to exceed 2014 performance in customer growth. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions, the successful integration of the customers and the facility, the ability to close the additional acquisitions on a timely basis, and other factors discussed in our Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation — and expressly disclaims any such obligation — to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRF

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Source: Aqua America

News Provided by Acquire Media



**SJW Group and Connecticut Water Amend Agreement;  
SJW Group to Acquire All Connecticut Water Shares for \$70.00 per Share in Cash**

*Companies Reaffirm Joint Commitment to Creating Leading, Diversified Pure Play Water Utility with  
Financial Strength, Geographic Diversity and Scale to Accelerate Growth*

*Combination Expected to Be Immediately Accretive to SJW Group EPS, Increasing to  
High Single Digit Percentage Accretive to SJW Group EPS in 2021*

*Represents a Superior Offer for Connecticut Water with a Significant Premium of 33% to its Unaffected  
Share Price*

*Amended Transaction to be Funded with Conservative Mix of Equity and Debt to Achieve  
At Least "A-" Credit Rating for SJW Group and Maintain Ability to Sustain Comparable Levels of  
Investment and Dividends*

**San Jose, CA and Clinton, CT – August 6, 2018** – SJW Group (NYSE: SJW) ("SJW Group") and Connecticut Water Service, Inc. (NASDAQ: CTWS) ("Connecticut Water") today announced that they have amended the terms of their previously announced merger agreement from a stock-for-stock transaction to an all-cash acquisition of all outstanding common shares of Connecticut Water by SJW Group for \$70.00 per Connecticut Water common share. The cash transaction, which has a value of \$1.1 billion and an equity purchase price of \$843 million, is expected to be immediately accretive to SJW Group's earnings per share (EPS) in 2019 (post-close), increasing each year thereafter to high single-digit percentage EPS accretion in 2021.

The SJW Group and Connecticut Water Service Board of Directors each approved the amended merger agreement to help facilitate the closing of the companies' transformative combination and ensure that their shareholders, customers, employees and communities realize its significant benefits. The respective Boards also believe that the \$70.00 per share cash consideration will resolve any market distractions resulting from otherwise-inferior proposals for Connecticut Water. The amended merger agreement was unanimously approved by the Connecticut Water Board of Directors and by all SJW Group directors other than Eric Thornburg, who abstained from voting due to his ownership of Connecticut Water shares and the all-cash nature of the acquisition.

"The amended agreement reflects our continued and shared commitment with Connecticut Water to combine our two companies to create a leading national water and wastewater utility," said Robert Van Valer, the lead independent director of SJW Group's Board of Directors and trustee of the Roscoe Moss Jr. Revocable Trust, which is the largest stockholder of SJW Group. "Under the revised terms, the combination will substantially enhance our long-term value and significantly benefit our shareholders, employees, customers and local service area communities. Together, we will have a multi-state presence with a broader and more attractive growth platform and capacity to invest in our infrastructure, maintain our local operations and focus, provide greater opportunities for our employees and increase shareholder value over the immediate- and long-term."

Carol P. Wallace, Chairman of the Connecticut Water Service Board, said, "Over the last two years, the Connecticut Water Service Board of Directors has conducted a thorough process considering various

alternatives for a merger, acquisition or other strategic transaction designed to serve the best interest of Connecticut Water shareholders, customers, and employees and communities. We are pleased to reach this amended agreement with SJW Group, which achieves that objective by delivering a 33% premium and substantial cash value to shareholders while also honoring all the stakeholder commitments of the previously announced merger. This transaction continues to provide long-term benefits for customers, employees and communities with experienced local employees, leadership team and the New England headquarters remaining in Clinton. We are confident that SJW Group is the ideal partner for Connecticut Water and look forward to achieving continued growth and success as the third-largest investor-owned pure-play water and wastewater utility in the United States.”

### **AMENDED TERMS**

Under the terms of the amended agreement, SJW Group will acquire all of the issued and outstanding common shares of Connecticut Water at a price of \$70.00 per common share. This represents a superior offer with a significant premium of 33% to Connecticut Water’s unaffected closing share price of \$52.57 on March 14, 2018 and exceeds Connecticut Water’s all-time high price of \$69.72 per common share.

Following the close of the all-cash merger, SJW Group’s Board of Directors will expand by two seats, with the two vacancies to be filled by current Connecticut Water Service directors to be appointed by SJW Group to further bolster the Board’s expertise in the New England market. The combined company’s headquarters will be located in San Jose, CA, and its New England headquarters will be located in Clinton, CT. Members of Connecticut Water’s current executive team are expected to lead the New England region of the combined company. The combined company will be called SJW Group, with the New England organization known as Connecticut Water Service, Inc., and each of the company’s current operating subsidiaries will continue to operate under their existing brand names.

### **STRATEGIC AND FINANCIAL BENEFITS**

The revised transaction terms maintain the compelling highlights of the previously announced combination of SJW Group and Connecticut Water:

- **The formation of a leading, pure-play and geographically diverse water franchise**, which on a pro-forma basis will be the third-largest investor-owned water and wastewater utility in the United States and, we believe, will have very attractive growth opportunities in the years to come and remain in a position to provide opportunities to employees and deliver safe and reliable water to customers.
- **Highly attractive, stable and increased earnings growth profile**. The combined company is expected to have operating revenue of approximately \$496 million and recurring net income of approximately \$74 million on a 2017 pro forma basis.
- **Immediate EPS accretion** for SJW Group shareholders in 2019 (post-close), increasing each year thereafter to high single digit percentage EPS accretion in 2021. Connecticut Water shareholders will receive a significant and certain premium for their shares upon closing.
- **A robust balance sheet that enhances financial flexibility to increase sustained growth in SJW Group’s rate base**, continue necessary investments in its water systems and employees and



create a stronger, more stable utility enterprise with greater diversification and continued strong operating cash flow and dividends.

- **Continued dividend growth** with a strong investment grade credit rating of at least “A-” expected for the combined company. SJW Group anticipates that it will be able to continue its robust dividend payment trajectory.
- **Low integration risk with an experienced management team** that has over 187 years of combined experience in water utilities, significant expertise in each market the combined company will operate in and a proven track record of integrating numerous smaller acquisitions.

Eric Thornburg, SJW Group’s Chairman, President and Chief Executive Officer, said, “SJW Group is entering this combination from a position of financial strength and with attractive growth opportunities. We are confident that under the terms of this revised transaction the combined company will be able to accelerate our growth, enhance the quality of our services and offerings for customers and deliver significant value to our shareholders and our communities. We look forward to continuing our discussions with all of our stakeholders about the significant benefits we believe this combination provides.”

#### **COMMITMENTS TO CUSTOMERS, EMPLOYEES AND LOCAL COMMUNITIES**

“We consider this combination with the SJW Group as a unique opportunity to deliver superior value to our shareholders and still honor the commitments made to our customers, employees and communities which are at the core of our brand and mission of delivering life sustaining, high quality water service to families and communities,” said David C. Benoit, President and Chief Executive Officer of Connecticut Water.

- **Serving local communities with a passionate, dedicated team of locally-based water professionals.** Each of the combined company’s operating utilities and their customers will continue to be supported locally by a team of passionate, dedicated employees and existing leaders. They will bring their extensive certifications, operating experience and local knowledge to the communities they serve.
- **Delivering customer benefits.** The new organization will maintain the longstanding commitments of SJW Group and Connecticut Water to outstanding customer service, which will be enhanced by sharing of best practices, operational expertise and more extensive resources. There will be no change in customer rates as a result of the transaction, and the operating subsidiaries of the combined company will each continue to be subject to oversight by their respective state regulatory commissions for rates and quality of service.
- **Honoring commitments to employees.** Following the close of the transaction, employees will have additional opportunities for career development and geographic mobility as part of a larger, stronger, more diverse organization. Importantly, the combined company has committed that there will be no layoffs as a result of the transaction and does not anticipate any significant changes in employee compensation or benefits packages. SJW Group values its trusted union partnerships, and all union contracts will continue to be honored.

- **Maintaining environmental stewardship.** Environmental stewardship is a core value for both organizations, given the local nature of the water business. Both companies have been industry leaders in their efforts to promote water conservation and protect the valuable lands and water resources that have been entrusted to them. That focus will continue as the combined company seeks to further reduce its environmental footprint and look for opportunities to improve the sustainability of its business practices.
- **Ongoing support of communities.** In addition to retaining dedicated employee teams across its footprint, the new company will maintain strong community ties and participation in community events and organizations. The combined company will continue to focus on supporting economic development with investments in growth, safety and reliability.

### **CONSERVATIVE FINANCING**

J.P. Morgan is providing committed financing for the revised transaction in the form of a new \$975 million bridge loan facility. SJW Group will assume Connecticut Water's existing debt and ultimately fund the \$843 million equity purchase price through a conservative mix of debt and equity, with \$450-550 million of equity. SJW Group anticipates that this conservative financing mix will allow SJW Group to maintain an attractive, strong investment grade credit rating of at least "A-", enabling continued investment in the infrastructure, operations and customer service capabilities of the combined company. Additionally, SJW Group anticipates that it will be able to continue SJW Group's robust dividend history and continue to pay an attractive and consistent cash dividend to shareholders.

### **CLOSING CONDITIONS**

The revised transaction, which is expected to close in the first quarter of 2019, is subject to customary closing conditions and approvals, including the approval of Connecticut Water shareholders, the approvals of the Connecticut Public Utilities Regulatory Authority and the Maine Public Utilities Commission and the approval of the Federal Communications Commission. The waiting period under the Hart-Scott-Rodino Antitrust Improvements Act was terminated early on April 27, 2018. The California Public Utilities Commission (CPUC) previously instituted an investigation into whether the transaction is subject to its approval and anticipated impacts in California. The CPUC is planning to complete its inquiry in time to allow the acquisition to go forward, if appropriate, by the end of 2018. It is anticipated that consideration of the revised transaction will not substantially extend the current CPUC investigation.

The transaction is not subject to any financing condition. The revised transaction does not require approval from SJW Group shareholders and the previously anticipated special meeting of SJW Group shareholders to vote on the revised transaction will not take place.

Connecticut Water Service's Board of Directors unanimously recommends that Connecticut Water shareholders vote in favor of the revised transaction. A date for the special meeting of Connecticut Water shareholders to vote on the revised transaction will be set in the near future.

SJW Group's Board of Directors unanimously recommends that SJW Group shareholders discard the white cards and any materials received from California Water Service (NYSE: CWT) as part of its tender offer solicitation to acquire SJW Group. If SJW Group shareholders have previously tendered their



shares, they may revoke their tender by contacting Georgeson LLC using the contact information provided below.

### **ADVISORS**

J.P. Morgan Securities LLC is serving as financial advisor to SJW Group, and Skadden, Arps, Slate, Meagher & Flom LLP is legal counsel.

Wells Fargo Securities, LLC is serving as Connecticut Water's financial advisor and Sullivan & Cromwell LLP as its legal counsel.

For additional information, please visit <https://www.sjw-ctws.com/combination/>.

### **Cautionary Statement Regarding Forward-Looking Statements**

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," "projects," "strategy," or "anticipates," or the negative of those words or other comparable terminology.

The accuracy of such statements is subject to a number of risks, uncertainties and assumptions including, but not limited to, the following factors: (1) the risk that the conditions to the closing of the transaction are not satisfied, including the risk that required approval from the shareholders of Connecticut Water for the transaction is not obtained; (2) the risk that the regulatory approvals required for the transaction are not obtained, on the terms expected or on the anticipated schedule; (3) the effect of water, utility, environmental and other governmental policies and regulations; (4) litigation relating to the transaction; (5) the ability of the parties to the transaction to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed transaction; (6) the occurrence of any event, change or other circumstance that could give rise to the termination of the transaction agreement between the parties to the proposed transaction; (7) changes in demand for water and other products and services of Connecticut Water; (8) unanticipated weather conditions; (9) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, terrorist acts, physical attacks, cyber-attacks, or other similar occurrences that could adversely affect Connecticut Water's facilities, operations, financial condition, results of operations, and reputation; (10) risks that the proposed transaction disrupts the current plans and operations of Connecticut Water; (11) potential difficulties in employee retention as a result of the proposed transaction; (12) unexpected costs, charges or expenses resulting from the transaction; (13) the effect of the announcement or pendency of the proposed transaction on Connecticut Water's business relationships, operating results, and business generally, including, without limitation, competitive responses to the proposed transaction; (14) risks related to diverting management's attention from ongoing business operations of Connecticut Water; (15) the trading price of Connecticut Water's common stock; and (16) legislative and economic developments.

In addition, actual results are subject to other risks and uncertainties that relate more broadly to Connecticut Water's overall business and financial condition, including those more fully described in Connecticut Water's filings with the U.S. Securities and Exchange Commission (the "SEC"), including, without limitation, its annual report on Form 10-K for the fiscal year ended December 31, 2017. Forward looking statements are not guarantees of performance, and speak only as of the date made, and none of SJW Group, its management, Connecticut Water or its management undertakes any obligation to update or revise any forward-looking statements except as required by law.

### **Additional Information and Where to Find It**

This communication may be deemed to be solicitation material in respect of the proposed acquisition of Connecticut Water by SJW Group. In connection with the proposed transaction, SJW Group and Connecticut Water intend to file relevant materials with the SEC, including Connecticut Water's proxy statement on Schedule 14A. **SHAREHOLDERS OF CONNECTICUT WATER ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING CONNECTICUT WATER'S PROXY STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Investors and security holders will be able to obtain the documents free of charge at the SEC's web site, <http://www.sec.gov>, and Connecticut Water's shareholders will receive information at an appropriate time on how to obtain transaction-related documents free of charge from Connecticut Water. Such documents are not currently available.

### **Participants in Solicitation**

SJW Group and its directors and executive officers, and Connecticut Water and its directors and executive officers, may be deemed to be participants in the solicitation of proxies from the holders of Connecticut Water's common stock in respect of the proposed transaction. Information about the directors and executive officers of SJW Group is set forth in the proxy statement for SJW Group's 2018 Annual Meeting of Stockholders, which was filed with the SEC on March 6, 2018. Information about the directors and executive officers of Connecticut Water is set forth in the proxy statement for Connecticut Water's 2018 Annual Meeting of Shareholders, which was filed with the SEC on April 6, 2018. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement regarding the acquisition when it becomes available.

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## Pennsylvania American Water Expands Footprint with Acquisition of Steelton Borough Authority Water System

October 09, 2019 04:30 PM Eastern Daylight Time

MECHANICSBURG, Pa.--(BUSINESS WIRE)--Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced today that it has acquired the water assets of the Steelton Borough Authority in Dauphin County. The purchase price for the system, which serves nearly 2,400 customers, was \$21.75 million.

"We welcome our new Steelton customers and look forward to working with the community on long-term water infrastructure solutions for this area," said Pennsylvania American Water President Mike Doran. "The purchase not only provides financial benefits and rate stability for Steelton, but it also aligns perfectly with our existing water service territory here in the midstate."

The sale of the water system is expected to allow the borough to eliminate its existing water debt, build up budget reserves, and invest in capital projects. Effective today, all seven of Steelton's employees, represented by AFSCME District Council 90, are now employees of Pennsylvania American Water.

"We are proud of the hard work and rich history of the Steelton Water System and, today, leave it in more than capable hands," said Allan Ausman, chair of the Steelton Water Authority. "Pennsylvania American Water's investment in our system brings Steelton into the 21<sup>st</sup> century and ensures customers will have reliable, high-quality water service into the future."

As approved by the Pennsylvania Public Utility Commission (PUC), the company has adopted Steelton's existing water rates, which will now be billed monthly. The company's rates and rules of service are regulated by the PUC and are posted on the company's [website](#).

This sale was executed under Pennsylvania's Act 12 statute, which allows municipalities to sell water and wastewater systems for a price based on the fair market value of the facilities. Prior to the passage of Act 12, the valuation process was based on assessing the system's original cost at the time of construction – which may be 50 years old or more – less depreciation and contributed property. "Act 12 allows municipalities the opportunity to receive a purchase price that is more in line with the current value of its system assets," said Doran.

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.4 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [amwater.com](http://amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

2/13/2019

Illinois American Water Acquires Sundale Utilities, Inc. | Business Wire

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## Illinois American Water Acquires Sundale Utilities, Inc.

### *Acquisition adds both water and wastewater customers*

May 18, 2018 03:40 PM Eastern Daylight Time

PEORIA, Ill.--(BUSINESS WIRE)--Illinois American Water President Bruce Hauk today announced the Company's acquisition of Sundale Utilities, Inc. The purchase of the water and wastewater systems adds approximately 1,415 new wastewater customers and approximately 475 water customers to the Company's customer base.

The Illinois Commerce Commission (ICC) approved the sale for \$2 million on May 2, 2018. Today, Illinois American Water acquired the water and wastewater systems.

According to Brad Spurgeon, Vice President of Sundale Utilities, Inc., significant investment needs coupled with his retirement led to the decision to sell the systems. He said, "Over 60 years ago when the utility systems were created, there was a great need for water and sewer infrastructure in Washington Estates and for a sewer system in the Sundale area. This need is stronger today than ever before."

He explained, "Guidelines have become more stringent and the investment needed to remain in compliance has grown beyond our capacity. A benefit of selling the systems to Illinois American Water is knowing they will make the critical investment needed and will care for our customers as we have over the years."

Illinois American Water plans to invest an estimated \$4.4 million over the first five years of ownership. This investment includes security and safety improvements including improved chemical storage and electrical upgrades for reliability. The Company will also complete a hydraulic study to ensure critical water pressure for service and fire protection. Water mains and water meters will also be replaced and upgraded. Additional wastewater improvements include installing a new aeration system, sewer main lining and overall system rehab for reliability and safety.

"Systems across the nation are facing incredible investment needs for public health and safety. We are committed to upgrading these systems and ensuring quality water and reliable wastewater service to our new customers," said Roger Goodson, sr. manager of field operations and production for Illinois American Water's Peoria District.

New customers will soon receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing, payment options and more.

The appraisal process used for the Sundale Utilities, Inc. water and wastewater systems was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. The Sundale Utilities, Inc. systems will be incorporated into the company's Peoria District, which currently serves residents in Peoria, West Peoria,

Bartonville, Bellevue, Rome, Mapleton, Farmington and parts of several surrounding townships. Dunlap, Hanna City and the Timber Logan Water District are sale for resale (wholesale) customers.

**About Illinois American Water** - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 8,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [amwater.com](http://amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

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6/1/2017

Aqua America buys Gilbertsville's Superior Water Co. for \$16.8M

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# Aqua America buys Gilbertsville's Superior Water Co. for \$16.8M

Updated: JANUARY 6, 2016 — 1:08 AM EST

by **Andrew Maykuth**, Staff Writer [@Maykuth](https://twitter.com/@Maykuth) (<http://twitter.com/@Maykuth>) |  
[amaykuth@phillynews.com](mailto:amaykuth@phillynews.com) (<mailto:amaykuth@phillynews.com>)

Aqua America Inc., of Bryn Mawr, has acquired a private Montgomery County water utility that serves a growing part of Southeastern Pennsylvania.

Aqua's Pennsylvania subsidiary bought Superior Water Co. Inc. in Gilbertsville for \$16.8 million in stock Monday. Superior's five water systems serve 3,868 customers in Berks, Chester, and Montgomery Counties.

The Pennsylvania Public Utility Commission, which approved the merger Sept. 17, said the ownership change will be transparent to Superior's customers, who will continue to receive service under the same rates and terms.

The agreement provides for Superior to be operated as Aqua's subsidiary. The companies said the merger would provide economies of scale that would multiply as Superior is folded into Aqua.

Last year, North Coventry Water Authority, whose Chester County territory adjoins Superior's Suburbia water system, protested, then dropped its opposition of the merger. North Coventry said state environmental regulators had found "persistent" water-quality violations in Suburbia's system.

Aqua spokeswoman Donna Alston said there are no longer problems. "Currently, all of the Superior water systems are compliant with state environmental regulations," she said.

Aqua serves three million people in eight states, including 420,000 connections representing a population of 1.4 million in 31 Pennsylvania counties. Last year, it acquired 16 systems that added 10,588 connections to its base.

[http://www.theadvocate.com/acadiana/news/article\\_d56674ad-accf-5ac7-bbcc-c581bab2de31.html](http://www.theadvocate.com/acadiana/news/article_d56674ad-accf-5ac7-bbcc-c581bab2de31.html)

## After years of complaints, 220 TESI water and sewer systems in south Louisiana may be sold to new owner

All 220 owned by troubled TESI

By Richard Burgess [rburgess@theadvocate.com](mailto:rburgess@theadvocate.com) AUG 21, 2015 - 12:34 PM



Advocate file photo by MICHELLE MILLHOLLON -- Graeme Tuminello, far left, brought samples of the water at his house to the State Capitol in 2014. State Sen. Page Cortez, R-Lafayette, center, authored Senate Bill 425 to improve water conditions for Lafayette Parish residents. At right is Bryan Corcoran, Tuminello's neighbor in Shenandoah.

An Illinois-based company is negotiating a deal to buy 220 community water and sewer systems in south Louisiana owned by Total Environmental Solutions Inc., a company that has faced years of complaints about poor service.

The proposed sale comes after the state Public Service Commission launched an investigation last year into whether TESI was investing enough to maintain its water wells, pipes, sewer plants and other infrastructure.

Utilities Inc. has agreed in principle to pay \$9.3 million to acquire TESI's 28 water systems and 192 sewer systems in Louisiana, effectively ending that company's operations here, according to filings with the PSC.

*Story Continued Below*



"I think we see an opportunity to improve service and compliance," said Don Sudduth, who oversees Utilities Inc. subsidiaries in Louisiana.

TESI has roughly 2,350 water customers and 14,387 sewer customers in 18 parishes, but operations are heavily concentrated in rural Lafayette Parish, serving subdivisions beyond the reach of municipal water and sewer systems.

Lafayette City-Parish Councilman Don Bertrand said he has heard nothing but complaints about TESI — cloudy water, substandard service, environmental issues.

"Hopefully, they will see some relief," he said of TESI customers. "I would like to see somebody reputable who has the ability to improve the system."

Shenandoah Estates, a subdivision near Broussard, has been a source of many of the complaints.

TESI provides water and sewer service to the subdivision, where residents have talked of spotty sewer service and of appliances and clothes fouled by water clouded with iron and manganese.

Shenandoah Estates resident Graeme Tuminello said some of the sewer problems have been addressed in recent years, but water quality continues to be an issue.

He is optimistic — but at the same time wary — about a new company taking over, and he longs for the day when basic water and sewer service is "something we don't have to worry about."

The proposed deal, which could come before the PSC for approval as early as this month, calls for \$23 million in upgrades spread across all the water and sewer facilities.

Customers can expect the phasing in of varying rate increases, depending on how much work is slated for the system serving their subdivision, according to the PSC filings.

"TESI is actually selling its assets to a company we believe has a better track record of taking care of these types of systems," said Scott Angelle, a public service commissioner who represents the Acadiana area.

Angelle had called for the investigation into TESI's finances last year, but he said it was put on hold once the sale was proposed.

"I'm glad they reached that conclusion because that's what needs to happen," he said.

Utilities Inc. operates more than 600 water and sewer systems, serving some 300,000 customers in 15 states, Sudduth said.

The company has owned systems in St. Tammany Parish for several years but began expanding its footprint in Louisiana last year, buying up smaller operators with the hope a larger company's expertise and economies of scale could improve service and profits.

"We've been acquiring some of the troubled systems," Sudduth said.

He said Utilities Inc. is under contract to purchase TESI, but there are still a few loose ends, such as securing pledges from state and federal regulators that Utilities Inc. would not be liable for any environmental violations that happened on TESI's watch.


Sudduth said he is confident those issues will be resolved.

“The EPA has signaled that they do want us to be the operator,” he said.

TESI officials declined comment on the potential sale, acknowledging an interested buyer but citing a confidentiality agreement that prevents them from discussing the deal.

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## POCONO RECORD

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### Tobyhanna sewer system sale

By David Pierce

Pocono Record Writer

Posted Apr 30, 2016 at 11:58 AM

Updated Apr 30, 2016 at 11:58 AM

### Aqua America buys municipal operation for \$5.5 million

Tobyhanna Township is about to get out of the sewage collection and treatment business through a \$5.5 million sale of its system to Aqua America.

Tobyhanna Township supervisors unanimously approved sale of the Blakeslee treatment plant, sewer lines and pump station in February. Aqua — which has operated the system for the past 18 months under a management contract with the township — will receive all future revenue generated from about 800 residential and commercial customers.

The dormant Tobyhanna Township Sewer Authority has scheduled a 2016 reorganizational meeting and vote Monday to ratify the assets purchase agreement by Aqua Pennsylvania Wastewater, Inc. This will be the sewer authority's first, and presumably last, meeting of the year. The authority met once last year, Tobyhanna Township Manager Phyllis Haase said.

The sale also requires regulatory approval from the Pennsylvania Public Utility Commission before becoming final.

The township has held public hearings and discussions on possible sale of the plant for at least the past 18 months, Haase said. One other private company investigated possible purchase of the system, but Aqua was the only company to make an offer, according to minutes of a February supervisors' meeting posted on the township website.

An outside company performed a financial analysis for the township, to determine the sewage system's value.

The sale will relieve the township of a financial burden, Haase said. Tobyhanna has an outstanding \$4.2 million note on the system, in addition to costs related to reconstruction of a treatment building.

“We still have a note on the plant,” Haase said. “It’s not like we’re walking away with \$5.5 million.”

Even with ownership of the system, Aqua America will still have to meet provisions of the township’s Act 537 plan, which sets regulations for how and where sewage is collected and treated. The 537 plan also is subject to approval by the state Department of Environmental Protection.

Customers shouldn’t notice any changes in the quality of service due to the sale, Aqua America spokeswoman Gretchen Toner said.

“We don’t plan any changes to the staff, and the rates will stay the same upon acquisition,” Toner said. “Any future rate changes would be part of a broader Aqua rate request and set and approved by the state Public Utility Commission.”

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## WV American Water to acquire Glasgow water system

By Caity Coyne Staff writer  
Sep 6, 2019

A deal approved Friday between West Virginia American Water Company and the Town of Glasgow means that more than 300 customers who rely on the town's municipal water service will soon be transferred to the state's largest water provider.

According to a purchasing agreement filed with the West Virginia Public Service Commission on Friday, the Glasgow water system is deteriorating after years without maintenance, and the town can't financially support it anymore.

"[Glasgow] simply cannot invest quickly enough or efficiently enough to fix the water system, and we are at risk of being unable to continue providing adequate water service," said Glasgow Mayor Donald Fannin, in testimony given to the PSC. "I am concerned that if the Town continues to operate the system the service to our citizens will continue to suffer and degrade."

With the acquisition, only three public water districts remain in Kanawha County, according to the PSC: St. Albans, Cedar Grove and East Bank.

WVAW will pay the town \$200,000 to buy its water distribution facilities, including its lines and pump stations. Glasgow does not operate a water treatment plant, and instead buys its water from nearby Cedar Grove through an agreement that expired years ago. Cedar Grove, according to inspection records, has 11 violations on the books for drinking water standards over the past three years.

The \$200,000 paid to Glasgow will be used to make any immediate repayments on loans or grants for the water system. If that's not enough, WVAW will take on the remaining debt, according to the purchasing agreement.

Glasgow Town Council passed an ordinance in April approving WVAW's takeover of the system. Rates for the 309 customers who receive water from the town will increase in phases, going up a small percentage at the end of each year until 2023, when they will pay the rates set for the rest of WVAW's Kanawha Valley customers.

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WV American Water to acquire Glasgow water system | Business | wvgazettemail.com

Currently, Glasgow customers pay \$33.77 per 3,400 gallons of water used, according to the PSC. Those rates were set last May, when customers on the system experienced a 32 percent rate increase, according to a tariff filing with the PSC. WVAW customers in Kanawha County currently pay \$57.94 per 3,400 gallons used. There is no way to tell what WVAW rates could look like in 2023.

Fannin, speaking to the PSC, said there have been several instances that reinforced the importance of giving the system up to WVAW, which he said has more financial stability and resources to improve the dilapidated system.

The most recent example was in February, when Fannin said customers experienced numerous water outages and 90 residents at Beverly Healthcare Center, a nursing home in the town, were left without water.

While the system is stable at the moment, town officials worry that another system failure is “possible or even likely in the near future,” according to the purchase agreement.

When problems have occurred in the past, WVAW stepped in to assist the town with leak detection and rehabilitate immediate issues, Fannin said in his testimony. He said he’s confident that residents will receive higher quality, more reliable service under the system’s helm.

Per its annual report, Glasgow Municipal Water Department experiences an unaccounted water loss rate of 66 percent, meaning 66 percent of the water it pumps never makes it to a faucet. That is the fifth highest rate of unaccounted water loss among public water systems in the state.

With its takeover, WVAW will begin looking at upgrading the systems infrastructure and replacing parts of the distribution system that lead to unreliable, potentially unsafe water, according to a Friday news release.

Fannin said that while town officials are aware of the issues facing the water system, they don’t have the money to do anything about it. Since Glasgow lost a coal-fired power plant operated by Appalachian Electric Power in 2015, the town has receives less business and occupation taxes that could help upkeep town facilities.

This year, Glasgow laid off a majority of its public works department, leaving just one employee, and officials are “scrutinizing every single town expense,” according to Fannin. Hard decisions like this, he said, are ones that officials must make to keep Glasgow from ceasing to exist as a municipality.

“The entire Town government has forgone wages to keep this town afloat. This is one sign of our commitment to doing our best to provide the needed services to our residents,” Fannin told the PSC. “By selling this water system to WVAW, we are able to obtain a fair value that will allow the government to focus on other needs of the Town while assuring our residents have excellent water service.”

8/28/2019

Indiana American Water Acquires Sheridan Water &amp; Wastewater Systems in Central Indiana &gt; Indiana

American Water Websites ▼

Contact Us (/amwater.com/inaw/contact-us)

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## Indiana American Water Acquires Sheridan Water & Wastewater Systems in Central Indiana

GREENWOOD, Ind. (December 21, 2018) – Indiana American Water President Deborah Dewey today announced the company's acquisition of the Town of Sheridan's water and wastewater systems in central Indiana. The purchase of the system adds more than 2,500 water and wastewater customers to the company's customer base, which represents a population of more than 3,000 residents.

"The acquisition of this system will help hold rates down for Sheridan customers as needed investments are made and also provide access to operations and capital management water professionals and a number of customer service options and payment methods," said Dewey. "Indiana American Water already provides water and wastewater service to several nearby communities, so this is a good fit for us and a continuation of our efforts to expand our presence across Indiana."

"In a time when communities are looking for new and innovative ways to deal with challenges they're facing and hold the bottom-line on expenses, this acquisition is a great solution for the town and its customers," Dewey continued.

Sheridan Town Council President David Kinkad is also enthusiastic in his support of the acquisition. "Our community was working to address pressing local infrastructure needs and other community priorities," said Kinkad. "This acquisition will help us to address these concerns while also providing future rate stability by keeping our rates lower than they would have been under municipal ownership, paying off our existing utility-related debt, and generating additional property tax revenues. We appreciate the experience, knowledge and resources that Indiana American Water brings to the table and look forward to working with them as this partnership begins."

The acquisition of the Sheridan water and wastewater systems for approximately \$10.75 million was approved by the Indiana Utility Regulatory Commission in September and closed by Indiana American Water and the Town of Sheridan on Monday, December 17, 2018. The Sheridan systems will be incorporated into the company's Kokomo district, which currently serves approximately 60,000 residents.

### About Indiana American Water

Indiana American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to over 14 million people in 45 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [amwater.com](https://amwater.com) (file:///C:/Users/szafraj/AppData/Local/Microsoft/Windows/Temporary%20Internet%20Files/Content.Outlook/JTOCR2/amwater.com) and follow American Water on Twitter (<https://twitter.com/amwater>), Facebook (<https://www.facebook.com/weareamericanwater/>) and LinkedIn (<https://www.linkedin.com/company/american-water/>).

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## Pennsylvania American Water acquires water, wastewater assets of Turbotville

Thursday, July 25, 2019 7:08 AM ET

By Nephele Kirong  
*Market Intelligence*

Pennsylvania American Water Co. acquired the water and wastewater assets of the Borough of Turbotville in Northumberland County, Pa., for \$1 million.

"The purchase expands our customer base, which allows us to increase our operational efficiency and capitalize on economies of scale for the benefit of all of our customers," Pennsylvania American Water President Jeffrey McIntyre said.

The water system serves about 320 customers, and the wastewater system serves about 290 customers in Turbotville. The sale allows the borough to pay off all outstanding debt.

As part of the deal, the American Water Works Co. Inc. subsidiary plans to build a new \$3.2 million wastewater treatment plant to replace one built in the 1980s. Completion of the new plant is anticipated in 2022. The company will also replace water meters for all customers.

The company has adopted Turbotville's existing water rates, as approved by the state Public Utility Commission.

*This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.*



## Global Water Announces Completion of the Transfer of Valencia Assets to Buckeye

PHOENIX, AZ, July 15, 2015 /CNW/ - GWR Global Water Resources Corp. ("GWRC") (TSX: GWR) today announced that Global Water Resources, Inc. ("Global Water" or the "Company") has closed on the transfer of the assets of Valencia Water Company, Inc. ("Valencia"), a subsidiary of Global Water, to the City of Buckeye ("Buckeye").

Through a settlement agreement for stipulated condemnation and stipulated court order, Buckeye has acquired substantially all of the assets of Valencia and today assumed the operations of the utility. Buckeye paid Global Water US\$55 million on closing, plus an additional \$198,000 as a result of a working capital adjustment. As of March 31, 2015, Valencia accounted for 6,719, or 15.3%, of Global Water's 43,866 active service connections.

Under the terms of the settlement, Buckeye will pay to Global Water a growth premium equal to US\$3,000 for each new water meter installed within the prior service areas of Valencia for a 20-year period ending December 31, 2034, subject to a maximum payout of US\$45 million. The first growth premium payment due to the Company will occur in mid-November, and will include payment for the new water meters installed during the first three quarters of 2015. Subsequently, growth premium payments will be paid quarterly.

Approximately US\$21.5 million of the proceeds received from the transaction were used to repay in full, the Company's commercial debt with MidFirst Bank.

"We are very pleased to announce the closing of this transaction, which materially strengthens our balance sheet," said Ron Fleming, President and CEO of Global Water. "When combined with the ongoing phase-in of new rates, the improvement in the housing market, and the successful execution of our strategic plan to focus on our core, regulated utility assets, the fundamentals of our company are very strong."

### **About GWR Global Water Resources Corp.**

GWRC was incorporated in British Columbia to acquire shares of U.S. based Global Water and to actively participate in the management, business and operations of Global Water through its representation on the board of directors of Global Water and its shared management of Global Water. GWRC owns an approximate 48.1% interest in Global Water, a pure-play, high growth, water resources company located in Phoenix, Arizona that owns and operates regulated water, wastewater and recycled water utilities.

### **Cautionary Note Regarding Forward-Looking Statements**

*This press release includes certain forward-looking statements. These forward looking statements include, but are not limited to, statements that are not historical facts as well as statements identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", or the negative of these terms, or other words of similar meaning. These statements are based on our current beliefs or expectations and are inherently subject to significant uncertainties and changes in circumstances, many of which are beyond our control. Actual results may differ materially from these expectations due to changes in political, economic, business, competitive, market and regulatory factors and other factors discussed under the heading "Risk Factors" in the Company's most recent Annual Information Form. We undertake no obligation to publicly update any forward-looking statement, except as required by law, whether as a result of new information, future developments or otherwise.*

SOURCE GWR Global Water Resources Corp.

For further information: Marina Proskurovsky, Investor Relations, Tel: 416.815.0700 ext. 288, Email: [mproskurovsky@tmxequicom.com](mailto:mproskurovsky@tmxequicom.com), [www.gwresources.com](http://www.gwresources.com)

## Pennsylvania-American Water Company, Inc. | Key Development Details

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(MI KEY: 6932043; SPCIQ KEY: 781681)

### Pennsylvania American Water Signs Agreements to Purchase Valley Township Water and Wastewater Systems

Pennsylvania American Water announced that it has signed agreements to purchase the water and wastewater system assets of Valley Township in Chester County for approximately \$21.275 million. The Township's water system serves nearly 1,700 customers and its wastewater system serves nearly 3,100 customers in Valley Township. Pennsylvania American Water already provides a majority of Township's water through a bulk municipal agreement and is the sole provider of wastewater treatment for the Township's wastewater system. Pennsylvania American Water will seek approval of the acquisition from the Pennsylvania Public Utility Commission (PUC) and other necessary approvals from the Pennsylvania Department of Environmental Protection. Pennsylvania American Water plans to make necessary investments in water and wastewater improvements to improve the reliability and compliance of the systems. The company expects to close the transaction in late 2020 or early 2021, pending regulatory approvals. The purchase agreement between Pennsylvania American and the Township was executed under Act 12, which allows municipalities to sell their water and wastewater systems for a price based on the fair market value of the facilities. Enacted in 2016, this statute gives municipalities the opportunity to receive a purchase price that is more reflective of the current value of their system assets.

Announcement Date	12/18/2019
Company Name	Pennsylvania-American Water Company, Inc.
Source	Business Wire
Development Type	Client Announcement
Advisors	NA

### Business Description

#### Pennsylvania-American Water Company, Inc.

Pennsylvania-American Water Company, Inc. operates as a regulated water utility company in the state of Pennsylvania. It distributes water to households and provides wastewater and related services. The company was founded in 1989 and is based in Hershey, Pennsylvania. Pennsylvania-American Water Company, Inc. operates as a subsidiary of American Water Works Company, Inc.

**Primary Industry:** Water Utilities

Historical Equity Pricing Data provided by Interactive Data Pricing and Reference Data LLC



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2/13/2019

American Water Works (AWK) Subsidiary Illinois American Water Reports Acquisition of Village of Fisher Water &amp; Wastewater Systems



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## American Water Works (AWK) Subsidiary Illinois American Water Reports Acquisition of Village of Fisher Water & Wastewater Systems

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March 28, 2018 2:47 PM EDT

*News and research before you hear about it on CNBC and others. Claim your 2-week free trial to **StreetInsider Premium** [here](#).*

Illinois American Water, a subsidiary of American Water (NYSE: [AWK](#)), President Bruce Hauk today announced the Company's acquisition of the Village of Fisher's water and wastewater systems. The purchase of the system adds approximately 850 new water and wastewater customers to the Company's customer base in the Champaign County District and serves a population of nearly 2,000 residents.

The Village of Fisher Board voted in favor of the sale in July 2017. The Illinois Commerce Commission (ICC) approved the sale for \$6.8 million on March 7, 2018.

"We look forward to investing in the Village of Fisher and ensuring quality water and reliable wastewater service to our new customers," said Hauk.

Village of Fisher Mayor Michael Bayler also supports the acquisition. He said, "We are looking forward to Illinois American Water joining our community and helping us meet our water and wastewater needs. Their knowledge and ability to provide reliable service to our residents is an investment in our public health and economic future."

Illinois American Water will invest \$2.9 million in the first five years of ownership including security upgrades, meter replacements, wastewater plant improvements for regulatory compliance, and inflow and infiltration upgrades.

According to Dave Farrar, sr. manager of field operations and production for Illinois American Water's Champaign County District, the company will also repair and paint the Fisher water tower. Farrar, a resident of Fisher, said, "We are committed to keeping the Fisher water tower painted orange to show community pride for residents and visitors of Fisher. The improvements planned will also enhance service, public health and fire protection to Fisher."

New customers will soon receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing, payment options and more. A payment drop box will be placed at the Fisher water treatment plant located at 110 West Front Street in Fisher. Payments will be picked up regularly.

The appraisal process used for the Fisher water and wastewater systems was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. According to Hauk, this law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility. He said, "Previous law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a small system, public or private. Because of this, systems were deprived of receiving adequate value for their system."

The Village of Fisher will be incorporated into Illinois American Water's Champaign County District, which currently serves residents in Champaign, Urbana, Sadorus, Savoy, St. Joseph, Bondville and Pesotum.

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## Illinois American Water Acquires Village of Glasford Water and Wastewater Systems

September 19, 2019 04:26 PM Eastern Daylight Time

GLASFORD, Ill.--(BUSINESS WIRE)--Illinois American Water President Bruce Hauk today announced the Company's acquisition of the Village of Glasford water and wastewater systems. The purchase adds approximately 492 water customers and 482 wastewater customers to the Central Illinois service area.

The Village of Glasford voted in favor of the sale in August 2018. The Illinois Commerce Commission (ICC) approved the sale for \$1.9 million on Sept. 18, 2019. The sale was completed today.

"We have a long history – 130 years – of providing quality water service in Central Illinois. We look forward to serving our new customers in Glasford," said Hauk.

Glasford Mayor Jack Rudd, Jr. said the sale of the water and wastewater systems to Illinois American Water is, "in the Village's best interest." He went on to say, "Residents will not only have better quality water and sanitary service, but needed critical investments will also be made under Illinois American Water ownership. The partnership also provides significant net proceeds to help fund other village needs and priorities. We welcome Illinois American Water to our community."

Illinois American Water is committed to upgrading the Glasford water and wastewater systems, including construction of a transmission water main from Timber-Logan Rural Water District to the Village of Glasford. This work will provide customers with water treated and produced by Illinois American Water's water quality experts. A re-chloramination station will also be installed to ensure adequate disinfection for high-quality water service which meets EPA requirements. Security improvements, water main installations and upgrades to the sanitary sewer system will also be completed.

Roger Goodson, sr. manager for Illinois American Water's Eastern and Western Divisions, said, "We are excited to become a member of this vibrant community, not only as the water and wastewater service provider, but as a good neighbor."

New customers will receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing and more. The Village of Glasford will be incorporated into the company's Peoria District which serves Peoria, West Peoria, Farmington, Bartonville, Bellevue, Rome, Mapleton and parts of surrounding areas including Washington and East Peoria. Dunlap, Hanna City and the Timber-Logan Rural Water District are sale for resale (wholesale) customers.

The appraisal process used for the Glasford water and wastewater systems was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. According to Hauk, this law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water

utility.

Hauk said, "Previous law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a system, public or private. Because of this, systems were deprived of receiving adequate value for their system."

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**About Illinois American Water** - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable ~~water~~ **water** and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville.

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [amwater.com](http://amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

## Contacts

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12/30/2019 Illinois American Water Acquires Village of Godfrey Wastewater System; Adds 6,200 Wastewater Customers to Southern Illinois Service...

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## Illinois American Water Acquires Village of Godfrey Wastewater System; Adds 6,200 Wastewater Customers to Southern Illinois Service Area

Dateline City:  
GODFREY, ILL.

GODFREY, ILL.--(BUSINESS WIRE (<http://www.businesswire.com>))--Illinois American Water President Bruce Hauk today announced the Company's acquisition of the Village of Godfrey wastewater system. The purchase adds approximately 6,200 wastewater customers to the Southern Illinois service area. The system serves customers in Godfrey and nearby communities of Brighton and Fosterburg.

The Village of Godfrey voted in favor of the sale in October 2018. The Illinois Commerce Commission (ICC) approved the sale for \$13.55 million on Oct. 2, 2019. The sale was completed today.

"We are excited to expand our services in the River Bend area where we've provided quality, reliable water service for over 140 years. Our team of wastewater experts are ready to serve our new customers and they are looking forward to making critical improvements to ensure reliable service for public health," said Hauk.

Village of Godfrey Mayor Mike McCormick said the sale of the wastewater system to Illinois American Water will "serve residents well today and in the future." He went on to say, "Illinois American Water will not only make the EPA mandated improvements to bring the system up to compliance, but their team of experts will ensure reliable service for years to come. This partnership also provides significant net proceeds to help fund other village needs and priorities. We welcome this expanded partnership with Illinois American Water in our community."

In addition to completing requirements under the Amended Consent Order, Illinois American Water expects to invest on average about \$2 million per year for routine capital improvements for the first 10 years of ownership.

Karen Cooper, senior manager for Illinois American Water's Southern Division, said, "Many communities are looking for new and innovative ways to deal with challenges they're facing while controlling expenses. There's nothing more important to our team than ensuring our customers receive the best service possible at a good value. This partnership is a great solution for residents."

New customers will receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing and more.

The appraisal process used for the Godfrey wastewater system was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. According to Hauk, this law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility. To learn more about Illinois American Water and hear testimonials from communities the company has partnered with, please visit the Doing Business with Us page under About Us at [www.illinoisamwater.com](http://www.illinoisamwater.com) (<https://amwater.com/ilaw/>).

**About Illinois American Water** - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit [amwater.com](http://amwater.com) (<https://amwater.com/>) and follow American Water on Twitter (<https://twitter.com/amwater>), Facebook (<https://www.facebook.com/weareamericanwater/>) and LinkedIn (<https://www.linkedin.com/company/american-water/>).

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English  
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## Illinois American Water Acquires Village of Ransom Water System

### ***Acquisition will add about 170 new water customers in Streator District***

April 26, 2016 03:24 PM Eastern Daylight Time

RANSOM, Ill.--(BUSINESS WIRE)—Illinois American Water President Bruce Hauk, today announced the Company's acquisition of the Village of Ransom water system. The purchase of the system adds approximately 170 customers to the Company's customer base in the Streator District and serves a population of nearly 370 residents.

The Village of Ransom Board voted in favor of the sale on Sept. 9, 2015 and the Illinois Commerce Commission (ICC) approved the sale for \$175,000 on Feb. 24, 2016. Today, Illinois American Water acquired the water system.

"We look forward to investing in the Village of Ransom and ensuring customers have access to quality water service," said Hauk. "We are excited to join and contribute to the Ransom community."

Acting Village of Ransom President Matt Hauser is also enthusiastic in his support of the acquisition. He said, "We are looking forward to Illinois American Water joining our community and helping us meet our water needs. Their knowledge and ability to provide reliable water service to our residents is an investment in our public health and economic future."

Currently the drinking water in Ransom has exceedingly high levels of Radium. Bottled water will continue to be distributed at Village Hall until the Village of Ransom is connected to Illinois American Water's Streator District water distribution system. This investment of approximately \$2 million to install 10 miles of water main will ensure quality drinking water that meets all EPA requirements. Barring no unforeseen circumstances, this project is expected to be completed by the end of 2016.

Additional information will be provided to customers in an Illinois American Water welcome packet in the mail. This packet will include information about online account management, billing and more. Typical water service customers use between 4,500 and 6,000 gallons of water per month. A Village of Ransom customer using 5,000 gallons a month will pay approximately \$45 for water service. This is a decrease of about \$8 a month.

The appraisal process used for the Ransom water system was conducted under the supervision of the Illinois Commerce Commission (ICC) and established as part of the Illinois Water Systems Viability Act. According to Hauk, this new law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility. He said, "Previous law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a small system, public or private. Because of this, systems were deprived of receiving adequate value for their system."

The Ransom water system will be incorporated into the company's Streator District, which currently serves residents in Streator, Kangley, Reading, Dana, Long Point and Ancona.

#### **About Illinois American Water**

Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.2 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. American Water is the largest and most geographically diverse publicly traded U.S. water and wastewater utility company. Marking its 130th anniversary this year, the company employs 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting [www.amwater.com](http://www.amwater.com).

#### **Contacts**

Illinois American Water

Karen Cotton

External Affairs Manager

309-566-4126





## Missouri American Water Announces Acquisition of Village of Wardsville Water and Wastewater Systems

May 23, 2017 10:28 AM Eastern Daylight Time

WARDSVILLE, Mo.--(BUSINESS WIRE)--Missouri American Water completed its acquisition of the Wardsville water and wastewater systems today, adding approximately 475 water and approximately 406 wastewater customers to its more than 460,000 statewide customers. The purchase price for both the water and wastewater system is \$2.75 million.

Customers in Wardsville, located just south of Jefferson City, will have their meters changed beginning today and should receive their first invoice from Missouri American Water the week of June 26. Water and wastewater rates in the city are set by the Missouri Public Service Commission and will not change upon completion of the deal.

"This is an exciting day, both for the residents of Wardsville as well as Missouri American Water," said Brent Haas, operations manager for Missouri American Water's Jefferson City district, which Wardsville will be joining. "Wardsville residents can look forward to clean, safe drinking water, effective wastewater treatment and efficient system operation. Missouri American Water brings expertise to the water and wastewater industries that is unparalleled, and by joining our large customer base, we will be able to manage costs in Wardsville on an ongoing basis to help keep rates low."

### Missouri American Water

Missouri American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.5 million people.

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly-traded water and wastewater utility company. The company employs more than 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting [www.amwater.com](http://www.amwater.com).

### Contacts

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ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF AQUA INDIANA, INC. ("AQUA )  
INDIANA") FOR (1) APPROVAL OF THE SALE AND )  
TRANSFER TO AQUA INDIANA OF WATER UTILITY )  
ASSETS IN ST. JOSEPH COUNTY, INDIANA USED BY )  
WEDGEWOOD PARK WATER COMPANY, INC. )  
PURSUANT TO AN ASSET PURCHASE AGREEMENT; )  
(2) APPROVAL OF CERTAIN ACCOUNTING AND )  
OTHER RELIEF RELATED TO THE ACQUISITION )  
OF THOSE ASSETS; AND (3) CONSENTING TO ST. )  
JOSEPH COUNTY GRANTING AQUA INDIANA )  
LICENSES, PERMITS OR FRANCHISES FOR THE USE )  
OF COUNTY-OWNED PROPERTY. )

CAUSE NO. 44814

APPROVED: DEC 28 2016

ORDER OF THE COMMISSION

**Presiding Officers:**

**James D. Huston, Commissioner**

**David E. Veleta, Senior Administrative Law Judge**

On July 11, 2016, Aqua Indiana, Inc. ("Petitioner") filed its petition with the Indiana Utility Regulatory Commission ("Commission") in this matter. On August 23, 2016, Petitioner filed the direct testimony and exhibits of Thomas M. Bruns, President of Aqua Indiana.

On October 28, 2016, the Indiana Office of Utility Consumer Counselor ("OUCC") filed a notice of intent not to file testimony in this proceeding. On November 1, 2016, the Parties filed a settlement agreement with the Commission. Petitioner and the OUCC filed testimony in support of the Stipulation and Settlement Agreement on November 10, 2016 and November 14, 2016, respectively. On November 17, 2016, the Presiding Officers issued a docket entry requesting information relating to Petitioner's capacity to provide fire protection services. Petitioner filed its response to the docket entry on November 18, 2016. An additional docket entry was issued by the Presiding Officers on November 18, 2016 requesting information relating to Ind. Code § 8-1-2-84(c). Petitioner filed its response to the docket entry on November 21, 2016.

The Commission held an evidentiary hearing in this Cause at 1:30 p.m. on November 28, 2016 in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC appeared and participated at the hearing.

Based on the applicable law and the evidence presented, the Commission finds:

1. **Notice and Jurisdiction.** Notice of the hearing in this Cause was given and published by the Commission as required by law. Petitioner is a public utility as defined by Ind. Code § 8-1-2-1(a). Under Ind. Code § 8-1-2-84, the Commission has jurisdiction over the transfer of utility property. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

2. **Background.** Petitioner is an Indiana for-profit corporation providing water utility service to approximately 881 customers and wastewater utility services to approximately 20,772 customers in Indiana. Petitioner also supports the regulated wastewater utility operations of South Haven Sewer Works, Inc. ("South Haven") and will continue to do so until South Haven is merged into Petitioner as permitted by the Commission's April 29, 2015 Order in Cause No. 44533. Upon implementing that merger, Petitioner will directly provide water utility service to approximately 4,049 additional wastewater utility customers.

Wedgewood Park Water Company, Inc. ("Wedgewood Park") is an Indiana for-profit corporation providing water utility service to approximately 211 residential customers and five commercial customers in a subdivision near the Indiana-Michigan state line in St. Joseph County, Indiana. Wedgewood Park's distribution system consists of approximately two miles of four-inch and six-inch cast iron mains, with 15 hydrants. Wedgewood Park's system is interconnected with the water system operated by Niles, Michigan Charter Township, which supplies under a long term supply contract the water distributed by Wedgewood Park. The circumstances that led up to Wedgewood Park contracting for its water supply are described in the Commission's November 6, 2013 Order in Cause No. 44369.

3. **Relief Requested.** Petitioner seeks to have the Commission approve the sale and transfer to Petitioner of the water utility plant, property, and assets currently used by Wedgewood Park to provide water utility service. The water utility plant, property, and assets that Petitioner will acquire (the "Wedgewood Park System") are described in an Asset Purchase Agreement entered by and between Wedgewood Park and Petitioner (the "Purchase Agreement").

In connection with the sale and transfer of the Wedgewood Park System, Petitioner also requests that the Commission (i) approve of Petitioner charging and collecting from present and future customers of the Wedgewood Park System the same rates and charges as Wedgewood Park currently charges customers, subject to such changes as the Commission may approve in the future; (ii) approve of Petitioner applying to present and future customers of the Wedgewood Park System those rules and regulations as Petitioner currently applies to customers, unless and until the Commission has approved other rules and regulations to be applied to such customers; (iii) approve of Petitioner recording the acquisition of the Wedgewood Park System on its books and records in the same way it is shown at closing on Wedgewood Park's books and records, with such adjustments as may be necessary to reflect their acquisition by Petitioner; and (iv) approve of Petitioner utilizing Wedgewood Park's depreciation rates for plant, property, and assets comprising the Wedgewood Park System and used to serve present and future customers.

Petitioner also is seeking to have the Commission determine, in accordance with Ind. Code § 36-2-2-23, that public convenience and necessity requires Petitioner to provide water utility service within the county and consent to St. Joseph County granting Petitioner licenses, permits, or franchises for the use of county-owned property to provide water utility service.

4. **Petitioner's Evidence.** Mr. Bruns described the origin and contents of the Purchase Agreement. According to Mr. Bruns, Mr. Dennis Jusko, Wedgewood Park's President, approached Petitioner in July 2015 to inquire if it had interest in acquiring the Wedgewood Park System. After

completing some preliminary due diligence, Petitioner entered into negotiations with Mr. Jusko that led to the execution of the Purchase Agreement.

Mr. Bruns stated that the Purchase Agreement provides for Petitioner's purchase of the Wedgewood Park System, which is described in Section 1 and Schedule 1.1 of the Purchase Agreement. Under Section 1.3 of the Purchase Agreement, the consideration for the purchase is \$210,000. Section 2 of the Purchase Agreement provides that the closing of the transaction will occur within 45 days after receipt of all final regulatory approvals. The closing is subject to certain conditions that are described in the Purchase Agreement and include Wedgewood Park providing Petitioner with certain information; Petitioner's satisfactory completion of its due diligence; verification of Wedgewood Park's title to the assets being transferred; the transfer of certain permits; receipt of certain consents and approvals, including without limitation the approval of the Commission; and the lack of any prohibitions to consummation of the matters covered by the Purchase Agreement. Mr. Bruns testified that, like the rest of the Purchase Agreement, the purchase price resulted from arms-length negotiation between Wedgewood Park and Petitioner.

Mr. Bruns explained that the Wedgewood Park System will be operated by Petitioner with the assistance of a qualified and experienced contract operator with oversight provided by personnel at Petitioner's affiliate, South Haven. Mr. Bruns noted that this will deviate in some respects from the way the Wedgewood Park System is currently operated by Wedgewood Park. However, Mr. Bruns was of the opinion that the operational and customer service differences will be beneficial to Wedgewood Park's customers. Mr. Bruns also testified that, after the acquisition of the Wedgewood Park System, it will be thoroughly inspected with corrective repairs made where needed and that Petitioner presently intends to replace all manual read residential meters with Radio Read meters. According to Mr. Bruns, like all facilities in Indiana operated by Petitioner, funding for improvements to the Wedgewood Park System would come from Petitioner's corporate parent, Aqua America.

As testified to by Mr. Bruns, Petitioner intends to apply to present and future customers the same rates and charges as are currently charged and collected by Wedgewood Park. Mr. Bruns also stated that the customers of the Wedgewood Park System will be subject to the same rules and regulations as Petitioner currently applies to its other water utility customers in Indiana, unless and until the Commission has approved other rules and regulations to be applied.

Mr. Bruns testified that Petitioner intends to record the plant, property, and assets acquired from Wedgewood Park on its books and records in the same way they are shown at closing on Wedgewood Park's books and records, with such adjustments as may be necessary to reflect their acquisition by Petitioner. Petitioner anticipates that based on information currently available it will make the following accounting entries to record the acquisition of the Wedgewood Park System:

	<u>Debit</u>	<u>Credit</u>
Utility Plant in Service (Utility Assets \$236,815 + Organization Costs estimated at \$20,000)	\$256,815	
Accumulated Depreciation		(\$74,408)
CIAC		(\$4,437)
Utility Plant Acquisition Adjustment (Purchase Price \$210,000 less Net Book Value of Utility Assets \$157,970)	\$52,030	
Cash (Purchase Price \$210,000 + Organization Cost \$20,000)		(\$230,000)

The actual entries Petitioner will make should reflect information as of the date of the closing of the acquisition. Further, Mr. Bruns testified that Petitioner is not seeking to recover all or any portion of an acquisition adjustment in this Cause. He stated that any such relief would be reflected in a future rate case, if at all. Additionally, Mr. Bruns testified that Petitioner proposes to utilize Wedgewood Park's depreciation rate or rates for plant, property, and assets comprising the Wedgewood Park System and used to serve present and future customers.

Mr. Bruns explained that, assuming the Commission approves the transfer of the Wedgewood Park System, he believed Petitioner will have the authority needed to lawfully own and operate the Wedgewood Park System. He also testified that Petitioner has the managerial, technical, and financial resources necessary to properly operate the Wedgewood Park System and provide adequate and reliable service to present and future customers. According to Mr. Bruns, Petitioner has a record of handling successful utility operations in Indiana. In his view, implementation of the Purchase Agreement will benefit the customers served by the Wedgewood Park System through, among other ways, access to the technical, financial, and customer service capabilities of Petitioner. Mr. Bruns testified that the Purchase Agreement and the acquisition provided for by it will serve public convenience and necessity and are in the public interest.

Finally, Mr. Bruns testified that Petitioner intends to use county-owned property, including without limitation highway rights-of-way, in connection with operating the Wedgewood Park System. According to Mr. Bruns, public convenience and necessity require such service and Petitioner is requesting the Commission to make such a determination and consent to St. Joseph County granting Petitioner licenses, permits, or franchises for the use of county-owned property.

**5. Settlement Agreement.** The Stipulation and Settlement Agreement ("Settlement Agreement") entered into by Petitioner and the OUCC is attached hereto and incorporated herein by reference. The Settlement Agreement provides that Petitioner and the OUCC agree that, subject to



certain conditions described in the Settlement Agreement, approval of the proposed sale and transfer of the Wedgewood Park System and the other relief requested by Petitioner will serve the public interest and public convenience and necessity. Specifically, the parties request the Commission to issue a Final Order in this Cause: (i) Finding that the relief requested by Petitioner in this Cause will serve the public interest and public convenience and necessity; (ii) Approving the sale and transfer of the Wedgewood Park System to Petitioner pursuant to the Purchase Agreement; (iii) Approving the Purchase Agreement and the terms and conditions set forth therein to the extent necessary to authorize the transfer; (iv) Approving Petitioner's application to present and future customers within the Wedgewood Park System of the same rates and charges as are currently applied by Wedgewood Park to its customers within St. Joseph County, Indiana, subject to such changes as the Commission may approve in the future; (v) Approving Petitioner's application to customers within the Wedgewood Park System of the rules and regulations as are currently applied by Petitioner to its customers, subject to such changes as the Commission may approve in the future; (vi) Approving of Petitioner recording the acquisition of the Wedgewood Park System on its books and records in the same way it is shown at closing on Wedgewood Park's books and records, with such adjustments as may be necessary to reflect their acquisition by Petitioner; (vii) Approving Petitioner use of Wedgewood Park's current depreciation rate(s) for plant, property, and assets comprising the Wedgewood Park System and such other property as may be used to serve present and future customers, subject to such changes as the Commission may approve in the future; and (viii) Consenting to St. Joseph County, Indiana granting Petitioner licenses, permits or franchises for the use of county-owned property to provide water utility service.

As noted above, Petitioner and the OUCC agree that granting the above-described relief should be subject to certain conditions set forth in the Settlement Agreement; namely: (i) incidental expenses and other acquisition costs reflected in the amounts recorded by Petitioner as part of the acquisition of the Wedgewood Park System shall not exceed \$20,000; (ii) Petitioner shall amortize contributions in aid of construction ("CIAC") as an offset to its depreciation expense (i.e. for ratemaking purposes) and shall use for such purpose Wedgewood Park's current depreciation rate(s) or such other rate or rates as the Commission shall direct; (iii) Petitioner should notify the customers previously served by Wedgewood Park regarding electronic access to the new rules and regulations that will be applicable to their water utility service; (iv) Prior to the closing on the acquisition, Petitioner should confirm that Wedgewood Park does not possess any deposits made by its customers. If any such deposits are identified, Petitioner shall cause Wedgewood Park to return them to the customers involved or deliver them to Petitioner to be handled and returned as appropriate; (v) Within 12 months of closing, Petitioner will provide to the OUCC a complete list by NARUC account of utility plant being acquired. At that time, Petitioner will also provide to the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Petitioner deems it is appropriate to record. Petitioner shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category (legal fees, etc.); (vi) Within 12 months of closing, Petitioner will replace all customer meters with new radio frequency ("RF") meters. Thereafter, relying on one year of data Aqua will reassess water loss calculations and formulate a plan, if appropriate, to mitigate any continuing excessive water loss.

**6. Evidence in Support of Settlement Agreement.** Mr. Bruns provided testimony in

support of the Settlement Agreement. Mr. Bruns described the events that led to the execution of the Settlement Agreement, including the proposals, discovery, and negotiations. Mr. Bruns then summarized the Settlement Agreement. Mr. Bruns testified that, in the Settlement Agreement, the parties agreed that the Commission should essentially grant the relief sought by Petitioner in its Verified Petition, including, among other things, approval of the sale and transfer of the Wedgewood Park System to Petitioner pursuant to the Purchase Agreement, and consenting to St. Joseph County, Indiana granting Petitioner the licenses, permits, or franchises for the use of county-owned property to provide wastewater utility service.

Mr. Bruns also testified regarding the conditions that Petitioner and the OUCC agreed to that were not included in Petitioner's Verified Petition. The first condition that Mr. Bruns described relates to Petitioner's recording on its books and records of the acquisition of the Wedgewood Park System, in that Paragraph 2(A) of the Settlement Agreement caps the amount of actual incidental expenses and other acquisition costs reflected as transaction costs in the amounts recorded by Petitioner at \$20,000.

Mr. Bruns next testified that Petitioner has agreed to provide the OUCC a complete list of utility plant being acquired and set forth by NARUC account any accumulated depreciation it determines appropriate to record as of the date of the purchase, within 12 months of closing. Mr. Bruns noted that Petitioner also agreed to provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category (such as legal fees).

Mr. Bruns then testified about the parties' agreement that Petitioner should use Wedgewood Park's current depreciation rate(s) for plant, property, and assets comprising the Wedgewood Park System and such other property as may be used to serve present and future customers. However, Petitioner also agreed to amortize contributions in aid of construction as an offset to its depreciation expense and shall use for such purpose Wedgewood Park's current depreciation rate(s) or such other rate or rates as the Commission shall direct.

The next provision of the Settlement Agreement that Mr. Bruns addressed was its provision that requires Petitioner to notify the customers previously served by Wedgewood Park regarding electronic access to the new rules and regulations that will be applicable to their wastewater utility service. Additionally, prior to the closing on the acquisition, Mr. Bruns explained that Petitioner agreed to confirm that Wedgewood Park does not possess any deposits made by its customers, and that if any such deposits are identified, Petitioner shall cause Wedgewood Park to return them to the customers involved or deliver them to Petitioner to be handled and returned as appropriate.

Mr. Bruns completed his testimony with his observation that, in his opinion, the Settlement Agreement should be approved by the Commission because it is consistent with the public interest, each party will receive benefits, and the customers will receive additional benefits as set forth in the Settlement Agreement.

Margaret A. Stull, Senior Utility Analyst in the OUCC's Water/Wastewater Division, testified in support of the Settlement Agreement. After reviewing the relief Petitioner requested in this Cause,

Ms. Stull described the key terms of the Settlement Agreement. Ms. Stull explained that the Settlement Agreement authorizes Petitioner to consummate the acquisition of certain Wedgewood Park water utility assets, and that the relief otherwise requested by Petitioner should be granted, subject to the conditions set forth in the Settlement Agreement.

Ms. Stull testified that the OUCC agreed that Petitioner should be permitted to book an amount equal to the purchase price (\$210,000) plus actually incurred transaction costs not to exceed \$20,000.

Next, Ms. Stull explained that the Settlement Agreement contained various terms that are in the public interest. First, the Settlement Agreement provided that Petitioner should notify the customers previously served by Wedgewood Park as to where they may access the rules and regulations that will now apply to Petitioner's service. Additionally, to promote maintenance of a positive rate base and encourage continued prudent investment, Petitioner agreed that it will amortize CIAC as an offset to its depreciation expense and shall use for such purpose Wedgewood Park's current depreciation rate of 1.7% or such other rate or rates as the Commission shall direct.

Ms. Stull also testified that, in order to avoid misunderstanding and promote appropriate accounting of deposits, Petitioner will confirm that Wedgewood Park does not possess any deposits made by its customers. If such deposits are identified, Petitioner will cause Wedgewood Park to return the deposits to the customers or deliver them to Petitioner for appropriate handling and return.

Ms. Stull also testified that Petitioner agreed to provide the OUCC a complete list by NARUC account of utility plant and accumulated depreciation, being acquired as of the date of the purchase within 12 months of closing. Additionally, Ms. Stull explained that, to promote transparency and more efficient regulatory proceedings, the Settlement Agreement provides that Petitioner shall provide an opening balance sheet for the division and the total amount of transactions costs incurred by cost category.

Ms. Stull completed her testimony by asking that the Commission approve the Settlement Agreement, which is supported by the evidence, contains fair and reasonable terms and conditions, and is a just resolution of the issues in this Cause. The OUCC believes the settlement is in the public interest.

7. **Discussion and Findings.** Settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coalition of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coalition*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition of Ind., Inc. v. Public Service Co. of Ind., Inc.*, 582



N.E.2d 330, 331 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of Indiana Code ch. 8-1-2, and that such agreement serves the public interest.

The Purchase Agreement is part of the record of this Cause and the evidence contains additional testimony describing its approval, terms and the acquisition contemplated by it. The evidence also shows that the Purchase Agreement and the purchase price provided for in it was the result of arms-length negotiations. The evidence indicated that the amount the parties agreed Petitioner would pay for the acquisition of the Wedgewood Park property, plant, or business (\$210,000) is not an amount in excess of 5% of the book cost to Petitioner of all property, plant, or business owned by it at the time of filing its petition in this Cause (in excess of \$100,000,000). Therefore, the shareholder approval provision of Ind. Code § 8-1-2-84(c) is not applicable to this Cause.

Further, the evidence shows that Petitioner has the legal, managerial, technical, and financial ability to provide water service. Petitioner is an experienced utility operator committed to providing adequate and reliable service and has a reasonable plan to operate the Wedgewood Park System with a qualified operator under its direct supervision. Also, upon acquiring the Wedgewood Park System, Petitioner intends to inspect the system and make such improvements as may be necessary. Further, Petitioner has agreed to replace all customer meters with new RF meters within 12 months of closing on the acquisition and, thereafter, reassess water loss calculations relying on one year of data and formulate a plan, if appropriate, to mitigate any continuing excessive water loss. In this regard, Petitioner also will be able to rely on Aqua America to support its provision of service to the current customers of the Wedgewood Park System.

Petitioner's proposal to apply to present and future customers the same rates and charges as are applied by Wedgewood Park is reasonable and should be approved. Similarly, Petitioner's proposal to apply to customers of the Wedgewood Park System the same rules and regulations for service as are currently applied to Petitioner's customers is reasonable and should be approved. However, Petitioner should notify the customers previously served by Wedgewood Park regarding electronic access to the new rules and regulations that will be applicable to their water utility service.

There is no dispute concerning Petitioner's proposal to utilize the same depreciation rate as currently used by Wedgewood Park, which as Ms. Stull testified is 1.7%. However, the parties have further agreed that Petitioner will amortize CIAC as an offset to depreciation expense using Wedgewood Park's current depreciation rate(s) or such other rate or rates as the Commission shall direct. Since it is agreed to by the parties, this is a reasonable agreement that might contribute toward Petitioner's rates for services to customers remaining reasonable.

Further, Petitioner's proposal to record the acquisition of the Wedgewood Park System in the same manner as shown on Wedgewood Park's books and records is reasonable. In this regard, the parties have agreed that, within 12 months of closing, Petitioner shall provide to the OUCC a complete list by NARUC account of utility plant being acquired. At that time, Petitioner shall also provide to

the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Petitioner deems it is appropriate to record. Petitioner shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category with the amount of any incidental expenses and other acquisition-related costs limited to \$20,000. Again, this is a reasonable matter for the parties to have agreed to and, as Ms. Stull testified, should promote transparency and more efficient regulatory proceedings.

The evidence shows that Petitioner's acquisition and operation of the Wedgewood Park System by Petitioner is supported by public convenience and necessity, is in the public interest, and should be approved. As reflected in the Stipulation and Settlement Agreement, however, Petitioner should notify the Commission and the OUCC within 14 days of Wedgewood Park's assets being transferred to it. Also, prior to the closing on its sale of the Wedgewood Park System, Petitioner should confirm that Wedgewood Park does not possess any deposits made by its customers. If any such deposits are identified, Petitioner shall cause Wedgewood Park to return them to the customers involved or deliver them to Petitioner to be handled and returned as appropriate.

Finally, Ind. Code § 36-2-2-23 requires the consent of the Commission prior to the grant by a board of county commissioners of a permit to a utility to use county property (generally roads, easements, right-of-ways, and the like) in rendering utility service. In this regard, since the Commission found above that public convenience and necessity require Petitioner's service to the customers of the Wedgewood Park System, it should grant its consent to the Board of Commissioners of St. Joseph County issuing to Petitioner a license, permit, or franchise for the use of county property in rendering water utility service in accordance with applicable Indiana law.

Based on the review of the evidence presented and above discussion, we find that the Settlement Agreement is reasonable, supported by the evidence and in the public interest. Therefore, we approve the Settlement Agreement consistent with our findings above. Further, the Parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 Ind. PUC LEXIS 459, at \*19-22 (IURC March 19, 1997).

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. The sale and transfer to Petitioner of the Wedgewood Park System pursuant to the Purchase Agreement is approved.
2. The Purchase Agreement and the terms and conditions set forth therein to the extent necessary to authorize the transfer are approved.
3. Petitioner shall charge and collect from present and future customers of the Wedgewood Park System the same rates and charges as Wedgewood Park currently charges water utility customers, subject to such changes as the Commission may approve in the future. Petitioner

shall file a tariff by the date the transactions closes.

4. Petitioner shall apply to present and future customers of the Wedgewood Park System those rules and regulations as Petitioner currently applies to water utility customers, unless and until the Commission has approved other rules and regulations to be applied to such customers.

5. Petitioner shall record the acquisition of the Wedgewood Park System on its books and records in the same way it is shown at closing on Wedgewood Park's books and records, with such adjustments as may be necessary to reflect their acquisition by Petitioner and the requirements of this Order.

6. Petitioner shall utilize in the manner described in this Order Wedgewood Park's depreciation rate of 1.7% for plant, property, and assets comprising the Wedgewood Park System and used to serve present and future customers.

7. Petitioner shall comply fully with the conditions identified in Paragraph 2 of the Stipulation and Settlement Agreement and discussed in Finding No. 7 above.

8. The Commission hereby consents to St. Joseph County, Indiana granting Petitioner licenses, permits, or franchises for the use of county-owned property.

9. This Order shall be effective on and after the date of its approval.

**STEPHAN, FREEMAN, HUSTON, AND WEBER CONCUR; ZIEGNER ABSENT:**

APPROVED: DEC 28 2016

**I hereby certify that the above is a true  
and correct copy of the Order as approved.**

  
\_\_\_\_\_  
Mary M. Becerra  
Secretary of the Commission

FILED  
NOVEMBER 1, 2016  
INDIANA UTILITY  
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF AQUA INDIANA, INC. ("AQUA )  
INDIANA") FOR (1) APPROVAL OF THE SALE )  
AND TRANSFER TO AQUA INDIANA OF WATER )  
UTILITY ASSETS IN ST. JOSEPH COUNTY, )  
INDIANA USED BY WEDGEWOOD PARK )  
WATER COMPANY, INC. PURSUANT TO AN )  
ASSET PURCHASE AGREEMENT; (2) ) CAUSE NO. 44814  
APPROVAL OF CERTAIN ACCOUNTING AND )  
OTHER RELIEF RELATED TO THE )  
ACQUISITION OF THOSE ASSETS; AND (3) )  
CONSENTING TO ST. JOSEPH COUNTY )  
GRANTING AQUA INDIANA LICENSES, )  
PERMITS OR FRANCHISES FOR THE USE OF )  
COUNTY-OWNED PROPERTY. )

STIPULATION AND SETTLEMENT AGREEMENT

On July 11, 2016, Aqua Indiana, Inc. ("Aqua Indiana" or "Petitioner") filed its Verified Petition seeking to have the Commission approve the sale and transfer to Aqua Indiana of the plant and property currently used by Wedgewood Park Water Company, Inc. ("Wedgewood Park") in St. Joseph County, Indiana to provide water utility service. The sale and transfer of the plant and property currently used by Wedgewood Park (the "Wedgewood Park System") would be made pursuant to an Asset Purchase Agreement between Wedgewood Park and Aqua Indiana that appears as Attachment C to Petitioner's Exhibit 1 (the "Purchase Agreement"). In connection with the sale and transfer of the Wedgewood Park System, Aqua Indiana also requests that the Commission (i) approve the manner in which Aqua Indiana will record the plant, property and other assets acquired from Wedgewood Park on its books and records; (ii) approve the rates and charges, as well as the rules and regulations, that Aqua Indiana will apply to customers, subject to such changes as the Commission may approve in the future; and (iii) approve the depreciation rate to be used

by Aqua Indiana for the plant, property and assets that it may use to serve present and future customers. Finally, Aqua Indiana is seeking to have the Commission determine, in accordance with Ind. Code § 36-2-2-23, that public convenience and necessity require Aqua Indiana to provide water utility service to present and future customers of the Wedgewood Park System and consent to St. Joseph County, Indiana granting Aqua Indiana licenses, permits or franchises for the use of county-owned property to provide water utility service.

The Indiana Office of Utility Consumer Counselor (“OUCC”) reviewed the Petitioner’s filed testimony and exhibits, met with representatives of Petitioner and requested additional information from Petitioner through both formal and informal discovery. Petitioner and the OUCC (individually, a “Settling Party” and collectively, the “Settling Parties”) engaged in settlement negotiations. As a result of those negotiations, the Settling Parties reached an agreement with respect to all the issues between them before the Commission, including without limitation as follows:

1. **Granting Requested Relief.** The Settling Parties agree that, subject to the provisions of Paragraph 2 below, approval of the relief requested by Aqua Indiana in this Cause will serve the public interest and public convenience and necessity and, accordingly, the Commission should issue a Final Order in this Cause:

A. Finding that the relief requested by Aqua Indiana in this Cause will serve the public interest and public convenience and necessity;

B. Approving the sale and transfer of the Wedgewood Park System to Aqua Indiana pursuant to the Purchase Agreement;

C. Approving the Purchase Agreement and the terms and conditions set forth therein to the extent to authorize the sale and transfer of the system;

D. Approving Aqua Indiana's application to present and future customers within the Wedgewood Park System of the same rates and charges as are currently applied by Wedgewood Park to its customers within St. Joseph County, Indiana, subject to such changes as the Commission may approve in the future;

E. Approving Aqua Indiana's application to customers within the Wedgewood Park System of the rules and regulations as are currently applied by Aqua Indiana to its customers, subject to such changes as the Commission may approve in the future;

F. Approving of Aqua Indiana recording the acquisition of the Wedgewood Park System on its books and records in the same way it is shown at closing on Wedgewood Park's books and records, with such adjustments as may be necessary to reflect their acquisition by Aqua Indiana;

G. Approving Aqua Indiana use of Wedgewood Park's current depreciation rate(s) for plant, property and assets comprising the Wedgewood Park System and such other property as may be used to serve present and future customers, subject to such changes as the Commission may approve in the future; and

H. Consenting to St. Joseph County, Indiana granting Aqua Indiana licenses, permits or franchises for the use of county-owned property to provide water utility service.

2. **Other Agreements.**

A. For purposes of Paragraph 1F above, incidental expenses and other acquisition costs reflected in the amounts recorded by Aqua Indiana as part of the acquisition of the Wedgewood Park System shall not exceed \$20,000.

B. Petitioner shall amortize contributions in aid of construction ("CIAC") as an offset to its depreciation expense (i.e. for ratemaking purposes) and shall use for such purpose Wedgewood Park's current depreciation rate(s) or such other rate or rates as the Commission shall direct.

C. Aqua Indiana should notify the customers previously served by Wedgewood Park regarding electronic access to the new rules and regulations that will be applicable to their water utility service.

D. Prior to the closing on the acquisition, Aqua Indiana should confirm that Wedgewood Park does not possess any deposits made by its customers. If any such deposits are identified, Aqua Indiana shall cause Wedgewood Park to return them to the customers involved or deliver them to Aqua Indiana to be handled and returned as appropriate.

E. Within 12 months of closing, Aqua Indiana will provide to the OUCC a complete list by NARUC account of utility plant being acquired. At that time, Aqua Indiana will also provide to the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Aqua Indiana deems it is appropriate to record. Aqua Indiana shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category (legal fees, etc.).

F. Within 12 months of closing, Aqua Indiana will replace all customer meters with new radio frequency ("RF") meters. Thereafter, relying on one year of data Aqua will reassess water loss calculations and formulate a plan, if appropriate, to mitigate any continuing, excessive water loss.



3. **Scope and Approval**

A. Neither the making of this Settlement Agreement nor any of its provisions, including without limitation any provisions contained in exhibits to this Settlement Agreement, shall constitute in any respect an admission by any Settling Party in this or any other litigation or proceeding. This Settlement Agreement is solely the result of compromise in the settlement process and, except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Settling Parties may take with respect to any or all of the issues resolved herein in any future regulatory or other proceedings.

B. Neither the making of this Settlement Agreement, nor the provisions thereof, nor the entry by the Commission of a Final Order approving this Settlement Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein. This Settlement Agreement shall not constitute nor be cited as precedent by any person or deemed an admission by any Settling Party in any other proceeding except as necessary to enforce its terms before the Commission, or any tribunal of competent jurisdiction.

C. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients, and their successors and assigns, who will be bound thereby, subject to the agreement of the Settling Parties on the provisions contained herein and in the attached exhibits.

D. The communications and discussions during the negotiations and conferences have been conducted based on the explicit understanding that said communications and discussions are or relate to offers of settlement and therefore are privileged. All prior drafts



of this Settlement Agreement and any settlement proposals and counterproposals also are or relate to offers of settlement and are privileged.

E. The Settling Parties shall offer supplemental testimony supporting the Commission's approval of this Settlement Agreement and will request that the Commission issue a Final Order incorporating the agreed proposed language of the Settling Parties and accepting and approving the same in accordance with its terms without any modification. Such supportive testimony will be agreed-upon by the Settling Parties and offered into evidence without objection by any Settling Party and the Settling Parties hereby waive cross-examination of each other's witnesses.

F. This Settlement Agreement is conditioned upon and subject to Commission acceptance and approval of its terms in their entirety, without any change or condition that is unacceptable to any Settling Party. The Settling Parties will support this Settlement Agreement before the Commission and request that the Commission accept and approve the Settlement Agreement. This Settlement Agreement is a complete, interrelated package and is not severable, and shall be accepted or rejected in its entirety without modification or further condition(s) that may be unacceptable to any Settling Party. The Settling Parties propose to submit this Settlement Agreement and evidence conditionally, and if the Commission fails to approve this Settlement Agreement in its entirety without any change or imposes condition(s) unacceptable to any adversely affected Settling Party, the Settlement Agreement and supporting evidence may be withdrawn and the Commission will continue to proceed to a decision in the affected proceeding, without regard to the filing of this Settlement Agreement.

G. The Settling Parties will work together to prepare an agreed upon proposed

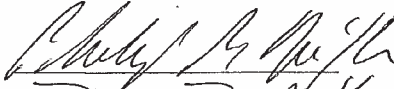
order to be submitted in this Cause. The Settling Parties will request Commission acceptance and approval of this Settlement Agreement in its entirety, without any change or condition that is unacceptable to any party to this Settlement Agreement. The Settling Parties will request that the Commission issue a Final Order promptly accepting and approving this Settlement Agreement in accordance with its terms.

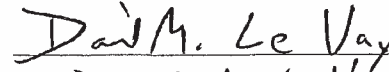
H. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of any Final Order entered by the Commission approving the Settlement Agreement in its entirety without changes or condition(s) unacceptable to any Settling Party (or related orders to the extent such orders are specifically and exclusively implementing the provisions hereof) and shall not oppose this Settlement Agreement in the event of any appeal or a request for rehearing, reconsideration or a stay by any person not a party hereto.

AGREED and ACCEPTED this 31<sup>st</sup> day of October, 2016.

AQUA INDIANA, INC.

INDIANA OFFICE OF UTILITY  
CONSUMER COUNSELOR

  
By: Philip B. McKenna  
Its: Attorney

  
By: Daniel M. LeVay  
Its: Deputy Consumer Counselor

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF AQUA INDIANA, INC. ("AQUA )  
INDIANA") FOR (1) APPROVAL OF THE SALE AND )  
TRANSFER TO AQUA INDIANA OF WASTEWATER )  
UTILITY ASSETS IN CRAWFORD COUNTY, INDIANA )  
USED BY JUSTIN LEWIS AND/OR WHITE OAK )  
SEWAGE TREATMENT, LLC PURSUANT TO AN )  
ASSET PURCHASE AGREEMENT; (2) APPROVAL OF )  
CERTAIN ACCOUNTING AND OTHER RELIEF )  
RELATED TO THE ACQUISITION OF THOSE )  
ASSETS; (3) ISSUANCE TO AQUA INDIANA OF A )  
CERTIFICATE OF TERRITORIAL AUTHORITY )  
ENCOMPASSING RURAL AREAS IN LIBERTY )  
TOWNSHIP IN CRAWFORD COUNTY; AND (4) )  
CONSENTING TO CRAWFORD COUNTY GRANTING )  
AQUA INDIANA LICENSES, PERMITS OR )  
FRANCHISES FOR THE USE OF COUNTY-OWNED )  
PROPERTY. )

CAUSE NO. 44811

APPROVED: JAN 04 2017

ORDER OF THE COMMISSION

**Presiding Officers:**

**James F. Huston, Commissioner**

**Loraine L. Seyfried, Chief Administrative Law Judge**

On July 1, 2016, Aqua Indiana, Inc. ("Aqua Indiana") filed its Verified Petition requesting the Indiana Utility Regulatory Commission ("Commission") approve, along with other associated relief, an Asset Purchase Agreement providing for the sale and transfer of certain plant, property, and assets currently used by Mr. Justin Lewis and/or White Oak Sewage Treatment, LLC (collectively, "White Oak") to provide wastewater utility service in Crawford County, Indiana and issue to Aqua Indiana a certificate of territorial authority ("CTA") to provide wastewater utility service within a certain area of Crawford County, Indiana.

On August 23, 2016, Aqua Indiana filed its case-in-chief. On November 1, 2016, a Stipulation and Settlement Agreement entered into by both Aqua Indiana and the Indiana Office of Utility Consumer Counselor ("OUCC") was filed with the Commission. Aqua Indiana and the OUCC filed testimony in support of the Stipulation and Settlement Agreement on November 10, 2016 and November 14, 2016, respectively.

On November 18, 2016, the Presiding Officers issued a docket entry requesting information relating to Ind. Code § 8-1-2-84(c). Aqua Indiana filed its response to the docket entry on November 21, 2016.

The Commission conducted an evidentiary hearing at 9:30 a.m. on November 28, 2016,

in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Aqua Indiana and the OUCC participated at the hearing and both parties' evidence was admitted into the record without objection. No members of the general public appeared or sought to testify at the hearing.

Based upon the applicable law and the evidence presented, the Commission finds:

1. **Notice and Jurisdiction.** Due, legal, and timely notice of the hearings held in this Cause was published by the Commission. Aqua Indiana and White Oak are each a "public utility" as defined in Ind. Code § 8-1-2-1. The Commission has jurisdiction over the sale and purchase of utility assets and associated ratemaking treatment in accordance with Ind. Code §§ 8-1-2-42, 83-84 and the provision of wastewater service in rural areas under Ind. Code § 8-1-2-89. Therefore, the Commission has jurisdiction over Aqua Indiana and White Oak as well as the subject matter of this proceeding.

2. **Background on Aqua Indiana and White Oak.** Aqua Indiana is an Indiana for-profit corporation providing water utility service to approximately 881 customers and wastewater utility services to approximately 20,772 customers in Indiana. Aqua Indiana also supports the regulated wastewater utility operations of South Haven Sewer Works, Inc. and will continue to do so until it is merged into Aqua Indiana as permitted by the Commission's April 29, 2015 Order in Cause No. 44533. Upon implementing that merger, Aqua Indiana will directly provide wastewater utility service to approximately 4,049 additional wastewater utility customers.

White Oak is an Indiana limited liability company. Mr. Justin Lewis is the President and sole member of White Oak. White Oak provides wastewater utility service to approximately 48 residential and four commercial customers in Liberty Township of Crawford County, Indiana. The area served by White Oak generally is located along State Road 66 approximately four miles south of the Town of Marengo, Indiana.

3. **Relief Requested.** In its Verified Petition, Aqua Indiana seeks Commission approval of the sale and transfer to Aqua Indiana of the plant and property currently used by White Oak to provide wastewater utility service ("White Oak System"). The sale and transfer would be made pursuant to an Asset Purchase Agreement entered into by and between White Oak and Aqua Indiana ("Purchase Agreement").

In connection with the sale and transfer of the White Oak System, Aqua Indiana also requests that the Commission approve: (i) the manner in which Aqua Indiana will record the plant, property, and other assets acquired from White Oak on its books and records; (ii) approve the rates and charges, as well as the rules and regulations, that Aqua Indiana will apply to customers, subject to such changes as the Commission may approve in the future; and (iii) approve the consolidated depreciation rate to be used by Aqua Indiana for the plant, property, and assets that it may use to serve present and future customers.

Aqua Indiana also requests that the Commission grant it a CTA to provide wastewater utility service within the area that White Oak historically has served and certain areas contiguous to that area ("Proposed CTA Area"), which consists of approximately 800 acres.

Finally, Aqua Indiana requests the Commission determine, in accordance with Ind. Code § 36-2-2-23, that public convenience and necessity require Aqua Indiana to provide wastewater utility service within the Proposed CTA Area and consent to Crawford County, Indiana granting Aqua Indiana licenses, permits, or franchises for the use of county-owned property to provide wastewater utility service.

The relief sought in this Cause has been approved by Aqua Indiana's Board of Directors as reflected in resolutions appearing as Attachment D to Petitioner's Exhibit 1.

**4. Aqua Indiana's Direct Evidence.**

**A. Acquisition of White Oak System.** Mr. Bruns described the origin and contents of the Purchase Agreement. He stated that Mr. Justin Lewis approached Aqua Indiana in early 2015 and inquired into whether it was interested in acquiring the White Oak System on a non-competitive basis. He noted Mr. Lewis' approach was prompted by recommendations from the Indiana Department of Environmental Management ("IDEM") and the Commission. Consequently, after completing some preliminary due diligence, Aqua Indiana entered into negotiations with Mr. Lewis that led to the execution of the Purchase Agreement.

Mr. Bruns stated that the assets to be purchased are described in Section 1 and Schedule 1.1 of the Purchase Agreement. The consideration for the purchase is \$10,000. Section 2 of the Purchase Agreement provides that the closing of the transaction will occur on or before 45 days after receipt of all final regulatory approvals. The closing is subject to certain conditions described in the Purchase Agreement, which include: (i) White Oak providing Aqua Indiana with certain information; (ii) Aqua Indiana's satisfactory completion of its due diligence; (iii) the performance of a satisfactory environmental assessment and surveys; (iv) verification of White Oak's title to the assets being transferred; (v) the transfer of certain permits; (vi) receipt of certain consents and approvals, including without limitation the approval of the Commission; and (vii) the lack of any prohibitions to consummation of the matters covered by the Purchase Agreement.

Mr. Bruns testified that, like the rest of the Purchase Agreement, the \$10,000 purchase price resulted from arms-length negotiation between White Oak and Aqua Indiana. He expressed his view that the proposed purchase price is significantly less than the value of the White Oak System.

Mr. Bruns testified Aqua Indiana will operate the White Oak System as part of its Floyd County Division where Aqua Indiana presently provides wastewater utility services to approximately 696 customers. He explained Aqua Indiana has a total work force of five individuals available to directly support its operations in Floyd County: two are administrative personnel who handle accounting, personnel, payroll, and management functions; two are on the wastewater staff responsible for the direct operation and maintenance of treatment plants, lift stations, and collection systems; and the other individual provides customer service. He also noted that Aqua Indiana has access to other Aqua America business units to support its operations and uses outside contractors in connection with its operations. In addition, like all

facilities in Indiana operated by Aqua Indiana, funding for improvements to its system in Floyd County would come from Aqua Indiana's corporate parent, Aqua America, and the same would be true in connection with its operation of the White Oak System. Mr. Bruns sponsored Aqua America's 2015 Annual Report with financial statements in Attachment E to Petitioner's Exhibit 1.

Mr. Bruns explained that the White Oak System will be operated by Aqua Indiana with the same resources and in essentially the same way as Aqua Indiana's existing systems in Floyd County are operated. He noted that this will deviate in some respects from the way the White Oak System is currently operated by White Oak. However, Mr. Bruns expressed his opinion that the operational and customer service differences will be beneficial to White Oak's customers.

Mr. Bruns testified the treatment plant that is part of the White Oak System is in need of painting and an overhaul of its mechanical and treatment equipment. Further, the driveway leading up to the treatment plant is in need of a culvert, along with some added stone. In addition to making these improvements, Mr. Bruns testified that subsequent to closing on the acquisition, the White Oak System's collection piping will be thoroughly inspected and cleaned with corrective repairs made where needed to both sewer mains and manholes.

With respect to rates, Mr. Bruns testified Aqua Indiana intends to apply to present and future customers within the Proposed CTA Area the same rates and charges as are currently charged and collected by White Oak, which currently are flat monthly rates of \$45.00 and \$50.00 for residential and commercial customers, respectively. Mr. Bruns also stated that the rules and regulations for service that Aqua Indiana would apply to customers of the White Oak System will be the same as are currently applied to customers of Aqua Indiana's Floyd County Division, unless and until the Commission has approved other rules and regulations to be applied.

Mr. Bruns testified that Aqua Indiana is not aware of any rate or rates that White Oak has used to depreciate the plant, property, and assets comprising the White Oak System. Aqua Indiana proposes to apply a consolidated depreciation rate of 2.5% to depreciable plant and property that it acquires as part of the transaction and that it may add in the future.

Mr. Bruns also testified that Aqua Indiana understands that White Oak has not maintained books and records that comply with the Commission's requirements or that would allow Aqua Indiana to record the White Oak System on its books and records at values reflecting historical or original costs. In light of this, Mr. Bruns explained that Aqua Indiana proposes to record the acquisition of the White Oak System at an original cost reflecting the purchase price and associated costs allocated among appropriate utility plant in service accounts. In addition, if Aqua Indiana determines after it acquires and commences operation of the White Oak System that there exists a more appropriate basis to record the White Oak System than as described above, Aqua Indiana will submit such for Commission review and approval in the first general rate case it initiates, which it anticipates will not occur for more than three years. Mr. Bruns also explained the accounting entries Aqua Indiana anticipates making to record the acquisition of the White Oak System.



Mr. Bruns expressed his belief that if the Commission approves the transfer, Aqua Indiana will have the lawful authority to operate the White Oak System. In addition, he stated Aqua Indiana has the managerial, technical, and financial resources necessary to properly operate the White Oak System and provide adequate and reliable service to present and future customers. He noted Aqua Indiana has a record of handling successful utility operations in Floyd County and elsewhere in Indiana. Mr. Bruns testified that the Purchase Agreement and the acquisition provided for by it will serve public convenience and necessity and are in the public interest.

**B. Proposed CTA.** Mr. Bruns testified that Aqua Indiana understands that, even though White Oak did not apply for or receive a CTA to provide service within Crawford County, Indiana law requires Aqua Indiana to do so if it acquires the White Oak System. He stated that Aqua Indiana considered it appropriate to proactively define the area where it was in the best position to provide wastewater utility service for the foreseeable future. Accordingly, Mr. Bruns explained that in addition to the area historically served by White Oak, the Proposed CTA Area also encompasses a nearby church and a subdivision of 20 residences that currently utilize septic systems, as well as a nearby high school and the Crawford County Fairgrounds that have expressed interest in receiving service.

Mr. Bruns testified that defining the Proposed CTA Area to also include those additional areas would allow Aqua Indiana to plan for growth and make sure that its service elsewhere is not compromised when growth actually occurs. It should also provide potential customers with a known source of service and provide assurance to Crawford County's officials concerning the availability and source of needed services. Mr. Bruns stated that Aqua Indiana thought it prudent to generally square off the boundaries and/or utilize existing roadways and section lines to configure the Proposed CTA Area to eliminate uncertainty and confusion about the extent of Aqua Indiana's authority and obligation to provide service.

Mr. Bruns stated that the collection facilities needed to serve within the area that historically has been served by White Oak are in place. For areas outside of that which White Oak has historically provided service, Mr. Bruns stated the extension of collection facilities to new customers would most likely involve developers or customers installing the new collection facilities and contributing them to Aqua Indiana, or Aqua Indiana itself extending its collection system pursuant to its main extension rules. Mr. Bruns observed that wastewater generated within the Proposed CTA Area will be handled by the Class I, 0.025 MGD extended aeration facility that is part of the White Oak System. Mr. Bruns testified that White Oak presently has an effective National Pollutant Discharge Elimination System ("NPDES") permit for its treatment plant, but will need to obtain IDEM approval to expand its treatment facilities if more than 40 equivalent dwelling units of additional flow were to be received. Mr. Bruns stated that Aqua Indiana is committed to making the necessary expansion.

Mr. Bruns also testified that he inquired at the Indiana Department of Natural Resources ("DNR") about needed approvals in connection with past requests for new or expanded CTAs and was directed to DNR's regulations concerning permits needed for construction in and crossing of flood zones and streams. He testified there are no such projects currently planned within the Proposed CTA Area, but if any arise, the needed permits or approvals will be obtained.



Mr. Bruns stated that, to his knowledge, no other utility or entity has plans to provide wastewater utility service within the Proposed CTA Area, nor do any utilities or other entities have facilities in the vicinity capable of providing service.

Mr. Bruns expressed his opinion that Aqua Indiana's Floyd County Division will be able to handle service within the Proposed CTA Area for the foreseeable future. He stated that as growth occurs in the Proposed CTA Area, Aqua Indiana will make the capital additions to the facilities and secure the additional staff resources that may be needed to continue to provide adequate and reliable service. In addition, Aqua Indiana will be able to rely on the significant financial and other resources of Aqua America to support its expansion and provision of service within the Proposed CTA Area.

Mr. Bruns expressed the view that appropriate development of the Proposed CTA Area depends on having adequate sanitary facilities available and a central wastewater utility service will support the future growth and development of the Proposed CTA Area. He stated a central wastewater utility service will also provide relief for any existing residents with failing septic systems, which pose a health risk to residents and the general public.

**C. Commission's Consent.** Mr. Bruns testified that Aqua Indiana intends to use county-owned property, including without limitation highway rights-of-way, in connection with operating a wastewater utility system within the Proposed CTA Area. Because public convenience and necessity require such service, Aqua Indiana is requesting the Commission to make such a determination and consent to Crawford County granting Aqua Indiana licenses, permits, or franchises for the use of county-owned property. Mr. Bruns indicated his testimony provides adequate support for such a determination and consent.

**5. Settlement Agreement.** The Stipulation and Settlement Agreement ("Settlement Agreement") entered into by Aqua Indiana and the OUCC provides that the parties agree, subject to the certain conditions, approval of the proposed sale and transfer of the White Oak System and the other relief requested by Aqua Indiana will serve the public interest and public convenience and necessity. Specifically, the parties request the Commission to issue an Order:

- (i) Finding the relief requested by Aqua Indiana in this Cause will serve the public interest and public convenience and necessity;
- (ii) Approving the sale and transfer of the White Oak System to Aqua Indiana pursuant to the Purchase Agreement;
- (iii) Approving the Purchase Agreement and the terms and conditions set forth therein to the extent necessary to authorize the transfer;
- (iv) Granting Aqua Indiana a certificate of territorial authority to provide wastewater utility service within the Proposed CTA Area described in Attachment D to Petitioner's Exhibit 1;

(v) Approving Aqua Indiana's application to customers within the Proposed CTA Area of the same rates and charges as are currently applied by White Oak to its customers within Crawford County, Indiana, subject to such changes as the Commission may approve in the future;

(vi) Approving Aqua Indiana's application to customers within the Proposed CTA Area of the rules and regulations as are currently applied by Aqua Indiana to customers within its Floyd County Division, subject to such changes as the Commission may approve in the future;

(vii) Approving Aqua Indiana's recording the acquisition of the White Oak System at an original cost reflecting the purchase price and incidental expenses it paid, as well as other acquisition costs it incurred, as part of the transaction, with such costs and expenses being allocated among appropriate utility plant in service accounts and with such adjustments as may be necessary to reflect their acquisition by Aqua Indiana;

(viii) Approving Aqua Indiana's use of a depreciation rate of 2.5% for plant, property and assets acquired from White Oak and as may be used to serve present and future customers within the Proposed CTA Area; and

(ix) Consenting to Crawford County, Indiana granting Aqua Indiana licenses, permits or franchises for the use of county-owned property to provide wastewater utility service.

As noted above, Aqua Indiana and the OUCC agree that granting the above-described relief should be subject to the following conditions:

(i) The actual incidental expenses and other acquisition costs reflected in the amounts recorded by Aqua Indiana shall not exceed \$35,000.

(ii) Petitioner shall amortize contributions in aid of construction ("CIAC") as an offset to its depreciation expense and shall use for such purpose a composite rate of 2.5% or such other rate or rates as the Commission shall direct.

(iii) Aqua Indiana should notify the customers previously served by White Oak regarding electronic access to the new rules and regulations that will be applicable to their wastewater utility service.

(iv) Prior to the closing on the acquisition, Aqua Indiana should confirm that White Oak does not possess any deposits made by its customers. If any such deposits are identified, Aqua Indiana shall cause White Oak to return them to the customers involved or deliver them to Aqua Indiana to be handled and returned as appropriate.

(v) In the event Aqua Indiana determines after it acquires and commences operation of the White Oak System that there exists a more appropriate basis to record on its books and records the acquired plant, property, and assets than as described above, subject to any defenses, Aqua Indiana shall submit such for Commission review and approval in the

first general rate case it initiates, which Aqua anticipates will not occur more than three years from the date it closes on the acquisition and commences operation of the acquired plant, property, and assets.

(vi) Within 12 months of closing, Aqua Indiana will provide to the OUCC a complete list by the National Association of Regulatory Utility Commissioners ("NARUC") account of utility plant being acquired. At that time, Aqua Indiana will also provide to the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Aqua Indiana deems it is appropriate to record. Aqua Indiana shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category (legal fees, etc.).

The Settlement Agreement entered into by Aqua Indiana and the OUCC also contains typical provisions governing its scope and approval.

## **6. Evidence in Support of Settlement Agreement.**

**A. Aqua Indiana's Evidence.** Mr. Bruns testified the Settlement Agreement was the product of negotiations with the OUCC after Aqua Indiana filed its case-in-chief. Mr. Bruns then summarized the Settlement Agreement. He stated the parties agreed the Commission should essentially grant the relief sought by Aqua Indiana in its Verified Petition.

Mr. Bruns also testified regarding the conditions that Aqua Indiana and the OUCC agreed to that were not included in Aqua Indiana's Verified Petition. The first condition he described relates to Aqua Indiana's recording on its books and records of the acquisition of the White Oak System, in that Paragraph 2(A) of the Settlement Agreement caps the amount of actual incidental expenses and other acquisition costs reflected in the amounts recorded by Aqua Indiana at \$35,000. Mr. Bruns also described the Settlement Agreement's provisions regarding Aqua Indiana's recordation on its books and records of the plant, property, and assets to be acquired as part of the transaction.

Mr. Bruns also testified that the parties agreed Aqua Indiana should use a depreciation rate of 2.5% for plant, property, and assets acquired from White Oak and as may be used to serve present and future customers within the Proposed CTA Area. He said that Aqua Indiana would also amortize CIAC as an offset to its depreciation expense and use for such purpose a composite rate of 2.5% or such other rate or rates as the Commission shall direct.

The next provision of the Settlement Agreement Mr. Bruns addressed was the requirement that Aqua Indiana notify the customers previously served by White Oak regarding electronic access to the new rules and regulations that will be applicable to their wastewater utility service. He also explained that, prior to the closing on the acquisition, Aqua Indiana will confirm that White Oak does not possess any deposits made by its customers, and that if any such deposits are identified, Aqua Indiana shall cause White Oak to return them to the customers involved or deliver them to Aqua Indiana to be handled and returned as appropriate.

Mr. Bruns concluded by expressing his opinion that the Settlement Agreement represents

a reasonable resolution of the issues in this proceeding and should be approved by the Commission as consistent with the public interest. He testified the Settlement Agreement results in benefits to the parties and customers as a result of the conditions reflected in Paragraph 2.

Finally, in response to a November 18, 2016 docket entry, Mr. Bruns confirmed that the amount Aqua Indiana will pay for the acquisition of the White Oak System is not in excess of 5% of the book cost to Aqua Indiana of all property, plant, or business owned by it at the time of filing its Verified Petition.

**B. OUCC's Evidence.** Margaret A. Stull, Senior Utility Analyst in the OUCC's Water/Wastewater Division, testified in support of the Settlement Agreement. Ms. Stull described the review and analysis she performed of Aqua Indiana's requested relief and the terms of the Settlement Agreement. She explained that the parties agreed Aqua Indiana should be authorized to consummate the acquisition of certain White Oak wastewater utility assets, and that the relief otherwise requested by Aqua Indiana should be granted, subject to the conditions set forth in the Settlement Agreement.

Ms. Stull testified that the OUCC agreed that Aqua Indiana should be permitted to book an amount equal to the purchase price (\$10,000) plus the actual incidental expenses and other acquisition costs not to exceed \$35,000.

Next, Ms. Stull explained how certain agreed terms in the Settlement Agreement are in the public interest. First, Aqua Indiana agreed to notify the customers previously served by White Oak as to where they may access the rules and regulations that will now apply to Aqua Indiana's service. She testified it is important that customers understand new rules will apply and how to access those rules. Additionally, to promote maintenance of a positive rate base and encourage continued prudent investment, Aqua Indiana agreed that it will amortize CIAC as an offset to its depreciation expense and shall use for such purpose a composite rate of 2.5% or such other rate or rates as the Commission shall direct.

Ms. Stull also testified that, in order to avoid misunderstanding and promote appropriate accounting of deposits, Aqua Indiana will confirm that White Oak does not possess any deposits made by its customers. If such deposits are identified, Aqua Indiana will cause White Oak to return the deposits to the customers or deliver them to Aqua Indiana for appropriate handling and return.

The parties also agreed that if Aqua Indiana later determines that there is a more appropriate basis to record the acquired plant, property, and assets than that set forth in the Settlement Agreement, Aqua Indiana may submit such basis for Commission review and approval in the first general rate case affecting the assets. Ms. Stull explained that because such application would be subject to any defenses, the appropriateness of such proposed method will be ensured.

Ms. Stull also testified that Aqua Indiana agreed that within 12 months of closing, Aqua Indiana will provide to the OUCC, by NARUC account, a complete list of utility plant and accumulated depreciation being acquired as of the date of the purchase. Additionally, Ms. Stull

explained that, to promote transparency and more efficient regulatory proceedings, Aqua Indiana will provide an opening balance sheet for the division and the total amount of transactions costs incurred by cost category.

Finally, Ms. Stull testified the Settlement Agreement, which is supported by the evidence, represents a fair, reasonable, and just resolution of the issues in this Cause. She stated that the OUCC believes the settlement is in the public interest.

7. **Commission Discussion and Findings.** Settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement “loses its status as a strictly private contract and takes on a public interest gloss.” *Id.* (quoting *Citizens Action Coalition of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission “may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement.” *Citizens Action Coalition*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition of Ind., Inc. v. Public Service Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission’s own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of Indiana Code ch. 8-1-2, and that such agreement serves the public interest.

A. **Proposed Acquisition.** The evidence demonstrates that the Purchase Agreement, including the agreed purchase price, was the result of arms-length negotiations. Moreover, undisputed testimony indicates that the purchase price is less than the actual value of the White Oak System. The evidence also shows that the amount the parties agreed Aqua Indiana would pay for the acquisition of the White Oak property, plant, or business (\$10,000) is not an amount in excess of 5% of the book cost to Aqua Indiana of all property, plant, or business owned by it at the time of filing its petition in this Cause (in excess of \$100,000,000). Therefore, the shareholder approval provision of Ind. Code § 8-1-2-84(c) is not applicable to this Cause.

The evidence shows that Aqua Indiana is an experienced utility operator and possesses the facilities, personnel, and other resources needed to provide adequate and reliable wastewater utility service to its current customers and those served by the White Oak System. Aqua Indiana also will be able to rely on Aqua America to support its provision of service to the current customers of the White Oak System.

Based on the evidence presented, we find Aqua Indiana’s proposal to apply to present and future customers within the Proposed CTA Area the same rates and charges as are applied by White Oak, which are lower than those currently charged by Aqua Indiana in the Floyd County Division, is reasonable and should be approved. Similarly, we find Aqua Indiana’s proposal to



apply to customers of the White Oak System the same rules and regulations for service as are currently applied to Aqua Indiana's customers is reasonable and should be approved. However, as agreed to in the Settlement Agreement, Aqua Indiana shall notify the customers previously served by White Oak regarding electronic access to the new rules and regulations that will be applicable to their wastewater utility service.

We also find it reasonable that Aqua Indiana record the acquisition of the White Oak System at an original cost reflecting the purchase price and the actual incidental expenses and other acquisition costs, with such costs and expenses limited to \$35,000 and allocated among appropriate utility plant in service accounts. White Oak apparently has not maintained books and records in a manner that would allow any other course of action. Nevertheless, we also find it reasonable that, in the event Aqua Indiana determines after it acquires and commences operation of the White Oak System that there exists a more appropriate basis to record on its books and records the White Oak System, Aqua Indiana will submit such for Commission review and approval in the first general rate case it initiates. In this regard, the parties have agreed that, within 12 months of closing, Aqua Indiana will provide to the OUCC a complete list by NARUC account of utility plant being acquired. At that time, Aqua Indiana will also provide to the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Aqua Indiana deems it is appropriate to record. Aqua Indiana shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category. We find this is a reasonable matter for the parties to have agreed to and should promote transparency and more efficient regulatory proceedings.

As we noted above, Aqua Indiana will assume ownership of and operate the White Oak System without any increase in rates and charges to White Oak's customers. Consequently, residential and commercial customers in the Proposed CTA Area will pay a flat rate of \$45 and \$50, respectively. Although this provides an immediate benefit to White Oak's customers, Aqua Indiana's existing customers should also eventually benefit from Aqua Indiana's ability to spread its fixed costs over a larger customer base and otherwise take advantage of economies of scale in connection with providing service to them. We find, therefore, that the acquisition and operation of the White Oak System by Aqua Indiana on the terms described in the Purchase Agreement is supported by public convenience and necessity, is in the public interest, and should be approved. Prior to the closing on its sale of the White Oak System, Aqua Indiana shall confirm that White Oak does not possess any deposits made by its customers. If any such deposits are identified, Aqua Indiana shall cause White Oak to return them to the customers involved or deliver them to Aqua Indiana to be handled and returned as appropriate. Upon closing the acquisition transaction with White Oak, Aqua Indiana will notify the Commission and the OUCC within 14 days.

**B. Proposed CTA.** Pursuant to Ind. Code § 8-1-2-89(e), the Commission must review the evidence and determine whether Aqua Indiana has established the following:

- (i) Lawful power and authority to apply for said certificate and to operate said proposed service;
- (ii) Financial ability to install, commence, and maintain said proposed service; and
- (iii) Public convenience and necessity require the rendering of this proposed service by it in the Proposed CTA Area.

As indicated above in our discussion of the proposed acquisition, the evidence presented demonstrates that Aqua Indiana has the managerial, technical, and financial ability to provide wastewater service to the White Oak customers. Moreover, the evidence presented supports the conclusion that those abilities extend to Aqua Indiana's proposed service within the Proposed CTA Area. Consequently, we find Aqua Indiana possesses the technical, managerial and financial ability to provide service to the Proposed CTA Area.

Additionally, and with respect to Aqua Indiana's lawful authority to operate the White Oak System, 170 IAC 8.5-3-1 requires an existing wastewater utility seeking an additional or expanded CTA to submit certain exhibits in support of its request. Based on our review, we find that Aqua Indiana has provided the necessary exhibits relevant to its request and demonstrated that it has the lawful authority to apply for the CTA and render wastewater service in the Proposed CTA Area. Specifically, Aqua Indiana provided a legal description for the Proposed CTA Area as well as a detailed map utilizing U.S. Geological Survey facets showing its location and other required data. White Oak presently has an effective NPDES permit issued by IDEM and no other approvals from either IDEM or DNR are required at this time in connection with the provision of service to the Proposed CTA Area. However, Aqua Indiana expressed its willingness to obtain any IDEM or DNR permits and approvals that may be required in the future for specific projects necessary to provide service to the Proposed CTA Area.

In addition, Aqua Indiana intends to serve the Proposed CTA Area, at least initially, with existing infrastructure and provided basic information concerning those facilities. Although the evidence indicates the White Oak System treatment plant is in need of painting and other repairs, Aqua Indiana intends to make the improvements, including inspection and cleaning of collection piping after closing on the acquisition.

Attachment I to Petitioner's Exhibit 1 contains copies of letters that Aqua Indiana sent by certified mail to several utilities and municipalities in the vicinity of the Proposed CTA Area notifying them of the initiation of this proceeding and its request for authority to serve the Proposed CTA Area. Petitioner's exhibit also included the acknowledgments it received to those notice letters. There is no dispute that most of the Proposed CTA Area is presently served by White Oak and outside of White Oak's current service area there does not appear to be the any other supplier interested in serving the area. Further, Aqua Indiana has presented evidence showing that its service will benefit the Proposed CTA Area by making it more attractive for development and as a source of service in the event of failing septic systems.

We also note that Aqua Indiana's request for approval to provide service in the Proposed CTA Area meets our preference that utilities bordering upon previously developed areas extend CTAs in a symmetric way that allows for the option of service and avoids isolated unserved areas. Aqua Indiana has demonstrated that its interest in serving the Proposed CTA Area is not focused solely on the area currently served by White Oak. The Proposed CTA Area encompasses territory adjacent to the White Oak service area and does not create isolated unserved areas. Consequently, granting Aqua Indiana's request that it be authorized to serve areas contiguous to the area currently served by White Oak is reasonable, and thus, will serve public convenience and necessity and the public interest.

C. **Commission Consent.** Ind. Code § 36-2-2-23 requires the consent of the Commission prior to the grant by a board of county commissioners of a permit to a utility to use county property (generally roads, easements, right-of-ways, and the like) in rendering utility service. Accordingly, the finding by the Commission herein that the public convenience and necessity require the issuance of the requested CTA to Aqua Indiana should be deemed the consent of the Commission to the Board of Commissioners of Crawford County issuing to Aqua Indiana a license, permit, or franchise for the use of county property in rendering wastewater utility service within the Proposed CTA Area in accordance with applicable Indiana law.

8. **Conclusions Regarding Settlement Agreement.** Based on our discussion above and our review of the evidence presented, we find that the Settlement Agreement is reasonable, supported by the evidence, and in the public interest. Therefore, we approve the Settlement Agreement consistent with our findings above. Further, the parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 WL 34880849, at \*7-8 (IURC March 19, 1997).

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. The Settlement Agreement, a copy of which is attached and incorporated by reference into this Order, is approved.
2. The sale and transfer of the White Oak System to Aqua Indiana and the Purchase Agreement are in the public interest, serve the public convenience and necessity, and are approved.
3. Aqua Indiana is granted a certificate of territorial authority to provide wastewater utility service within the Proposed CTA Area described in Attachment D to Petitioner's Exhibit 1.
4. Aqua Indiana is authorized to apply to customers within the Proposed CTA Area the same rates and charges as are currently applied by White Oak.
5. Upon closing the transaction with White Oak, Aqua Indiana shall file an updated tariff with the Commission's Water/Wastewater Division a new schedule of rates and charges for its White Oak operation. Upon its approval, the tariff will be effective as of its filing date.
6. Aqua Indiana is authorized to apply to customers within the Proposed CTA Area the rules and regulations as are currently applied by Aqua Indiana to customers within its Floyd County Division.



7. Aqua Indiana is authorized to record the acquisition of the White Oak System at an original cost reflecting the purchase price and incidental expenses it paid, as well as other acquisition costs it incurred, as part of the transaction, with such costs and expenses being allocated among appropriate utility plant in service accounts and with such adjustments as may be necessary to reflect their acquisition by Aqua Indiana, but which amount shall not exceed \$35,000.

8. Aqua Indiana is authorized to use of a depreciation rate of 2.5% for plant, property, and assets acquired from White Oak and as may be used to serve present and future customers within the Proposed CTA Area.

9. Consent to Crawford County, Indiana granting Aqua Indiana licenses, permits, or franchises for the use of county-owned property is granted.

10. This Order shall be effective on and after the date of its approval.

**HUSTON, FREEMAN, WEBER, AND ZIEGNER CONCUR:**

**APPROVED:** JAN 04 2017

**I hereby certify that the above is a true  
and correct copy of the Order as approved.**

  
\_\_\_\_\_  
**Mary M. Becerra**  
**Secretary of the Commission**

FILED  
NOVEMBER 1, 2016  
INDIANA UTILITY  
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF AQUA INDIANA, INC. ("AQUA )  
INDIANA") FOR (1) APPROVAL OF THE SALE )  
AND TRANSFER TO AQUA INDIANA OF )  
WASTEWATER UTILITY ASSETS IN )  
CRAWFORD COUNTY, INDIANA USED BY )  
JUSTIN LEWIS AND/OR WHITE OAK SEWAGE )  
TREATMENT, LLC PURSUANT TO AN ASSET )  
PURCHASE AGREEMENT; (2) APPROVAL OF )  
CERTAIN ACCOUNTING AND OTHER RELIEF )  
RELATED TO THE ACQUISITION OF THOSE )  
ASSETS; (3) ISSUANCE TO AQUA INDIANA OF A )  
CERTIFICATE OF TERRITORIAL AUTHORITY )  
ENCOMPASSING RURAL AREAS IN LIBERTY )  
TOWNSHIP IN CRAWFORD COUNTY; AND (4) )  
CONSENTING TO CRAWFORD COUNTY )  
GRANTING AQUA INDIANA LICENSES, )  
PERMITS OR FRANCHISES FOR THE USE OF )  
COUNTY-OWNED PROPERTY. )

OFFICIAL  
EXHIBITS

CAUSE NO. 44811

IURC  
JOINT  
EXHIBIT No. 1  
11-28-16  
DATE REPORTER

STIPULATION AND SETTLEMENT AGREEMENT

On July 1, 2016, Aqua Indiana, Inc. ("Aqua Indiana" or "Petitioner") filed its Verified Petition seeking to have the Commission approve the sale and transfer to Aqua Indiana of the plant and property currently used by Mr. Justin Lewis and/or White Oak Sewage Treatment, LLC (collectively, "White Oak") in Crawford County, Indiana to provide wastewater utility service. The sale and transfer of the plant and property currently used by White Oak (the "White Oak System") would be made pursuant to an Asset Purchase Agreement between White Oak and Aqua Indiana that appears as Attachment C to Petitioner's Exhibit 1 (the "Purchase Agreement"). In connection with the sale and transfer of the White Oak System, Aqua Indiana also requests that the Commission (i) approve the manner in which Aqua Indiana will record the plant, property and other assets acquired from White Oak on its books and records; (ii) approve the rates and charges, as well as the rules

Joint  
Exhibit 1

and regulations, that Aqua Indiana will apply to customers, subject to such changes as the Commission may approve in the future; and (iii) approve the depreciation rate to be used by Aqua Indiana for the plant, property and assets that it may use to serve present and future customers.

Aqua Indiana also requests that the Commission grant it a CTA to provide wastewater utility service within the area which White Oak historically has served and certain areas contiguous to that area (the “Proposed CTA Area”). A legal description and map of the Proposed CTA Area appears as part of Attachment F to Petitioner’s Exhibit 1. Finally, Aqua Indiana is seeking to have the Commission determine, in accordance with Ind. Code § 36-2-2-23, that public convenience and necessity require Aqua Indiana to provide wastewater utility service within the Proposed CTA Area and consent to Crawford County, Indiana granting Aqua Indiana licenses, permits or franchises for the use of county-owned property to provide wastewater utility service.

The Indiana Office of Utility Consumer Counselor (“OUCC”) reviewed the Petitioner’s filed testimony and exhibits, met with representatives of Petitioner and requested additional information from Petitioner through both formal and informal discovery. Petitioner and the OUCC (individually, a “Settling Party” and collectively, the “Settling Parties”) engaged in settlement negotiations. As a result of those negotiations, the Settling Parties reached an agreement with respect to all the issues between them before the Commission, including without limitation as follows:

1. **Granting Requested Relief.** The Settling Parties agree that, subject to the provisions of Paragraph 2 below, approval of the relief requested by Aqua Indiana in this

Cause will serve the public interest and public convenience and necessity and, accordingly, the Commission should issue a Final Order in this Cause:

A. Finding that the relief requested by Aqua Indiana in this Cause will serve the public interest and public convenience and necessity;

B. Approving the sale and transfer of the White Oak System to Aqua Indiana pursuant to the Purchase Agreement;

C. Approving the Purchase Agreement and the terms and conditions set forth therein to the extent necessary to authorize the transfer;

D. Granting Aqua Indiana a certificate of territorial authority to provide wastewater utility service within the Proposed CTA Area described in Attachment D to Petitioner's Exhibit 1;

E. Approving Aqua Indiana's application to customers within the Proposed CTA Area of the same rates and charges as are currently applied by White Oak to its customers within Crawford County, Indiana, subject to such changes as the Commission may approve in the future;

F. Approving Aqua Indiana's application to customers within the Proposed CTA Area of the rules and regulations as are currently applied by Aqua Indiana to customers within its Floyd County Division, subject to such changes as the Commission may approve in the future;

G. Approving Aqua Indiana's recording the acquisition of the White Oak System at an original cost reflecting the purchase price and incidental expenses it paid, as well as other acquisition costs it incurred, as part of the transaction, with such costs and expenses

being allocated among appropriate utility plant in service accounts and with such adjustments as may be necessary to reflect their acquisition by Aqua Indiana;

H. Approving Aqua Indiana's use of a depreciation rate of 2.5% for plant, property and assets acquired from White Oak and as may be used to serve present and future customers within the Proposed CTA Area; and

I. Consenting to Crawford County, Indiana granting Aqua Indiana licenses, permits or franchises for the use of county-owned property to provide wastewater utility service.

2. **Other Agreements.**

A. For purposes of Paragraph 1F above, the actual incidental expenses and other acquisition costs reflected in the amounts recorded by Aqua Indiana shall not exceed \$35,000.

B. Petitioner shall amortize contributions in aid of construction ("CIAC") as an offset to its depreciation expense and shall use for such purpose a composite rate of 2.5% or such other rate or rates as the Commission shall direct.

C. Aqua Indiana should notify the customers previously served by White Oak regarding electronic access to the new rules and regulations that will be applicable to their wastewater utility service.

D. Prior to the closing on the acquisition, Aqua Indiana should confirm that White Oak does not possess any deposits made by its customers. If any such deposits are identified, Aqua Indiana shall cause White Oak to return them to the customers involved or deliver them to Aqua Indiana to be handled and returned as appropriate.

E. In the event Aqua Indiana determines after it acquires and commences operation of the White Oak System that there exists a more appropriate basis to record on its books and records the acquired plant, property and assets than as described in Paragraph 1F above, subject to any defenses, Aqua Indiana shall submit such for Commission review and approval in the first general rate case it initiates, which Aqua anticipates will not occur more than three years from the date it closes on the acquisition and commences operation of the acquired plant, property and assets.

F. Within 12 months of closing, Aqua Indiana will provide to the OUCC a complete list by NARUC account of utility plant being acquired. At that time, Aqua Indiana will also provide to the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Aqua Indiana deems it is appropriate to record. Aqua Indiana shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category (legal fees, etc.).

3. **Scope and Approval**

A. Neither the making of this Settlement Agreement nor any of its provisions, including without limitation any provisions contained in exhibits to this Settlement Agreement, shall constitute in any respect an admission by any Settling Party in this or any other litigation or proceeding. This Settlement Agreement is solely the result of compromise in the settlement process and, except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Settling Parties may take with respect to any or all of the issues resolved herein in any future regulatory or other proceedings.

B. Neither the making of this Settlement Agreement, nor the provisions thereof, nor the entry by the Commission of a Final Order approving this Settlement Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein. This Settlement Agreement shall not constitute nor be cited as precedent by any person or deemed an admission by any Settling Party in any other proceeding except as necessary to enforce its terms before the Commission, or any tribunal of competent jurisdiction.

C. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients, and their successors and assigns, who will be bound thereby, subject to the agreement of the Settling Parties on the provisions contained herein and in the attached exhibits.

D. The communications and discussions during the negotiations and conferences have been conducted based on the explicit understanding that said communications and discussions are or relate to offers of settlement and therefore are privileged. All prior drafts of this Settlement Agreement and any settlement proposals and counterproposals also are or relate to offers of settlement and are privileged.

E. The Settling Parties shall offer supplemental testimony supporting the Commission's approval of this Settlement Agreement and will request that the Commission issue a Final Order incorporating the agreed proposed language of the Settling Parties and accepting and approving the same in accordance with its terms without any modification. Such supportive testimony will be agreed-upon by the Settling Parties and offered into evidence without objection by any Settling Party and the Settling Parties hereby waive cross-examination of each other's witnesses.

F. This Settlement Agreement is conditioned upon and subject to Commission acceptance and approval of its terms in their entirety, without any change or condition that is unacceptable to any Settling Party. The Settling Parties will support this Settlement Agreement before the Commission and request that the Commission accept and approve the Settlement Agreement. This Settlement Agreement is a complete, interrelated package and is not severable, and shall be accepted or rejected in its entirety without modification or further condition(s) that may be unacceptable to any Settling Party. The Settling Parties propose to submit this Settlement Agreement and evidence conditionally, and if the Commission fails to approve this Settlement Agreement in its entirety without any change or imposes condition(s) unacceptable to any adversely affected Settling Party, the Settlement Agreement and supporting evidence may be withdrawn and the Commission will continue to proceed to a decision in the affected proceeding, without regard to the filing of this Settlement Agreement.

G. The Settling Parties will work together to prepare an agreed upon proposed order to be submitted in this Cause. The Settling Parties will request Commission acceptance and approval of this Settlement Agreement in its entirety, without any change or condition that is unacceptable to any party to this Settlement Agreement. The Settling Parties will request that the Commission issue a Final Order promptly accepting and approving this Settlement Agreement in accordance with its terms.

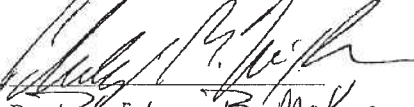
H. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of any Final Order entered by the Commission approving the Settlement Agreement in its entirety without changes or condition(s) unacceptable to any Settling Party (or related orders to the extent such orders are specifically and exclusively implementing the provisions



hereof) and shall not oppose this Settlement Agreement in the event of any appeal or a request for rehearing, reconsideration or a stay by any person not a party hereto.

AGREED and ACCEPTED this 31<sup>st</sup> day of October, 2016.

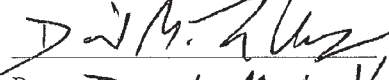
AQUA INDIANA, INC.



By: Philip B. McKenna

Its: Attorney

INDIANA OFFICE OF UTILITY  
CONSUMER COUNSELOR



By: Daniel M. LeVay

Its: Deputy Consumer Counselor

6/1/2017

EPCOR Water USA Completes Willow Valley Water Company Acquisition

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**S&P 500**  
2,425.41  
+13.61 (+0.56%)

**Dow 30**  
21,116.47  
+107.82 (+0.51%)

**Nasdaq**  
6,235.27  
+36.76 (+0.59%)

**Crude Oil**  
48.62  
+0.30 (+0.62%)

**Gold**  
1,269.00  
-6.40 (-0.50%)

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## EPCOR Water USA completes Willow Valley Water company acquisition

Marketwired May 9, 2016

PHOENIX, ARIZONA--(Marketwired - May 9, 2016) - EPCOR Water (USA) Inc. (EPCOR USA), a wholly owned subsidiary of EPCOR Utilities Inc. (EPCOR), has completed the previously announced acquisition of Willow Valley Water Company (Willow Valley).

"Willow Valley complements our existing regional footprint in northwestern Arizona and is a natural step as we continue to expand our business," said Joe Gysel, President of EPCOR USA. "We believe that our focus on customer service and operational excellence will benefit the customers of Willow Valley, now and in the future."

Through its Arizona subsidiary EPCOR Water Arizona Inc., EPCOR USA acquired substantially all of the assets and operations of Willow Valley Water Company for approximately US\$2.27 million. The acquisition has received regulatory approval from the Arizona Corporation Commission.

Willow Valley provides water service to approximately 1,600 customer connections in the Bullhead City area, a service territory approximately 10 miles south of EPCOR USA's Mohave and North Mohave water districts.

With the acquisition of Willow Valley, EPCOR USA now provides water service to more than 21,000 connections in Mohave County. EPCOR USA also provides wastewater service to approximately 1,560 connections in Fort Mohave.

Willow Valley is the company's sixth acquisition since entering the United States. In 2011, the company acquired Chaparral City Water Company, followed by the 2012 acquisition of American Water's Arizona and New Mexico assets and operations. In 2013, EPCOR USA acquired North Mohave Valley Corporation in Arizona and Thunder Mountain Water Company in New Mexico, as well as the existing agreements and master-planning responsibilities to provide wastewater and recycled water services to a 7,000-acre development corridor in Glendale, Arizona.

Today, EPCOR USA is the largest, private regulated water utility in Arizona and New Mexico, providing water and wastewater service to

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Symbol	Last Price	Change	% Ch
<b>ALE</b> ALLETE, Inc.	73.26	-0.13	-0.1
<b>AQN</b> Algonquin Power & Utilities Corp.	10.46	0.13	1.2
<b>AGR</b> Avangrid, Inc.	45.63	0.20	0.4
<b>YHOO</b> Yahoo! Inc.	50.63	0.31	0.6
<b>DUK</b> Duke Energy Corporation	85.72	0.04	0.0
<b>AEP</b> American Electric Power Company, Inc.	72.06	0.28	0.4
<b>EMA.TO</b> Emera Incorporated	48.63	0.45	0.9

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6/1/2017

EPCOR Water USA Completes Willow Valley Water Company Acquisition

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meaning of Canadian securities laws as it relates to anticipated financial performance, events or strategies. When used in this context, words such as "will", "anticipate", "believe", "plan", "intend", "target" and "expect" or similar words suggest future outcomes. The purpose of forward-looking information is to provide investors with management's assessment of future plans and possible outcomes and may not be appropriate for other purposes. Forward-looking information in this news release includes expectations regarding the timing of regulatory approval of the acquisition.

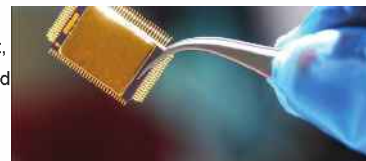
These statements are based on the assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate. Readers are cautioned not to place undue reliance on forward-looking statements as actual results could differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Except as required by law, EPCOR disclaims any intention and assumes no obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason.

#### About EPCOR Water USA

EPCOR USA is an indirect, wholly owned subsidiary of EPCOR Utilities Inc. Headquartered in Phoenix, Arizona, EPCOR USA's wholly owned subsidiaries build, own and operate water and wastewater treatment facilities and infrastructure in the southwestern United States. EPCOR USA is the parent company of EPCOR Water Arizona Inc.

#### About EPCOR Utilities Inc.

EPCOR's wholly owned subsidiaries build, own and operate electrical transmission and distribution networks, water and wastewater treatment facilities and infrastructure in Canada and the United States. The Company's subsidiaries also provide electricity and water services and products to residential and commercial customers. EPCOR, headquartered in Edmonton, is an Alberta top 70 employer. EPCOR's website address is [www.epcor.com](http://www.epcor.com).



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Reuters

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## Aqua / DELCORA Partnership

AQUA<sup>SM</sup> DELCORA





# DELCORA

## AGENDA

# DELCORA

- Key Topics – Why are we here?
- Appendix A
  - Overview of Challenges DELCORA Faces
  - Overview of Public Outreach
  - Why did DELCORA Choose Aqua
  - Rate Stabilization Fund



# Key Topics

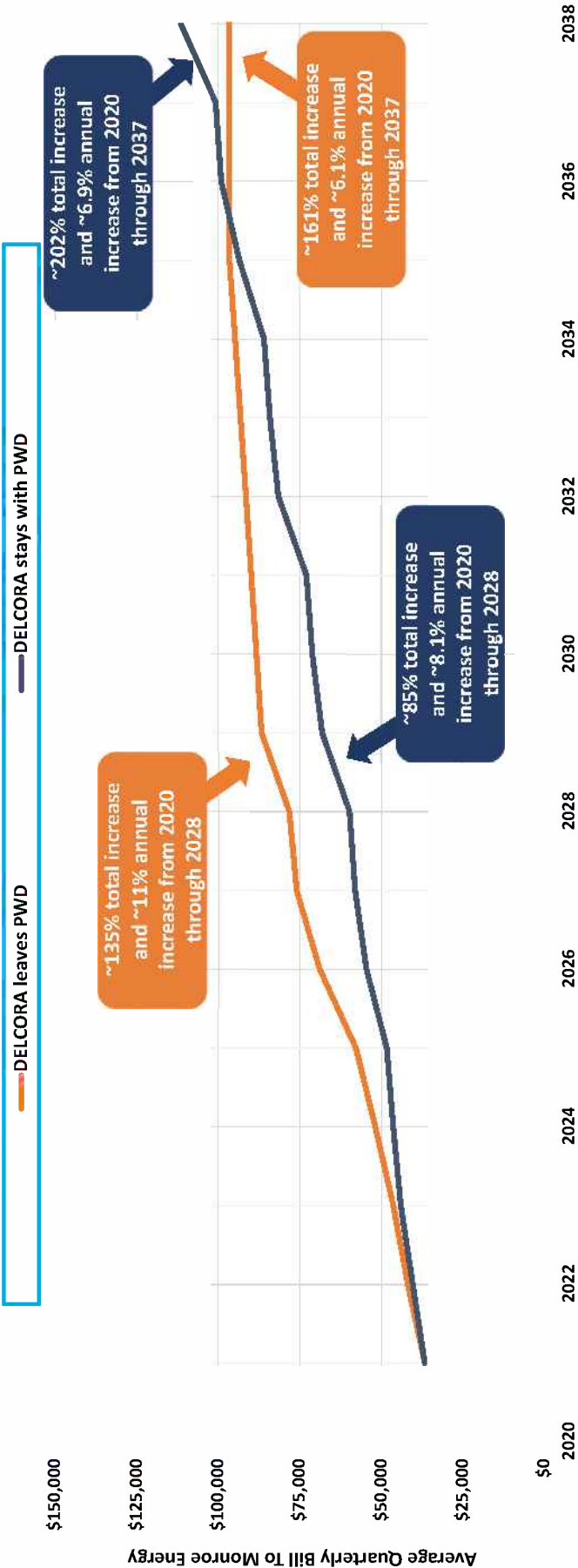
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- **Why are we here?**
  - DELCORA is facing very large future capital needs
    - Regardless of whether or not DELCORA continues agreement with Philadelphia Water Department
  - DELCORA has executed an Asset Purchase Agreement to sell its assets to Aqua
  - DELCORA is determined to make sure that its customers are protected as a part of the sale
    - **All net proceeds from the sale will be used to help subsidize your rates**
  - **As shown in this presentation, the projected savings as an Aqua customer are significant**
- Aqua will operate DELCORA's system under a regulatory framework following closing of the transaction

DELCORA



# Expected Monroe Energy Bill Impact



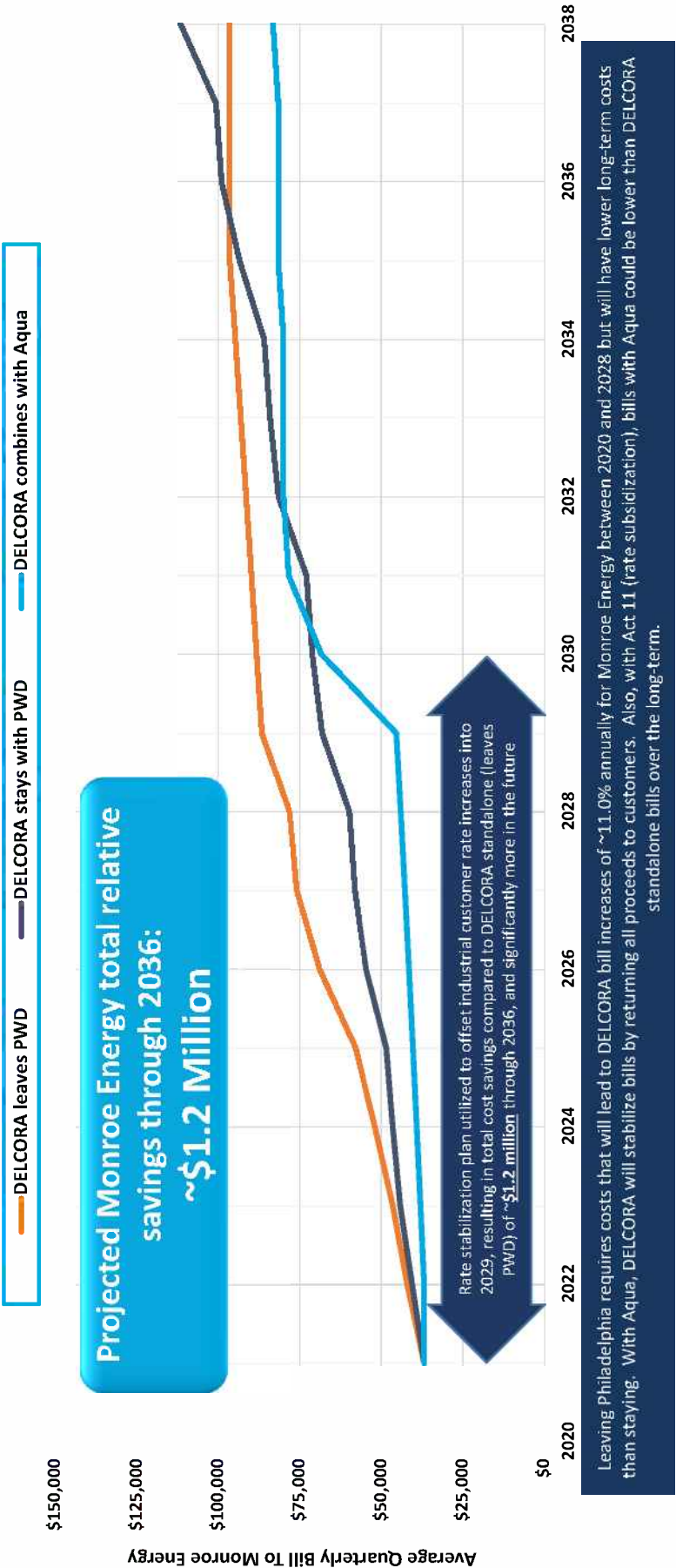
Source: DELCORA projections.

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# Illustrative Impact to Monroe Energy



Source: DELCORA and Aqua projections.

1) DELCORA customer bills are calculated to increase at a lower rate than the DELCORA standalone bills for a period of time after transaction closes due to upfront proceeds paid to DELCORA.

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# Visual Representation of Line Chart – Est. Annual Bill in 2028

2028  
Quarterly Treatment Expenses Only  
(Does Not Include Additional Fees Charge by the Authority/Municipality)

DELCORA KEEPS OWNERSHIP OF  
SYSTEM & STAYS WITH PWD

~\$68K



DELCORA KEEPS OWNERSHIP  
OF SYSTEM & LEAVES PWD

~\$87K



DELCORA COMBINES WITH  
AQUA & LEAVES PWD

~\$45K



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Notes:

- 1. Examples shown assume DELCORA's bill only.
- 2. Assumes 70,000 gallons of usage per year.
- 3. All figures shown are illustrative and subject to material change depending on a variety of factors.



# Visual Representation of Line Chart – Est. Annual Bill in 2037

2037  
Quarterly Treatment Expenses Only  
(Does Not Include Additional Fees Charge by the Authority/Municipality)

DELCORA KEEPS OWNERSHIP OF  
SYSTEM & STAYS WITH PWD

~\$111K



DELCORA KEEPS OWNERSHIP  
OF SYSTEM & LEAVES PWD

~\$96K



DELCORA COMBINES WITH  
AQUA & LEAVES PWD

~\$83K



DELCORA

Notes:

- 1. Examples shown assume DELCORA's bill only.
- 2. Assumes 70,000 gallons of usage per year.
- 3. All figures shown are illustrative and subject to material change depending on a variety of factors.

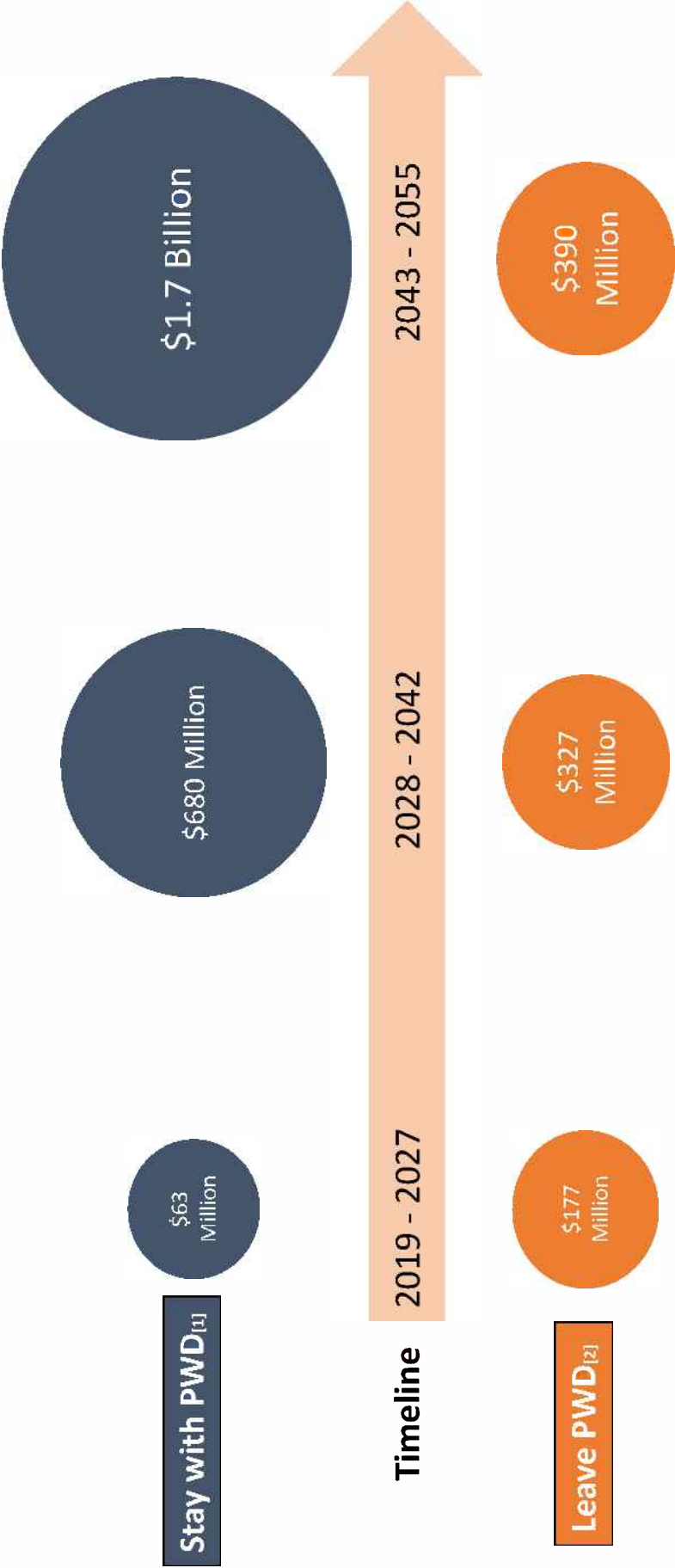


# Appendix A – Back Up Information

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DELCORA Projected Financial Impact – Stay with Philadelphia Water Dept. (“PWD”) vs. Leave PWD



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\*Note – 2019-2042 estimated based on available cost information/estimates from PWD, engineering, financial consultants. 2043-2055 shows DELCORA projections based on PWD information for illustrative purposes only.  
[1] Shows existing DELCORA debt service, projected debt service for PWD LTCP costs, and operating costs  
[2] Shows existing DELCORA debt service, projected Eastern Service Area debt service costs, and operating costs

## DELCORA's Challenge: Significant Project Costs Required Through 2042

Philadelphia currently treats a significant portion of DELCORA's wastewater. DELCORA faces substantial costs related to Philadelphia's mandated infrastructure investments and other needed capital projects. DELCORA has no influence on future Philadelphia rate increases, and the project won't be completed until 2042.

**These costs will significantly increase DELCORA rates going forward!**

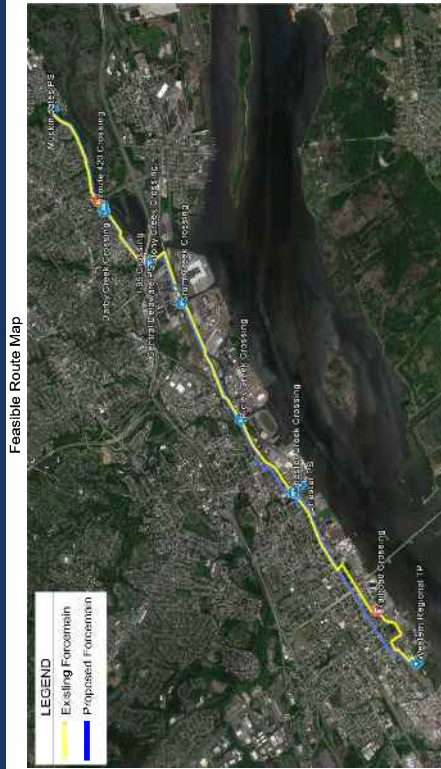
Item	Project Costs	Comment
Philadelphia LTCP EPA Costs	\$605 Million	This is a fluid number that has already increased dramatically from \$178M during the first five years of our current contract with Philadelphia Water Department (PWD)
DELCORA Chester LTCP EPA Costs	\$87 Million	As submitted to EPA in February 2019; has the potential to increase
Capital Plan (Surface Assets)	\$332 Million	2019 Capital Plan (maintain existing surface assets)
Pipeline Rehabilitation (Sub-surface Assets)	\$88 Million	\$4 million per year average investment to repair/replace ~150 miles of older sewer lines over time
Treatment Plant Regulatory Improvements	\$100 Million	Regulatory requirements likely to include ammonia and nutrient control; additional requirements above this level of investment are possible, if not likely
ESTIMATED TOTAL	<b>\$1.2 billion</b>	Based on 2019 costs (not escalated)

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# Capital Projects Needed to Leave PWD

# Project Overview



- Investment of \$450M required
- Build new pipeline to convey wastewater from PWD to Chester facility
- Upsize Chester Wastewater Treatment Plant to accommodate new waste stream

## Why Now?

- Must begin immediate expansion to leave PWD by 2028
- Based on a preliminary design estimate by outside consultants scheduling analysis
- The 8 years that remain are completely consumed by:
  - 4 years of permitting/design and
  - 4 years of bidding/construction/commissioning thereafter

# Long-Term Control Plan Outreach



DELCORA

PLAN DEVELOPMENT		
Meeting 1: March 15, 2016, 6 PM	Scope and Purpose of the Study	Chester City Hall, Chester
Meeting 2: June 27, 2017, 6 PM	System Characterization	Ridley Township Building, Ridley
Meeting 3: December 5, 2017, 6 PM	Development & Evaluation of Alternatives	Chester City Hall, Chester
Meeting 4: September 26, 2018, 5 PM	Selection and Implementation	Aston Township Building, Aston

PLAN OUTREACH		
September 24, 2015	Radnor, Haverford Marple Joint Authority	Radnor, Haverford, Marple
November 18, 2015	Darby Creek Joint Authority	Springfield, Upper Darby, Colwyn, Collingdale, Clifton Heights, Aldan, Darby Township, Darby Borough, Folcroft, Lansdowne, Yeadon, Sharon Hill
November 15, 2016	Central Delaware County Authority	Springfield, Nether Providence, Swarthmore, Ridley Park, Prospect Park, Ridley Township, Morton, Rutledge, Edgemont, Upper Providence, Newtown Square
December 5, 2016	Southern Delaware County Authority	Upper Chichester, Lower Chichester, Bethel
November 9, 2017	Southwest Delaware County Authority	Aston, Middletown, Brookhaven, Chester Heights





## Public/Stakeholder Outreach Regarding Potential Aqua Partnership

Date	Meeting Participants
July 16, 2019	<ul style="list-style-type: none"> <li>- DELCORA Board of Directors</li> <li>- Board Authorized non-binding Letter of Intent for Exploring a Partnership between DELCORA and Aqua</li> <li>- DELCORA Personnel in Administration Building</li> <li>- DELCORA Plant Personnel (Engineering &amp; Laboratory)</li> </ul>
July 17, 2019	<ul style="list-style-type: none"> <li>- DELCORA Management Team</li> <li>- Shop Stewards/Collective Bargaining Unit</li> </ul>
July 23, 2019	<ul style="list-style-type: none"> <li>- Central Delaware County Authority (CDCA)</li> <li>- Delaware County Council</li> <li>- Muckinipates Authority</li> </ul>
July 24, 2019	<ul style="list-style-type: none"> <li>- Southwest Delaware County Authority</li> </ul>
July 25, 2019	<ul style="list-style-type: none"> <li>- Darby Creek Joint Authority (DCJA)</li> <li>- Southern Delaware County Authority (SDCA)</li> </ul>
July 30, 2019	<ul style="list-style-type: none"> <li>- Business Agent and Shop Stewards of Collective Bargaining Unit</li> </ul>
August 1, 2019	<ul style="list-style-type: none"> <li>- Kathleen Carey from the Delco Times</li> <li>- Paul Bennett from Spirit News</li> </ul>
August 2, 2019	<ul style="list-style-type: none"> <li>- Business Agent &amp; Shop Stewards of the Collective Bargaining Unit and Aqua</li> </ul>
August 8, 2019	<ul style="list-style-type: none"> <li>- All Members of the Collective Bargaining Unit &amp; Aqua</li> <li>- Salaried Employees &amp; Aqua</li> </ul>
August 20, 2019	<ul style="list-style-type: none"> <li>- DELCORA Board Meeting – Extended due-diligence period</li> </ul>
August 21, 2019	<ul style="list-style-type: none"> <li>- Delaware County Council Meeting</li> </ul>
September 4, 2019	<ul style="list-style-type: none"> <li>- Open House at Springfield Country Club</li> </ul>
September 11, 2019	<ul style="list-style-type: none"> <li>- Open House at Rondale-Hollis-Jefferson Gymnasium</li> </ul>





# Why Aqua Was Chosen as a Partner



- Qualified operator to address the capital plan and build infrastructure to leave PWD



- Generate a rate stabilization plan to mitigate the impact of future rate increases that are significantly below DELCORA's projected rates



- Commitment to hire all DELCORA employees



- Customer overlap and strong existing community relationships



- Brings the safeguard of PUC oversight of future rate increases



- Accessibility to capital markets



- Provide significant experience in large-scale / complex project delivery, e.g. in 2018, Aqua PA replaced 155 miles of pipe while DELCORA replaced less than one mile

DELCORA



## Rate Stabilization Plan Overview

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- DELCORA forms the Trust Fund and contributes the net proceeds from the sewer sale.
- Purposes of the Trust Fund are to: (a) make distributions to Aqua for the benefit of DELCORA customers to stabilize sewer rates at an annual increase of 3.0%; and (b) responsibly invest and reinvest the contributed money.
- Trust Fund is set up as an irrevocable trust so money contributed to the Trust Fund can only ever be used for the benefit of DELCORA customers.
- Trust Fund will have 1 independent and respected institutional Trustee.
- Trust Fund terminates when all the money has been distributed for rate-stabilization purposes and related expenses, such as administration expenses.
- Currently, DELCORA anticipates retaining certain rights and duties, including:
  - Right and duty to monitor and audit Aqua's use of rate-stabilization distributions by requesting accounting, audited financials, calculation of allocation schedules, etc.
  - Right to remove and appoint Trustee but successor Trustee required to be an independent institutional fiduciary.

# THANK YOU



Location		Project Name		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
Buildings	B-1 (Grit)	Grit Removal Renewal		\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
		New Grit Tank Screen Rehab		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Blower Replacement		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,032,171	
	B-2 (Control)																		
		Boiler		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Laboratory																		
		Lab Fans		\$ -	\$ -	\$ -	\$ -	\$46,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	B-3 (Incinerator)																		
		BFP Control Room HVAC		\$ -	\$ 31,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		BFP Odor Control		\$ 902,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HVAC Replacement			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CEMS			\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Belt Press Overhaul or Replacement			\$ -	\$ -	\$ -	\$ 1,690,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CI2 Room Evaporators (Considering Upgrades)			\$ -	\$ -	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Chlorine Tank Storage Room (piping, Valves)			\$ -	\$ -	\$ -	\$ 125,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Belt Press Room (Upgrades to BPs)			\$ -	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
B-6 (Blower)	Dry Ash Handling System Renewal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Incineration (Annual, 2-year Contract)		\$ 218,545	\$ 225,102	\$ 231,855	\$ 238,810	\$ 245,975	\$ 253,354	\$ 260,955	\$ 268,783	\$ 276,847	\$ 285,152	\$ 293,707	\$ 302,518	\$ 311,593	\$ 320,941	\$ -	\$ -	
	Incinerator Refractory (bricks)		\$ 41,792	\$ -	\$ 44,337	\$ -	\$ 47,037	\$ -	\$ 49,902	\$ -	\$ 52,941	\$ -	\$ 56,165	\$ -	\$ 59,585	\$ -	\$ -	\$ -	
	Incinerator Castings (Arms, Teeth, etc.)		\$ 41,792	\$ -	\$ 44,337	\$ -	\$ 47,037	\$ -	\$ 49,902	\$ -	\$ 52,941	\$ -	\$ 56,165	\$ -	\$ 59,585	\$ -	\$ -	\$ -	
	Cake Pump Redundancy & Rebuild		\$ -	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Aeration Blower Overhauls		\$ 202,592	\$ -	\$ -	\$ -	\$ 228,019	\$ -	\$ -	\$ -	\$ 256,637	\$ -	\$ -	\$ -	\$ 288,847	\$ -	\$ -	\$ -	
	EPS-1 + FM																		
	Pump Stations	EPS-1 Demo			\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tank Rebuilds				\$ 1,213,635	\$ -	\$ -	\$ 1,326,171	\$ -	\$ -	\$ 1,449,143	\$ -	\$ -	\$ 1,583,518	\$ -	\$ -	\$ 1,730,353	\$ -	\$ -	
T-11 to T-14 (Aeration)																			
		Aeration Panels		\$ -	\$ -	\$ -	\$ 1,384,234	\$ -	\$ -	\$ 5,375,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
T-15 to T-18 (Secondary Clarifiers)																			
		Secondary Clarifier Rebuilds		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
T-27 (Secondary Clarifier)																			
		Secondary Clarifier Rebuilds		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WRTP Projects		New Secondary Clarifier - Plant Expansion (New Project)			\$ 500,000	\$ 5,500,000	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Hauled Waste Acceptance Facility																
	General/Multiple			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Rehab Electrical Switchgear & Subs		\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Bulkhead																		
		Inspection and Repairs		\$ -	\$ -	\$ 49,524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	S-2 (Plant Outfall)	WRTP Bulkhead Coating (may move to WRTP Outfall Extension)			\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	General Valves & Equipment	WRTP Outfall Extension			\$ -	\$ -	\$ 4,500,000	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Valves & Equipment																			
		WRTP Gates - Aeration Gates, Chlorine Tanks, Grit, Primary Gates		\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Valve Replacement & Maintenance Program				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,101	\$ 1,561,889	
Equipment & Vehicles																			
		Equipment		\$ 534,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,708	\$ 191,703	\$ -	\$ -
Roof Replacement		Vehicles			\$ 386,936	\$ 71,288	\$ 476,598	\$ 75,629	\$ 288,814	\$ -	\$ -	\$ -	\$ 741,647	\$ 173,017	\$ 270,917	\$ -	\$ 264,263	\$ 101,640	\$ -
	EPS-1 Building Roof		\$ 11,435	\$ 23,556	\$ 12,131														
		B-3 Building Roof		\$ 78,614	\$ 161,945	\$ 83,402													
		B-4 Building Roof		\$ 71,468	\$ 147,223	\$ 75,820													
		PS-1 & PS-2 Building Roof		\$ 6,480	\$ 13,348	\$ 6,874													
		PS-3 Building Roof		\$ 18,820	\$ 38,769	\$ 19,966													
		PS-4 Building Roof		\$ 9,529	\$ 19,630	\$ 10,109													
		PS-5 Building Roof		\$ 11,435	\$ 23,556	\$ 12,131													
		Aeration Blower Building Roof		\$ 28,587	\$ 58,889	\$ 30,328													
Admin Building Roof		\$ 25,252	\$ 52,019	\$ 26,790															







		Location	Project Name	2034	2035	2036	2037	2038	2039	2040	Total
Multiple Systems	2019 P	B-4	T-26 Grease Handling Feed to Incinerator								\$ 569,262
			ET-1, ET-2, ET-3, ET-4 Concrete Tank Rehab								\$ 2,291,660
			Relocate Gravity Belt Thickener in B-4								\$ 392,595
		B-3	B-4 Odor Control System and B-4 Modifications								\$ 530,537
		Site	Ash Handling System Upgrades								\$ 1,500,000
		Site	Hauled Waste Kiosk and Upgrades								\$ 212,296
	2019 Bond		Hauled Waste Office								\$ 1,380,933
			Miscellaneous Energy Upgrades - Ph. 2								\$ 1,075,621
			Grit Handling								\$ 274,893
			Substation #2 Replacement								\$ 1,669,868
Multiple Systems	Future Bond	B-2	LITCP Yard Piping								\$ 564,134
			Building B-2 and Laboratory								\$ 5,186,827
			Grouting, Chester W Grouting and Interceptor Paving - Annual Contract	\$ 859,267	\$ 886,790	\$ 915,194	\$ 944,508	\$ 974,762	\$ 1,005,984	\$ 1,038,206	\$ 2,530,000
			Sewer System Repair - Annual Contract	\$ 2,444,343	\$ 2,521,793	\$ 2,601,697	\$ 2,684,133	\$ 2,769,182	\$ 2,856,925	\$ 2,947,448	\$ 45,373,609
			Siphons Rehab	\$ 70,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000			\$ 2,670,000
			Roof Replacement				\$ -	\$ -			\$ 1,227,436
			Long Range Asset Management/Replacement (see tab)								
				\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 4,000,000	\$ 5,000,000	\$ 10,000,000	\$ 10,000,000	\$ 74,000,000
Western Collection System	Chester System		Chester Pump Station & Forcemain								
			CPS Upgrade				\$ -	\$ -			\$ 623,187
			CPS Grit System Overhaul				\$ -	\$ -			\$ 500,000
			Broomall Street Pump Station & Forcemain								
			Repairs and Maintenance				\$ -	\$ -			\$ 200,000
			8th Street Pump Station & Forcemain								
			Repairs and Maintenance				\$ -	\$ -			\$ 58,598
			Feltonville Pump Station & Forcemain								
							\$ -	\$ -			\$ -
	Central Delaware County Force Main (west)		Eddystone Pump Station & Forcemain				\$ -	\$ -			
			Eddystone Bar Screen (5)				\$ -	\$ 31,000	\$ 139,000	\$ 139,000	\$ 309,000
				\$ 250,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000				\$ 8,050,000
			Marcus Hook Pump Station & Forcemain								
			Pump Station Replacement				\$ -	\$ -			\$ 5,039,131
			Viscose Village Pump Station & Forcemain								
Eastern Service Area (Central)	Marcus Hook		Repairs and Maintenance				\$ -	\$ -			\$ 142,576
			Delaware Avenue Ejector Station & Forcemain								
			Marcus Hook Delaware Ave. Ejector Station				\$ -	\$ -			\$ 67,733
			New Marcus Hook Replacement	\$ 7,277,936							\$ 16,884,690
		Trainer	Price Street Pump Station & Forcemain								
			Pump Rebuild				\$ -	\$ -			\$ 60,000
	Misc.		Marcus Hook Collection System 2-5 Year Repairs (CEA Studies)				\$ -	\$ -			\$ 640,000
			Marcus Hook Collection System 5-10 Year Repairs (CEA Studies)				\$ -	\$ -			\$ 31,500
		Darby Creek Pump Station & Forcemain									
			DCPS - Upgrades				\$ -	\$ -			\$ 2,330,565
	sc.	Muckinipates Pump Station & Forcemain									
			Muckinipates PS Upgrade				\$ -	\$ -			\$ 1,027,082
		Central Delaware County Pump Station & Forcemain									
			Central Delco PS - Upgrade				\$ -	\$ -			\$ 1,295,763
			CDPS Controls				\$ -	\$ -			\$ 256,000
			Eastern Air Release Valves (phase work)				\$ -	\$ -			\$ 250,000



		Location	Project Name	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	M		Eastern Force Mains	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
			Eastern Force Main Rehab - W RTP to Darby					\$ -	\$ -	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Remote Systems	2019 Bond	Rose Valley	Old Mill Pump Station Upgrade	\$ 909,838	\$ 2,082,519		\$ 2,252,244											
			Old Mill Force Main Replacement															
			Rose Valley EQ Tank															
	2019 Bond	Remote Operations																
	Future Bond	Remote Operations		\$ 75,000														
	Remote Systems	Brookhaven Road	Remote treatment plants upgrades and rehab															
				Pump Station & Forcemain														
				Pump Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Old Mill Pump Station		Pump Replacement		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Longpoint Lane		Ejector Station & Forcemain																
			Pump Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Riverside WWTP		Collection System																
			Repairs and Maintenance	\$ 168,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,888	\$ -	\$ -
WWTP	Collection System		\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	TOTAL Existing Assets - 2019 Capital Plan		\$ 14,962,200	\$ 14,995,092	\$ 17,169,801	\$ 20,922,071	\$ 9,075,591	\$ 13,678,412	\$ 27,416,940	\$ 19,728,889	\$ 19,549,775	\$ 5,426,129	\$ 4,397,890	\$ 3,386,381	\$ 14,012,090	\$ 23,284,468		
		Eastern Service Area Wet Weather	\$ 896,000	\$ 2,240,000	\$ 4,928,000	\$ 31,360,000	\$ 22,400,000	\$ 22,400,000	\$ 112,000,000	\$ 138,880,000	\$ 112,000,000							
		Chester LTCP Implementation	\$ 6,960,000	\$ 6,960,000	\$ 6,960,000	\$ 6,960,000	\$ 10,440,000	\$ 10,440,000	\$ 10,440,000	\$ 10,440,000	\$ 10,440,000	\$ 10,440,000						
		Buried Pipeline Rehabilitation	\$ 3,126,119	\$ 3,219,903	\$ 3,316,500	\$ 3,415,995	\$ 3,518,475	\$ 3,624,029	\$ 3,732,750	\$ 3,844,733	\$ 3,960,075	\$ 4,078,877	\$ 4,201,243	\$ 4,327,280	\$ 4,457,099	\$ 4,590,812		
	Ammonia Permit Improvements													\$ 10,000,000	\$ 18,000,000	\$ 18,000,000	\$ 18,000,000	
	Grand total		\$ 25,944,320	\$ 27,414,995	\$ 32,374,301	\$ 62,658,066	\$ 41,954,066	\$ 50,142,442	\$ 153,589,690	\$ 172,893,622	\$ 145,949,849	\$ 19,945,006	\$ 18,599,133	\$ 25,713,661	\$ 36,469,189	\$ 45,875,280		
	Cumulative total			25,944,320	53,359,314	85,733,615	148,391,681	190,345,747	240,488,189	394,077,878	566,971,500	712,921,349	732,866,355	751,465,488	777,179,149	813,648,338	859,523,617	

Cash Flow Projections  
Capital Projects  
as of January 2020

	Location	Project Name	2034	2035	2036	2037	2038	2039	2040	Total
	M	Eastern Force Mains				\$ -	\$ -			\$ 9,050,000
		Eastern Force Main Rehab - W RTP to Darby				\$ -	\$ -			\$ 36,000,000
Remote Systems	2019 Bond	Rose Valley								
		Old Mill Pump Station Upgrade								\$ 909,838
		Old Mill Force Main Replacement								\$ 2,082,519
		Rose Valley EQ Tank								\$ 2,252,244
	Remote Operations									
		Muck 15 KVA Switchgear								\$ 75,000
	Future Bond	Remote Operations								
		Remote treatment plants upgrades and rehab								\$ 4,926,478
	Pocopson	Brookhaven Road Pump Station & Forcemain					\$ -	\$ -		\$ 100,000
		Pump Replacement								
Old Mill Pump Station & Forcemain						\$ -	\$ -		\$ 250,000	
Pump Replacement										
Longpoint Lane Ejector Station & Forcemain						\$ -	\$ -		\$ 30,000	
Pump Replacement										
Springhill Farms	Riverside WWTP					\$ -	\$ -		\$ 395,715	
	Repairs and Maintenance									
	Collection System									
	Repairs and Maintenance					\$ 287,416			\$ 387,416	
	WWTP									
	Spring Hill Farms					\$ -	\$ -		\$ 650,000	
	Collection System									
	TOTAL Existing Assets - 2019 Capital Plan		\$ 24,499,458	\$ 22,879,544	\$ 18,631,000	\$ 20,351,369	\$ 16,189,650	\$ 15,592,470	\$ 14,594,850	\$ 340,744,069
	Eastern Service Area Wet Weather									\$ 447,104,000
	Chester LTCP Implementation									\$ 87,000,000
	Buried Pipeline Rehabilitation		\$ 4,728,536	\$ 4,870,392	\$ 5,016,504	\$ 5,166,999	\$ 5,322,009	\$ 5,481,669	\$ 5,646,119	\$ 89,646,119
	Ammonia Permit Improvements		\$ 18,000,000	\$ 18,000,000						\$ 100,000,000
Grand total			\$ 47,227,995	\$ 45,749,936	\$ 23,647,504	\$ 25,518,368	\$ 21,511,659	\$ 21,074,140	\$ 20,240,969	\$ 1,064,494,188
Cumulative total			906,751,612	952,501,548	976,149,051	1,001,667,420	1,023,179,079	1,044,253,219	1,064,494,188	

Delaware County Regional Water Quality Control Authority  
Recommended Capital Structure and Cost Rates  
for Ratemaking Purposes  
at December 31, 2019

<u>Type Of Capital</u>	<u>Ratios (1)</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-Term Debt	50.00%	4.11% (2)	2.06%
Common Equity	<u>50.00%</u>	9.75% (3)	<u>4.88%</u>
Total	<u><u>100.00%</u></u>		<u><u>6.94%</u></u>

Notes:

- (1) Hypothetical capital structure.
- (2) From page 13 of this Appendix.
- (3) From page 2 of this Appendix.

Delaware County Regional Water Quality Control Authority  
Brief Summary of Common Equity Cost Rate

<u>Line No.</u>	<u>Principal Methods</u>	<u>Proxy Group of Seven Water Companies</u>
1.	Discounted Cash Flow Model (DCF) (1)	8.89%
2.	Risk Premium Model (RPM) (2)	10.18%
3.	Capital Asset Pricing Model (CAPM) (3)	9.06%
4.	Market Models Applied to Comparable Risk, Non-Price Regulated Companies (4)	<u>11.12%</u>
5.	Indicated Common Equity Cost Rate	<u><u>9.75%</u></u>

Notes: (1) From page 3 of this Appendix.  
(2) From page 11 of this Appendix.  
(3) From page 23 of this Appendix.  
(4) From page 28 of this Appendix.

Delaware County Regional Water Quality Control Authority  
Indicated Common Equity Cost Rate Using the Discounted Cash Flow Model for  
Proxy Group of Seven Water Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Proxy Group of Seven Water Companies	Average Dividend Yield (1)	Value Line Projected Five Year Growth in EPS (2)	Zack's Five Year Projected Growth Rate in EPS (3)	Yahoo! Finance Projected Five Year Growth in EPS (4)	Average Projected Five Year Growth in EPS (5)	Adjusted Dividend Yield (4)	Indicated Common Equity Cost Rate (5)
American States Water Co.	1.38 %	8.00 %	8.00 %	6.00 %	7.33 %	1.43 %	8.76 %
American Water Works Company Inc	1.65	9.50	8.10	8.20	8.60	1.72	10.32
Artesian Resources Corporation	2.70	NA	NA	4.00	4.00	2.75	6.75
California Water Service Group	1.51	8.00	10.00	9.80	9.27	1.58	10.85
Middlesex Water Co.	1.63	7.50	NA	2.70	5.10	1.67	6.77
SJW Corp.	1.69	6.00	4.00	14.00	8.00	1.76	9.76
York Water Co.	1.64	9.50	NA	4.90	7.20	1.70	8.90
						Average	8.87 %
						Median	8.90 %
						Average of Mean and Median	8.89 %

NA= Not Available

Notes:

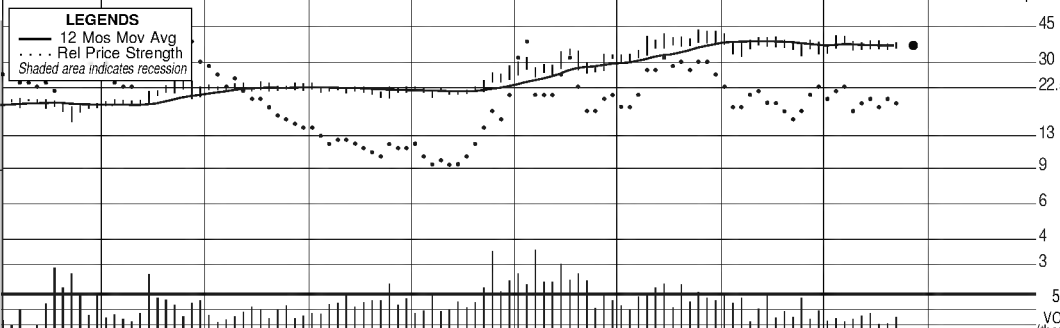
- (1) Indicated dividend at 12/31/2019 divided by the average closing price of the last 60 trading days ending 12/31/2019 for each company.
- (2) From pages 4 through 10 of this Appendix.
- (3) Average of columns 2 through 4 excluding negative growth rates.
- (4) This reflects a growth rate component equal to one-half the conclusion of growth rate (from column 5) x column 1 to reflect the periodic payment of dividends (Gordon Model) as opposed to the continuous payment. Thus, for American States Water Co.,  $1.38\% \times (1 + (1/2 \times 7.33\%)) = 1.43\%$ .
- (5) Column 5 + column 6.

Source of Information:

Value Line Investment Survey  
www.zacks.com Downloaded on 12/31/2019  
www.yahoo.com Downloaded on 12/31/2019

AMER. STATES WATER NYSE-AWR				RECENT PRICE	90.00	P/E RATIO	42.3	(Trailing: 43.7 Median: 21.0)	RELATIVE P/E RATIO	2.55	DIV'D YLD	1.4%	VALUE LINE			
TIMELINESS 1	Raised 8/9/19	High: 21.0	19.4	19.8	18.2	24.1	33.1	38.7	44.1	47.2	58.4	69.6	94.4	Target Price Range 2022 2023 2024		
SAFETY 2	Raised 7/20/12	Low: 13.5	14.9	15.6	15.3	17.0	24.0	27.0	35.8	37.3	41.1	50.1	63.3			
TECHNICAL 2	Raised 10/11/19	LEGENDS 1.35 x Dividends p.sh. divided by Interest Rate ..... Relative Price Strength 2-for-1 split 9/13 Options: Yes Shaded area indicates recession														
BETA .65	(1.00 = Market)															
18-Month Target Price Range																
Low-High Midpoint (% to Mid)																
\$72-\$103 \$88 (-5%)																
2022-24 PROJECTIONS																
Price Gain Ann'l Total																
High Low 75 55 (-15%) -2% -9%																
Institutional Decisions																
4Q2018 1Q2019 2Q2019																
to Buy 140 138 139																
to Sell 102 105 109																
Hld's(000) 26276 26624 26893																
Percent shares traded 24 16 8																
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020																
6.99 6.81 7.03 7.88 8.75 9.21 9.74 10.71 11.12 12.12 12.19 12.17 12.56 11.92 12.01 11.88 12.45 12.85														Revenues per sh 15.75		
1.04 1.11 1.32 1.45 1.65 1.69 1.70 2.11 2.13 2.48 2.65 2.67 2.81 2.70 2.96 2.84 3.10 3.30														"Cash Flow" per sh 4.00		
.39 .53 .66 .67 .81 .78 .81 1.11 1.12 1.41 1.61 1.57 1.61 1.62 1.88 1.72 2.10 2.20														Earnings per sh A 2.75		
.44 .44 .45 .46 .48 .50 .51 .52 .55 .64 .76 .83 .87 .91 .99 1.06 1.14 1.22														Div'd Decl'd per sh B 1.70		
1.88 2.51 2.12 1.95 1.45 2.23 2.09 2.12 2.13 1.77 2.52 1.89 2.39 3.55 3.08 3.44 3.45 3.50														Cap'l Spending per sh 3.25		
6.98 7.51 7.86 8.32 8.77 8.97 9.70 10.13 10.84 11.80 12.72 13.24 12.77 13.52 14.45 15.19 15.85 16.60														Book Value per sh D 19.35		
30.42 33.50 33.60 34.10 34.46 34.60 37.06 37.26 37.70 38.53 38.72 38.29 36.50 36.57 36.68 36.76 36.90 37.00														Common Shs Outst'g C 37.50		
31.9 23.2 21.9 27.7 24.0 22.6 21.2 15.7 15.4 14.3 17.2 20.1 24.6 25.6 25.7 34.0														Avg Ann'l P/E Ratio 23.5 Relative P/E Ratio 1.30 Avg Ann'l Div'd Yield 2.6%		
1.82 1.23 1.17 1.50 1.27 1.36 1.41 1.00 .97 .91 .97 1.06 1.24 1.34 1.29 1.83																
3.5% 3.6% 3.1% 2.5% 2.5% 2.9% 2.9% 3.0% 3.2% 3.1% 2.7% 2.6% 2.2% 2.2% 2.0% 1.8%																
CAPITAL STRUCTURE as of 6/30/19																
Total Debt \$281.3 mill. Due in 5 Yrs \$100.7 mill.																
LT Debt \$281.0 mill. LT Interest \$24.0 mill. (33% of Cap'l)																
361.0 398.9 419.3 466.9 472.1 465.8 458.6 436.1 440.6 436.8 470 480														Revenues (\$mill) 590		
29.5 41.4 42.0 54.1 62.7 61.1 60.5 59.7 69.4 63.9 65.0 70.0														Net Profit (\$mill) 105		
38.9% 43.2% 41.7% 39.9% 36.3% 38.4% 38.4% 36.8% 36.0% 22.0%														Income Tax Rate 23.0%		
3.2% 5.8% 2.0% 2.5% -- -- -- 2.5% -- --														AFUDC % to Net Profit 1.0%		
45.9% 44.3% 45.4% 42.2% 39.8% 39.1% 41.1% 39.4% 38.0% 40.5%														Long-Term Debt Ratio 46.0%		
54.1% 55.7% 54.6% 57.8% 60.2% 60.9% 58.9% 60.6% 62.0% 59.5%														Common Equity Ratio 54.0%		
665.0 677.4 749.1 787.0 818.4 832.6 791.5 815.3 854.9 938.4														Total Capital (\$mill) 1350		
866.4 855.0 896.5 917.8 981.5 1003.5 1060.8 1150.9 1205.0 1296.3														Net Plant (\$mill) 1650		
5.9% 7.6% 7.1% 8.3% 8.9% 8.6% 9.0% 8.6% 9.3% 7.9%														Return on Total Cap'l 9.0%		
8.2% 11.0% 10.3% 11.9% 12.7% 12.0% 13.0% 12.1% 13.1% 11.4%														Return on Shr. Equity 14.0%		
8.2% 11.0% 10.3% 11.9% 12.7% 12.0% 13.0% 12.1% 13.1% 11.4%														Return on Com Equity 14.0%		
3.2% 5.8% 5.3% 6.6% 6.8% 5.7% 6.0% 5.3% 6.2% 4.5%														Retained to Com Eq 5.5%		
61% 47% 49% 45% 47% 53% 54% 56% 52% 61%														All Div'ds to Net Prof 62%		
BUSINESS: American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Co., it supplies water to 259,919 customers in 70 cities in 10 counties. Service areas include the metropolitan areas of Los Angeles and Orange Counties. The company also provides electricity to 24,353 customers in Big Bear Lake and San Bernardino Cnty. Provides water & wastewater services to U.S. military bases through its ASUS sub. Sold Chaparral City Wtr. of AZ. (6/11). Employs about 815. BlackRock, Inc. owns 15.1% of out. shares; Vanguard, 11.5%; off. & dir. 1.2%. (4/19 Proxy). Chairman: Lloyd Ross. Pres. & CEO: Robert Sprowls. Inc. CA. Addr.: 630 East Foothill Blvd., San Dimas, CA 91773. Tel: 909-394-3600. Internet: www.aswater.com.																
Shares of American States Water have performed well since our July report. The stock price, which had already been on a roll over the past one-, three-, and five year periods, surged over 20% in the last three months. By comparison, the S&P 500 Index returns have been flattish. We attribute the showing to the positive earnings and dividend news (more below). Rate relief is spurring the bottom line. In California, utilities petition for higher rates triennially. State regulators recently finalized the Golden States Water subsidiary's ruling. Hence, there was a \$0.08-a-share gain in the June quarter resulting from the new rates being retroactive to the beginning of the year. Wider margins also helped as the company has done a good job of cutting costs. To reflect this, we have raised our earnings-per-share estimates for 2019 and 2020, \$0.15 and \$0.10, respectively, to \$2.10 and \$2.20. Nonregulated activities are also providing a boost. Through its ASUS operations, the company provides water services to U.S. Army bases around the country. For the first half of the year, share-earnings contributions from this business doubled from 2018's \$0.11, to \$0.22. The inclusion of revenues generated from Fort Riley were part of the reason, as was an increase in management fees and construction at other bases. As more military complexes privatize their water services, we expect this segment to gain in importance. Moreover, profits made here are not regulated by state authorities. The most recent dividend hike was better than expected. In the last quarter, the payout was raised a hefty 11% to an annual rate of \$1.22 a share. Still, The yield on this equity has declined meaningfully. At 1.4%, AWR is now yielding about 80 basis points lower than the Value Line median. And, while much of this is due to the robust dividend growth prospects, the equity is now richly valued as to many key financial metrics. In any case, our ranking system pegs AWR to outperform the market in the year ahead. However, the stock is now trading above our 2022-2024 TPR. Price performance over the next 18-month period is also projected to be subpar. James A. Flood																
October 11, 2019																

AMERICAN WATER NYSE-AWK										RECENT PRICE	123.86	P/E RATIO	34.1 (Trailing: 38.6 Median: 19.0)	RELATIVE P/E RATIO	2.05	DIV'D YLD	1.7%	VALUE LINE											
TIMELINESS 1 Raised 4/5/19										High: 23.7	23.0	25.8	32.8	39.4	45.1	56.2	61.2	85.2	92.4	98.2	129.9				Target Price	Range			
SAFETY 3 New 7/25/08										Low: 16.5	16.2	19.4	25.2	31.3	37.0	41.1	48.4	58.9	70.0	76.0	88.0				2022	2023	2024		
TECHNICAL 3 Lowered 10/4/19										LEGENDS 1.10 x Dividends p.sh. divided by Interest Rate ..... Relative Price Strength Options: Yes Shaded area indicates recession																			
BETA .60 (1.00 = Market)																													
18-Month Target Price Range																													
Low-High Midpoint (% to Mid)																													
\$102-\$142 \$122 (0%)																													
2022-24 PROJECTIONS																													
Price Gain Ann'l Total																													
High Low 120 80 (-5%) 1%																													
Low 80 (-35%) -8%																													
Institutional Decisions																													
4Q2018 1Q2019 2Q2019																													
to Buy 362 364 360																													
to Sell 287 325 331																													
Hld's(000) 155716 155942 155051																													
Percent shares traded 21 14 7																													

ARTESIAN RES. CORP. NDQ--ARTNA				RECENT PRICE	36.31	TRAILING P/E RATIO	23.6	RELATIVE P/E RATIO	1.41	DIV'D YLD	2.7%	VALUE LINE	
RANKS				19.99	24.43	24.27	23.82	29.16	35.00	43.22	41.92	40.97	High
				15.16	18.20	21.52	19.85	20.00	25.17	29.37	32.00	33.14	Low
PERFORMANCE	3	Average		<div>LEGENDS</div> <div>— 12 Mos Mov Avg</div> <div>..... Rel Price Strength</div> <div>Shaded area indicates recession</div> 									
Technical	3	Average											
SAFETY	3	Average											
BETA	.65	(1.00 = Market)											
Financial Strength	B												
Price Stability	65												
Price Growth Persistence	50												
Earnings Predictability	85												
© VALUE LINE PUBLISHING LLC				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020/2021
SALES PER SH				7.56	8.10	7.82	8.13	8.50	8.67	8.92	8.69	--	
"CASH FLOW" PER SH				1.64	2.04	1.87	2.04	2.22	2.43	2.55	2.66	--	
EARNINGS PER SH				.83	1.13	.94	1.07	1.26	1.41	1.51	1.54	NA	NA/NA
DIV'DS DECL'D PER SH				.76	.79	.82	.85	.87	.90	.93	.96	--	
CAP'L SPENDING PER SH				1.83	2.36	2.40	2.66	2.28	3.10	4.46	5.30	--	
BOOK VALUE PER SH				13.12	13.57	13.80	14.09	14.61	15.23	15.91	16.57	--	
COMMON SHS OUTST'G (MILL)				8.61	8.71	8.83	8.91	9.06	9.13	9.22	9.25	--	
AVG ANN'L P/E RATIO				22.5	18.3	23.9	20.5	18.0	20.9	24.2	23.9	NA	NA/NA
RELATIVE P/E RATIO				1.41	1.17	1.34	1.08	.93	1.14	1.21	1.35	--	
AVG ANN'L DIV'D YIELD				4.1%	3.8%	3.7%	3.9%	3.8%	3.1%	2.5%	2.6%	--	
SALES (\$MILL)				65.1	70.6	69.1	72.5	77.0	79.1	82.2	80.4	--	<b>Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.</b>
OPERATING MARGIN				45.5%	48.7%	47.0%	48.8%	43.0%	44.4%	44.6%	46.1%	--	
DEPRECIATION (\$MILL)				7.4	7.9	8.3	8.7	8.8	9.2	9.6	10.3	--	
NET PROFIT (\$MILL)				6.7	9.8	8.3	9.5	11.3	13.0	14.0	14.3	--	
INCOME TAX RATE				40.8%	40.2%	40.2%	40.1%	--	--	--	--	--	
NET PROFIT MARGIN				10.4%	14.0%	12.0%	13.1%	14.7%	16.4%	17.0%	17.8%	--	
WORKING CAP'L (\$MILL)				d11.4	d11.4	d12.3	d13.5	d8.8	d4.7	d9.5	d21.6	--	
LONG-TERM DEBT (\$MILL)				106.5	106.3	105.5	105.0	103.6	102.3	105.6	115.9	--	
SHR. EQUITY (\$MILL)				113.0	118.2	121.8	125.6	132.3	139.0	146.6	153.3	--	
RETURN ON TOTAL CAP'L				4.6%	5.9%	5.1%	5.5%	6.3%	6.7%	6.8%	6.5%	--	
RETURN ON SHR. EQUITY				6.0%	8.3%	6.8%	7.6%	8.5%	9.3%	9.5%	9.3%	--	
RETAINED TO COM EQ				.5%	2.5%	.9%	1.6%	2.6%	3.4%	3.7%	3.6%	--	
ALL DIV'DS TO NET PROF				92%	70%	87%	79%	69%	63%	61%	62%	--	
Note: No analyst estimates available.													
ANNUAL RATES				INDUSTRY: Water Utility									
of change (per share)				5 Yrs.	1 Yr.	<b>BUSINESS:</b> Artesian Resources Corp. operates as the holding company of nine wholly-owned subsidiaries offering water, wastewater and other services in Delaware, Maryland and Pennsylvania. Artesian Water, its principal subsidiary, distributes and sells water to residential, commercial, industrial, governmental, municipal, and utility customers throughout Delaware. In addition, Artesian Water provides services to other water utilities, including operations and billing functions, and has contract operation agreements with private and municipal water providers. It also provides water for public and private fire protection to customers in service territories. Artesian supplies 7.9 billion gallons of water per year through 1,311 miles of main to nearly a third of Delaware residents. Artesian Wastewater Management, Inc. is a regulated entity that owns wastewater collection and treatment infrastructure and provides wastewater services to customers in Delaware. Has 241 employees. Chairman, C.E.O. & President: Dian C. Taylor Address: 664 Churchmans Rd., Newark, DE 19702. Tel.: (302) 453-6900. Internet: www.artesianresources.com.  <i>E.B.</i>  <i>October 11, 2019</i>							
Sales				2.5%	-2.5%								
"Cash Flow"				6.5%	4.0%								
Earnings				9.0%	2.0%								
Dividends				3.0%	3.0%								
Book Value				3.5%	4.0%								
Fiscal Year	QUARTERLY SALES (\$mill.)				Full Year	<b>ASSETS (\$mill.)</b> 2017 2018 6/30/19 Cash Assets 1.0 .3 .2 Receivables 8.9 8.2 4.6 Inventory 1.5 1.5 1.3 Other 7.6 6.1 4.6 Current Assets 19.0 16.1 10.7  Property, Plant & Equip, at cost 582.0 629.4 -- Accum Depreciation 117.6 126.9 -- Net Property 464.4 502.5 516.0 Other 11.2 11.2 11.8 Total Assets 494.6 529.8 538.5  <b>LIABILITIES (\$mill.)</b> Accts Payable 9.2 8.3 5.2 Debt Due 11.0 17.7 27.5 Other 8.3 11.7 11.0 Current Liab 28.5 37.7 43.7  <b>LONG-TERM DEBT AND EQUITY as of 6/30/19</b> Total Debt \$142.5 mill. Due in 5 Yrs. NA LT Debt \$115.0 mill. Including Cap. Leases NA (43% of Cap'l) Leases, Uncapitalized Annual rentals NA  Pension Liability None in '18 vs. None in '17  Pld Stock None Pld Div'd Paid None  Common Stock 9,279,000 shares (57% of Cap'l)							
12/31/17	19.2	20.5	22.3	20.2	82.2								
12/31/18	18.9	20.2	21.9	19.4	80.4								
12/31/19	19.4	20.7											
12/31/20													
Fiscal Year	EARNINGS PER SHARE				Full Year	<b>TOTAL SHAREHOLDER RETURN</b> <i>Dividends plus appreciation as of 9/30/2019</i> 3 Mos. 6 Mos. 1 Yr. 3 Yrs. 5 Yrs. 0.22% 0.63% 3.33% 40.53% 113.93%							
12/31/16	.30	.33	.48	.30	1.41								
12/31/17	.34	.35	.42	.40	1.51								
12/31/18	.38	.42	.42	.32	1.54								
12/31/19	.39	.41											
12/31/20													
Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year								
1Q	2Q	3Q	4Q										
2016	.222	.225	.225	.228	.90								
2017	.228	.232	.232	.235	.93								
2018	.235	.239	.239	.242	.96								
2019	.242	.246	.246	.25									
INSTITUTIONAL DECISIONS													
4Q'18 1Q'19 2Q'19													
to Buy 38 39 38													
to Sell 27 32 35													
Hld's(000) 3846 3896 3949													



CALIFORNIA WATER NYSE:CWT				RECENT PRICE	52.74	P/E RATIO	33.2	(Trailing: 41.9 Median: 22.0)	RELATIVE P/E RATIO	2.00	DIV'D YLD	1.5%	VALUE LINE						
TIMELINESS	3	Lowered 9/20/19	High: 23.3 24.1 19.8 19.4 19.3 23.4 26.4 26.0 36.8 46.2 49.1 57.5	Low: 13.8 16.7 16.9 16.7 16.8 18.4 20.3 19.5 22.5 32.4 35.3 44.6									Target Price Range 2022 2023 2024						
SAFETY	3	Lowered 7/27/07	LEGENDS 133 x Dividends p sh divided by Interest Rate ..... Relative Price Strength 2-for-1 split 6/11 Options: Yes Shaded area indicates recession										120 100 80 64 48 32 24 20 16 12 8						
TECHNICAL	2	Raised 9/27/19																	
BETA	.70	(1.00 = Market)																	
18-Month Target Price Range																			
Low-High Midpoint (% to Mid)																			
\$46-\$72 \$59 (10%)																			
2022-24 PROJECTIONS																			
Price	Gain	Ann'l Total																	
High Low	55 35	(+5%) (-35%)	3% -7%																
Institutional Decisions																			
4Q2018	1Q2019	2Q2019	Percent shares traded																
to Buy 126 132 120	to Sell 76 81 102	Hld's(000) 35160 35698 36947	18 12 6																
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC 22-24	
8.18	8.59	8.72	8.10	8.88	9.90	10.82	11.05	12.00	13.34	12.23	12.50	12.29	12.70	13.89	14.53	14.45	14.90	Revenues per sh	15.50
1.26	1.42	1.52	1.36	1.56	1.86	1.93	1.93	2.07	2.32	2.21	2.47	2.22	2.34	3.00	3.11	3.00	3.35	"Cash Flow" per sh	3.60
.61	.73	.74	.67	.75	.95	.98	.91	.86	1.02	1.02	1.19	.94	1.01	1.40	1.36	1.35	1.70	Earnings per sh <sup>A</sup>	2.00
.56	.57	.57	.58	.58	.59	.59	.60	.62	.63	.64	.65	.67	.69	.72	.75	.79	.82	Div'd Decl'd per sh <sup>B</sup>	1.05
2.19	1.87	2.01	2.14	1.84	2.41	2.66	2.97	2.83	3.04	2.58	2.76	3.69	4.77	5.40	5.65	3.95	4.00	Cap'l Spending per sh	3.65
7.22	7.83	7.90	9.07	9.25	9.72	10.13	10.45	10.76	11.28	12.54	13.11	13.41	13.75	14.44	15.19	15.45	15.80	Book Value per sh <sup>C</sup>	17.00
33.86	36.73	36.78	41.31	41.33	41.45	41.53	41.67	41.82	41.98	47.74	47.81	47.88	47.97	48.01	48.07	48.50	49.00	Common Shs Outst'g <sup>D</sup>	50.00
22.1	20.1	24.9	29.2	26.1	19.8	19.7	20.3	21.3	17.9	20.1	19.7	24.8	29.6	26.9	30.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	23.0
1.26	1.06	1.33	1.58	1.39	1.19	1.31	1.29	1.34	1.14	1.13	1.04	1.25	1.55	1.35	1.64			Relative P/E Ratio	1.25
4.2%	3.9%	3.1%	2.9%	3.0%	3.1%	3.1%	3.2%	3.4%	3.5%	3.1%	2.8%	2.9%	2.3%	1.9%	1.8%			Avg Ann'l Div'd Yield	2.5%
CAPITAL STRUCTURE as of 6/30/19																			
Total Debt \$978.1 mill. Due in 5 Yrs \$430.1 mill.																			
LT Debt \$807.7 mill. LT Interest \$40.0 mill. (53% of Cap'l)																			
Pension Assets-12/18 \$469.7 mill. Oblig. \$639.9 mill.																			
Pfd Stock None																			
Common Stock 48,140,000 shs.																			
MARKET CAP: \$2.5 billion (Mid Cap)																			
CURRENT POSITION (SMILL.)																			
Cash Assets 94.8 47.2 54.6																			
Other 133.1 141.5 151.4																			
Current Assets 227.9 188.7 206.0																			
Accts Payable 94.0 95.6 97.4																			
Debt Due 291.0 170.0 170.4																			
Other 106.0 55.6 63.6																			
Current Liab. 491.0 321.2 331.4																			
ANNUAL RATES Past Past Est'd '16-'18																			
of change (per sh) 10 Yrs. 5 Yrs. to '22-'24																			
Revenues 4.5% 2.0% 2.0%																			
"Cash Flow" 6.0% 5.0% 4.0%																			
Earnings 5.0% 5.5% 8.0%																			
Dividends 2.0% 3.0% 6.5%																			
Book Value 4.5% 4.5% 2.5%																			
QUARTERLY REVENUES (\$mill.) <sup>E</sup>																			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year														
2016	121.7	152.4	184.3	151.0	609.4														
2017	122.1	171.1	211.7	162.0	666.9														
2018	134.6	174.9	221.3	167.4	698.2														
2019	126.1	179.0	225	169.9	700														
2020	140	185	230	175	730														
EARNINGS PER SHARE <sup>A</sup>																			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year														
2016	d.02	.24	.48	.31	1.01														
2017	.02	.39	.70	.29	1.40														
2018	d.02	.31	.75	.32	1.36														
2019	d.16	.35	.79	.37	1.35														
2020	.08	.42	.80	.40	1.70														
QUARTERLY DIVIDENDS PAID <sup>B</sup>																			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year														
2015	.1675	.1675	.1675	.1675	.67														
2016	.1725	.1725	.1725	.1725	.69														
2017	.18	.18	.18	.18	.72														
2018	.1875	.1875	.1875	.1875	.75														
2019	.1975	.1975	.1975	.1975	.75														
BUSINESS: California Water Service Group provides regulated and nonregulated water service to 486,900 customers in 100 communities in the state of California. Accounts for over 94% of total customers. Also operates in Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue breakdown, '18: residential, 67%; business, 19%; industrial, 5%; public authorities, 5%; other 4%. Off. and dir. own 1% of common stock (4/19 proxy). Has 1,184 employees. Pres. and CEO: Martin A. Kropelnicki, Inc. DE. Addr.: 1720 North First St., San Jose, CA 95112-4598. Tel.: 408-367-8200. Internet: www.calwatergroup.com.																			
Similar to its industry peers, California Water Service Group stock stamped a fresh all-time high price in early September. The shares have risen almost 10% in value since our July review, but are currently trading slightly below record levels. In our view, it is more likely that the recent price surge is being fueled by the market's increased appetite for defensive securities amidst elevated valuations, rather than company-specific fundamentals. Even so, second-quarter results were generally good. Revenues of \$179 million, an annual improvement of about 2%, came in on par with our expectation, as base rate increases provided a modest boost. On the earnings front, California posted June-period share net of \$0.35, four cents better than the previous-year tally, but a nickel shy of our call. It would appear that management has yet to corral operating expenses, and is still faced with higher income taxes and interest costs. All told, we are shaving \$0.05 from our current-year bottom-line forecast, to \$1.35 a share. The long-term story has not changed																			
much. Specifically, through an intensive capital allocation program, California Water is poised to invest approximately \$750 million over the coming three to five years to revamp its aging infrastructure. The upgrades, which focus largely on water pipe systems and improving treatment plant processes, should modestly lower operating costs through increased efficiencies and more-reliable service. In addition, rate hikes are likely in the cards, which would aid in recuperating a portion of the capital spent on upgrades. Overall, we remain optimistic that the company can earn \$2.00 per share by 2022-2024. We would be remiss to recommend these shares at recent levels. Though long-term business prospects are bright, and the regulated water space tends to hold up better than most in a down market, capital appreciation potential three to five years hence is limited. Moreover, upside 18 months out is only average. Finally, the issue is ranked to track the broader market over the coming six to 12 months, and the dividend yield falls short of the Value Line median. Nicholas P. Patrikis October 11, 2019																			

(A) Basic EPS. Excl. nonrecurring gain (loss): 11, 4c. Next earnings report due early Nov.  
(B) Dividends historically paid in late Feb., May, Aug., and Nov. ■ Div'd reinvestment plan

available.  
(C) Incl. intangible assets. In '18 : \$24.7 mill., \$0.51/sh.  
(D) In millions, adjusted for splits.

(E) Excludes non-reg. rev.

quired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue breakdown, '18: residential, 67%; business, 19%; industrial, 5%; public authorities, 5%; other 4%. Off. and dir. own 1% of common stock (4/19 proxy). Has 1,184 employees. Pres. and CEO: Martin A. Kropelnicki. Inc.: DE. Addr.: 1720 North First St., San Jose, CA 95112-4598. Tel.: 408-367-8200. Internet: www.calwatergroup.com.

**Similar to its industry peers, California Water Service Group stock stamped a fresh all-time high price in early September.** The shares have risen almost 10% in value since our July review, but are currently trading slightly below record levels. In our view, it is more likely that the recent price surge is being fueled by the market's increased appetite for defensive securities amidst elevated valuations, rather than company-specific fundamentals. **Even so, second-quarter results were generally good.** Revenues of \$179 million, an annual improvement of about 2%, came in on par with our expectation, as base rate increases provided a modest boost. On the earnings front, California posted June-period share net of \$0.35, four cents better than the previous-year tally, but a nickel shy of our call. It would appear that management has yet to corral operating expenses, and is still faced with higher income taxes and interest costs. All told, we are shaving \$0.05 from our current-year bottom-line forecast, to \$1.35 a share.

**The long-term story has not changed**

**much.** Specifically, through an intensive capital allocation program,





YORK WATER NDQ:YORW						RECENT PRICE	42.83	P/E RATIO	38.2 (Trailing: 39.7 Median: 25.0)	RELATIVE P/E RATIO	2.30	DIV'D YLD	1.6%	VALUE LINE						
TIMELINESS 1	Raised 10/11/19	High: 16.5	18.0	18.0	18.1	18.5	22.0	24.3	26.7	39.8	39.9	36.1	45.7			Target Price	Range			
SAFETY 3	Lowered 7/17/15	Low: 6.2	9.7	12.8	15.8	16.8	17.6	18.8	19.7	23.8	31.7	27.5	30.3			2022	2023	2024		
TECHNICAL 3	Lowered 8/30/19	LEGENDS 1.10 x Dividends p.sh. divided by Interest Rate ..... Relative Price Strength 3-for-2 split 9/06 Options: Yes Shaded area indicates recession																		
BETA .75	(1.00 = Market)																			
18-Month Target Price Range																				
Low-High Midpoint (% to Mid)																				
\$32-\$49 \$41 (-5%)																				
2022-24 PROJECTIONS																				
Price		Gain		Ann'l Total Return																
High	45		(+5%)		3%															
Low	30		(-30%)		-6%															
Institutional Decisions																				
4Q2018		1Q2019		2Q2019																
to Buy	43		33		48															
to Sell	41		40		31															
Hld's(000)	4765		4794		4866	Percent shares traded	12													
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC 22-24		
2.17	2.18	2.58	2.56	2.79	2.89	2.95	3.07	3.18	3.21	3.27	3.58	3.68	3.70	3.77	3.74	3.90	4.00	Revenues per sh	5.10	
.65	.65	.79	.77	.86	.88	.95	1.07	1.09	1.12	1.19	1.36	1.45	1.42	1.53	1.58	1.70	1.80	"Cash Flow" per sh	2.50	
.47	.49	.56	.58	.57	.57	.64	.71	.71	.72	.75	.89	.97	.92	1.01	1.04	1.10	1.20	Earnings per sh <sup>A</sup>	1.70	
.37	.39	.42	.45	.48	.49	.51	.52	.53	.54	.55	.57	.60	.63	.65	.67	.70	.73	Div'd Decl'd per sh <sup>B</sup>	.95	
1.07	2.50	1.69	1.85	1.69	2.17	1.18	.83	.74	.94	.76	1.10	1.11	1.03	1.95	1.95	2.00	2.00	Cap'l Spending per sh	1.85	
4.06	4.65	4.85	5.84	5.97	6.14	6.92	7.19	7.45	7.73	7.98	8.15	8.51	8.88	9.28	9.75	10.40	11.25	Book Value per sh	12.10	
9.63	10.33	10.40	11.20	11.27	11.37	12.56	12.69	12.79	12.92	12.98	12.83	12.81	12.85	12.87	12.94	13.00	12.90	Common Shs Outst'g <sup>C</sup>	12.80	
24.5	25.7	26.3	31.2	30.3	24.6	21.9	20.7	23.9	24.4	26.3	23.1	23.5	32.8	34.6	30.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.5	
1.40	1.36	1.40	1.68	1.61	1.48	1.46	1.32	1.50	1.55	1.48	1.22	1.18	1.72	1.74	1.63			Relative P/E Ratio	1.25	
3.2%	3.1%	2.9%	2.5%	2.8%	3.5%	3.6%	3.5%	3.1%	3.1%	2.8%	2.8%	2.6%	2.1%	1.9%	2.1%			Avg Ann'l Div'd Yield	2.5%	
<b>CAPITAL STRUCTURE as of 6/30/19</b>						37.0	39.0	40.6	41.4	42.4	45.9	47.1	47.6	48.6	48.4	50.5	51.5	Revenues (\$mill)	65.0	
Total Debt \$96.1 mill. Due in 5 Yrs \$42.5 mill.						7.5	8.9	9.1	9.3	9.7	11.5	12.5	11.8	13.0	13.4	14.5	15.5	Net Profit (\$mill)	21.5	
LT Debt \$96.1 mill. LT Interest \$5.5 mill.						37.9%	38.5%	35.3%	37.6%	37.6%	29.8%	27.5%	31.3%	25.9%	15.7%	21.0%	21.0%	Income Tax Rate	21.0%	
(43% of Cap'l)						--	1.2%	1.1%	1.1%	.8%	1.8%	1.6%	1.9%	6.7%	1.7%	2.0%	1.5%	AFUDC % to Net Profit	1.5%	
<b>Pension Assets</b> 12/18 \$40.6 mill.						45.7%	48.3%	47.1%	46.0%	45.1%	44.8%	44.4%	42.6%	43.0%	42.5%	40.0%	37.0%	Long-Term Debt Ratio	34.0%	
Oblig. \$41.5 mill.						54.3%	51.7%	52.9%	54.0%	54.9%	55.2%	55.6%	57.4%	57.0%	57.5%	60.0%	63.0%	Common Equity Ratio	66.0%	
<b>Pfd Stock</b> None						160.1	176.4	180.2	184.8	188.4	189.4	196.3	198.7	209.5	219.5	225	230	Total Capital (\$mill)	235	
<b>Common Stock</b> 12,974,287 shs.						222.0	228.4	233.0	240.3	244.2	253.2	261.4	270.9	288.8	299.2	305	315	Net Plant (\$mill)	325	
<b>MARKET CAP: \$550 million (Small Cap)</b>						6.2%	6.5%	6.4%	6.4%	6.5%	7.4%	7.6%	7.2%	7.5%	7.3%	7.5%	8.0%	Return on Total Cap'l	10.5%	
<b>CURRENT POSITION (SMILL.)</b>						8.6%	9.8%	9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	10.9%	10.6%	10.5%	10.5%	Return on Shr. Equity	14.0%	
Cash Assets						1.9%	2.7%	2.5%	2.4%	2.4%	3.9%	4.4%	3.4%	4.0%	3.8%	4.0%	4.0%	Retained to Com Eq	6.0%	
Accounts Receivable						78%	72%	73%	74%	74%	64%	62%	67%	63%	64%	63%	61%	All Div'ds to Net Prof	56%	
Inventory (Avg. Cost)																				
Other																				
Current Assets																				
Accts Payable																				
Debt Due																				
Other																				
Current Liab.																				
<b>ANNUAL RATES of change (per sh)</b>						Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24												
Revenues						3.0%	3.0%	5.5%												
"Cash Flow"						6.0%	6.0%	9.0%												
Earnings						5.5%	6.5%	9.5%												
Dividends						3.5%	4.0%	6.5%												
Book Value						4.5%	4.0%	4.5%												
Cal-endar	QUARTERLY REVENUES (\$mill.)				Full Year															
	Mar.31	Jun.30	Sep.30	Dec.31																
2016	11.3	11.8	12.6	11.9	47.6															
2017	11.3	12.3	12.7	12.3	48.6															
2018	11.6	12.0	12.7	12.1	48.4															
2019	11.8	13.0	13.2	12.5	50.5															
2020	12.2	13.0	13.5	12.8	51.5															
Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year															
	Mar.31	Jun.30	Sep.30	Dec.31																
2016	.19	.23	.27	.23	.92															
2017	.20	.23	.31	.27	1.01															
2018	.20	.26	.29	.29	1.04															
2019	.22	.28	.30	.30	1.10															
2020	.24	.31	.33	.32	1.20															
Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year															
	Mar.31	Jun.30	Sep.30	Dec.31																
2015	.1495	.1495	.1495	.1555	.604															
2016	.1555	.1555	.1555	.1602	.627															
2017	.1602	.1602	.1602	.1666	.647															
2018	.1666	.1666	.1666	.1733	.673															
2019	.1733	.1733	.1733																	

**BUSINESS:** The York Water Company is the oldest investor-owned regulated water utility in the United States. It has operated continuously since 1816. As of December 31, 2018, the company's average daily availability was 35.4 million gallons and its service territory had an estimated population of 199,000. Has more than 69,000 customers. Residential customers accounted for 65% of 2018 revenues; commercial and industrial (28%); other (7%). It also provides sewer billing services. Incorporated: PA. York had 109 full-time employees at 12/31/18. President/CEO: Jeffrey R. Hines. Officers/directors own 1.2% of the common stock (3/19 proxy). Address: 130 East Market Street, York, Pennsylvania 17401. Telephone: (717) 845-3601. Internet: [www.yorkwater.com](http://www.yorkwater.com).

**York Water Company's stock price has risen sharply since the start of September.** Shares of the regulated water utility broke through a \$35-\$36 resistance level and are now trading above \$42 a share (around fresh all-time highs). In our opinion, there aren't any obvious catalysts behind the recent move, as second-quarter financial results came in basically in line with expectations. That said, with broader market indices making a return to all-time-high territory, it is likely that the investment community may be starting to accumulate stock of relatively recession-proof companies.

**June-period earnings of \$0.28 a share hit our mark, while revenues of \$13.0 million modestly beat our \$12.5 million call.** Indeed, the top line is benefiting from a rate hike that took effect on March 1st of this year, as well as an increasing customer base. Meanwhile, the bottom line advanced merely two pennies, year over year, as higher operating costs and income taxes remain in the picture.

**York's capital spending program is in full swing.** Over the past three months, the company invested \$4.7 million on specific dam improvements and various infrastructure upgrades. This was in addition to a \$3.3 million bill in the first quarter. According to top brass, another \$9.5 million in investment is on tap for the back half of 2019. Target upgrades include main extensions, dam and spillway overhauls, wastewater treatment plant expansion, and routine pipe and service line repairs. Looking forward, we expect spending for these necessary improvements to spill over well into next decade, given the vast amount of infrastructure that needs to be replaced.

**York stock has been upgraded two notches on our Timeliness Ranking Scale, to 1, and is now slated as a year-ahead market outperformer.** Thus, subscribers with a six- to 12-month holding period are best suited here. On the other hand, the recent quotation leaves much to be desired. Based on our system, the issue offers subpar price appreciation potential over both the intermediate (18 months) and long term (3 to 5 years) investment horizons. The dividend yield is nothing to write home about, either.

*Nicholas P. Patrikis      October 11, 2019*

Delaware County Regional Water Quality Control Authority  
Summary of Risk Premium Models for the  
Proxy Group of Seven Water Companies

	<u>Proxy Group of Seven Water Companies</u>
Predictive Risk Premium Model (PRPM) (1)	11.08 %
Risk Premium Using an Adjusted Total Market Approach (2)	<u>9.27 %</u>
Average	<u><u>10.18 %</u></u>

Notes:

- (1) From page 12 of this Appendix.
- (2) From page 13 of this Appendix.

Delaware County Regional Water Quality Control Authority  
Indicated ROE  
Derived by the Predictive Risk Premium Model (1)

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Proxy Group of Seven Water Companies	LT Average Predicted Variance	Spot Predicted Variance	Recommended Variance	GARCH Coefficient	Predicted Risk Premium (2)	Risk-Free Rate (3)	Indicated ROE (4)
American States Water Co.	0.38%	0.44%	0.41%	1.95005	10.02%	2.70%	12.72%
American Water Works Company Inc	NMF	NMF	NMF	6.14998	NMF	2.70%	NMF
Artesian Resources Corporation	0.32%	0.22%	0.27%	2.11719	7.11%	2.70%	9.81%
California Water Service Group	0.32%	0.34%	0.33%	1.99359	8.20%	2.70%	10.90%
Middlesex Water Co.	0.30%	0.28%	0.29%	2.17112	7.80%	2.70%	10.50%
SJW Corp.	0.42%	0.35%	0.38%	1.60932	7.62%	2.70%	10.32%
York Water Co.	0.45%	0.37%	0.41%	2.26766	11.76%	2.70%	14.46%
						Average	11.45%
						Median	10.70%
						Average of Mean and Median	11.08%

NMF = Not Meaningful Figure

Notes:

- (1) The Predictive Risk Premium Model uses historical data to generate a predicted variance and a GARCH coefficient. The historical data used are the equity risk premiums for the first available trading month as reported by Bloomberg Professional Service.
- (2)  $(1 + (\text{Column [3]} * \text{Column [4]})^{12}) - 1$ .
- (3) From note 2 on page 24 of this Appendix.
- (4)  $\text{Column [5]} + \text{Column [6]}$ .

Delaware County Regional Water Quality Control Authority  
Indicated Common Equity Cost Rate  
Through Use of a Risk Premium Model  
Using an Adjusted Total Market Approach

<u>Line No.</u>		<u>Proxy Group of Seven Water Companies</u>
1.	Prospective Yield on Aaa Rated Corporate Bonds (1)	3.68 %
2.	Adjustment to Reflect Yield Spread Between Aaa Rated Corporate Bonds and A Rated Public Utility Bonds	<u>0.37</u> (2)
3.	Adjusted Prospective Yield on A Rated Public Utility Bonds	4.05 %
4.	Adjustment to Reflect Bond Rating Difference of Proxy Group	<u>0.06</u> (3)
5.	Adjusted Prospective Bond Yield	4.11 %
6.	Equity Risk Premium (4)	<u>5.16</u>
7.	Risk Premium Derived Common Equity Cost Rate	<u><u>9.27</u></u> %

- Notes:
- (1) Consensus forecast of Moody's Aaa Rated Corporate bonds from Blue Chip Financial Forecasts (see pages 20 and 21 of this Appendix).
  - (2) The average yield spread of A rated public utility bonds over Aaa rated corporate bonds of 0.37% from page 14 of this Appendix.
  - (3) Adjustment to reflect the A2 / A3 Moody's LT issuer rating of the Utility Proxy Group as shown on page 15 of this Appendix. The 0.06% upward adjustment is derived by taking 1/6 of the spread between A2 and Baa2 Public Utility Bonds ( $1/6 * 0.34\% = 0.06\%$ ) as derived from page 14 of this Appendix.
  - (4) From page 17 of this Appendix.

Delaware County Regional Water Quality Control Authority  
Interest Rates and Bond Spreads for  
Moody's Corporate and Public Utility Bonds

Selected Bond Yields

	[1]	[2]	[3]
	<u>Aaa Rated Corporate Bond</u>	<u>A Rated Public Utility Bond</u>	<u>Baa Rated Public Utility Bond</u>
Dec-2019	3.01 %	3.40 %	3.73 %
Nov-2019	3.06	3.42	3.76
Oct-2019	<u>3.01</u>	<u>3.39</u>	<u>3.72</u>
Average	<u><u>3.03 %</u></u>	<u><u>3.40 %</u></u>	<u><u>3.74 %</u></u>

Selected Bond Spreads

A Rated Public Utility Bonds Over Aaa Rated Corporate Bonds:

0.37 % (1)

Baa Rated Public Utility Bonds Over A Rated Public Utility Bonds:

0.34 % (2)

Notes:

(1) Column [2] - Column [1].

(2) Column [3] - Column [2].

Source of Information:

Bloomberg Professional Service



Delaware County Regional Water Quality Control Authority  
Comparison of Long-Term Issuer Ratings for  
Proxy Group of Seven Water Companies

	Moody's		Standard & Poor's	
	Long-Term Issuer Rating		Long-Term Issuer Rating	
	December 2019		December 2019	
Proxy Group of Seven Water Companies	Long-Term Issuer Rating	Numerical Weighting (1)	Long-Term Issuer Rating	Numerical Weighting(1)
American States Water Co. (2)	A2	6.0	A+	5.0
American Water Works Company Inc (3)	A3	7.0	A	6.0
Artesian Resources Corporation	NR	- -	NR	- -
California Water Service Group (4)	NR	- -	A+	5.0
Middlesex Water Co.	NR	- -	A	6.0
SJW Corp. (5)	NR	- -	A/A-	6.5
York Water Co.	NR	- -	A-	7.0
Average	A2 / A3	6.5	A	5.9

Notes:

- (1) From page 16 of this Appendix.
- (2) Ratings that of Golden State Water Company.
- (3) Ratings that of New Jersey and Pennsylvania American Water Companies.
- (4) Ratings that of California Water Service Company.
- (5) Ratings that of San Jose Water Company and The Connecticut Water Company.

Source Information: Moody's Investors Service  
Standard & Poor's Global Utilities Rating Service

Numerical Assignment for  
Moody's and Standard & Poor's Bond Ratings

Moody's Bond Rating	Numerical Bond Weighting	Standard & Poor's Bond Rating
Aaa	1	AAA
Aa1	2	AA+
Aa2	3	AA
Aa3	4	AA-
A1	5	A+
A2	6	A
A3	7	A-
Baa1	8	BBB+
Baa2	9	BBB
Baa3	10	BBB-
Ba1	11	BB+
Ba2	12	BB
Ba3	13	BB-
B1	14	B+
B2	15	B
B3	16	B-

Delaware County Regional Water Quality Control Authority  
Judgment of Equity Risk Premium for  
Proxy Group of Seven Water Companies

<u>Line No.</u>		<u>Proxy Group of Seven Water Companies</u>
1.	Calculated equity risk premium based on the total market using the beta approach (1)	5.28 %
2.	Mean equity risk premium based on a study using the holding period returns of public utilities with A rated bonds (2)	<u>5.03</u>
3.	Average equity risk premium	<u><u>5.16 %</u></u>

Notes: (1) From page 18 of this Appendix.  
(2) From page 22 of this Appendix.

Delaware County Regional Water Quality Control Authority  
Derivation of Equity Risk Premium Based on the Total Market Approach  
Using the Beta for the  
Proxy Group of Seven Water Companies

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Proxy Group of Seven Water Companies</u>
<u>Ibbotson-Based Equity Risk Premiums:</u>		
1.	Ibbotson Equity Risk Premium (1)	5.54 %
2.	Regression on Ibbotson Risk Premium Data (2)	8.61
3.	Ibbotson Equity Risk Premium based on PRPM (3)	7.38
4.	Equity Risk Premium Based on Value Line Summary and Index (4)	8.80
5.	Equity Risk Premium Based on Value Line S&P 500 Companies (5)	10.89
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies (6)	<u>9.91</u>
7.	Conclusion of Equity Risk Premium	8.52 %
8.	Adjusted Beta (7)	<u>0.62</u>
9.	Forecasted Equity Risk Premium	<u><u>5.28 %</u></u>

Notes provided on page 21 of this Appendix.

Delaware County Regional Water Quality Control Authority  
Derivation of Equity Risk Premium Based on the Total Market Approach  
Using the Beta for the  
Proxy Group of Seven Water Companies

Notes:

- (1) Based on the arithmetic mean historical monthly returns on large company common stocks from Ibbotson® SBBI® 2019 Market Report minus the arithmetic mean monthly yield of Moody's average Aaa and Aa corporate bonds from 1926-2018.
- (2) This equity risk premium is based on a regression of the monthly equity risk premiums of large company common stocks relative to Moody's average Aaa and Aa rated corporate bond yields from 1928-2018 referenced in Note 1 above.
- (3) The Ibbotson equity risk premium based on the PRPM is derived by applying the PRPM to the monthly risk premiums between Ibbotson large company common stock monthly returns and average Aaa and Aa corporate monthly bond yields, from January 1928 through December 2019.
- (4) The equity risk premium based on the Value Line Summary and Index is derived by subtracting the average consensus forecast of Aaa corporate bonds of 3.68% (from page 13 of this Appendix) from the projected 3-5 year total annual market return of 12.48% (described fully in note 1 on page 24 of this Appendix).
- (5) Using data from Value Line for the S&P 500, an expected total return of 14.57% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 3.68% results in an expected equity risk premium of 10.89%.
- (6) Using data from the Bloomberg Professional Service for the S&P 500, an expected total return of 13.59% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 3.68% results in an expected equity risk premium of 9.91%.
- (7) Average of mean and median beta from page 23 of this Appendix.

Sources of Information:

Stocks, Bonds, Bills, and Inflation - 2019 SBBI Yearbook, John Wiley & Sons, Inc.  
Industrial Manual and Mergent Bond Record Monthly Update.  
Value Line Summary and Index  
Blue Chip Financial Forecasts, January 1, 2020 and December 1, 2019  
Bloomberg Professional Service

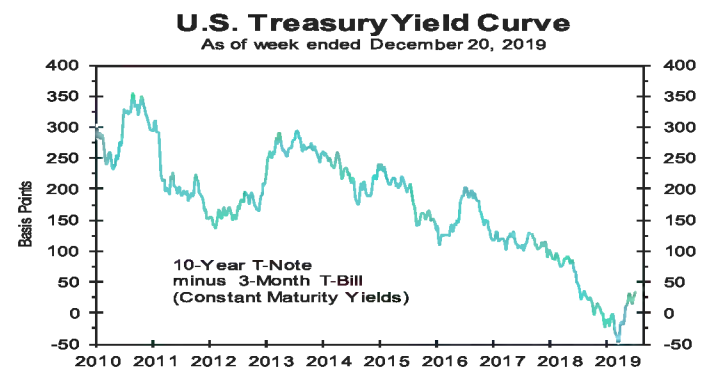
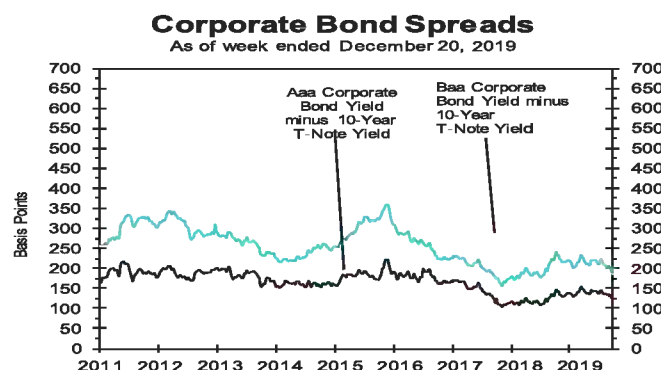
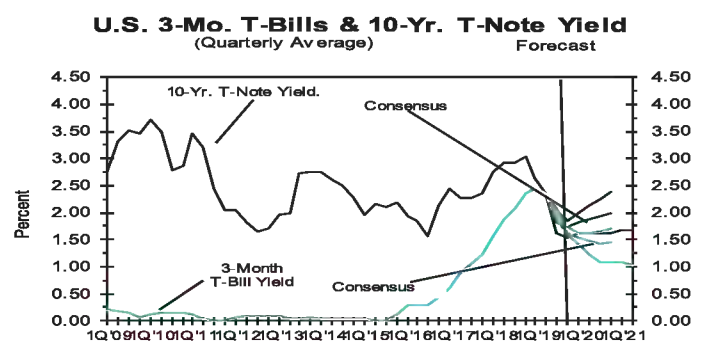
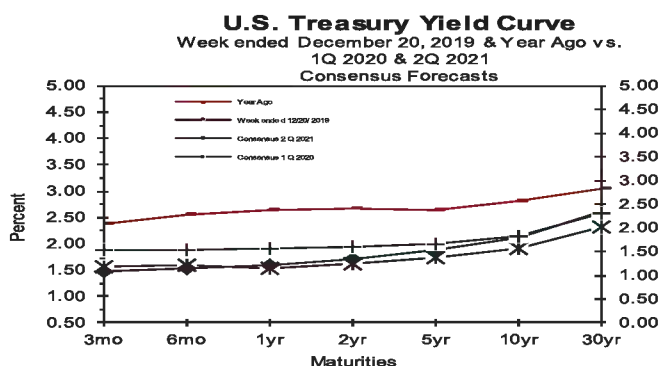
## Consensus Forecasts of U.S. Interest Rates and Key Assumptions

Interest Rates	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week Ending				Average For Month			Latest Qtr	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021
	Dec 20	Dec 13	Dec 6	Nov 29	Nov	Oct	Sep	4Q 2019*	2020	2020	2020	2020	2021	2021
Federal Funds Rate	1.55	1.55	1.56	1.55	1.55	1.83	2.04	1.66	1.6	1.5	1.5	1.4	1.5	1.5
Prime Rate	4.75	4.75	4.75	4.75	4.75	4.99	5.15	4.84	4.7	4.7	4.6	4.6	4.6	4.6
LIBOR, 3-mo.	1.91	1.89	1.89	1.91	1.90	1.98	2.13	1.93	1.9	1.8	1.7	1.8	1.7	1.8
Commercial Paper, 1-mo.	1.64	1.61	1.63	1.58	1.62	1.86	2.01	1.72	1.7	1.6	1.6	1.6	1.6	1.6
Treasury bill, 3-mo.	1.57	1.56	1.56	1.61	1.57	1.68	1.93	1.61	1.5	1.5	1.4	1.4	1.5	1.5
Treasury bill, 6-mo.	1.58	1.57	1.57	1.62	1.59	1.67	1.89	1.61	1.6	1.5	1.5	1.5	1.5	1.5
Treasury bill, 1 yr.	1.53	1.55	1.57	1.59	1.57	1.61	1.80	1.58	1.6	1.6	1.5	1.6	1.6	1.6
Treasury note, 2 yr.	1.63	1.63	1.58	1.61	1.61	1.55	1.65	1.59	1.6	1.6	1.6	1.6	1.7	1.7
Treasury note, 5 yr.	1.73	1.68	1.62	1.61	1.64	1.53	1.57	1.61	1.7	1.7	1.7	1.8	1.8	1.9
Treasury note, 10 yr.	1.91	1.84	1.79	1.76	1.81	1.71	1.70	1.78	1.8	1.9	1.9	2.0	2.1	2.1
Treasury note, 30 yr.	2.33	2.27	2.24	2.20	2.28	2.19	2.16	2.25	2.3	2.4	2.4	2.5	2.5	2.6
Corporate Aaa bond	3.13	3.11	3.12	3.07	3.16	3.11	3.10	3.13	3.2	3.3	3.4	3.5	3.5	3.6
Corporate Baa bond	3.78	3.77	3.81	3.77	3.86	3.86	3.84	3.84	4.1	4.2	4.3	4.4	4.5	4.5
State & Local bonds	3.10	3.10	3.12	3.10	3.15	3.14	3.15	3.13	2.9	3.0	3.1	3.1	3.2	3.2
Home mortgage rate	3.73	3.73	3.68	3.68	3.70	3.69	3.61	3.70	3.7	3.8	3.8	3.9	4.0	4.0

Key Assumptions	History								Consensus Forecasts-Quarterly					
	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019**	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021
Fed's AFE \$ Index	102.9	105.5	107.8	109.4	109.4	110.3	110.5	110.4	109.6	109.1	108.8	108.4	108.3	108.1
Real GDP	2.5	3.5	2.9	1.1	3.1	2.0	2.1	1.8	1.6	1.8	1.8	1.9	1.9	2.0
GDP Price Index	2.3	3.2	2.0	1.6	1.1	2.4	1.8	1.8	1.9	2.0	2.0	2.0	2.0	2.0
Consumer Price Index	3.2	2.1	2.0	1.5	0.9	2.9	1.8	2.3	2.1	2.0	2.1	2.0	2.1	2.0

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data: Treasury rates from the Federal Reserve Board's H.15; AAA-AA and A-BBB corporate bond yields from Bank of America-Merrill Lynch and are 15+ years, yield to maturity; State and local bond yields from Bank of America-Merrill Lynch, A-rated, yield to maturity; Mortgage rates from Freddie Mac, 30-year, fixed; LIBOR quotes from Intercontinental Exchange. All interest rate data are sourced from Haver Analytics. Historical data for Fed's Major Currency Index are from FRSR H.10. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS). \*Interest rate data for 4Q 2019 are based on historical data through the week ended December 20. \*\*Data for 4Q 2019 for the Fed's AFE \$ Index based on data through week ended December 20. Figures for 4Q 2019 Real GDP, GDP Chained Price Index and Consumer Price Index are consensus forecasts based on a special question asked of the panelists this month.



## Long-Range Survey:

The table below contains the results of our twice-annual long-range CONSENSUS survey. There are also Top 10 and Bottom 10 averages for each variable. Shown are consensus estimates for the years 2021 through 2025 and averages for the five-year periods 2021-2025 and 2026-2030. Apply these projections cautiously. Few if any economic, demographic and political forces can be evaluated accurately over such long time spans.

		Average For The Year					Five-Year Averages	
		2021	2022	2023	2024	2025	2021-2025	2026-2030
1. Federal Funds Rate	CONSENSUS	1.5	1.9	2.1	2.3	2.4	2.1	2.4
	Top 10 Average	2.1	2.6	2.7	2.9	3.0	2.6	3.0
	Bottom 10 Average	1.0	1.2	1.5	1.8	1.9	1.5	1.9
2. Prime Rate	CONSENSUS	4.5	4.9	5.1	5.4	5.5	5.1	5.5
	Top 10 Average	5.0	5.5	5.7	6.0	6.0	5.6	6.0
	Bottom 10 Average	4.0	4.3	4.6	4.9	5.0	4.5	5.0
3. LIBOR, 3-Mo.	CONSENSUS	1.9	2.2	2.4	2.6	2.7	2.3	2.7
	Top 10 Average	2.4	2.7	2.9	3.1	3.2	2.9	3.2
	Bottom 10 Average	1.4	1.6	1.8	2.0	2.2	1.8	2.2
4. Commercial Paper, 1-Mo.	CONSENSUS	1.7	2.1	2.3	2.5	2.7	2.3	2.7
	Top 10 Average	2.2	2.5	2.8	3.0	3.1	2.7	3.1
	Bottom 10 Average	1.3	1.6	1.8	2.1	2.2	1.8	2.2
5. Treasury Bill Yield, 3-Mo.	CONSENSUS	1.5	1.8	2.0	2.3	2.4	2.0	2.4
	Top 10 Average	2.1	2.6	2.7	2.9	3.0	2.6	3.0
	Bottom 10 Average	1.0	1.2	1.4	1.7	1.8	1.4	1.8
6. Treasury Bill Yield, 6-Mo.	CONSENSUS	1.6	1.9	2.2	2.4	2.5	2.1	2.5
	Top 10 Average	2.2	2.6	2.8	3.0	3.1	2.7	3.1
	Bottom 10 Average	1.1	1.3	1.5	1.8	2.0	1.5	2.0
7. Treasury Bill Yield, 1-Yr.	CONSENSUS	1.7	2.0	2.2	2.5	2.6	2.2	2.7
	Top 10 Average	2.3	2.7	2.9	3.2	3.2	2.8	3.2
	Bottom 10 Average	1.2	1.3	1.6	1.9	2.1	1.6	2.1
8. Treasury Note Yield, 2-Yr.	CONSENSUS	1.8	2.1	2.4	2.6	2.7	2.3	2.8
	Top 10 Average	2.4	2.8	3.1	3.3	3.4	3.0	3.4
	Bottom 10 Average	1.2	1.5	1.7	2.0	2.2	1.7	2.2
10. Treasury Note Yield, 5-Yr.	CONSENSUS	2.0	2.3	2.6	2.8	2.9	2.5	3.0
	Top 10 Average	2.6	3.0	3.2	3.5	3.5	3.2	3.6
	Bottom 10 Average	1.5	1.7	1.9	2.1	2.3	1.9	2.3
11. Treasury Note Yield, 10-Yr.	CONSENSUS	2.3	2.5	2.8	3.0	3.1	2.8	3.2
	Top 10 Average	2.9	3.3	3.6	3.8	3.9	3.5	4.0
	Bottom 10 Average	1.8	1.9	2.1	2.3	2.4	2.1	2.5
12. Treasury Bond Yield, 30-Yr.	CONSENSUS	2.8	3.0	3.2	3.5	3.6	3.2	3.7
	Top 10 Average	3.3	3.6	4.0	4.2	4.3	3.9	4.4
	Bottom 10 Average	2.2	2.4	2.5	2.7	2.9	2.6	2.9
13. Corporate Aaa Bond Yield	CONSENSUS	3.7	4.0	4.3	4.5	4.6	4.2	4.7
	Top 10 Average	4.3	4.6	4.9	5.2	5.3	4.9	5.4
	Bottom 10 Average	3.2	3.4	3.6	3.7	3.9	3.6	4.0
13. Corporate Baa Bond Yield	CONSENSUS	4.7	4.9	5.2	5.4	5.6	5.2	5.6
	Top 10 Average	5.3	5.6	5.9	6.2	6.3	5.9	6.4
	Bottom 10 Average	4.2	4.3	4.4	4.6	4.8	4.5	4.8
14. State & Local Bonds Yield	CONSENSUS	3.6	3.7	3.9	4.1	4.2	3.9	4.2
	Top 10 Average	4.0	4.3	4.5	4.6	4.7	4.4	4.7
	Bottom 10 Average	3.2	3.2	3.3	3.5	3.7	3.4	3.8
15. Home Mortgage Rate	CONSENSUS	4.1	4.2	4.5	4.7	4.8	4.5	4.9
	Top 10 Average	4.5	4.8	5.1	5.4	5.4	5.0	5.5
	Bottom 10 Average	3.7	3.7	3.9	4.1	4.2	3.9	4.2
A. Fed's AFE Nominal \$ Index	CONSENSUS	108.8	108.8	109.1	109.2	108.8	108.9	108.3
	Top 10 Average	110.6	110.7	111.1	111.5	111.6	111.1	111.8
	Bottom 10 Average	107.0	107.0	107.1	107.1	106.5	106.9	105.7
		Year-Over-Year, % Change					Five-Year Averages	
		2021	2022	2023	2024	2025	2021-2025	2026-2030
B. Real GDP	CONSENSUS	1.9	2.0	2.0	1.9	2.0	1.9	2.0
	Top 10 Average	2.4	2.4	2.3	2.2	2.2	2.3	2.3
	Bottom 10 Average	1.4	1.6	1.6	1.7	1.7	1.6	1.7
C. GDP Chained Price Index	CONSENSUS	2.2	2.3	2.3	2.2	2.2	2.2	2.2
	Top 10 Average	2.6	2.8	2.7	2.6	2.6	2.7	2.6
	Bottom 10 Average	1.8	1.8	1.9	1.9	1.9	1.9	1.9
D. Consumer Price Index	CONSENSUS	2.1	2.2	2.2	2.2	2.1	2.2	2.1
	Top 10 Average	2.4	2.4	2.5	2.4	2.3	2.4	2.3
	Bottom 10 Average	1.8	1.9	2.0	2.0	1.9	1.9	2.0

Delaware County Regional Water Quality Control Authority  
Derivation of Mean Equity Risk Premium Based Studies  
Using Holding Period Returns and  
Projected Market Appreciation of the S&P Utility Index

<u>Line No.</u>		<u>Implied Equity Risk Premium</u>
	<u>Equity Risk Premium based on S&amp;P Utility Index Holding Period Returns (1):</u>	
1.	Historical Equity Risk Premium	4.00 %
2.	Regression of Historical Equity Risk Premium (2)	6.22
3.	Forecasted Equity Risk Premium Based on PRPM (3)	3.85
4.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Value Line Data) (4)	6.24
5.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Bloomberg Data) (5)	<u>4.85</u>
6.	Average Equity Risk Premium (6)	<u><u>5.03 %</u></u>

Notes: (1) Based on S&P Public Utility Index monthly total returns and Moody's Public Utility Bond average monthly yields from 1928-2018. Holding period returns are calculated based upon income received (dividends and interest) plus the relative change in the market value of a security over a one-year holding period.

(2) This equity risk premium is based on a regression of the monthly equity risk premiums of the S&P Utility Index relative to Moody's A rated public utility bond yields from 1928 - 2018 referenced in note 1 above.

(3) The Predictive Risk Premium Model (PRPM) is applied to the risk premium of the monthly total returns of the S&P Utility Index and the monthly yields on Moody's A rated public utility bonds from January 1928 - December 2019.

(4) Using data from Value Line for the S&P Utilities Index, an expected return of 10.29% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the expected A rated public utility bond yield of 4.05%, calculated on line 3 of page 13 of this Appendix results in an equity risk premium of 6.30%. (10.29% - 4.05% = 6.24%)

(5) Using data from Bloomberg Professional Service for the S&P Utilities Index, an expected return of 8.90% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the expected A rated public utility bond yield of 4.05%, calculated on line 3 of page 13 of this Appendix results in an equity risk premium of 4.85%. (8.90% - 4.05% = 4.85%)

(6) Average of lines 1 through 5.



Delaware County Regional Water Quality Control Authority  
Indicated Common Equity Cost Rate Through Use  
of the Traditional Capital Asset Pricing Model (CAPM) and Empirical Capital Asset Pricing Model (ECAPM)

Proxy Group of Seven Water Companies	[1] Value Line Adjusted Beta	[2] Bloomberg Adjusted Beta	[3] Average Beta	[4] Market Risk Premium (1)	[5] Risk-Free Rate (2)	[6] Traditional CAPM Cost Rate	[7] ECAPM Cost Rate	[8] Indicated Common Equity Cost Rate (3)
American States Water Co.	0.65	0.53	0.59	9.54 %	2.70 %	8.33 %	9.31 %	8.82 %
American Water Works Company Inc	0.60	0.59	0.60	9.54	2.70	8.42	9.38	8.90
Artesian Resources Corporation	0.65	0.54	0.60	9.54	2.70	8.42	9.38	8.90
California Water Service Group	0.70	0.63	0.67	9.54	2.70	9.09	9.88	9.49
Middlesex Water Co.	0.70	0.71	0.71	9.54	2.70	9.47	10.17	9.82
SJW Corp.	0.60	0.59	0.60	9.54	2.70	8.42	9.38	8.90
York Water Co.	0.75	0.63	0.69	9.54	2.70	9.28	10.02	9.65
Mean			0.64			8.78 %	9.64 %	9.21 %
Median			0.60			8.42 %	9.38 %	8.90 %
Average of Mean and Median			0.62			8.60	9.51	9.06 %

Notes on page 24 of this Appendix.

Delaware County Regional Water Quality Control Authority  
Notes to Accompany the Application of the CAPM and ECAPM

Notes:

- (1) The market risk premium (MRP) is derived by using six different measures from three sources: Ibbotson, Value Line, and Bloomberg as illustrated below:

Historical Data MRP Estimates:

Measure 1: Ibbotson Arithmetic Mean MRP (1926-2018)

Arithmetic Mean Monthly Returns for Large Stocks 1926-2018:	11.89 %
Arithmetic Mean Income Returns on Long-Term Government Bonds:	5.12
MRP based on Ibbotson Historical Data:	<u>6.77 %</u>

Measure 2: Application of a Regression Analysis to Ibbotson Historical Data (1926-2018)

9.63 %

Measure 3: Application of the PRPM to Ibbotson Historical Data: (January 1926 - December 2019)

8.31 %

Value Line MRP Estimates:

Measure 4: Value Line Projected MRP (Thirteen weeks ending January 03, 2020)

Total projected return on the market 3-5 years hence*:	12.48 %
Projected Risk-Free Rate (see note 2):	2.70
MRP based on Value Line Summary & Index:	<u>9.78 %</u>

\*Forecasted 3-5 year capital appreciation plus expected dividend yield

Measure 5: Value Line Projected Return on the Market based on the S&P 500

Total return on the Market based on the S&P 500:	14.57 %
Projected Risk-Free Rate (see note 2):	2.70
MRP based on Value Line data	<u>11.87 %</u>

Measure 6: Bloomberg Projected MRP

Total return on the Market based on the S&P 500:	13.59 %
Projected Risk-Free Rate (see note 2):	2.70
MRP based on Bloomberg data	<u>10.89 %</u>

Average of Value Line, Ibbotson, and Bloomberg MRP: 9.54 %

- (2) Equals the average forecast of 30 year Treasury Bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts. (See pages 20 and 21 of this Appendix.) The projection of the risk-free rate is illustrated below:

First Quarter 2020	2.30 %
Second Quarter 2020	2.40
Third Quarter 2020	2.40
Fourth Quarter 2020	2.50
First Quarter 2021	2.50
Second Quarter 2021	2.60
2021-2025	3.20
2026-2030	3.70
	<u>2.70 %</u>

- (3) Average of Column 6 and Column 7.

Sources of Information:

Value Line Summary and Index

Blue Chip Financial Forecasts, January 1, 2020 and December 1, 2019

Stocks, Bonds, Bills, and Inflation - 2019 SBBI Yearbook, John Wiley & Sons, Inc.

Bloomberg Professional Services

Delaware County Regional Water Quality Control Authority  
Basis of Selection of the Group of Non-Price Regulated Companies  
Comparable in Total Risk to the Utility Proxy Group

The criteria for selection of the Non-Price Regulated Proxy Group was that the non-price regulated companies be domestic and reported in Value Line Investment Survey (Standard Edition).

The Non-Price Regulated Proxy Group was then selected based on the unadjusted beta range of 0.23 – 0.69 and residual standard error of the regression range of 2.7169 – 3.2405 of the Utility Proxy Group.

These ranges are based upon plus or minus two standard deviations of the unadjusted beta and standard error of the regression. Plus or minus two standard deviations captures 95.50% of the distribution of unadjusted betas and residual standard errors of the regression.

The standard deviation of the Utility Proxy Group's residual standard error of the regression is 0.1309. The standard deviation of the standard error of the regression is calculated as follows:

$$\text{Standard Deviation of the Std. Err. of the Regr.} = \frac{\text{Standard Error of the Regression}}{\sqrt{2N}}$$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

$$\text{Thus, } 0.1309 = \frac{2.9787}{\sqrt{518}} = \frac{2.9787}{22.7596}$$

Source of Information: Value Line, Inc., December 2019  
Value Line Investment Survey (Standard Edition)

Delaware County Regional Water Quality Control Authority  
Basis of Selection of Comparable Risk  
Domestic Non-Price Regulated Companies

	[1]	[2]	[3]	[4]
Proxy Group of Seven Water Companies	Value Line Adjusted Beta	Unadjusted Beta	Residual Standard Error of the Regression	Standard Deviation of Beta
American States Water Co.	0.70	0.52	2.7606	0.1051
American Water Works Company Inc	0.55	0.31	2.0671	0.0787
Artesian Resources Corporation	0.60	0.35	3.3330	0.1269
California Water Service Group	0.70	0.54	2.8259	0.1076
Middlesex Water Co.	0.75	0.55	3.2001	0.1218
SJW Corp.	0.60	0.37	3.2738	0.1246
York Water Co.	0.75	0.56	3.3903	0.1291
Average	<u>0.66</u>	<u>0.46</u>	<u>2.9787</u>	<u>0.1134</u>
Beta Range (+/- 2 std. Devs. of Beta)	0.23	0.69		
2 std. Devs. of Beta	0.23			
Residual Std. Err. Range (+/- 2 std. Devs. of the Residual Std. Err.)	2.7169	3.2405		
Std. dev. of the Res. Std. Err.	0.1309			
2 std. devs. of the Res. Std. Err.	0.2618			

Source of Information: Valueline Proprietary Database, December 2019

Delaware County Regional Water Quality Control Authority  
Proxy Group of Non-Price Regulated Companies  
Comparable in Total Risk to the  
Proxy Group of Seven Water Companies

	[1]	[2]	[3]	[4]
Proxy Group of Thirteen Non-Price Regulated Companies	VL Adjusted Beta	Unadjusted Beta	Residual Standard Error of the Regression	Standard Deviation of Beta
AutoZone Inc.	0.80	0.68	2.8167	0.1072
Bunge Ltd.	0.80	0.68	3.2030	0.1219
Cheesecake Factory	0.70	0.54	2.8539	0.1087
Casey's Gen'l Stores	0.70	0.52	3.0696	0.1169
Cboe Global Markets	0.70	0.52	2.8145	0.1072
Cracker Barrel	0.75	0.59	3.0393	0.1157
Dollar General	0.80	0.67	3.0401	0.1157
Dunkin' Brands Group	0.60	0.38	2.7913	0.1063
Darden Restaurants	0.80	0.64	2.9354	0.1118
Integra LifeSciences	0.80	0.64	3.0015	0.1143
Lamb Weston Holdings	0.75	0.57	2.7437	0.1768
Texas Roadhouse	0.80	0.69	3.0305	0.1154
Viad Corp.	0.80	0.64	3.0650	0.1167
Average	0.75	0.60	2.9500	0.1200
Proxy Group of Seven Water Companies	0.66	0.46	2.9787	0.1134

Source of Information:

Valueline Proprietary Database, December 2019

Delaware County Regional Water Quality Control Authority  
Summary of Cost of Equity Models Applied to  
Proxy Group of Thirteen Non-Price Regulated Companies  
Comparable in Total Risk to the  
Proxy Group of Seven Water Companies

<u>Principal Methods</u>	<u>Proxy Group of Thirteen Non- Price Regulated Companies</u>
Discounted Cash Flow Model (DCF) (1)	12.12 %
Risk Premium Model (RPM) (2)	11.08
Capital Asset Pricing Model (CAPM) (3)	<u>10.24</u>
Mean	<u><u>11.15 %</u></u>
Median	<u><u>11.08 %</u></u>
Average of Mean and Median	<u><u>11.12 %</u></u>

Notes:

- (1) From page 29 of this Appendix.
- (2) From page 30 of this Appendix.
- (3) From page 33 of this Appendix.

Delaware County Regional Water Quality Control Authority  
DCF Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the  
Proxy Group of Seven Water Companies

	[1]	[2]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Thirteen Non-Price Regulated Companies	Average Dividend Yield	Value Line Projected Five Year Growth in EPS	Zack's Five Year Projected Growth Rate in EPS	Yahoo! Finance Projected Five Year Growth in EPS	Average Projected Five Year Growth Rate in EPS	Adjusted Dividend Yield	Indicated Common Equity Cost Rate (1)
AutoZone Inc.	-	13.50	11.20	10.95	11.88	-	NA
Bunge Ltd.	3.62	17.00	NA	10.10	13.55	3.87	17.42
Cheesecake Factory	3.49	9.00	11.00	8.13	9.38	3.65	13.03
Casey's Gen'l Stores	0.77	6.50	9.10	10.26	8.62	0.80	9.42
Cboe Global Markets	1.23	14.50	7.10	2.23	7.94	1.28	9.22
Cracker Barrel	3.31	11.00	1.10	NA	6.05	3.41	9.46
Dollar General	0.81	12.00	11.40	10.83	11.41	0.86	12.27
Dunkin' Brands Group	1.99	10.00	10.90	7.86	9.59	2.09	11.68
Darden Restaurants	3.11	11.00	9.10	8.72	9.61	3.26	12.87
Integra LifeSciences	-	12.00	12.40	13.19	12.53	-	NA
Lamb Weston Holdings	1.14	11.00	7.90	7.40	8.77	1.19	9.96
Texas Roadhouse	2.18	14.50	11.30	9.11	11.64	2.31	13.95
Viad Corp.	0.62	9.50	NA	14.00	11.75	0.66	12.41
						Mean	11.97
						Median	12.27
					Average of Mean and Median		12.12

NA= Not Available

NMF= Not Meaningful Figure

(1) The application of the DCF model to the domestic, non-price regulated comparable risk companies is identical to the application of the DCF to the utility proxy group. The dividend yield is derived by using the 60 day average price and the spot indicated dividend as of December 31, 2019. The dividend yield is then adjusted by 1/2 the average projected growth rate in EPS, which is calculated by averaging the 5 year projected growth in EPS provided by Value Line, www.reuters.com, www.zacks.com, and www.yahoo.com (excluding any negative growth rates) and then adding that growth rate to the adjusted dividend yield.

Source of Information:

Value Line Investment Survey  
www.reuters.com Downloaded on 12/31/2019  
www.zacks.com Downloaded on 12/31/2019  
www.yahoo.com Downloaded on 12/31/2019

Delaware County Regional Water Quality Control Authority  
Indicated Common Equity Cost Rate  
Through Use of a Risk Premium Model  
Using an Adjusted Total Market Approach

<u>Line No.</u>		<u>Proxy Group of Thirteen Non-Price Regulated Companies</u>
1.	Prospective Yield on Baa Rated Corporate Bonds (1)	4.60 %
2.	Equity Risk Premium (2)	<u>6.48</u>
3.	Risk Premium Derived Common Equity Cost Rate	<u><u>11.08 %</u></u>

Notes: (1) Average forecast of Baa corporate bonds based upon the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts dated January 1, 2020 and December 1, 2019 (see pages 20 and 21 of this Appendix). The estimates are detailed below.

First Quarter 2020	4.10 %
Second Quarter 2020	4.20
Third Quarter 2020	4.30
Fourth Quarter 2020	4.40
First Quarter 2021	4.50
Second Quarter 2021	4.50
2021-2025	5.20
2026-2030	<u>5.60</u>
Average	<u><u>4.60 %</u></u>

(2) From page 32 of this Appendix.



Delaware County Regional Water Quality Control Authority  
Comparison of Long-Term Issuer Ratings for the  
Proxy Group of Thirteen Non-Price Regulated Companies of Comparable risk to the  
Proxy Group of Seven Water Companies

	Moody's Long-Term Issuer Rating December 2019		Standard & Poor's Long-Term Issuer Rating December 2019	
<u>Proxy Group of Thirteen Non-Price Regulated Companies</u>	<u>Long-Term Issuer Rating</u>	<u>Numerical Weighting (1)</u>	<u>Long-Term Issuer Rating</u>	<u>Numerical Weighting (1)</u>
AutoZone Inc.	Baa1	8.0	BBB	9.0
Bunge Ltd.	NR	--	BBB	9.0
Cheesecake Factory	NR	--	NR	--
Casey's Gen'l Stores	NR	--	NR	--
Cboe Global Markets	A3	7.0	A-	7.0
Cracker Barrel	WR	--	NR	--
Dollar General	Baa2	9.0	BBB	9.0
Dunkin' Brands Group	NR	--	NR	--
Darden Restaurants	Baa2	9.0	BBB	9.0
Integra LifeSciences	NR	--	NR	--
Lamb Weston Holdings	Ba2	12.0	BB+	11.0
Texas Roadhouse	NR	--	NR	--
Viad Corp.	WR	--	NR	--
Average	<u>Baa2</u>	<u>9.0</u>	<u>BBB</u>	<u>9.0</u>

Notes:

(1) From page 16 of this Appendix.

Source of Information:

Bloomberg Professional Services

Delaware County Regional Water Quality Control Authority  
Derivation of Equity Risk Premium Based on the Total Market Approach  
Using the Beta for  
Proxy Group of Thirteen Non-Price Regulated Companies of Comparable risk to the  
Proxy Group of Seven Water Companies

<u>Line No.</u>	<u>Equity Risk Premium Measure</u>	<u>Proxy Group of Thirteen Non-Price Regulated Companies</u>
<u>Ibbotson-Based Equity Risk Premiums:</u>		
1.	Ibbotson Equity Risk Premium (1)	5.54 %
2.	Regression on Ibbotson Risk Premium Data (2)	8.61
3.	Ibbotson Equity Risk Premium based on PRPM (3)	7.38
4.	Equity Risk Premium Based on <u>Value Line</u> Summary and Index (4)	8.80
5	Equity Risk Premium Based on <u>Value Line</u> S&P 500 Companies (5)	10.89
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies (6)	<u>9.91</u>
7.	Conclusion of Equity Risk Premium	8.52 %
8.	Adjusted Beta (7)	<u>0.76</u>
9.	Forecasted Equity Risk Premium	<u><u>6.48 %</u></u>

Notes:

- (1) From note 1 of page 19 of this Appendix.
- (2) From note 2 of page 19 of this Appendix.
- (3) From note 3 of page 19 of this Appendix.
- (4) From note 4 of page 19 of this Appendix.
- (5) From note 5 of page 19 of this Appendix.
- (6) From note 6 of page 19 of this Appendix.
- (7) Average of mean and median beta from page 33 of this Appendix.

Sources of Information:

Stocks, Bonds, Bills, and Inflation - 2019 SBBI Yearbook, John Wiley & Sons, Inc.  
Value Line Summary and Index  
Blue Chip Financial Forecasts, January 1, 2020 and December 1, 2019  
Bloomberg Professional Services

Delaware County Regional Water Quality Control Authority  
Traditional CAPM and ECAPM Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the  
Proxy Group of Seven Water Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Thirteen Non-Price Regulated Companies	Value Line Adjusted Beta	Bloomberg Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (3)
AutoZone Inc.	0.80	0.64	0.72	9.54 %	2.70 %	9.57 %	10.24 %	9.90 %
Bunge Ltd.	0.80	0.61	0.70	9.54	2.70	9.38	10.09	9.74
Cheesecake Factory	0.80	0.75	0.78	9.54	2.70	10.14	10.67	10.40
Casey's Gen'l Stores	0.75	0.77	0.76	9.54	2.70	9.95	10.52	10.24
Choe Global Markets	0.70	0.73	0.72	9.54	2.70	9.57	10.24	9.90
Cracker Barrel	0.75	0.70	0.73	9.54	2.70	9.67	10.31	9.99
Dollar General	0.85	0.76	0.80	9.54	2.70	10.33	10.81	10.57
Dunkin' Brands Group	0.70	0.83	0.76	9.54	2.70	9.95	10.52	10.24
Darden Restaurants	0.80	0.75	0.77	9.54	2.70	10.05	10.60	10.32
Integra LifeSciences	0.85	0.88	0.87	9.54	2.70	11.00	11.31	11.16
Lamb Weston Holdings	0.70	0.55	0.63	9.54	2.70	8.71	9.59	9.15
Texas Roadhouse	0.80	0.85	0.83	9.54	2.70	10.62	11.02	10.82
Viad Corp.	0.80	0.80	0.80	9.54	2.70	10.33	10.81	10.57
Mean			0.76			9.94 %	10.52 %	10.23 %
Median			0.76			9.95 %	10.52 %	10.24 %
Average of Mean and Median			0.76			9.95 %	10.52 %	10.24 %

Notes:

- (1) From page 24 of this Appendix, note 1.  
(2) From page 24 of this Appendix, note 2.  
(3) Average of CAPM and ECAPM cost rates.

**Delaware County Regional Water Quality Control Authority**  
**SUMMARY OF ANALYSIS OF ORIGINAL COST OF WASTEWATER SYSTEM**  
**AS OF DECEMBER 13, 2019**

<b>ACCOUNT</b>	<b>DESCRIPTION</b>	<b>ORIGINAL COST</b>	<b>Net Book Value</b>	<b>Trended Original Cost Less Depreciation</b>
353.3	LAND AND LAND RIGHTS - PUMPING	\$ 131,500.00	\$ 131,500.00	\$ 131,500.00
354.3	STRUCTURES AND IMPROVEMENTS - PUMPING	\$ 28,944,363.79	\$ 15,814,302.77	\$ 26,233,002.41
354.4	STRUCTURES AND IMPROVEMENTS - TREATMENT	\$ 12,681,792.80	\$ 6,033,715.70	\$ 12,565,981.34
354.7	STRUCTURES AND IMPROVEMENTS - GENERAL PLANT	\$ 2,434,828.00	\$ 1,628,271.28	\$ 2,805,802.58
360.21	COLLECTION SEWERS - FORCE - MAINS	\$ 40,269,449.52	\$ 29,921,979.68	\$ 63,969,045.96
361.21	COLLECTION SEWERS - GRAVITY - MAINS	\$ 8,324,260.54	\$ 4,797,229.99	\$ 12,600,177.42
361.23	COLLECTION SEWERS - GRAVITY - MANHOLES	\$ 3,473,591.30	\$ 2,397,882.19	\$ 4,356,990.57
362.2	SPECIAL COLLECTING STRUCTURES	\$ 8,739,493.81	\$ 6,738,137.83	\$ 13,207,673.28
363.2	SERVICES TO CUSTOMERS	\$ 307,904.86	\$ -	\$ -
364.2	FLOW MEASURING DEVICES	\$ 634,716.65	\$ 527,320.96	\$ 547,417.45
365.2	FLOW MEASURING INSTALLATIONS	\$ 12,625.00	\$ -	\$ -
371.3	PUMPING EQUIPMENT	\$ 11,042,301.00	\$ 6,386,194.60	\$ 10,747,167.20
380.3	TREATMENT AND DISPOSAL EQUIPMENT - PUMP STATIONS	\$ 37,071,005.38	\$ 28,781,148.54	\$ 40,155,488.88
380.4	TREATMENT AND DISPOSAL EQUIPMENT	\$ 105,317,582.56	\$ 68,605,298.09	\$ 103,532,710.67
390.7	COMPUTER AND SOFTWARE	\$ 311,997.68	\$ 124,799.07	\$ 116,129.33
391.7	TRANSPORTATION EQUIPMENT	\$ 3,788,348.39	\$ 1,348,573.14	\$ 1,367,907.98
396.7	COMMUNICATION EQUIPMENT	\$ 196,855.00	\$ 78,742.00	\$ 76,998.30
	SYSTEM TOTAL	\$ 263,682,616.27	\$ 173,315,095.84	\$ 292,413,993.38

LOCATION		ASSET	YEAR	QUANTITY	ORIGINAL COST	AGE	USEFUL LIFE	ACCUM. DEPRECIATION	NETBOOK VALUE	SERVICE	PRESENT	HW RATIO	WARRANTY DEPRECIATION	
LAND	LAND AND RIGHTS - PUMPING													
PS-28 FM			2014	\$	40,000.00	5	NA		40,000.00	NA	NA	\$	40,000.00	
PS-29 FM			2016	\$	12,000.00	43	NA		12,000.00	NA	NA	\$	12,000.00	
PS-31 & PS-11 FM			1977	\$	775,000.00	42	NA		775,000.00	NA	NA	\$	775,000.00	
TOTAL LAND AND LAND RIGHTS - PUMPING					\$	131,000.00			131,000.00			\$	131,000.00	
STRUCTURES AND IMPROVEMENTS - PUMPING														
PS-8	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1977		\$	8,451.05	82	50	\$	8,451.05		71.00	39.61		
PS-27	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1951		\$	66,556.00	68	50	\$	66,556.00		71.00	18.76		
PS-11	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1951		\$	389,410.99	64	50	\$	389,410.99		71.00	15.58		
PS-11	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1955		\$	389,410.99	63	50	\$	389,410.99		71.00	15.58		
PS-26	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1956		\$	42,481.72	64	50	\$	42,481.72		71.00	12.77		
PS-10	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1961		\$	185,487.59	59	50	\$	185,487.59		71.00	12.77		
PS-27	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1966		\$	13,222.96	53	50	\$	13,222.96		71.00	12.08		
PS-4	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1970		\$	17,926.42	49	50	\$	17,926.42		71.00	9.51	3,407.27	
PS-9	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1974		\$	2,828.68	45	50	\$	2,828.68		71.00	6.09	1,723,804.26	
PS-27	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1974		\$	2,828.68	45	50	\$	2,828.68		71.00	6.09	1,723,804.26	
PS-27	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1978		\$	5,212,775.21	40	50	\$	5,212,775.21		71.00	4.83	4,441,410.61	
PS-23	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1979		\$	38,968.15	40	50	\$	38,968.15		71.00	4.37	34,091.15	
PS-13	Initial facility cost including pump station, building, generator, fencing, paving, etc.	1979		\$	27,606.21	40	50	\$	27,606.21		71.00	2.15	24,043.84	
PS-10	Initial facility cost including pump station, building, generator, fencing, paving, etc.	2006		\$	950,818.53	11	50	\$	950,818.53		71.00	1.50	1,089,971.25	
PS-26	Initial facility cost including pump station, building, generator, fencing, paving, etc.	2009		\$	1,538,096.01	10	50	\$	1,538,096.01		71.00	1.31	1,654,222.60	
PS-27	Initial facility cost including pump station, building, generator, fencing, paving, etc.	2013		\$	8,617,630.00	6	50	\$	8,617,630.00		71.00	1.16	8,851,336.00	
PS-28	Initial facility cost including pump station, building, generator, fencing, paving, etc.	2014		\$	2,114,900.00	5	50	\$	2,114,900.00		71.00	1.14	2,374,854.24	
PS-31	Initial facility cost including pump station, building, generator, fencing, paving, etc.	2016		\$	1,528,785.00	3	50	\$	1,528,785.00		71.00	1.09	1,783,971.64	
TOTAL STRUCTURES AND IMPROVEMENTS - PUMPING					\$	28,844,363.79			15,814,302.77			\$	26,233,002.41	
STRUCTURES AND IMPROVEMENTS - TREATMENT														
PS-1 (Radium only)	Original installation	1972		\$	1,21,397.00	47	50	\$	1,21,397.00		71.00	2.75	56,530.96	
B-1 (Gravel)	Original installation	1974		\$	509,213.00	45	50	\$	509,213.00		71.00	6.09	310,313.44	
B-2 (Concrete)	Original installation	1974		\$	3,407,361.00	45	50	\$	3,407,361.00		71.00	6.09	2,076,451.62	
B-2 (Concrete)	Telemetry (SCADA)	1988		\$	12,621.00	31	50	\$	12,621.00		71.00	2.84	153,797.95	
B-7 (Concrete)	Pre-CO2 Air-Gas Storage Construction	1989		\$	375,338.00	30	50	\$	375,338.00		71.00	2.69	403,852.96	
B-5 (Main/Manure)	Original installation	1992		\$	1,496,152.00	27	50	\$	1,496,152.00		71.00	2.54	1,747,816.66	
Roof Replacement - Roof Replacement - B-2, B-3, B-4		1993		\$	1,424,777.00	26	50	\$	1,424,777.00		71.00	2.43	1,658,854.86	
Manure/office Office (trailer)	Original installation	1994		\$	4,000.00	25	50	\$	4,000.00		71.00	2.37	4,837.40	
B-1 (Gravel)	Original installation	2001		\$	562,156.00	18	50	\$	562,156.00		71.00	1.90	1,088,887.46	
B-1 (Gravel)	Grill Removal and System Rehabilitation	2001		\$	878,370.00	18	50	\$	878,370.00		71.00	1.81	1,62,523.83	
B-2 (Concrete)	Control Room Upgrade in B-2	2003		\$	130,900.00	16	50	\$	130,900.00		71.00	1.81	241,043.84	
B-2 (Engineering)	Architectural Upgrade (B2, B3 & B5)	2003		\$	2,466,464.00	16	50	\$	2,466,464.00		71.00	1.81	2,814,043.84	
B-2 (Engineering)	Roof Replacement (B-2) and 10 Rooms in Station	2005		\$	1,424,777.00	14	50	\$	1,424,777.00		71.00	1.68	1,62,523.83	
B-2 (Engineering)	Roof Replacement (B-2) and 10 Rooms in Station	2005		\$	444,500.00	14	50	\$	444,500.00		71.00	1.68	51,713.43	
WRP & Reserve Pump Station	Coping & Masonry Repairs	2006		\$	294,000.00	13	50	\$	294,000.00		71.00	1.55	337,218.00	
Pre-Advanced Metal Building - Pre-Advanced Metal Building with Insulation		2007		\$	94,800.00	12	50	\$	94,800.00		71.00	1.46	105,374.82	
Shedder Truck and Borehole WWP - TREATMENT SYSTEM		2007		\$	383,583.35	12	50	\$	383,583.35		71.00	1.46	426,349.35	
Shedder Truck and Borehole WWP - TREATMENT SYSTEM		2015		\$	50,000.00	4	50	\$	50,000.00		71.00	1.15	51,713.43	
Storage Sheds	Original installation	2015		\$	50,000.00	4	50	\$	50,000.00		71.00	1.15	51,713.43	
B-1 (Gravel)	Electrical Updates	2018		\$	1,46,052.00	1	50	\$	1,46,052.00		71.00	1.07	146,052.00	
B-2 (Concrete)	SCADA/Instrumentation Upgrade	2018		\$	383,719.00	1	50	\$	383,719.00		71.00	1.07	384,957.07	
B-2 (Concrete)	SCADA/Instrumentation Upgrade	2018		\$	383,719.00	1	50	\$	383,719.00		71.00	1.07	384,957.07	
TOTAL STRUCTURES AND IMPROVEMENTS - TREATMENT					\$	12,851,728.35			6,033,215.70			\$	12,851,728.35	
STRUCTURES AND IMPROVEMENTS - GENERAL PLANT														
Administration Building - New administration building		1997		\$	1,719,077.00	22	50	\$	1,719,077.00		71.00	2.15	2,109,877.55	
Removal of old building		1997		\$	407,128.00	22	50	\$	407,128.00		71.00	2.15	506,256.17	
Removal of old building		2016		\$	407,128.00	9	50	\$	407,128.00		71.00	1.00	415,266.17	
Administration Building - New Roof		2019		\$	174,000.00	0	50	\$	174,000.00		71.00	1.00	173,513.29	
TOTAL STRUCTURES AND IMPROVEMENTS - GENERAL PLANT					\$	2,854,832.00			1,682,717.28			\$	2,854,832.00	
COLLECTOR SEWERS - FORCE - MAINS														
PS-10 (Edgemoor FM - 8" CP)		1931		1,921	\$	9,078.00	88	75	\$	9,078.00		826.00	41.30	
PS-8 (Old MBE FM - 6" CP)		1937		2,550	\$	15,043.00	82	75	\$	15,043.00		826.00	39.33	
PS-2 (Rth Street FM - 8" CP)		1951		465	\$	6,592.00	68	75	\$	6,592.00		826.00	18.36	
PS-2 (Carpenter Lane Street FM - 4" CP)		1956		368	\$	5,127.00	63	75	\$	5,127.00		826.00	11.32	
PS-2 (Village Village FM - 12" CP)		1965		855	\$	12,675.00	54	75	\$	12,675.00		826.00	11.65	
PS-4 (Brookhaven Road FM - 8" Used)		1966		1,050	\$	27,931.00	53	75	\$	27,931.00		826.00	11.01	
PS-22 (Dunbar Avenue Street FM - 4" CP)		1970		915	\$	12,439.00	49	75	\$	12,439.00		826.00	9.83	
PS-9 (Dunbar Avenue Street FM - 6" CP)		1972		10,040	\$	2,099,084.50	47	75	\$	2,099,084.50		826.00	8.43	
PS-11 (Sun - Marcus Road FM - 30" PCPD)		1974		2,985	\$	2,979,560.00	45	75	\$	2,979,560.00		826.00	7.51	
PS-11 (Sun - Marcus Road FM - 30" PCPD)		1977		2,250	\$	2,031,315.00	42	75	\$	2,031,315.00		826.00	5.10	
PS-27 (Central Dunbar Street FM - 36" PCPD)		1977		9,820	\$	2,735,989.00	42	75	\$	2,735,989.00		826.00	5.10	
PS-27 (Central Dunbar Street FM - 36" PCPD)		1977		9,820	\$	2,735,989.00	42	75	\$	2,735,989.00		826.00	5.10	
PS-11 (Central Dunbar Street FM - 36" Di)		1978		11,300	\$	2,435,166.00	41	75	\$	2,435,166.00		826.00	4.77	
PS-11 (Central Dunbar Street FM - 36" Di)		1980		17,919	\$	69,192.00	29	75	\$	69,192.00		826.00	2.75	
PS-11 (Central Dunbar Street FM - 36" Di)		2000		17,919	\$	2,522,300.00	24	75	\$	2,522,300.00		826.00	2.19	
PS-11 (Central Dunbar Street FM - 36" Di)		2009		620	\$	11,706,121.00	10	75	\$	11,706,121.00		826.00	1.34	
PS-23 (Stadium FM - 10" Di)		2010		4,650	\$	1,088,428.00	15	75	\$	1,088,428.00		826.00	1.33	
PS-27 (Chester Ridge Creek FM - 30" Di)		2013		10,010	\$	5,792,392.00	6	75	\$	5,792,392.00		826.00	1.19	
PS-27 (Chester Ridge Creek FM - 30" Di)		2016		685	\$	231,000.00	2	75	\$	231,000.00		826.00	1.10	
PS-33 (Dunbar Avenue Street FM - 8" HDPE)		2016		685	\$	231,000.00	2	75	\$	231,000.00		826.00	1.10	
PS-33 (Dunbar Avenue Street FM - 8" HDPE)		2017		2,950	\$	998,650.00	2	75	\$	998,650.00		826.00	1.07	
TOTAL COLLECTOR SEWERS - FORCE - MAINS					\$	40,859,449.32			20,951,979.68			\$	63,895,428.96	
COLLECTOR SEWERS - GRAVITY - MAINS														
18" VCP		1900		708	\$	366.00	119	75	\$	366.00			\$	
15" VCP		1900		2,391	\$	1,887.00	119	75	\$	1,887.00			\$	
24" RCP		1900		351	\$	290.00	119	75	\$	290.00			\$	
24" RCP		1900		2,224	\$	2,521.00	119	75	\$	2,521.00			\$	
30" RCP		1900		23,804	\$	28,596.00	119	75	\$	28,596.00			\$	
30" RCP		1900		3,072	\$	4,929.00	119	75	\$	4,929.00			\$	
36" RCP		1900		77,555	\$	146,894.00	119	75	\$	146,894.00			\$	
42" RCP		1900		366	\$	841.00	119	75	\$	841.00			\$	
48" RCP		1900		7,282	\$	18,007.00	119	75	\$	18,007.00			\$	

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LOCATION	ASSET	YEAR	QUANTITY	ORIGINAL COST	AGE	USEFUL LIFE	ACUM. DEPRECIATION	NET BOOK VALUE	HW INDEX SERVICE	HW INDEX VALUE		TRENDED ORIGINAL COST LESS DEPRECIATION
										PRESENT	HW RATIO	
	52' Thick	1900	2,667	\$ 9,301.00	119	75	\$ 9,301.00	-	-	-	-	-
	77' Thick	1900	755	\$ 364.00	119	75	\$ 364.00	-	-	-	-	-
	8" VCP	1900	62	\$ 30.00	119	75	\$ 30.00	-	-	-	-	-
	52' RCP	1926	870	\$ 11,462.83	93	75	\$ 11,462.83	-	-	826.00	39.33	-
	18" VCP	1930	31,762	\$ 35,389.00	89	75	\$ 35,389.00	-	-	826.00	41.30	-
	12" VCP	1930	29,590	\$ 48,877.00	89	75	\$ 48,877.00	-	-	826.00	41.30	-
	15" VCP	1930	13,878	\$ 29,027.00	89	75	\$ 29,027.00	-	-	826.00	41.30	-
	18" VCP	1930	13,878	\$ 29,027.00	89	75	\$ 29,027.00	-	-	826.00	41.30	-
	24" RCP	1930	25,311	\$ 52,951.00	89	75	\$ 52,951.00	-	-	826.00	41.30	-
	36" RCP	1930	3,442	\$ 8,151.00	89	75	\$ 8,151.00	-	-	826.00	41.30	-
	24" RCP	1930	11,216	\$ 28,199.00	89	75	\$ 28,199.00	-	-	826.00	41.30	-
	27" RCP	1930	315	\$ 947.00	89	75	\$ 947.00	-	-	826.00	41.30	-
	36" Thick	1930	3,065	\$ 10,293.00	89	75	\$ 10,293.00	-	-	826.00	41.30	-
	4" VCP	1930	4,557	\$ 18,064.00	89	75	\$ 18,064.00	-	-	826.00	41.30	-
	4" VCP	1930	183	\$ 185.00	89	75	\$ 185.00	-	-	826.00	41.30	-
	48' Thick	1930	4,220	\$ 52,261.72	89	75	\$ 52,261.72	-	-	826.00	41.30	-
	54" RCP	1930	1,382	\$ 7,152.00	89	75	\$ 7,152.00	-	-	826.00	41.30	-
	8" VCP	1930	1,660	\$ 21,345.84	89	75	\$ 21,345.84	-	-	826.00	41.30	-
	8" VCP	1930	777	\$ 784.00	89	75	\$ 784.00	-	-	826.00	41.30	-
	8" VCP	1930	267,007	\$ 270,003.00	89	75	\$ 270,003.00	-	-	826.00	41.30	-
	Unknown	1930	5,788	\$ 5,291.00	88	75	\$ 5,291.00	-	-	826.00	41.30	-
	42" RCP	1931	450	\$ 51,159.41	88	75	\$ 51,159.41	-	-	826.00	41.30	-
	12" VCP	1937	12,650	\$ 21,186.00	82	75	\$ 21,186.00	-	-	826.00	39.33	-
	8" VCP	1937	206	\$ 241.00	82	75	\$ 241.00	-	-	826.00	39.33	-
	Unknown	1956	917	\$ 8,190.00	63	75	\$ 8,190.00	-	-	826.00	14.49	18,980.33
	18" VCP	1960	864	\$ 3,297.00	59	75	\$ 3,297.00	-	-	826.00	12.15	65,357.00
	12" VCP	1960	3,762	\$ 25,221.00	59	75	\$ 25,221.00	-	-	826.00	12.15	2,086.00
	15" VCP	1960	3,924	\$ 27,987.00	59	75	\$ 27,987.00	-	-	826.00	12.15	2,086.00
	21" RCP	1960	3,916	\$ 37,643.00	59	75	\$ 37,643.00	-	-	826.00	12.15	97,557.60
	24" RCP	1960	11,245	\$ 114,753.00	59	75	\$ 114,753.00	-	-	826.00	12.15	297,367.77
	36" RCP	1960	14,475	\$ 156,417.00	59	75	\$ 156,417.00	-	-	826.00	12.15	405,015.36
	40" RCP	1960	421	\$ 7,049.00	59	75	\$ 7,049.00	-	-	826.00	12.15	19,419.75
	42" RCP	1960	467	\$ 8,662.00	59	75	\$ 8,662.00	-	-	826.00	12.15	22,416.17
	48" RCP	1960	6,151	\$ 129,208.00	59	75	\$ 129,208.00	-	-	826.00	12.15	338,856.06
	52" RCP	1960	3,987	\$ 83,391.00	59	75	\$ 83,391.00	-	-	826.00	12.15	213,510.99
	64" RCP	1960	686	\$ 20,031.00	59	75	\$ 20,031.00	-	-	826.00	12.15	51,907.78
	72" RCP	1960	800	\$ 25,624.00	59	75	\$ 25,624.00	-	-	826.00	12.15	66,461.33
	8" VCP	1960	2,176	\$ 8,915.00	59	75	\$ 8,915.00	-	-	826.00	12.15	23,102.09
	Unknown	1960	47	\$ 1,565.00	59	75	\$ 1,565.00	-	-	826.00	12.15	4,156.00
	36" Thick	1961	1,675	\$ 87,185.85	58	75	\$ 87,185.85	-	-	826.00	11.97	236,572.69
	48" CP	1961	1,190	\$ 63,816.87	58	75	\$ 63,816.87	-	-	826.00	11.97	173,244.00
	48" RCP	1961	805	\$ 46,409.70	58	75	\$ 46,409.70	-	-	826.00	11.97	125,929.46
	12" VCP	1966	5,062	\$ 41,266.00	53	75	\$ 41,266.00	-	-	826.00	11.01	135,577.66
	18" RCP	1969	130	\$ 10,610.95	50	75	\$ 10,610.95	-	-	826.00	10.33	35,965.24
	36" RCP	1969	155	\$ 12,459.50	50	75	\$ 12,459.50	-	-	826.00	10.33	42,881.64
	48" RCP	1969	200	\$ 16,076.85	50	75	\$ 16,076.85	-	-	826.00	10.33	50,756.14
	15" PVC	1970	1,212	\$ 20,164.00	49	75	\$ 20,164.00	-	-	826.00	9.83	60,736.84
	18" PVC	1970	1,712	\$ 26,164.00	49	75	\$ 26,164.00	-	-	826.00	9.83	60,736.84
	24" PVC	1970	510	\$ 7,261.00	49	75	\$ 7,261.00	-	-	826.00	9.83	24,751.94
	36" RCP	1970	817	\$ 13,973.00	49	75	\$ 13,973.00	-	-	826.00	9.83	47,632.40
	48" RCP	1970	1,322	\$ 38,338.00	49	75	\$ 38,338.00	-	-	826.00	9.83	130,689.98
	72" RCP	1970	543	\$ 19,117.00	49	75	\$ 19,117.00	-	-	826.00	9.83	65,167.73
	8" PVC	1970	223	\$ 11,971.00	49	75	\$ 11,971.00	-	-	826.00	9.83	40,807.81
	Unknown	1970	51,23	\$ 35,778.00	49	75	\$ 35,778.00	-	-	826.00	9.83	119,977.80
	12" PVC	1971	1,579	\$ 19,925.00	49	75	\$ 19,925.00	-	-	826.00	9.83	61,630.83
	8" PVC	1971	659	\$ 5,259.00	48	75	\$ 5,259.00	-	-	826.00	8.79	16,636.34
	Unknown	1971	1,418	\$ 12,734.00	48	75	\$ 12,734.00	-	-	826.00	8.79	40,282.79
	8" PVC	1976	540	\$ 6,446.00	43	75	\$ 6,446.00	-	-	826.00	5.36	1,475.57
	Unknown	1986	570	\$ 155,076.95	33	75	\$ 155,076.95	-	-	826.00	3.24	281,109.58
	8" PVC	1990	55,963	\$ 1,316,665.00	29	75	\$ 509,112.61	-	-	826.00	2.75	2,219,773.95
	Unknown	1990	466	\$ 10,964.00	29	75	\$ 6,734.59	-	-	826.00	2.75	18,484.22
	8" PVC	1992	177	\$ 11,847.00	27	75	\$ 6,568.72	-	-	826.00	2.66	20,112.99
	Unknown	2000	2,312	\$ 209,338.77	7	75	\$ 193,800.49	-	-	826.00	1.22	230,721.42
	8" PVC	2002	4,524	\$ 37,176.00	4	75	\$ 30,645.00	-	-	826.00	1.10	13,988.19
	18" PVC	2016	273	\$ 15,950.00	3	75	\$ 6,021.16	-	-	826.00	1.10	760,067.79
	8" PVC	2016	13,957	\$ 21,452.00	3	75	\$ 28,658.08	-	-	826.00	1.10	9,934.09
	Unknown	Unknown	6,188	\$ 35,684.00	75	75	\$ 35,371.30	-	-	826.00	31.77	12,400.17
TOTAL COLLECTION SEWERS - GRAVITY - MAINS												
COLLECTION SEWERS - GRAVITY - MANHOLES												
	Manholes	1900	438	\$ 12,422.20	119	65	\$ 12,422.20	-	-	826.00	-	-
	Manholes	1930	1,805	\$ 103,718.80	89	65	\$ 103,718.84	-	-	826.00	41.30	-
	Manholes	1936	317	\$ 6,799.82	63	65	\$ 6,799.82	-	-	826.00	14.49	-
	Manholes	1956	34	\$ 6,931.91	59	65	\$ 6,931.91	-	-	826.00	12.15	-
	Manholes	1960	270	\$ 75,117.37	53	65	\$ 68,183.46	-	-	826.00	11.01	-
	Manholes	1966	22	\$ 6,437.13	49	65	\$ 5,428.74	-	-	826.00	11.01	-
	Manholes	1970	282	\$ 120,089.06	49	65	\$ 90,528.87	-	-	826.00	9.83	-
	Manholes	1985	10	\$ 11,963.16	34	65	\$ 6,248.24	-	-	826.00	3.25	-
	Manholes	1990	87	\$ 118,109.05	29	65	\$ 52,838.65	-	-	826.00	2.75	-

ASSET	LOCATION	YEAR	QUANTITY	ORIGINAL COST	AGE	USEFUL LIFE	ACCU. DEPRECIATION	NETBOOK VALUE	SERVICE	PRESENT	HW RATIO	DEPRECIATION
Manholes		1992	3	3,394.91	27	65	1,659.42	2,335.49	310.75	826.00	2.66	6,207.92
Manholes		2000	67	132,377.37	19	65	38,654.92	93,882.45	376.50	826.00	2.19	20,529.08
Manholes		2005	258	1,387,961.46	14	65	341,072.14	1,342,319.00	465.00	826.00	1.78	2,293.40
Manholes		2006	159	5	13	65	73,586.29	294,385.17	485.50	826.00	1.69	496,756.18
Manholes		2007	6	5	12	65	2,388.22	10,547.98	523.38	826.00	1.58	16,666.90
Manholes		2008	20	5	11	65	8,095.50	39,741.93	500.00	826.00	1.45	57,601.57
Manholes		2009	67	5	10	65	241,725.46	132,090.01	616.00	826.00	1.35	177,925.27
Manholes		2010	7	5	9	65	1,951.40	12,142.02	630.00	826.00	1.33	16,176.30
Manholes		2011	7	5	8	65	2,953.68	21,045.00	638.50	826.00	1.29	27,275.01
Manholes		2012	25	5	7	65	6,843.02	56,699.29	675.50	826.00	1.22	68,973.64
Manholes		2015	42	5	4	65	18,872.19	92,557.07	737.00	826.00	1.12	117,260.18
Manholes		2016	94	5	3	65	11,389.86	295,390.50	748.50	826.00	1.10	259,672.93
Manholes		2019	1	5	0	65	-	2,924.40	826.00	826.00	1.00	2,924.40
Manholes		Unknown	330	5	0	65	-	1,213.12	51.00	826.00	16.20	19,647.86
TOTAL COLLECTION SEWERS - GRAVITY - MANHOLES												
SPECIAL COLLECTION STRUCTURES												
Regulator No. 016 - (2) Vault(s)		1936		5	93	75	4,077.76	-	21.00	826.00	39.33	-
Regulator No. 002 - (1) Vault(s)		1930		5	89	75	1,989.87	-	70.00	826.00	41.30	-
Regulator No. 003 - (1) Vault(s)		1930		5	89	75	1,989.87	-	70.00	826.00	41.30	-
Regulator No. 004 - (1) Vault(s)		1930		5	89	75	1,989.87	-	70.00	826.00	41.30	-
Regulator No. 005 - (2) Vault(s)		1930		5	89	75	3,979.73	-	70.00	826.00	41.30	-
Regulator No. 007 - (2) Vault(s)		1930		5	89	75	3,979.73	-	70.00	826.00	41.30	-
Regulator No. 008 - (2) Vault(s)		1930		5	89	75	3,979.73	-	70.00	826.00	41.30	-
Regulator No. 009 - (2) Vault(s)		1930		5	89	75	3,979.73	-	70.00	826.00	41.30	-
Regulator No. 010 - (1) Vault(s)		1930		5	89	75	1,989.87	-	70.00	826.00	41.30	-
Regulator No. 011 - (1) Vault(s)		1930		5	89	75	1,989.87	-	70.00	826.00	41.30	-
Regulator No. 012 - (1) Vault(s)		1931		5	88	75	1,774.22	-	70.00	826.00	41.30	-
Regulator No. 013 - (1) Vault(s)		1931		5	88	75	1,774.22	-	70.00	826.00	41.30	-
Regulator No. 020 - (2) Vault(s)		1931		5	88	75	3,548.43	-	70.00	826.00	41.30	-
Regulator No. 025 - (2) Vault(s)		1931		5	88	75	3,548.43	-	70.00	826.00	41.30	-
Regulator No. 026 - (1) Vault(s)		1931		5	88	75	1,774.22	-	70.00	826.00	41.30	-
Regulator No. 012 - (2) Vault(s)		1961		5	58	75	16,605.09	-	69.00	826.00	11.97	-
Regulator No. 013 - (2) Vault(s)		1961		5	58	75	16,605.09	-	69.00	826.00	11.97	-
Regulator No. 014 - (2) Vault(s)		1961		5	58	75	16,605.09	-	69.00	826.00	11.97	-
Regulator No. 017 - (2) Vault(s)		1961		5	58	75	16,605.09	-	69.00	826.00	11.97	-
Regulator No. 018 - 5' x 6' Brown & Brown		1961		5	58	75	108,294.95	-	69.00	826.00	11.97	-
Regulator No. 031 - (2) Vault(s)		1961		5	58	75	16,605.09	-	69.00	826.00	11.97	-
Regulator No. 031 - No Regulator		1961		5	58	75	-	-	69.00	826.00	11.97	-
Regulator No. 032 - (2) Vault(s)		1961		5	58	75	12,841.27	-	69.00	826.00	11.97	-
Regulator No. 033 - No Regulator		1961		5	58	75	-	-	69.00	826.00	11.97	-
Regulator No. 021 - (2) Vault(s)		1969		5	50	75	16,585.49	-	88.00	826.00	10.33	-
Regulator No. 022 - (2) Vault(s)		1969		5	50	75	16,585.49	-	88.00	826.00	10.33	-
Regulator No. 034 - 15' x 3' Brown & Brown		1984		5	45	75	184,976.97	-	118.00	826.00	7.51	-
Regulator No. 004 - Duckbill Backflow Device		1984		5	35	75	1,663.38	-	244.00	826.00	3.39	-
Regulator No. 012 - (2) Vault(s)		1986		5	33	75	37,087.77	-	255.00	826.00	3.21	-
Regulator No. 015 - Single Nemaah 85-50-45-38 Tilt Gate Backflow Device		1986		5	33	75	37,087.77	-	255.00	826.00	3.21	-
Regulator No. 016 - 7' 1/2" x 12' x 3/8" Brown & Brown		1986		5	32	75	131,529.18	-	263.00	826.00	3.14	-
Regulator No. 016 - 7' 1/2" x 12' x 3/8" Brown & Brown		1999		5	20	75	82,211.99	-	360.75	826.00	2.29	-
Regulator No. 026 - 7' 1/2" x 12' x 3/8" Brown & Brown		1999		5	20	75	82,211.99	-	360.75	826.00	2.29	-
Regulator No. 005 - 48" x 48" Rubber Tilt Gate Backflow Device		2002		5	17	75	1,402.20	-	400.50	826.00	2.06	-
Regulator No. 008 - Double Tilt Gate Backflow Device		2002		5	17	75	6,540.00	-	400.50	826.00	2.06	-
Regulator No. 009 - Double Tilt Gate Backflow Device		2002		5	17	75	13,080.00	-	400.50	826.00	2.06	-
Regulator No. 012 - Double 24" x 24" Rubber Tilt Gate Backflow Device		2002		5	17	75	2,964.80	-	400.50	826.00	2.06	-
Regulator No. 013 - Double 24" x 24" Rubber Tilt Gate Backflow Device		2002		5	17	75	2,964.80	-	400.50	826.00	2.06	-
Regulator No. 014 - Double 36" x 36" Rubber Tilt Gate Backflow Device		2002		5	17	75	2,964.80	-	400.50	826.00	2.06	-
Regulator No. 015 - Double 60" x 60" Rubber Tilt Gate Backflow Device		2002		5	17	75	2,964.80	-	400.50	826.00	2.06	-
Regulator No. 020 - 7' 1/2" x 7' 3/4" Brown & Brown		2002		5	17	75	69,880.19	-	400.50	826.00	2.06	-
Regulator No. 021 - Double 18" x 18" Rubber Tilt Gate Backflow Device		2002		5	17	75	2,964.80	-	400.50	826.00	2.06	-
Regulator No. 022 - Double 36" x 36" Rubber Tilt Gate Backflow Device		2002		5	17	75	2,964.80	-	400.50	826.00	2.06	-
Regulator No. 024 - Double 48" x 48" Rubber Tilt Gate Backflow Device		2002		5	17	75	2,964.80	-	400.50	826.00	2.06	-
Regulator No. 025 - Double 36" x 36" Rubber Tilt Gate Backflow Device		2002		5	17	75	2,964.80	-	400.50	826.00	2.06	-
Regulator No. 025 - 5' x 6" Brown & Brown		2003		5	16	75	65,709.59	-	400.50	826.00	2.01	-
Regulator No. 008 - 7' 1/2" x 12' x 3/8" Brown & Brown		2005		5	14	75	11,404.05	-	463.00	826.00	1.78	-
Regulator No. 009 - 5' x 7' 1/2" Brown & Brown		2005		5	14	75	11,404.05	-	463.00	826.00	1.78	-
Regulator No. 011 - 5' x 9' 1/4" Brown & Brown		2005		5	14	75	11,404.05	-	463.00	826.00	1.78	-
Regulator No. 013 - 7' 1/2" x 12' x 3/8" Brown & Brown		2005		5	14	75	3,241.73	-	463.00	826.00	1.78	-
Regulator No. 023 - 7' 1/2" x 7' 1/2" Brown & Brown		2005		5	14	75	32,411.73	-	463.00	826.00	1.78	-
Regulator No. 024 - 5' x 9' 1/4" Brown & Brown		2005		5	14	75	32,411.73	-	463.00	826.00	1.78	-
Regulator No. 002 - 5' x 7' 1/2" Brown & Brown		2009		5	10	75	25,528.89	-	616.00	826.00	1.34	-
Regulator No. 003 - 7' 1/2" x 7' 3/4" Brown & Brown		2009		5	10	75	25,528.89	-	616.00	826.00	1.34	-
Regulator No. 005 - 12' x 12' x 3/8" Brown & Brown		2009		5	10	75	25,528.89	-	616.00	826.00	1.34	-
CSD Screening Facility - Outfall 007 CSD Screening Facility		2009		5	10	75	115,258.00	-	616.00	826.00	1.34	-
Regulator No. 007 - 5' x 6" Brown & Brown		2009		5	10	75	41,185.99	-	616.00	826.00	1.34	-
Regulator No. 010 - 7' 1/2" x 12' x 3/8" Brown & Brown		2012		5	7	75	28,712.20	-	675.50	826.00	1.22	-
Regulator No. 013 - 7' 1/2" x 12' x 3/8" Brown & Brown		2012		5	7	75	28,712.20	-	675.50	826.00	1.22	-
Regulator No. 014 - 12' x 15' Brown & Brown		2012		5	7	75	339,765.35	-	675.50	826.00	1.22	-
Regulator No. 004 - 7' 1/2" x 12' x 3/8" Brown & Brown		2018		5	1	75	3,045.49	-	795.50	826.00	1.04	-
Regulator No. 015 - 7' 1/2" x 12' x 3/8" Brown & Brown		2018		5	1	75	3,045.49	-	795.50	826.00	1.04	-
TOTAL SPECIAL COLLECTING STRUCTURES												
SERVICES TO CUSTOMERS												
4" PVC		1957		85,536	62	60	307,964.86	-	41.00	680.00	16.68	-
TOTAL SERVICES TO CUSTOMERS												
FLOW MEASURING DEVICES												
Isco AV Sensor		2011	5	5,329.51	8	10	4,263.61	-	370.00	463.00	1.17	-
Flowor - AV Sensor		2012	3	5	7	10	3,180.38	-	370.00	463.00	1.17	-
Tagg - RS-33		2012	1	5	7	10	1,473.26	-	370.00	463.00	1.17	-
Flowor - AV Sensor		2013	1	5	6	10	2,761.74	-	380.25	463.00	1.17	-
Flowor - AV Sensor		2014	12	5	5	10	41,526.1	-	381.00	463.00	1.16	-
Flowor - AV Sensor		2014	12	5	5	10	9,574.72	-	381.00	463.00	1.16	-

LOCATION	ASSET	YEAR	QUANTITY	ORIGINAL COST	AGE	USEFUL LIFE	ACQUM. DEPRECIATION	NET BOOK VALUE	VALUE IN SERVICE	HW INDEX	HW INDEX VALUE PRESENT	HW RATIO	TRENDED ORIGINAL COST LESS DEPRECIATION
TOTAL FLOW MEASURING DEVICES	Flow - Main	2014	1	\$ 1,867.62	5	10	\$ 186.76	\$ 1,680.86	43.00	1.86	43.00	1.16	\$ 21,651.15
	Flow - Main	2014	1	\$ 664.91	5	10	\$ 66.49	\$ 598.42	43.00	1.16	43.00	1.16	\$ 7,731.11
	Flow - AV Sensor	2015	2	\$ 7,092.39	5	10	\$ 709.24	\$ 6,383.15	43.00	1.16	43.00	1.16	\$ 75,111.15
	Flow - AV Sensor	2015	2	\$ 3,665.10	5	10	\$ 366.51	\$ 3,298.59	43.00	1.16	43.00	1.16	\$ 38,411.15
	Flow - AV Sensor	2016	20	\$ 31,647.08	3	10	\$ 3,164.71	\$ 28,482.37	43.00	1.16	43.00	1.16	\$ 298,907.77
	Flow - AV Sensor	2016	1	\$ 1,308.59	3	10	\$ 130.86	\$ 1,177.73	43.00	1.16	43.00	1.16	\$ 13,868.61
	Flow - Flow	2016	19	\$ 106,549.05	3	10	\$ 10,654.91	\$ 95,894.14	43.00	1.16	43.00	1.16	\$ 1,008,861.96
	Flow - Flow	2016	1	\$ 7,477.13	3	10	\$ 747.71	\$ 6,729.42	43.00	1.16	43.00	1.16	\$ 81,982.28
	Flow - Flow	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - Flow	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
TOTAL FLOW MEASURING DEVICES	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
TOTAL FLOW MEASURING DEVICES	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
TOTAL FLOW MEASURING DEVICES	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
TOTAL FLOW MEASURING DEVICES	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
TOTAL FLOW MEASURING DEVICES	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
TOTAL FLOW MEASURING DEVICES	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
TOTAL FLOW MEASURING DEVICES	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
TOTAL FLOW MEASURING DEVICES	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
	Flow - AV Sensor	2016	1	\$ 3,785.56	3	10	\$ 378.56	\$ 3,407.00	43.00	1.16	43.00	1.16	\$ 40,751.49
	Flow - AV Sensor	2016	2	\$ 4,673.21	3	10	\$ 467.32	\$ 4,205.89	43.00	1.16	43.00	1.16	\$ 48,782.25
TOTAL FLOW MEASURING DEVICES	Flow - AV Sensor	2016	1	\$									



ACCOUNT	LOCATION	ASSET	YEAR	QUANTITY	ORIGINAL COST	AGE	USEFUL LIFE	ACCUM. DEPRECIATION	NETBOOK VALUE	HW INDEX	HW INDEX VALUE	HW RATIO	TREND ORIGINAL COST LESS DEPRECIATION
WATERWORKS	Utility Waterline Systems	Utility Waterline System	1988	1	1,250,000	31	50	\$	92,279.00	285.25	\$	2.95	\$ 15,659.73
	SPRINGHILL FARM'S WWTP	SPRINGHILL FARM'S WWTP - Initial facility costs including pump station, building, generator, fencing, piping, etc.	1988	1	725,000.00	31	50	\$	80,321.40	285.25	\$	2.95	\$ 11,797.03
	B-3 (Inventorator)	Scrubber Drum Paving Revisions-sec. #2	1990	1	9,887.00	29	50	\$	449,506.00	82.00	\$	2.65	\$ 11,301.77
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
WATERWORKS	Utility Waterline Systems	Utility Waterline System	1988	1	1,250,000	31	50	\$	92,279.00	285.25	\$	2.95	\$ 15,659.73
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	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
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	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
	B-3 (Inventorator)	City Ash Handling System (Pav)	1991	1	1,507,780.00	28	50	\$	5,792.46	82.00	\$	2.65	\$ 1,376,041.84
WATER													

LOCATION	ASSET	YEAR	QUANTITY	ORIGINAL COST	AGE	USEFUL LIFE	ACQUM. DEPRECIATION	NETBOOK VALUE	HW INDEX SERVICE	HW INDEX PRESENT	HW RATIO	TREBID ORIGINAL COST LESS DEPRECIATION
TOTAL COMPUTER AND SOFTWARE	CG Switch - ASA 5516c	2016	1	\$ 7,819.00	3	5	\$ 3,650.00	\$ 4,169.00	59.86	59.86	0.93	\$ 4,169.00
	Server - ESX3-03-2	2016	1	\$ 6,000.00	3	5	\$ 3,650.00	\$ 2,350.00	59.86	59.86	0.93	\$ 2,350.00
	Firewall - Admiva VSS512	2016	5	\$ 4,800.00	3	5	\$ 2,880.00	\$ 1,920.00	59.86	59.70	0.93	\$ 1,786.67
	Meraki Switch - Iron Switch	2016	5	\$ 1,100.00	3	5	\$ 660.00	\$ 430.00	59.86	59.70	0.93	\$ 409.33
	Meraki Switch - Iron Switch	2016	5	\$ 1,500.00	3	5	\$ 900.00	\$ 600.00	59.86	59.70	0.93	\$ 558.37
	ProLink D1386 G2 - Plant ESXI	2016	5	\$ 3,000.00	3	5	\$ 1,800.00	\$ 1,200.00	59.86	59.70	0.93	\$ 1,088.85
	Buster - Plant Buster	2016	5	\$ 1,820.00	3	5	\$ 1,092.00	\$ 728.00	59.86	59.70	0.93	\$ 674.43
	Buster Core - Admiva 26 DM deferring	2016	5	\$ 1,820.00	3	5	\$ 1,092.00	\$ 728.00	59.86	59.70	0.93	\$ 674.43
	Buster Core - Plant JAB	2016	5	\$ 1,820.00	3	5	\$ 1,092.00	\$ 728.00	59.86	59.70	0.93	\$ 674.43
	SAN - Plant SAN	2016	5	\$ 16,000.00	3	5	\$ 9,600.00	\$ 6,400.00	59.86	59.70	0.93	\$ 5,955.39
TOTAL COMPUTER AND SOFTWARE	SAN - Plant - San	2016	5	\$ 15,000.00	3	5	\$ 9,000.00	\$ 6,000.00	59.86	59.70	0.93	\$ 5,581.18
	SAN - Drive	2016	5	\$ 10,000.00	3	5	\$ 6,000.00	\$ 4,000.00	59.86	59.70	0.93	\$ 3,722.17
	Server - ESX3-02-2	2016	5	\$ 6,000.00	3	5	\$ 3,600.00	\$ 2,400.00	59.86	59.70	0.93	\$ 2,232.27
	Server - LTOP SERVER	2016	5	\$ 3,000.00	3	5	\$ 1,800.00	\$ 1,200.00	59.86	59.70	0.93	\$ 1,116.64
	Server - VIBRATONSRV-02	2016	5	\$ 2,500.00	3	5	\$ 1,500.00	\$ 1,000.00	59.86	59.70	0.93	\$ 938.53
	Server - MONITOR	2016	5	\$ 2,500.00	3	5	\$ 1,500.00	\$ 1,000.00	59.86	59.70	0.93	\$ 938.53
	Server - ESX3-02-2	2016	5	\$ 5,000.00	3	5	\$ 3,000.00	\$ 2,000.00	59.86	59.70	0.93	\$ 1,861.06
	Server - ESX3-03-3	2016	5	\$ 5,000.00	3	5	\$ 3,000.00	\$ 2,000.00	59.86	59.70	0.93	\$ 1,861.06
	Server - ESX3-Plant	2016	5	\$ 5,000.00	3	5	\$ 3,000.00	\$ 2,000.00	59.86	59.70	0.93	\$ 1,861.06
	Server - ESX3-Plant	2016	5	\$ 5,000.00	3	5	\$ 3,000.00	\$ 2,000.00	59.86	59.70	0.93	\$ 1,861.06
TOTAL COMPUTER AND SOFTWARE	Server - ESX3-Plant	2016	5	\$ 5,000.00	3	5	\$ 3,000.00	\$ 2,000.00	59.86	59.70	0.93	\$ 1,861.06
	Server + VMware - ADMINPRINTSV	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - WEIRINLEO	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - ADMINSRV	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - ADPSERVB	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - FILESERVER	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - GLADIP	2016	5	\$ 2,000.00	3	5	\$ 1,200.00	\$ 800.00	59.86	59.70	0.93	\$ 748.87
	Server + VMware - INFORMAT	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - INFOGATA	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - INFOGATA	2016	5	\$ 2,000.00	3	5	\$ 1,200.00	\$ 800.00	59.86	59.70	0.93	\$ 748.87
TOTAL COMPUTER AND SOFTWARE	Server + VMware - NEWCL_V01	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - NEWCL_V02	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
TOTAL COMPUTER AND SOFTWARE	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
TOTAL COMPUTER AND SOFTWARE	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
TOTAL COMPUTER AND SOFTWARE	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
TOTAL COMPUTER AND SOFTWARE	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
TOTAL COMPUTER AND SOFTWARE	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
TOTAL COMPUTER AND SOFTWARE	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$ 369.43
	Server + VMware - VEFAM Server	2016	5	\$ 1,000.00	3	5	\$ 600.00	\$ 400.00	59.86	59.70	0.93	\$

ACCOUNT	LOCATION	ASSET	YEAR	QUANTITY	ORIGINAL COST	AGE	USEFUL LIFE	ACUM. DEPRECIATION	NET BOOK VALUE	HW INDEX VALUE IN SERVICE	HW INDEX VALUE PRESENT	HW RATIO	TRENDED ORIGINAL COST LESS DEPRECIATION
336.70		2012 VICTOR & CHASSIS TRUCK (#1106)	2011	1	\$5,144,111	8	10	\$4,113,259	\$ 17,038.82	137.68	152.60	1.11	\$ 3,873.73
		2012 FORD F-250 PICKUP TRUCK (#1095)	2011	1	14,339.00	8	10	11,551.79	2,087.40	137.68	152.60	1.11	\$ 3,200.67
		2012 TOWMASTER TRAILER (PHONE ISSUED)	2011	1	14,339.00	8	10	11,551.79	2,087.40	137.68	152.60	1.11	\$ 3,200.67
		2012 FORD F-250 PICKUP TRUCK (#1211)	2012	1	23,663.00	7	10	16,584.10	7,098.90	138.68	133.90	1.02	\$ 7,098.90
		2012 FORD F-250 PICKUP TRUCK (#1202)	2012	1	23,663.00	7	10	16,584.10	7,098.90	138.68	133.90	1.02	\$ 7,098.90
		2012 FORD F-250 PICKUP TRUCK (#1203)	2012	1	23,663.00	7	10	16,584.10	7,098.90	138.68	133.90	1.02	\$ 7,098.90
		2012 FORD F-250 PICKUP TRUCK (#1205)	2012	1	53,393.01	7	10	37,375.11	16,017.50	138.68	133.90	1.02	\$ 16,017.50
		2013 FORD ESCAPE (#1301)	2012	1	23,220.00	7	10	16,254.80	6,966.00	138.68	133.90	1.02	\$ 6,966.00
		2014 FORD F-250 TRUCK (#1302)	2013	1	24,760.27	6	10	14,856.13	9,904.09	129.81	133.90	1.03	\$ 10,216.27
		2014 FORD ESCAPE (#1303)	2013	1	24,760.27	6	10	14,856.13	9,904.09	129.81	133.90	1.03	\$ 10,216.27
		2014 FORD ESCAPE (#1401)	2013	1	24,760.27	6	10	14,856.13	9,904.09	129.81	133.90	1.03	\$ 10,216.27
		2014 FORD ESCAPE (#1402)	2014	1	24,732.00	5	10	12,365.00	12,366.00	138.66	133.90	1.02	\$ 12,366.00
		2015 F504 I44 CREW CAB (#1403)	2014	1	32,527.00	5	10	16,263.50	16,263.50	138.66	133.90	1.02	\$ 16,263.50
		2015 F504 I44 STD CAB (#1404)	2014	1	25,925.00	5	10	12,962.50	12,962.50	138.66	133.90	1.02	\$ 12,962.50
		2015 F504 I44 STD CAB (#1405)	2014	1	31,529.00	5	10	16,762.50	16,762.50	138.66	133.90	1.02	\$ 16,762.50
		2015 F504 I44 STD CAB (#1406)	2014	1	31,529.00	5	10	16,762.50	16,762.50	138.66	133.90	1.02	\$ 16,762.50
		2014 F504 I44 STD CAB (#1407)	2014	1	29,888.00	5	10	15,944.00	15,944.00	138.66	133.90	1.02	\$ 15,944.00
		2015 SD C45 DIESEL SPRINTER VAN (#1408)	2014	1	214,905.00	5	10	107,452.50	107,452.50	145.33	152.60	1.05	\$ 15,314.76
		2015 SD C45 DIESEL SPRINTER VAN (#1409)	2015	1	107,500.00	4	10	43,000.00	64,500.00	148.88	152.60	1.02	\$ 66,101.15
		TT MOUNTED GENERATOR (MOTOR GEN2)	2015	1	107,500.00	4	10	43,000.00	64,500.00	148.88	152.60	1.02	\$ 66,101.15
		2016 FORD TRANSIT VAN (#1601)	2016	1	22,271.00	3	10	6,681.38	15,589.70	132.94	133.90	1.01	\$ 15,702.08
		2016 FORD F-150 CREW CAB (#1603)	2016	1	29,199.00	3	10	8,759.70	20,439.30	132.94	133.90	1.01	\$ 20,586.64
		2017 FORD ESCAPE (#1604)	2016	1	22,754.00	3	10	6,826.20	15,927.80	132.94	133.90	1.01	\$ 16,042.62
		2017 FORD ESCAPE (#1605)	2016	1	22,754.00	3	10	6,826.20	15,927.80	132.94	133.90	1.01	\$ 16,042.62
		2017 FORD ESCAPE (#1606)	2016	1	22,754.00	3	10	6,826.20	15,927.80	132.94	133.90	1.01	\$ 16,042.62
		2017 FORD ESCAPE (#1607)	2016	1	22,945.00	3	10	6,886.20	16,067.80	132.94	133.90	1.01	\$ 16,193.63
		2017 FORD ESCAPE (#1608)	2016	1	22,754.00	3	10	6,826.20	15,927.80	132.94	133.90	1.01	\$ 16,042.62
		2017 FORD ESCAPE (#1609)	2016	1	22,754.00	3	10	6,826.20	15,927.80	132.94	133.90	1.01	\$ 16,042.62
		2017 FORD ESCAPE (#1610)	2016	1	36,855.00	3	10	10,525.50	26,329.50	132.94	133.90	1.01	\$ 26,486.93
		2017 FORD ESCAPE (#1701)	2017	1	23,786.00	2	10	4,752.70	19,033.30	132.94	133.90	1.01	\$ 19,080.43
		2017 #available 99348 (#1702)	2017	1	24,545.00	2	10	4,913.20	19,632.00	152.07	152.60	1.00	\$ 19,721.04
		2018 FORD F-250 (#1801)	2018	1	26,899.55	1	10	2,689.96	24,209.60	133.49	133.90	1.00	\$ 24,283.65
		2018 FORD F-250 (#1802)	2018	1	26,899.55	1	10	2,689.96	24,209.60	133.49	133.90	1.00	\$ 24,283.65
		2018 FORD F-250 (#1803)	2018	1	26,899.55	1	10	2,689.96	24,209.60	133.49	133.90	1.00	\$ 24,283.65
		2018 FORD F-250 (#1804)	2018	1	26,899.55	1	10	2,689.96	24,209.60	133.49	133.90	1.00	\$ 24,283.65
		2018 FORD F-250 (#1805)	2018	1	26,899.55	1	10	2,689.96	24,209.60	133.49	133.90	1.00	\$ 24,283.65
		2019 FORD F-250 (#1901)	2019	1	27,179.00	0	10	-	27,179.00	133.90	133.90	1.00	\$ 27,179.00
		2019 FORD F-250 (#1902)	2019	1	27,179.00	0	10	-	27,179.00	133.90	133.90	1.00	\$ 27,179.00
		2019 FORD F-250 (#1903)	2019	1	27,179.00	0	10	-	27,179.00	133.90	133.90	1.00	\$ 27,179.00
		2019 FORD F-250 (#1904)	2019	1	28,170.00	0	10	-	28,170.00	133.90	133.90	1.00	\$ 28,170.00
		2019 FORD F-250 (#1905)	2019	1	28,170.00	0	10	-	28,170.00	133.90	133.90	1.00	\$ 28,170.00
		2019 FORD F-550A SUPPLIERY (#1906)	2019	1	42,530.00	0	10	-	42,530.00	133.90	133.90	1.00	\$ 42,530.00
TOTAL TRANSPORTATION EQUIPMENT			2019	79	\$ 3,743,540.33			\$ 1,446,073.14				\$	\$ 1,897,467.38
COMMUNICATION EQUIPMENT													
336.70		Antenna's	2016	53	\$ 8,350.00	3	5	\$ 5,010.00	\$ 3,340.00	95.21	91.10	0.98	\$ 3,286.04
		Cellular Radio	2016	10	\$ 10,000.00	3	5	\$ 6,000.00	\$ 4,000.00	95.21	91.10	0.98	\$ 3,911.42
		Hand Held Radios	2016	21	\$ 104,050.00	3	5	\$ 62,130.00	\$ 41,620.00	95.21	91.10	0.98	\$ 40,698.35
		Spread Spectrum Radio's	2016	9	\$ 29,800.00	3	5	\$ 17,880.00	\$ 11,920.00	95.21	91.10	0.98	\$ 11,656.04
TOTAL COMMUNICATION EQUIPMENT				125	\$ 136,850.00			\$ 78,742.00				\$	\$ 76,958.38
SYSTEM TOTAL					\$ 263,692,610.27			\$ 173,315,095.84				\$	\$ 292,413,993.38

Delaware County Regional Water Quality Control Authority  
Conclusion of Value using the Market Approach

Application of Purchase Price to Customer Multiples to  
Customer Count

<u>Based on Country- Wide Sales</u>	<u>Based on Pennsylvania Sales</u>
\$ 811,451,596	\$ 1,276,340,191
<u>Recommended Value</u>	
\$ 811,451,596	

Application of Market-to-Book Ratios of Publicly-Traded Water  
Utilities to Book Value of Equity

Recommended Value  
\$ 415,589,365

Conclusion of Value using the Market Approach

\$ 613,520,480

Delaware County Regional Water Quality Control Authority  
Market-to Book Ratios of Publicly-Traded Water Utilities  
as of December 31, 2019

<u>Company Name</u>	<u>Market to Book Ratio at December 31, 2019</u>
American States Water Co.	5.705
American Water Works Company Inc	3.785
Artesian Resources Corporation	2.246
California Water Service Group	3.394
Middlesex Water Co.	4.191
SJW Corp.	2.270
York Water Co.	4.729
	<hr/>
Average	3.760
	<hr/> <hr/>
Median	3.785
	<hr/> <hr/>
Low	2.246
	<hr/> <hr/>
High	5.705
	<hr/> <hr/>

Delaware County Regional Water Quality Control Authority  
Application of Market-to-Book Ratios to  
the Book Value of Steelton Water Authority Assets

	<u>Water Assets</u>
Book Equity (as measured by Net Position)	\$ 185,035,336
Average Market to Book Ratio of Publicly-Traded Water Utilities	3.760
High Market to Book Ratio of Publicly-Traded Water Utilities	5.705
Low Market to Book Ratio of Publicly-Traded Water Utilities	<u>2.246</u>
Indicated Market Value of Assets Based on Average Market-To Book Ratio:	\$ 695,732,863
Indicated Market Value of Water and Sewer Assets Based on High Market-To Book Ratio:	\$ 1,055,626,592
Indicated Market Value of Water and Sewer Assets Based on Low Market-To Book Ratio:	\$ 415,589,365

Delaware County Regional Water Quality Control Authority  
Comparable Water and Sewer Transactions  
2015 to Present

Target State	Target	Buyer	Water Connections	Wastewater Connections	Implied Enterprise Value (\$000)	Implied Enterprise Value (\$000)/Customer	Date
AZ	Valencia Water Company, Inc.	City of Buckeye	6,719		55,198	8.22	3/17/2015
AZ	Willow Valley Water Company	EPCOR Water Arizona Inc.	1,600		2,270	1.42	3/24/2015
IL	North Maine Utilities	Aqua Illinois, Inc.	4,700	2,500	22,000	3.06	4/30/2015
VA	Venter Heights Public Water System	Aqua Virginia, Inc.	400		85	0.21	5/5/2015
MO	City of Arnold's sanitary sewer system	Missouri-American Water Company, Inc.		8,800	13,200	1.50	5/22/2015
IN	Russellville Water System	Indiana American	430		1,800	4.19	7/27/2015
PA	Robin Hood Lakes Water Company	Aqua Pennsylvania	210		231	1.10	7/30/2015
VA	Wintergreen Valley Utility Company	Aqua Virginia, Inc.	1,200	475	651	0.39	8/5/2015
LA	Total Environmental Solutions, Inc.	Utilities, Inc.	2,350	14,387	9,300	0.56	8/5/2015
LA	Peoples Water of Donaldsonville	Ascension Parrish	3,100		5,900	1.90	8/31/2015
TX	Union Hill Water Supply	Aqua Texas	500		356	0.71	9/18/2015
IN	American Suburban Utilities Water System	Indiana American	330		140	0.42	9/21/2015
PA	Wastewater System of Fairview Township	Pennsylvania-American Water Company, Inc.		3,912	16,800	4.29	12/22/2015
VA	Captain's Cove Utility Company	Aqua Virginia, Inc.	977	280	2,400	1.91	12/29/2015
PA	Superior Water Company, Inc.	Aqua America, Inc.	3,868		16,800	4.34	1/4/2016
IL	Dana/Long Point/Reading/Ancona Public Water District System	Illinois American	150		1,075	7.17	1/26/2016
IL	Village of Ransom	Illinois American	170		175	1.03	1/26/2016
PA	Scranton Sewer Authority	Pennsylvania-American Water Company, Inc.		31,000	195,000	6.29	3/3/2016
IL	Eastwood Manor Water and Nunda Utility	Aqua Illinois, Inc.	525		1,500	2.86	4/20/2016
PA	Borough of New Cumberland Wastewater Assets	Pennsylvania-American Water Company, Inc.		3,100	23,000	7.42	5/10/2016
CT	The Heritage Village Water Company	Connecticut Water Service Inc.	4,700	3,000	20,700	2.69	5/10/2016
IN	White Oak Sewage Treatment, LLC	Aqua Indiana, Inc.	52		10	0.19	7/1/2016
IN	Wedgewood Park Water Company, Inc.	Aqua Indiana, Inc.	216		210	0.97	7/11/2016
PA	McKeesport Wastewater System	Pennsylvania-American Water Company, Inc.		22,000	159,000	7.23	9/9/2016
PA	Tobyhanna Township	Aqua Pennsylvania		800	5,500	6.88	11/8/2016
PA	New Garden Township	Aqua Pennsylvania		2,100	29,500	14.05	12/15/2016
NJ	Shorelands Water Company	New Jersey-American Water Company, Inc.	11,000		33,000	3.00	4/3/2017
PA	Limerick Township	Aqua Pennsylvania		5,400	75,100	13.91	5/22/2017
MO	Village of Wardsville	Missouri-American Water Company, Inc.	475	406	2,750	3.12	5/23/2017
CT	The Avon Water Company	Connecticut Water Service Inc.	4,800		40,100	8.35	7/7/2017
IL	Plaza Township Sanitary District	Illinois American		120	60	0.50	8/25/2017
IN	Georgetown Water	Indiana American	1,300		6,400	4.92	11/17/2017
IN	Aquarion Water Company	Eversource Energy	226,000		1,675,000	7.41	12/4/2017
CT	Eastern Rockcastle Water Association	Kentucky American Water Co.	610		770	1.26	1/19/2018
KY	Village of Fisher	Indiana American	850		6,800	8.00	3/7/2018
IN	City of Farmington	Illinois American	2,900		13,404	4.62	3/14/2018
IL	Exeter Township Wastewater	Illinois American	1,125		3,750	3.33	3/21/2018
IL	Alton Regional Wastewater System	Pennsylvania-American Water Company, Inc.		9,000	93,500	10.39	3/31/2018
IL	Sundale Utilities	Illinois American		23,000	53,800	2.34	4/11/2018
PA	Cheltenham Township	Illinois American	475	1,415	2,000	1.06	5/2/2018
IL	Village of Manteno	Aqua Pennsylvania		10,500	50,250	4.79	7/4/2018
PA	Turbotville Borough	Aqua Illinois, Inc.		3,800	25,000	6.58	7/5/2018
PA	Connecticut Water Service, Inc.	Pennsylvania-American Water Company, Inc.	320	290	1,000	1.64	7/5/2018
CT	Village of Glasford	SJW Group	139,574	3,000	1,100,000	7.72	8/5/2018
IL	Lake Station Water System	Illinois American	492	482	1,900	1.95	8/16/2018
IN	Lawson Water and Wastewater Systems	Indiana American	3,270		20,680	6.32	8/16/2018
MO	Delaware Sewer Company	Missouri-American Water Company, Inc.	968	913	4,000	2.13	8/27/2018
PA	Peotone Village	Pennsylvania-American Water Company, Inc.		40	62	1.54	9/19/2018
IL	East Norriton Township	Illinois American	3,000	6,200	13,550	2.19	10/2/2018
PA	Steelton Borough Authority	Aqua Illinois, Inc.		4,950	12,300	4.10	10/2/2018
PA	Eagle Water Company	Aqua Pennsylvania	2,400		21,000	4.24	11/13/2018
ID	East Bradford Township	Pennsylvania-American Water Company, Inc.	4,200		21,750	9.06	11/15/2018
PA	Town of Sheridan	Suez Water Idaho		1,250	10,000	2.38	12/3/2018
IN	Borough of Mount Ephraim	Aqua Pennsylvania	2,500		5,000	4.00	12/13/2018
NJ	Sadsbury Township	Indiana American		1,800	10,750	4.30	12/12/2018
PA		New Jersey-American Water Company, Inc.		1,000	1,400	0.78	1/16/2019
		Pennsylvania-American Water Company, Inc.			8,600	8.60	3/7/2019

Delaware County Regional Water Quality Control Authority  
Comparable Water and Sewer Transactions  
2015 to Present

Target State	Target	Buyer	Water Connections	Wastewater Connections	Implied Enterprise Value (\$000)	Implied Enterprise Value (\$000)/Customer	Date
OH	City of Campbell, Mahoning County	Aqua Ohio, Inc.	3,200		7,500	2.34	8/5/2019
WV	Boone-Raleigh Public Service District	West Virginia-American Water Company	470		115	0.24	8/8/2019
WV	Town of Glasgow	West Virginia-American Water Company	300		200	0.67	9/6/2019
IL	Fox River Waer Reclamation District (Skyline)	Aqua Illinois, Inc.	376	376	3,500	4.65	11/1/2019
PA	Borough of Kane Authority	Pennsylvania-American Water Company, Inc.		2,100	17,500	8.33	11/14/2019
NY	New York American Water	Liberty Utilities Co.	125,000		608,000	4.86	11/20/2019
IL	Village of Grant Park	Aqua Illinois, Inc.		540	2,300	4.26	12/1/2019
PA	Phoenixville Borough	Aqua Pennsylvania	535		3,500	6.54	12/4/2019
PA	Valley Township	Pennsylvania-American Water Company, Inc.	1,700	3,100	21,275	4.43	12/18/2019
IL	City of Jerseyville	Illinois American	4,100	4,100	43,250	5.27	12/20/2019
IL	Granite City	Illinois American		12,500	18,000	1.44	12/26/2019
NJ	Township of Long Hill	New Jersey-American Water Company, Inc.		2,800	12,700	4.54	1/2/2020

Average: 4.10  
PA Average: 6.45

Target State	Target	Water Connections	Wastewater Connections	Implied Enterprise Value (\$000) Based on Average Transaction Multiple	Implied Enterprise Value (\$000) Based on PA Transaction Multiple
PA	Delaware County Regional Water Quality Control Authority		197,769	\$ 811,451,596	\$ 1,276,340,191
	Aqua Pennsylvania				



**DELCORA**  
**Potential Purchase - DCF Analysis Model No. 1.1**  
**Traditionally Financed Water/Wastewater Company**

**Assumptions:**

Inflation	2.10%
WACC	6.94%
Rate Increase (Big Build)	11.00%
Rate Increase (Post Big Build)	3.00%
Tax Rate	28.892%

	<b>BUDGET</b>			<b>BUDGET</b>		
	2017			2019		
	<b>ACTUAL</b>			<b>BUDGET</b>		
	2018			2020		
<b>REVENUES</b>						
Western Region						
Major Industries	6,463,246	11.05%	6,817,336	7,649,869	11.77%	8,695,159
Residential	7,636,856	13.10%	8,044,641	8,291,163	12.76%	9,054,343
Municipal	7,727,009	13.26%	9,033,912	9,607,128	14.79%	10,598,064
Contract Operation Fees	539,568	0.93%	652,965	400,000	0.62%	450,000
Permit Industries	1,695,963	2.91%	1,498,561	1,527,574	2.35%	1,518,450
Eastern Region						
Dairy Creek Joint Authority	16,174,760	27.75%	17,389,667	18,781,075	28.90%	20,277,575
Central Delaware County Authority	8,678,216	14.88%	9,132,096	9,619,575	14.80%	10,386,075
Municipalities Authority	3,764,469	6.46%	3,936,807	4,351,713	6.70%	4,688,463
Sludge Disposal and Processing	5,601,367	9.61%	5,721,959	4,750,000	7.31%	5,000,000
Total Operating Revenues	\$ 58,281,844		\$ 62,157,984	\$ 64,978,097		\$ 70,678,129
<b>EXPENSES</b>						
Advertising	\$ 26,367	0.05%	\$ 25,799	\$ 25,000	0.04%	\$ 25,000
Consulting	\$ 146,955	0.25%	\$ 270,054	\$ 230,000	0.35%	\$ 350,000
Dues and Conferences	\$ 53,283	0.09%	\$ 73,574	\$ 104,250	0.16%	\$ 94,000
Employee Benefits	\$ 4,655,986	7.99%	\$ 4,648,744	\$ 4,669,721	7.19%	\$ 4,801,213
Engineering and Tech Services	\$ 247,709	0.43%	\$ 198,361	\$ 1,168,000	1.80%	\$ 1,485,000
Insurance	\$ 744,418	1.28%	\$ 797,348	\$ 968,122	1.49%	\$ 956,196
Minor Equipment and Supplies	\$ 2,477,234	4.25%	\$ 2,915,007	\$ 2,041,513	3.14%	\$ 2,300,901
Office	\$ 161,393	0.28%	\$ 130,418	\$ 226,850	0.35%	\$ 245,400
Other Contracted Services	\$ 710,207	1.22%	\$ 477,313	\$ 1,165,850	1.79%	\$ 1,453,500
Pension	\$ 1,671,290	2.87%	\$ 1,944,894	\$ 1,640,000	2.52%	\$ 1,725,000
Philadelphia Plant Treatment Costs / B3 Ops Costs	\$ 8,367,390	14.36%	\$ 9,625,120	\$ 11,187,262	17.22%	\$ 13,002,566
Provision for Doubtful Accounts	\$ 52,149	0.09%	\$ 61,782	\$ 60,000	0.09%	\$ 60,000
Repairs and Maintenance	\$ 2,951,073	5.06%	\$ 2,778,617	\$ 2,848,450	4.38%	\$ 3,483,912
Salaries and Wages	\$ 11,752,017	20.16%	\$ 12,396,648	\$ 12,797,170	19.69%	\$ 13,409,781
Solicitor	\$ 254,020	0.44%	\$ 172,119	\$ 500,000	0.77%	\$ 750,000
Solids Disposal	\$ 1,457,857	2.50%	\$ 1,329,837	\$ 1,252,500	1.93%	\$ 1,252,500
Utilities	\$ 3,028,848	5.20%	\$ 2,529,871	\$ 2,690,100	4.14%	\$ 2,608,650
Philadelphia LTCP			\$ 776,401	\$ 1,107,513	1.70%	\$ 1,107,513
<b>TOTAL OPERATING EXPENSES</b>	\$ 38,757,936	66.50%	\$ 41,151,907	\$ 44,682,301	68.77%	\$ 49,121,132
Income Before Taxes						\$ 21,556,997
State and Federal Income Taxes						\$ 4,183,901
<b>NET INCOME</b>						\$ 17,373,096
<b>TOTAL CAPITAL EXPENDITURES</b>						\$ 25,944,320
<b>CASH FLOW</b>						\$ (8,571,224)
Period						0.5
PW Factor						0.9670
PWCF						-8,288,439
Value - Perpetuity						291,863,370

Assumptions:	
Inflation	2.10%
WACC	6.94%
Rate Increase (Big Build)	11.00%
Rate Increase (Post Big Build)	3.00%
Tax Rate	28.892%

	PROJECTED 2021	PROJECTED 2022	PROJECTED 2023	PROJECTED 2024	PROJECTED 2025	PROJECTED 2026	PROJECTED 2027	PROJECTED 2028	PROJECTED 2029	PROJECTED 2030	PROJECTED 2031
REVENUES	Rate Increase	Rate Increase	Rate Increase	Rate Increase	Rate Increase	Rate Increase	Rate Increase	Rate Increase			Rate Increase
Western Region											
Major Industries	\$ 9,651,626 \$	\$ 10,713,305 \$	\$ 11,891,769 \$	\$ 13,199,964 \$	\$ 14,651,849 \$	\$ 16,263,652 \$	\$ 18,052,543 \$	\$ 20,038,322 \$	\$ 20,038,322 \$	\$ 20,038,322 \$	\$ 20,639,472 \$
Residential	\$ 10,950,321 \$	\$ 11,155,856 \$	\$ 12,383,000 \$	\$ 13,745,130 \$	\$ 15,257,085 \$	\$ 16,935,375 \$	\$ 18,708,286 \$	\$ 20,668,075 \$	\$ 20,866,075 \$	\$ 21,420,058 \$	\$ 21,420,058 \$
Municipal	\$ 11,763,851 \$	\$ 13,057,875 \$	\$ 14,494,241 \$	\$ 16,088,607 \$	\$ 17,669,354 \$	\$ 19,822,773 \$	\$ 22,003,278 \$	\$ 24,423,639 \$	\$ 24,423,639 \$	\$ 24,423,639 \$	\$ 25,156,348 \$
Contract Operation Fees	\$ 498,500 \$	\$ 554,445 \$	\$ 615,434 \$	\$ 683,132 \$	\$ 758,276 \$	\$ 841,687 \$	\$ 934,272 \$	\$ 1,037,042 \$	\$ 1,037,042 \$	\$ 1,037,042 \$	\$ 1,068,153 \$
Permit Industries	\$ 1,685,460 \$	\$ 1,870,882 \$	\$ 2,076,679 \$	\$ 2,305,114 \$	\$ 2,568,677 \$	\$ 2,840,131 \$	\$ 3,152,545 \$	\$ 3,499,325 \$	\$ 3,499,325 \$	\$ 3,499,325 \$	\$ 3,604,305 \$
Eastern Region											
Driwy Creek Joint Authority	\$ 22,508,108 \$	\$ 24,984,000 \$	\$ 27,732,240 \$	\$ 30,762,787 \$	\$ 34,168,883 \$	\$ 37,927,471 \$	\$ 42,098,483 \$	\$ 46,730,437 \$	\$ 46,730,437 \$	\$ 46,730,437 \$	\$ 48,132,351 \$
Central Delaware County Authority	\$ 11,526,554 \$	\$ 12,968,683 \$	\$ 14,204,316 \$	\$ 15,766,793 \$	\$ 17,501,140 \$	\$ 19,426,266 \$	\$ 21,563,155 \$	\$ 23,935,102 \$	\$ 23,935,102 \$	\$ 23,935,102 \$	\$ 24,623,155 \$
Muckinipates Authority	\$ 5,215,284 \$	\$ 5,688,976 \$	\$ 6,425,764 \$	\$ 7,152,596 \$	\$ 7,917,183 \$	\$ 8,768,073 \$	\$ 9,754,762 \$	\$ 10,827,785 \$	\$ 10,827,785 \$	\$ 10,827,785 \$	\$ 11,522,619 \$
Sludge Disposal and Processing	\$ 5,550,000 \$	\$ 6,100,500 \$	\$ 6,638,155 \$	\$ 7,190,352 \$	\$ 7,845,291 \$	\$ 8,582,074 \$	\$ 9,380,801 \$	\$ 10,237,089 \$	\$ 11,522,689 \$	\$ 11,522,689 \$	\$ 11,668,370 \$
Total Operating Revenues	\$ 78,452,723 \$	\$ 87,082,523 \$	\$ 96,661,600 \$	\$ 107,294,376 \$	\$ 119,066,758 \$	\$ 132,197,401 \$	\$ 146,739,115 \$	\$ 162,880,418 \$	\$ 162,880,418 \$	\$ 162,880,418 \$	\$ 167,766,830 \$
EXPENSES											
Advertising	\$ 25,525 \$	\$ 26,061 \$	\$ 26,608 \$	\$ 27,167 \$	\$ 27,738 \$	\$ 28,320 \$	\$ 28,915 \$	\$ 29,522 \$	\$ 30,142 \$	\$ 30,775 \$	\$ 31,421 \$
Consulting	\$ 357,350 \$	\$ 364,854 \$	\$ 372,516 \$	\$ 380,339 \$	\$ 388,326 \$	\$ 396,481 \$	\$ 404,807 \$	\$ 413,308 \$	\$ 421,988 \$	\$ 430,847 \$	\$ 439,987 \$
Dues and Conferences	\$ 95,974 \$	\$ 97,989 \$	\$ 100,047 \$	\$ 102,148 \$	\$ 104,283 \$	\$ 106,453 \$	\$ 108,720 \$	\$ 111,003 \$	\$ 113,334 \$	\$ 115,714 \$	\$ 118,144 \$
Employee Benefits	\$ 4,902,038 \$	\$ 5,004,981 \$	\$ 5,110,086 \$	\$ 5,217,398 \$	\$ 5,326,963 \$	\$ 5,438,829 \$	\$ 5,553,045 \$	\$ 5,669,669 \$	\$ 5,788,721 \$	\$ 5,910,285 \$	\$ 6,034,401 \$
Engineering and Tech Services	\$ 1,516,185 \$	\$ 1,548,025 \$	\$ 1,580,533 \$	\$ 1,613,725 \$	\$ 1,647,613 \$	\$ 1,682,213 \$	\$ 1,717,539 \$	\$ 1,753,007 \$	\$ 1,789,431 \$	\$ 1,826,032 \$	\$ 1,866,421 \$
Insurance	\$ 976,276 \$	\$ 996,778 \$	\$ 1,017,710 \$	\$ 1,039,082 \$	\$ 1,060,903 \$	\$ 1,083,182 \$	\$ 1,106,204 \$	\$ 1,129,155 \$	\$ 1,152,865 \$	\$ 1,177,076 \$	\$ 1,201,794 \$
Minor Equipment and Supplies	\$ 2,348,220 \$	\$ 2,388,554 \$	\$ 2,448,923 \$	\$ 2,500,351 \$	\$ 2,552,868 \$	\$ 2,606,468 \$	\$ 2,661,929 \$	\$ 2,717,089 \$	\$ 2,774,148 \$	\$ 2,832,405 \$	\$ 2,891,886 \$
Office	\$ 250,553 \$	\$ 255,815 \$	\$ 261,187 \$	\$ 266,672 \$	\$ 272,272 \$	\$ 277,990 \$	\$ 283,828 \$	\$ 289,788 \$	\$ 295,874 \$	\$ 302,087 \$	\$ 308,431 \$
Other Contracted Services	\$ 1,484,024 \$	\$ 1,515,188 \$	\$ 1,547,007 \$	\$ 1,579,494 \$	\$ 1,612,663 \$	\$ 1,646,529 \$	\$ 1,681,107 \$	\$ 1,716,410 \$	\$ 1,752,464 \$	\$ 1,789,266 \$	\$ 1,826,830 \$
Pension	\$ 1,761,225 \$	\$ 1,798,211 \$	\$ 1,835,973 \$	\$ 1,874,529 \$	\$ 1,913,884 \$	\$ 1,954,085 \$	\$ 1,995,121 \$	\$ 2,037,019 \$	\$ 2,079,786 \$	\$ 2,123,472 \$	\$



**DELCORA**  
Potential Purchase - DCF Analysis Model No. 1.1  
Traditionally Financed Water/Wastewater Company

Assumptions:

Inflation	2.10%
WACC	6.94%
Rate Increase (Big Build)	11.00%
Rate Increase (Post Big Build)	3.00%
Tax Rate	28.892%

**REVENUES**

	PROJECTED 2043	PROJECTED 2044	PROJECTED 2045	PROJECTED 2046	PROJECTED 2047	PROJECTED 2048	PROJECTED 2049	PROJECTED Perpetuity
Western Region				Rate Increase			Rate Increase	
Major Industries	\$ 23,229,908	\$ 23,229,908	\$ 23,229,908	\$ 23,926,805	\$ 23,926,805	\$ 23,926,805	\$ 24,644,609	\$ 24,644,609
Residential	\$ 24,189,500	\$ 24,189,500	\$ 24,189,500	\$ 24,915,185	\$ 24,915,185	\$ 24,915,185	\$ 25,662,641	\$ 25,662,641
Municipal	\$ 28,313,691	\$ 28,313,691	\$ 28,313,691	\$ 29,163,102	\$ 29,163,102	\$ 29,163,102	\$ 30,037,986	\$ 30,037,986
Contract Operation Fees	\$ 1,202,216	\$ 1,202,216	\$ 1,202,216	\$ 1,238,282	\$ 1,238,282	\$ 1,238,282	\$ 1,275,431	\$ 1,275,431
Permit Industries	\$ 4,056,677	\$ 4,056,677	\$ 4,056,677	\$ 4,178,378	\$ 4,178,378	\$ 4,178,378	\$ 4,303,729	\$ 4,303,729
Eastern Region								
Darby Creek Joint Authority	\$ 54,173,385	\$ 54,173,385	\$ 54,173,385	\$ 55,798,586	\$ 55,798,586	\$ 55,798,586	\$ 57,472,544	\$ 57,472,544
Central Delaware County Authority	\$ 27,747,343	\$ 27,747,343	\$ 27,747,343	\$ 28,570,764	\$ 28,570,764	\$ 28,570,764	\$ 29,437,157	\$ 29,437,157
Middletown Authority	\$ 12,562,371	\$ 12,562,371	\$ 12,562,371	\$ 12,928,942	\$ 12,928,942	\$ 12,928,942	\$ 13,316,810	\$ 13,316,810
Sludge Disposal and Processing	\$ 13,357,964	\$ 13,357,964	\$ 13,357,964	\$ 13,758,693	\$ 13,758,693	\$ 13,758,693	\$ 14,171,454	\$ 14,171,454
Total Operating Revenues	\$ 188,823,046	\$ 188,823,046	\$ 188,823,046	\$ 194,487,737	\$ 194,487,737	\$ 194,487,737	\$ 200,322,368	\$ 200,322,368

**EXPENSES**

Advertising	\$ 40,321	\$ 41,168	\$ 42,032	\$ 42,915	\$ 43,816	\$ 44,736	\$ 45,676	\$ 46,635
Consulting	\$ 564,485	\$ 576,349	\$ 588,453	\$ 600,810	\$ 613,427	\$ 626,309	\$ 639,462	\$ 652,890
Due and Conferences	\$ 151,607	\$ 154,791	\$ 158,042	\$ 161,360	\$ 164,749	\$ 168,209	\$ 171,741	\$ 175,348
Employee Benefits	\$ 7,743,602	\$ 7,906,218	\$ 8,072,249	\$ 8,241,786	\$ 8,414,843	\$ 8,591,555	\$ 8,771,977	\$ 8,956,189
Engineering and Tech Services	\$ 2,395,072	\$ 2,445,368	\$ 2,496,721	\$ 2,549,152	\$ 2,602,684	\$ 2,657,341	\$ 2,713,145	\$ 2,770,121
Insurance	\$ 1,542,194	\$ 1,574,580	\$ 1,607,646	\$ 1,641,407	\$ 1,675,876	\$ 1,711,070	\$ 1,747,002	\$ 1,783,689
Minor Equipment and Supplies	\$ 3,710,992	\$ 3,788,923	\$ 3,868,480	\$ 3,949,728	\$ 4,032,673	\$ 4,117,359	\$ 4,203,823	\$ 4,292,104
Office	\$ 395,792	\$ 404,103	\$ 412,589	\$ 421,254	\$ 430,100	\$ 439,132	\$ 448,354	\$ 457,769
Other Contracted Services	\$ 2,344,267	\$ 2,393,487	\$ 2,443,760	\$ 2,495,079	\$ 2,547,476	\$ 2,600,973	\$ 2,655,593	\$ 2,711,361
Pension	\$ 2,782,154	\$ 2,840,579	\$ 2,900,231	\$ 2,961,136	\$ 3,023,320	\$ 3,086,810	\$ 3,151,633	\$ 3,217,817
Philadelphia Plant Treatment Costs / BA Ops Costs	\$ 18,454,565	\$ 18,942,111	\$ 19,237,795	\$ 19,641,789	\$ 20,054,266	\$ 20,475,406	\$ 20,905,389	\$ 21,344,402
Provision for Doubtful Accounts	\$ 96,771	\$ 98,803	\$ 100,878	\$ 102,996	\$ 105,159	\$ 107,367	\$ 109,622	\$ 111,924
Repairs and Maintenance	\$ 5,635,131	\$ 5,753,469	\$ 5,874,292	\$ 5,997,652	\$ 6,123,603	\$ 6,252,198	\$ 6,383,494	\$ 6,517,548
Salaries and Wages	\$ 21,627,870	\$ 22,082,055	\$ 22,545,779	\$ 23,019,240	\$ 23,502,644	\$ 23,996,199	\$ 24,500,120	\$ 25,014,622
Solicitor	\$ 1,209,632	\$ 1,235,034	\$ 1,260,970	\$ 1,287,451	\$ 1,314,487	\$ 1,342,091	\$ 1,370,275	\$ 1,399,051
Solids Disposal	\$ 2,020,086	\$ 2,082,508	\$ 2,105,820	\$ 2,150,042	\$ 2,195,193	\$ 2,241,292	\$ 2,288,360	\$ 2,336,415
Utilities	\$ 4,207,343	\$ 4,295,697	\$ 4,385,905	\$ 4,478,011	\$ 4,572,049	\$ 4,668,062	\$ 4,766,091	\$ 4,866,179
Philadelphia LTCP								

**TOTAL OPERATING EXPENSES**

	\$ 74,921,893	\$ 76,495,253	\$ 78,101,653	\$ 79,741,788	\$ 81,416,366	\$ 83,126,109	\$ 84,871,757	\$ 86,654,064
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**Income Before Taxes**

	\$ 113,901,152	\$ 112,327,793	\$ 110,721,392	\$ 114,745,949	\$ 113,071,371	\$ 111,361,628	\$ 115,450,612	\$ 113,688,305
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**State and Federal Income Taxes**

	\$ 26,060,147	\$ 25,617,904	\$ 25,162,469	\$ 26,330,313	\$ 25,847,952	\$ 25,351,844	\$ 26,527,538	\$ 26,003,333
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**NET INCOME**

	\$ 87,841,005	\$ 86,709,889	\$ 85,558,923	\$ 88,415,636	\$ 87,223,419	\$ 86,009,784	\$ 88,923,074	\$ 87,684,972
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**TOTAL CAPITAL EXPENDITURES**

	\$ 21,543,116	\$ 21,965,522	\$ 22,457,428	\$ 22,929,034	\$ 23,410,543	\$ 23,902,165	\$ 24,404,110	\$ 24,916,597
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**CASH FLOW**

	\$ 66,297,889	\$ 64,714,367	\$ 63,101,495	\$ 65,486,602	\$ 63,812,876	\$ 62,107,619	\$ 64,518,964	\$ 62,748,375
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**Period**

	23.5	24.5	25.5	26.5	27.5	28.5	29.5	30.5
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**PW Factor**

	0.2066	0.1932	0.1807	0.1690	0.1580	0.1477	0.1382	0.1292
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**PWCF**

	13,699,524	12,504,499	11,401,581	11,064,650	10,082,155	9,175,923	8,913,578	175,593,588
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**Value - Perpetuity**