

1. REPORT DATE: 00/00/00 :  
 2. BUREAU: FUS :  
 3. SECTION(S) : 4. PUBLIC MEETING DATE:  
 5. APPROVED BY: : 00/00/00  
 DIRECTOR: :  
 SUPERVISOR: :  
 6. PERSON IN CHARGE: : 7. DATE FILED: 03/30/01  
 8. DOCKET NO: A-230087 : 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: CMV SEWAGE COMPANY, INC

RESPONDENT/APPLICANT: YORK WATER COMPANY, THE

COMP/APP COUNTY:

UTILITY CODE: 230087

ALLEGATION OR SUBJECT

JOINT APPLICATION OF THE YORK WATER COMPANY, AND CMV SEWAGE COMPANY, INC., FOR APPROVAL OF: 1) THE TRANSFER BY SALE OF CERTAIN SEWAGE PROPERTY AND RIGHTS OF CMV SEWAGE COMPANY, INC., TO THE YORK WATER COMPANY, 2) THE RIGHT OF THE YORK WATER COMPANY TO BEGIN TO OFFER OR FURNISH WASTEWATER SERVICE TO THE PUBLIC IN A PORTION OF CHANCEFORD TOWNSHIP AND FELTON BOROUGH, YORK COUNTY, PENNSYLVANIA (DOCKETED AT A-230087); AND 3) THE ABANDONMENT BY CMV SEWAGE COMPANY, INC., OF SEWAGE SERVICE TO THE PUBLIC IN CHANCEFORD TOWNSHIP, PENNSYLVANIA (DOCKETED AT A-230056F2001).

DOCUMENT  
FOLDER

**DOCKETED**

APR 10 2001

One Commerce Square  
417 Walnut Street  
Harrisburg, PA 17101-1904  
717-237-4000  
Fax: 717-237-4004

**ORIGINAL**  
**Morgan, Lewis  
& Bockius LLP**  
C O U N S E L O R S   A T   L A W

Michael W. Hassell  
717-237-4024  
[mhassell@morganlewis.com](mailto:mhassell@morganlewis.com)

*A-230087*

SECRETARY'S BUREAU  
MARCH 30 AM 10:25

MARCH 30, 2001

**VIA HAND DELIVERY**

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Re: Application of the York Water Company, CMV Water Company, Inc. and CMV Sewage Company, Inc. Under Section 1102 of the Public Utility Code

Dear Secretary McNulty:

Enclosed for filing, please find an original and two (2) copies of the Application of The York Water Company for Approval (1) the transfer of sale of certain waterworks and sewage property and rights of CMV Water Company, Inc. and CMV Sewage Company, Inc. to The York Water Company, (2) the right of The York Water Company to begin to offer or furnish water service to the public in a portion of Chanceford Township and Felton Borough, York County, Pennsylvania, and (3) the abandonment by CMV Water Company, Inc. and CMV Sewage Company, Inc. of water and sewage service to the public in Chanceford Township.

Also enclosed, please find a check in the amount of \$350 for the filing fee.

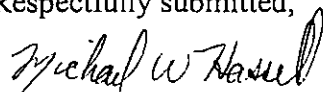
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*35*

James J. McNulty, Secretary  
March 30, 2001  
Page 2

If you have any questions or comments, please contact me.

Respectfully submitted,



Michael W. Hassell

MWH/kms

Enclosures

c: Lillian Harris, Esquire

ORIGINAL

BEFORE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Application Docket No. \_\_\_\_\_

A-230087

IN THE MATTER OF THE APPLICATION OF THE YORK WATER COMPANY, CMV WATER COMPANY, INC. and CMV SEWAGE COMPANY, INC., Under Section 1102 of the Public Utility Code, for approval of (1) the transfer by sale of certain waterworks and sewage property and rights of CMV WATER COMPANY, INC. and CMV SEWAGE COMPANY, INC. to THE YORK WATER COMPANY, (2) the right of THE YORK WATER COMPANY to begin to offer or furnish water service to the public in a portion of Chanceford Township and Felton Borough, York County, Pennsylvania, and (3) the abandonment by CMV WATER COMPANY, INC. and CMV SEWAGE COMPANY, INC. of water and sewage service to the public in Chanceford Township

TO PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. Names and Addresses of Applicants:

THE YORK WATER COMPANY  
130 East Market Street  
P. O. Box 15089  
York, PA 17405

CMV WATER COMPANY, INC.  
CMV SEWAGE COMPANY, INC.  
P. O. Box 179  
Felton, PA 17322

DOCKETED

APR 10 2001

SECRETARY'S BUREAU

01 MAR 30 AM 10:25

RECEIVED

2. Names and Addresses of Applicants' Attorneys:

Michael W. Gang, Esquire  
Michael W. Hassell, Esquire  
Morgan, Lewis & Bockius  
One Commerce Square  
417 Walnut Street  
Harrisburg, PA 17101-1904  
(For The York Water Company)

Lillian Harris, Esquire  
Louise Knight, Esquire  
Malatesta, Hawke & McKeon LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
(For CMV Water Company, Inc.  
and CMV Sewage Company, Inc.)

DOCUMENT  
FOLDER

3(a). Brief Corporate History and Purpose of The York Water Company:

Under Special Act of the Assembly of February 8, 1816, The York Water Company ("York Water") was incorporated under the laws of the Commonwealth of Pennsylvania on February 23, 1816 for the purpose of supplying water in the Borough, now City of York, York County, Pennsylvania, and subsequent thereto duly extended its franchised territory from time to time so as to include the 30 municipalities in which service is now being rendered as more fully set forth in Paragraph 4 hereof.

York Water has restated and amended its Corporate Charter by filing its Restated Articles with the Pennsylvania Department of State on May 1, 2000 (#200035-389 to 200035-392).

3(b). Description of Service Furnished by York Water to the Public:

York Water now furnishes a supply of water to the public in the major portion of its franchised territory as hereinafter specified in Paragraph 4 hereof.

3(c). Amount of Stock and Bonds of York Water:

York Water has authorized, issued and outstanding as of January 31, 2001, 3,080,738.052 shares of \$0 par value Common Stock. York Water has in force and effect an Optional Dividend Reinvestment Plan and an Employee Stock Purchase Plan.

There are also outstanding as of January 31, 2001, the following Senior Notes and Industrial Development Authority Revenue Refunding Bonds as follows:

6.00% Industrial Development Authority Revenue Refunding Bonds due 2010 (Securities Certificate No. S-00000785 of 2000)	\$4,300,000.
4.75 Industrial Development Authority Revenue Refunding Bonds due 2009 (Securities Certificate No. S-00990722 of 1995)	2,700,000
10.17% Senior Notes, Series A, due 2019 (Securities Certificate No. S-880898 of 1988)	6,000,000
9.60% Senior Notes, Series B, due 2019 (Securities Certificate No. S-880898 of 1988)	5,000,000
10.05% Senior Notes, Series C, due 2020 (Securities Certificate No. S-900076 of 1990)	6,500,000
8.43% Senior Notes, Series D, due 2022 (Securities Certificate No. S-920287 of 1992)	7,500,000
1.0% Pennvest Note, due 2019 (Securities Certificate No. S-00980703 of 1998)	771,933

4. Location of York Water's Existing Service Area:

York Water is now furnishing water service to the public in the major portion of its franchised territory which contains therein all or portions of 37 municipalities as follows: The City of York, the Boroughs of East Prospect, Glen Rock, Hallam, Jacobus, Jefferson, Loganville, Manchester, Mount Wolf, New Freedom, New Salem, North York, Railroad, Seven Valleys, Shrewsbury, Spring Grove, West York, York Haven and Yorkana, and the Townships of East Manchester, Hellam, Manchester, Spring Garden, Springettsbury, Springfield and West Manchester, and parts of the Townships of Codorus, Conewago, Hopewell, Jackson, Lower Windsor, Newberry, North Codorus, North Hopewell, Shrewsbury, Windsor and York, all in the County of York and Commonwealth of Pennsylvania, all as

appears by reference to a map of said territory attached hereto, made a part hereof and marked Exhibit "C-1". (This area excludes the service area of the Wrightsville Municipal Authority.)

The community served by York Water has an estimated population of approximately 146,400 and water is furnished to approximately 49,195 customers. Of these there are approximately 4,602 metered commercial and industrial customers and approximately 43,789 metered residential customers and approximately 804 public and private fire protection customers.

All such water service rendered to the public has been approved by virtue of the authority granted initially in York Water's Charter by Special Act of Assembly of February 8, 1816, and at various times more subsequently by Certificates of Public Convenience duly granted by the Pennsylvania Public Service Commission and by the Pennsylvania Public Utility Commission under The Public Service Company Law, Public Utility Law or Public Utility Code of Pennsylvania.

5. Nature and Location of Services to be Acquired by York Water:

Water Service. The nature and additional location of the proposed service is the acquisition of source of supply, pumping and treatment facilities, and distribution system owned by CMV Water Company, Inc. (CMV-W), in a portion of Chanceford Township, York County. CMV-W is currently certificated to provide service by Certificate of Public Convenience at Docket No. A99858. CMV-W currently serves approximately 248 customers. CMV-W obtains its water from wells which are permitted

by the Pennsylvania Department of Environmental Protection. York Water will serve the 248 customers by utilizing the existing source of supply and distribution system. York Water will construct a new standpipe in order to improve the pressure and volume of water available to the customers of CMV-W. York Water will replace all of the existing water meters and also install a telephonic meter reading system.

Sewage Service. The nature and additional location of the proposed service is the acquisition of collection, pumping and treatment facilities, and a land spray application system owned by CMV Sewage Company, Inc. (CMV-S) in a portion of Chanceford Township, York County. CMV-S is currently certificated to provide such service by Certificate of Public Convenience at Docket No. A-230056. CMV-S currently serves the same customers as CMV-W. CMV-S collects and treats its wastewater as permitted by the Pennsylvania Department of Environmental Protection. The York Water Company will provide service to the 248 customers by utilizing the existing collection, treatment, and land application system. York Water will upgrade existing telemetry and hardware as required.

Additional Certificated Area. York Water is proposing an expanded certificated area to allow for future growth that is anticipated in additional areas of Chanceford Township and Felton Borough which are contiguous to the present CMV-W and CMV-S certificated area. Residences in Felton Borough are currently serviced by on lot water and sewage systems. There has been some interest in obtaining public water in this area.

6. Additional Capital Requirements:

Water Service. York Water's capital requirements for the acquisition consists of the purchase price of One Hundred Thousand (\$100,000) Dollars (as agreed upon in the agreement of purchase entered into with CMV-W dated February 21, 2001, a copy of which is attached hereto, made a part hereof and marked Exhibit "J"); and the estimated cost of \$487,000 to upgrade the CMV-W system following acquisition and to construct a standpipe, replace a clearwell, replace telemetry, renovate the existing pump house, and install 248 meters, meter interface units, and pressure reducing valves as needed. This estimated total cost of Five Hundred Eighty-seven Thousand (\$587,000) Dollars will be financed by internally generated funds and short-term borrowings.

Sewage Service. York Water's capital requirements for the acquisition consists of the purchase price of Two Hundred Fifty Thousand (\$250,000) Dollars (as agreed upon in the agreement of purchase entered into with CMV-S dated February 21, 2001, a copy of which is attached hereto, made a part hereof and marked Exhibit "J"); and the estimated cost of \$102,000 to upgrade the CMV-S system following acquisition and to replace telemetry, renovate the existing pumps, feed systems, and compressors, and review the necessity of pumping and properly disposing of the solids in the first lagoon of the treatment process. This estimated total cost of Three Hundred Fifty-two Thousand (\$352,000) Dollars will be financed by internally generated funds and short-term borrowings.

7. Plant in Service:

Attached as Exhibit "A" is a summary, by major plant category, of used and useful plant in service.

Exhibit "B" is a balance sheet of York Water as of January 31, 2001, which provides the capitalization of York Water.

York Water will acquire all of the water and sewage facilities owned and operated by CMV in Chanceford Township, York County, Pennsylvania. The water facilities include, but are not limited to, wells, pumps, water valves, water meters, water mains, service lines, curb boxes, and all appurtenant fixtures and equipment used in the production and distribution of water service. The sewage facilities include, but are not limited to, lagoons, spray fields, collection piping, mains, manholes and all appurtenant fixtures and equipment used in the sanitary sewage collection and treatment process. Additionally, York Water will acquire all the real estate used in connection with providing water and sanitary sewage services. A detailed inventory is not yet available.

8. Map of Service Area:

Attached as Exhibit "C-1" is a map showing York Water's existing service territory. Exhibit "C-2" is a map showing the existing service area of CMV-W and CMV-S. Exhibit "C-3" is a map showing York Water's proposed certificated area addition.

Exhibit "D-1" is a map showing the general location of the major facilities and the currently planned facilities to be constructed, as described in Paragraph No. 6 above.

Exhibit "E" is an approximate time schedule for construction of the facilities described in Paragraph No. 6 above.

9. Metes and Bounds Description of Proposed Service Territory.

Beginning at a point at the centerline of State Route S.R. 0074, also known as the boundary between Chanceford Township and Windsor Township, thence northeastwardly along said boundary a distance of one hundred fifty (150) feet; thence parallel to and one hundred fifty (150) feet north of the centerline of said S.R. 0074 in a southeastwardly direction to a point adjacent to the intersection of said S.R. 0074 and Brownton Road; thence through the intersection of Brownton Road and S.R. 0074 in a southeastwardly direction to a point one hundred fifty (150) feet south of the centerline of Brownton Road; thence parallel to and one hundred fifty (150) feet south of the centerline of said Brownton Road in a southwestwardly direction to a point adjacent to the intersection of Brownton Road and Trinity Road; thence parallel to and one hundred fifty (150) feet east of the centerline of said Trinity Road in a southeastwardly direction to a point one hundred fifty (150) south of East Felton Road; thence parallel to and one hundred fifty (150) feet south of the centerline of said East Felton Road to a point of intersection with the boundary line of the Borough of Felton; thence southwardly, westwardly, northwardly, and eastwardly along said Borough boundary to a point of intersection of said Borough boundary and the boundary of Windsor Township and Chanceford Township; thence along said boundary of Windsor Township and Chanceford Township in a northwardly and eastwardly direction to the point of Beginning.

10. Future Capacity:

York Water's DEP-permitted productive/treatment capacity is as follows:

Source - 29.9 MGD  
Treatment Facility - 29.9 MGD

CMV-W's and CMV-S's DEP-permitted productive/treatment capacity to be acquired by York Water is as follows:

Water Service

Source - 223,200 GPD  
Treatment - 194,400 GPD

Sewage Service

Treatment - 100,000 GPD

Exhibit "F" is a table showing current and projected population and consumption data through the year 2030. Based upon York Water's current permitted source and treatment capacity, and York Water's existing permit submission to DEP (WA 67-62C) York Water is able to meet projected requirements through the year 2030 within York Water's current system and within the proposed CMV-W system.

11. Rates for Service:

Water Service. York Water will charge its regular "Repumped System Rates" for service in the territory covered by this Application, all as more fully appears by reference to the Tariff and Rates of York Water effective January 1, 2001 (Supplement No. 46 to Water-Pa. P.U.C. No. 14) or such later rates which may hereafter be approved by the Pennsylvania Public Utility Commission. York Water rates are such that an average "repumped" residential customer with an annual consumption of 60,000 gallons in 2000 paid \$288. The average CMV-W customer would have paid approximately \$230 for that amount of water.

Sewage Service. York Water will file a tariff that will maintain the existing CMV-S rate structure for service in the territory covered by this Application, all as more fully appears by reference to the Tariff and Rates of CMV-S effective December 21, 1993 (Supplement No. 7 to Sewer PA PUC No. 1) or such later rates which may hereafter be approved by the Pennsylvania Public Utility Commission. These rates are such that an average residential sewage customer with an annual consumption of 60,000 gallons in 2000 paid \$396.

12. Profit and Loss Statement:

Attached as Exhibit "G" are copies of York Water's federal income tax returns for 1998 and 1999, being the most recent available returns.

13. Proof of Compliance with DEP Requirements:

Exhibit "H" contains a summary of all DEP permits held by York Water.

Exhibit "I" contains copies of York Water's certified operators' permits.

York Water has had no DEP Safe Drinking Water Act violations in the past 5 years.

York Water will not be required to obtain a water allocation permit modification from DEP. The existing CMV-W and CMV-S permits will be transferred to York Water. York Water is not required to comply with 25 Pa. Code § 109.503(a)(3), and no business plan is required.

14. No Competitive Condition:

No corporation, partnership or individual is now furnishing or has corporate or franchise rights to furnish service similar to that to be rendered by York Water in the territory covered by this Application other than CMV-W and CMV-S and no competitive condition will be created.

There is no public source of water service or sewage service available for the territory involved other than that of The York Water Company and CMV-W and CMV-S; consequently, it is believed that no consents of other water or sewage companies would be required for approval of this Certificate of Public Convenience.

15. Facilities for Furnishing Service:

Water Service. York Water will employ the facilities acquired from CMV-W to furnish water service to the service area of CMV-W and adjacent areas of Chanceford Township and Felton Borough as described previously. CMV-W sources of supply will be maintained and used by The York Water Company.

Sewage Service. York Water will employ the facilities acquired from CMV-S to furnish sewage service to the service area of CMV-S and adjacent areas of Chanceford Township and Felton Borough as described previously. CMV-S's collection system and treatment facilities will be maintained and used by The York Water Company.

16. Territory's Estimated Annual Revenues and Expenses:

The estimated annual revenues and expenses for additional customers is as follows:

WATER SERVICE

REVENUES:

248 Customers (YWC Rates)	\$68,700
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EXPENSES:

Cost of Water	\$24,600
Depreciation Expense	6,200
Maintenance	
Mains	1,740
Meters	205
Hydrants	465
Meter Reading	560
Administrative	<u>3,000</u>
TOTAL EXPENSES	36,700
Net Revenue Before Taxes	32,000
Taxes	<u>13,440</u>
NET INCOME	\$18,560

SEWAGE SERVICE

REVENUES:

248 Customers (CMV-S's present rates)	\$86,600
---------------------------------------	----------

EXPENSES:

Operating Expenses (CMV-S's)	\$61,435
Net Revenue Before Taxes	25,165
Taxes	<u>10,570</u>
NET INCOME	\$14,595

17. Approval's Necessity and Propriety:

Approval of the Application is necessary and proper for the service, accommodation, convenience and safety of the public for the following reasons:

(a) No other public water or sewage service is now feasibly or economically available to purchase and operate the water and sewage facilities of CMV-W and CMV-S, the responsibility for which the present owners wish to divest themselves in anticipation of acquisition by The York Water Company with its ability to comply with the requirements of both the United States and Pennsylvania Safe Drinking Water Acts, and other regulations which benefits are thereby assured to CMV-W's and CMV-S's customers.

(b) The acquisition will insure that the existing customers of CMV-W and CMV-S will continue to receive water and sewage service from a competent regulated utility with the capability to operate the water and sewage system in compliance with all relevant regulations.

(c) The expansion of the service area will provide potential public water supply and sewage collection services to nearby areas that presently do not have such service available to them.

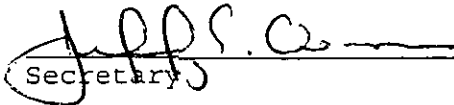
(d) CMV-W and CMV-S customers were notified by mail of the proposed acquisition by York Water of CMV-W's and CMV-S's water and sewage facilities located in Chanceford Township, York County, Pennsylvania. The letter indicated that if the proposal is approved as presented, water rates would increase for the average customer approximately \$8.42 per month. They were also advised that sewage rates would presently remain unchanged.


WHEREFORE, York Water, CMV-W and CMV-S pray your Honorable Commission to issue a Certificate of Public Convenience under the provisions of Chapter 11, Sections 1102 and 1103 evidencing the approval of the Commission for York Water to acquire from CMV-W and CMV-S its water works and sewage facilities located in Chanceford Township, York County, Pennsylvania, and to begin to offer, render, furnish or supply water and sewage services in that service area; and further, for CMV-W and CMV-S to abandon water and sewage services in Chanceford Township, York County.

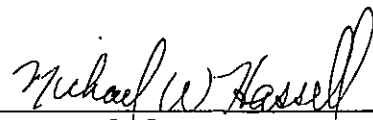
And York Water, CMV-W and CMV-S will ever pray, etc.

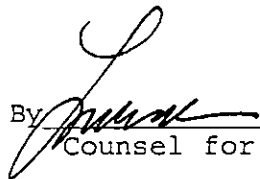
ATTEST:

THE YORK WATER COMPANY

  
Secretary

By   
President

By   
Counsel for THE YORK WATER COMPANY

By   
Counsel for CMV-W and CMV-S

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Application of THE YORK WATER COMPANY has been served by certified mail, return receipt requested, upon the following:


York County Commissioners  
One West Market Way  
Fourth Floor  
York, PA 17401

Felicia Dell  
York County Planning Commission  
100 West Market Street  
York, PA 17405

David R. Warner, Sr.  
Chanceford Township Board of Supervisors  
Muddy Run Rd., P.O. Box 115  
Brogue, PA 17309

Samuel Juffe  
CMV Water Company, Inc.  
P.O. Box 179  
Felton, PA 17322

Charles E. Sentz, Mayor  
Felton Borough  
52 Red Lion Avenue  
Felton, PA 17322

  
\_\_\_\_\_  
Michael W. Hassell

Dated:

**EXHIBIT "A"**

SECTION 800 OF ANNUAL PUC REPORT  
WATER PLANT IN SERVICE

800. WATER PLANT IN SERVICE (Account 100-1)

- Report by prescribed accounts the original cost of water plant in service and the additions and retirements of such plant during the year
- Do not include as adjustments, corrections of additions and retirements for the current or preceding year. Such items should be included in appropriate column (c) or (d).
- Credit adjustments in column (e) should be shown in red, or in black enclosed in parentheses. State in a footnote the general character of any adjustments in column (e).
- Submit, in a footnote, an explanation of amounts included in column (c) and/or (d), line 45, for lowering or changing the location of mains

LINE NO.	ACCOUNT (a)	BALANCE BEGINNING OF YEAR (b)				ADDITIONS (c)				RETIREMENTS (d)				ADJUSTMENTS (e)				BALANCE END OF YEAR (f)							
		XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX				
	<b>I. INTANGIBLE PLANT</b>																								
	301 Organization			5	302	09															5	302	09		
	302 Franchises and consents			4	917	92															4	917	92		
	303 Miscellaneous intangible plant																								
	<b>Total Intangible Plant</b>			10	220	01															10	220	01		
	<b>II. TANGIBLE PLANT</b>																								
	311 Land and Land Rights																								
	311.1 Source of supply land and water rights																								
	311.11 Water rights			39	971	90															39	971	90		
	311.12 Reservoir land			849	409	40															849	409	40		
	311.13 Other source of supply land																								
	311.2 Power and pumping land			30	665	72															30	665	72		
	311.3 Purification land			29	838	59						11	984	18							17	854	41		
	311.4 Transmission and distribution land and rights of way			29	890	80															29	890	80		
	311.5 Distribution reservoir and standpipe land			144	545	66															144	545	66		
	311.6 General land	XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX
	311.61 Office land			115	023	00															115	023	00		
	311.62 Stores, shop and garage land			132	824	51															132	824	51		
	311.63 Miscellaneous land																								
	<b>Total Land and Land Rights</b>			1	372	169	58					11	984	18							1	360	185	40	
	312 Structures and Improvements																								
	312.1 Source of supply structures																								
	312.11 Collecting and impounding reservoirs			3	548	595	90			5	166	22			2	177	07				3	551	585	05	
	312.12 Lake, river and other intakes			319	015	59			3	060	45				2	135	53				319	940	51		
	312.13 Walls and springs																								
	312.14 Infiltration galleries and tunnels																								
	312.15 Other water source structures			15	082	25															15	082	25		
	312.2 Power and pumping structures			1	321	659	69			35	062	65			17	290	28				1	339	432	06	
	312.3 Purification buildings			884	202	78			9	925	50				5	462	32				888	665	96		
	312.5 Distribution reservoirs and standpipes			9	717	350	54			8	116	78			35	959	65				9	689	507	67	
	312.6 General structures and improvements	XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX	XX	XXX	XXX	XX
	312.61 Office buildings			852	784	65			4	859	98					250	00				857	394	63		
	312.62 Stores, shop and garage buildings			1	217	138	38			27	103	87			11	437	17				1	232	805	08	
	312.63 Miscel. structures and improvements				59	750	70															59	750	70	
	<b>Total Structures and Improvements</b>			17	935	580	48			93	295	45			74	712	02				17	954	163	91	

Report for Year Ended December 31, 1999

## 800. WATER PLANT IN SERVICE (Account 100-1) (Continued)

LINE NO.	ACCOUNT (a)	BALANCE BEGINNING OF YEAR (b)				ADDITIONS (c)			RETIREMENTS (d)			ADJUSTMENTS (e)			BALANCE END OF YEAR (f)					
36	313 Boiler plant equipment																			
37	314 Other power production equipment																			
38	315 Steam pumping equipment																			
39	316 Electric pumping equipment	925	395	17		109	332	02								1	034	727	19	
40	317 Oil engine pumping equipment	794	476	30													794	476	30	
41	318 Hydraulic pumping equipment																			
42	319 Other power pumping equipment		7	883	17													7	883	17
43	320 Purification system	2	867	786	29		28	785	68		6	797	74				2	889	774	23
44	321 Laboratory equipment		36	765	67		7	319	51		4	398	91					39	686	27
45	322 Mains and accessories	53	109	008	94	2	735	712	29		47	809	57				55	796	911	66
46	323 Services	14	202	062	87		990	896	97		19	624	77				15	173	335	07
47	324 Meters	5	816	604	71		509	275	71		25	667	30				6	300	213	12
48	325 Fire Hydrants	2	373	036	80		218	345	86		1	905	59				2	589	477	07
49	326 Other fire protection plant																			
50	327 Fountains and basins																			
51	328 Office furniture and equipment	1	316	379	37		75	289	84		32	476	74				1	359	192	47
52	329 Transportation equipment		593	939	42		121	637	84		107	583	92					607	993	34
53	330 Stores equipment		51	776	18			639	78			532	30					51	883	66
54	331 Shop equipment		17	473	41													17	473	41
55	332 Tools and work equipment		449	578	72		28	309	81		8	822	29					469	066	24
56	333 Communication equipment		241	219	88		42	251	05		23	439	77					260	031	16
57	334 Miscellaneous equipment		134	018	88		5	734	56									139	753	44
58	335 Other tangible property																			
59	Total Tangible Plant	102	245	155	84	4	966	826	37		365	755	10				106	846	227	11
60	Total Water Plant In Service	102	255	375	85	4	966	826	37		365	755	10				106	856	447	12

**EXHIBIT "B"**

**BALANCE SHEET**

THE YORK WATER COMPANY  
BALANCE SHEET

As of  
January 31, 2001

ASSETS

UTILITY PLANT, at original cost	\$115,159,388
Less-Reserve for depreciation	<u>18,892,599</u>
	96,266,789
OTHER PHYSICAL PROPERTY:	
Less-Reserve for depreciation	516,900
CURRENT ASSETS:	
Cash and cash equivalents	(116,994)
Receivables, less reserves	2,701,737
Materials and supplies, at cost	411,012
Prepaid expenses	<u>247,281</u>
	3,243,036
OTHER LONG-TERM ASSETS:	
Deferred debt expense	391,083
Deferred rate case expense	44,412
Notes receivable	1,103,201
Other	12,276,951
Prepaid pension cost	<u>2,190,419</u>
	<u>16,006,066</u>
	<u>\$116,032,791</u>

THE YORK WATER COMPANY  
BALANCE SHEET

As of  
January 31, 2001

CAPITALIZATION AND LIABILITIES

CAPITALIZATION:

Common stock, no par value	\$ 28,211,704
Earnings retained in the business	<u>4,104,538</u>
	32,316,242

Long-term debt	<u>32,762,619</u>
	65,078,861

CURRENT LIABILITIES:

Notes payable to banks	3,768,710
Accounts payable	392,707
Dividends payable	-
Accrued taxes	290,640
Advance water revenues	21,645
Accrued interest	362,438
Other accrued expenses	<u>329,217</u>
	5,165,357

DEFERRED CREDITS:

Customers' advances for construction	16,987,080
Contributions in aid of construction	10,157,133
Deferred employee benefits	1,740,605
Other, principally deferred federal and state income taxes	<u>16,903,755</u>
	<u>45,788,573</u>

\$116,032,791

# EXHIBIT "C"

CHARTER AREA / SERVICE AREA MAPS

"C-1" YWC AREA

"C-2" CMV AREA

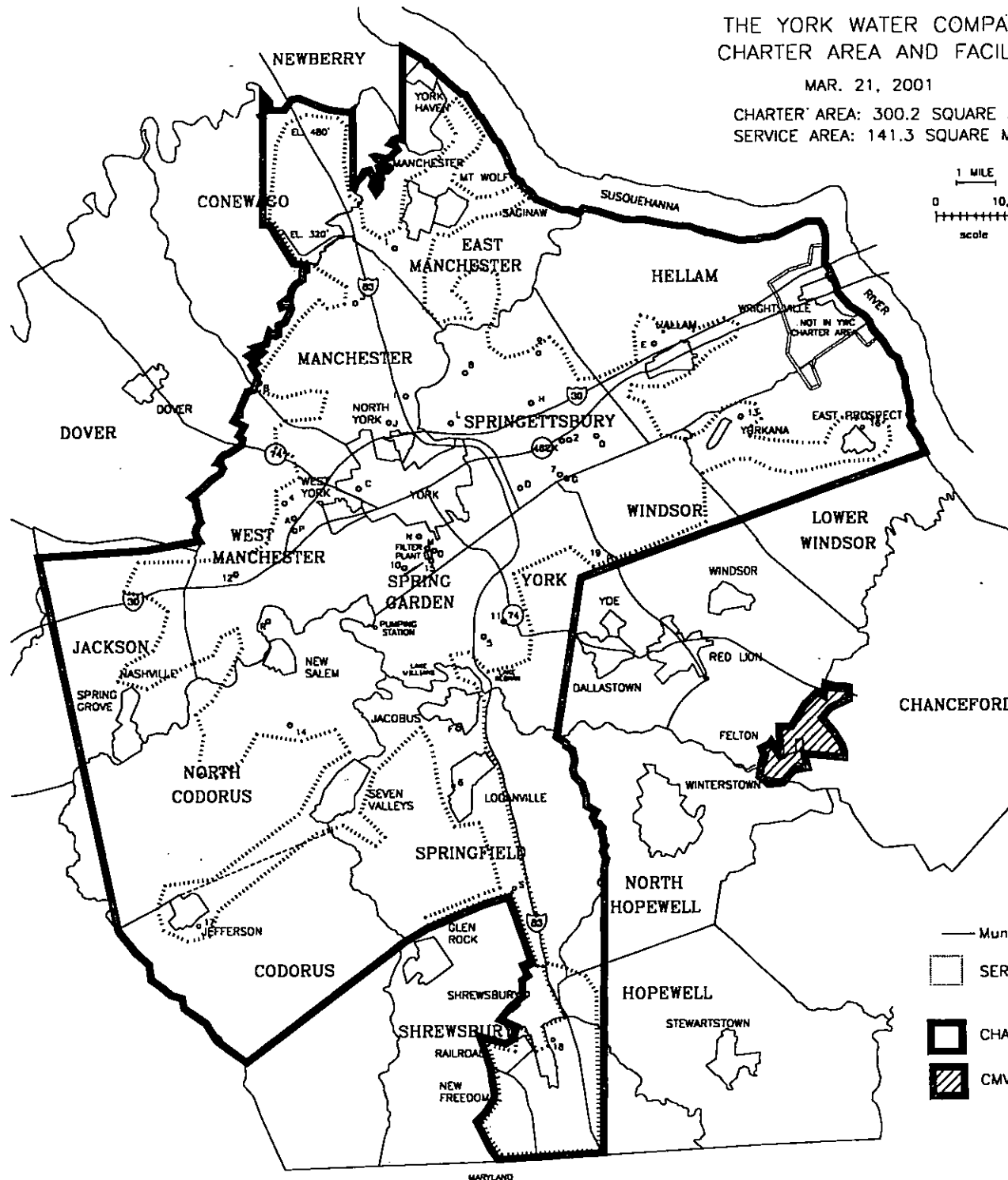
"C-3" PROPOSED CERTIFICATED AREA

# THE YORK WATER COMPANY'S CHARTER AREA AND FACILITIES

MAR. 21, 2001

CHARTER AREA: 300.2 SQUARE MILES

SERVICE AREA: 141.3 SQUARE MILES



**FACILITIES**  
 FILTER PLANT  
 PUMPING STATION AND RAW WATER INTAKE

**STORAGE TANKS & STANDPIPES**

1. EAST MANCHESTER STANDPIPE
2. EAST YORK STANDPIPE
3. FARMBROOK STANDPIPE
4. GREENWOOD ROAD STANDPIPE
5. LEADERS HEIGHTS STANDPIPE
6. LOGANVILLE STANDPIPE
7. LONGSTOWN STANDPIPE
8. PLEASURVILLE STANDPIPE
9. ROCKY RIDGE STANDPIPE
10. SHUNK'S HILL RESERVOIR (underground)
11. SPRY STANDPIPE
12. WEST MANCHESTER STANDPIPE
13. YORKANA
14. LYNNWOOD DRIVE STANDPIPE
15. EAST & WEST FINISHED WATER BASIN AT FILTER PLANT
16. EAST PROSPECT TANK
17. JEFFERSON STANDPIPE
18. SHREWSBURY STANDPIPE
19. CAPE HORN ROAD STANDPIPE

**BOOSTER STATIONS**


- A. BERLIN ROAD
- B. BULL ROAD
- C. FLORIDA MEULE
- D. HAINES ACRES
- E. HELLAM
- F. LOGANVILLE
- G. LONGSTOWN
- H. MT. ZION ROAD
- I. NORTH POINT DRIVE
- J. NORTH YORK
- K. PEAN DAVIS
- L. PLEASURVILLE
- M. SHUNK'S HILL (Filter Plant)
- N. SOUTHERN REPUMPED (Filter Plant)
- O. SPRY (Filter Plant southern repump)
- P. WEST MANCHESTER
- Q. WILSHIRE
- R. YORK NEW SALEM
- S. HAMETOWN

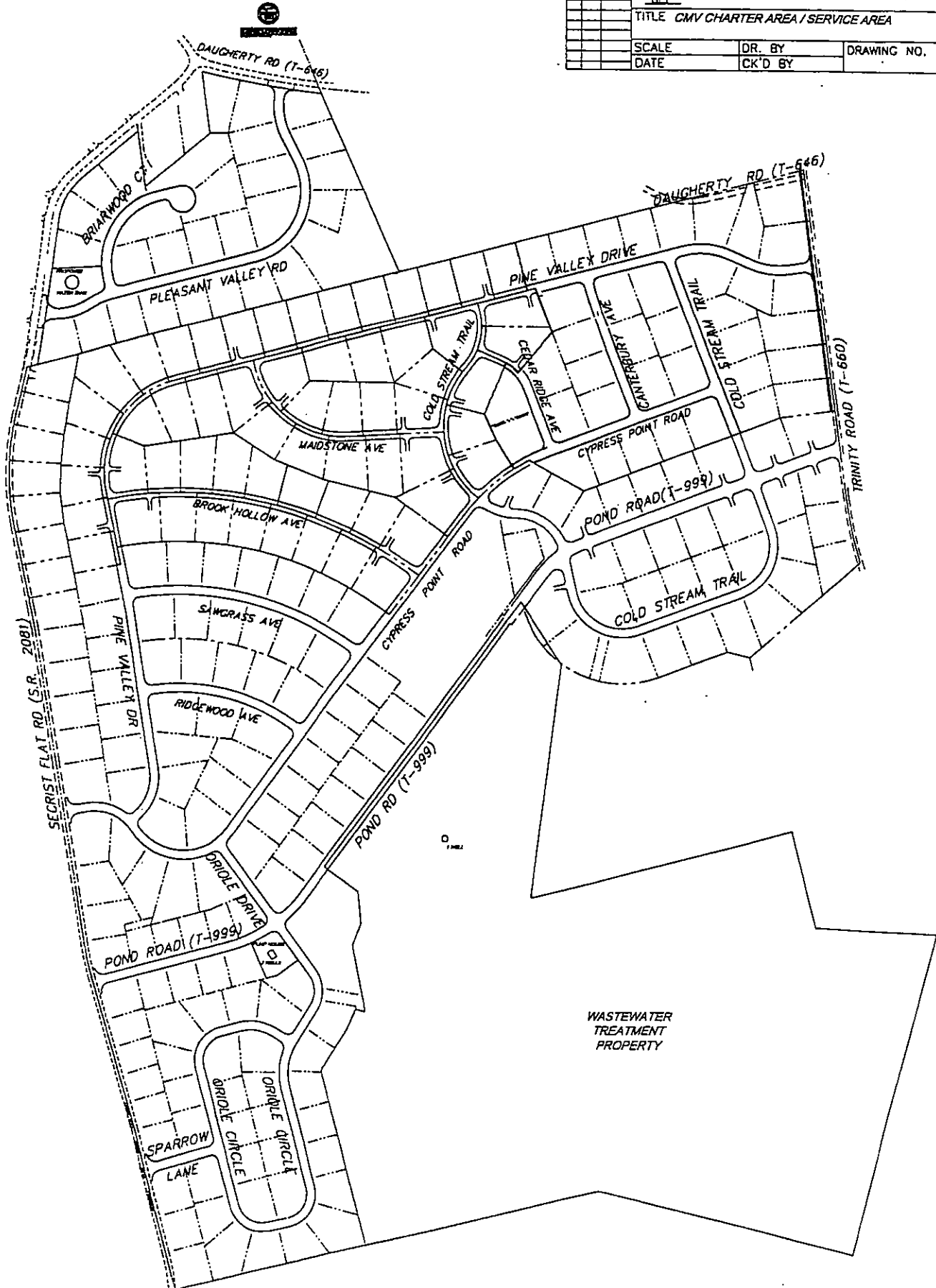
- Municipal Boundaries
  - SERVICE AREA
  - ▣ CHARTER AREA
  - ▨ CMV AREA
- (Square/county/Specialtown/charter)*

REV 3/21/2001 JKH

EXHIBIT C-1

# CMV WATER & SEWER

 <b>The York Water Company</b> <small>130 EAST MARKET STREET, BOX 15088, YORK, PA 17403 (717) 763-2001</small>		
TITLE <b>CMV CHARTER AREA / SERVICE AREA</b>		
SCALE	DR. BY	DRAWING NO.
DATE	CK'D BY	





The York Water Company

130 EAST MARKET ST. YORK, PA. 17401

TITLE  
PROPOSED CERTIFICATED AREA EXPANSION

SCALE N/A

DR. BY

DRAWING NO.

DATE 03/09/2001

CX'D. BY

1/1

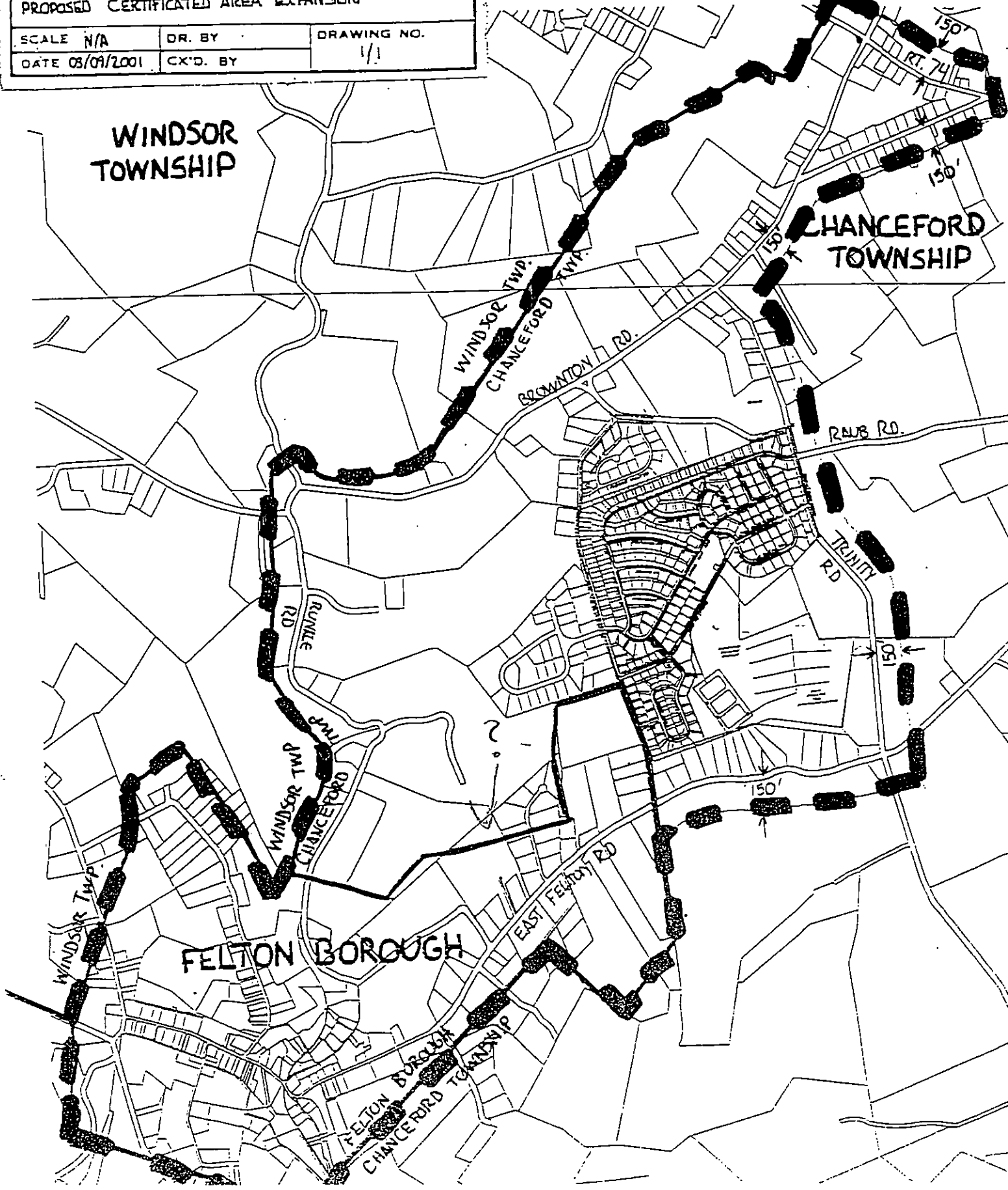
PROPOSED CERTIFICATED AREA



WINDSOR TOWNSHIP

CHANCEFORD TOWNSHIP

FELTON BOROUGH




# EXHIBIT "D"

MAP OF CMV FACILITIES

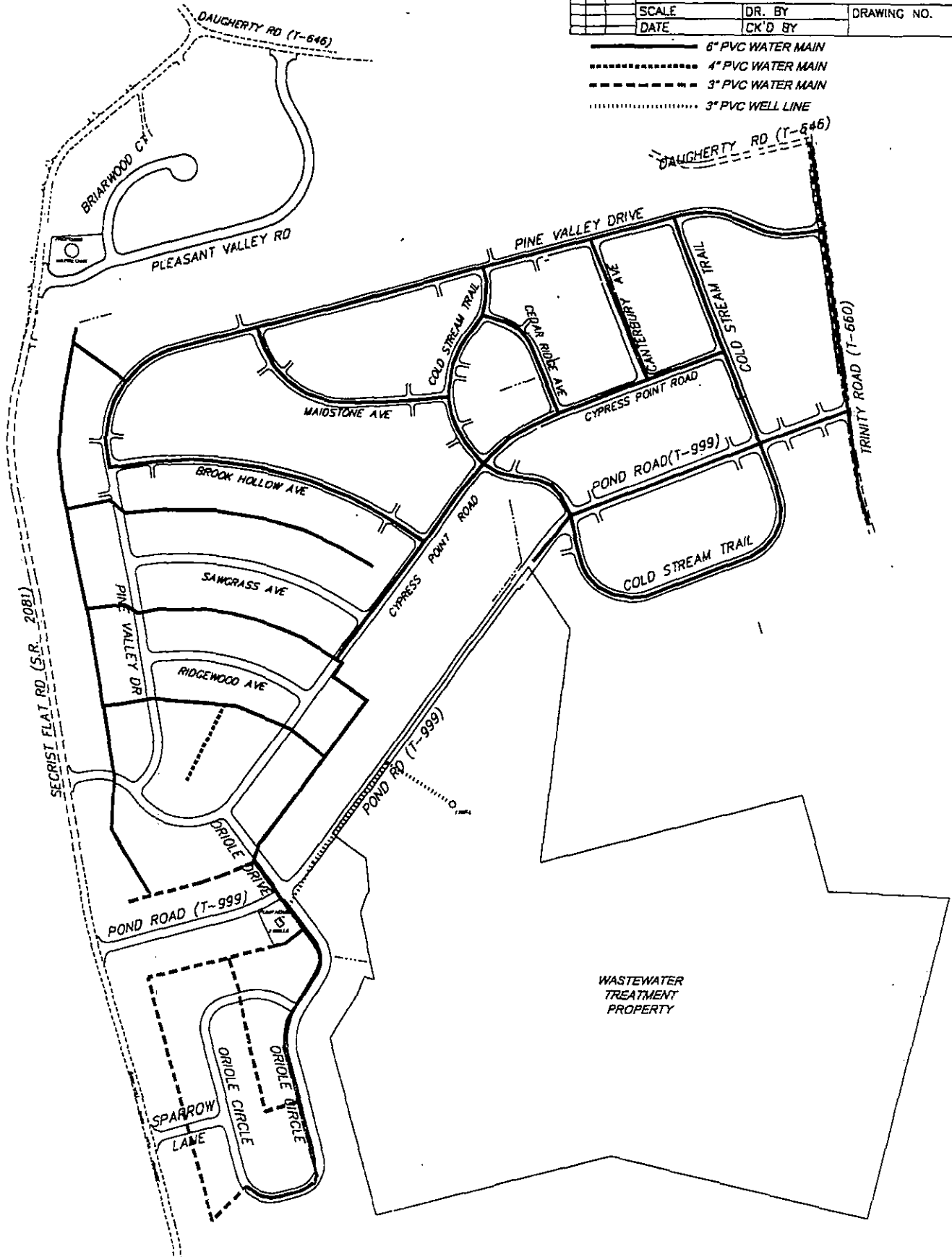
"D-1" WATER FACILITIES

"D-2" SEWER FACILITIES


# CMV WATER & SEWER

 <b>The York Water Company</b> <small>130 CHEST NUNBET STREET, SUITE 1300B, YORK, PA 17403 (717)843-2801</small>		
<b>TITLE</b> CMV WATER MAINS		
<b>SCALE</b> DATE	<b>DR. BY</b> CK'D BY	<b>DRAWING NO.</b>

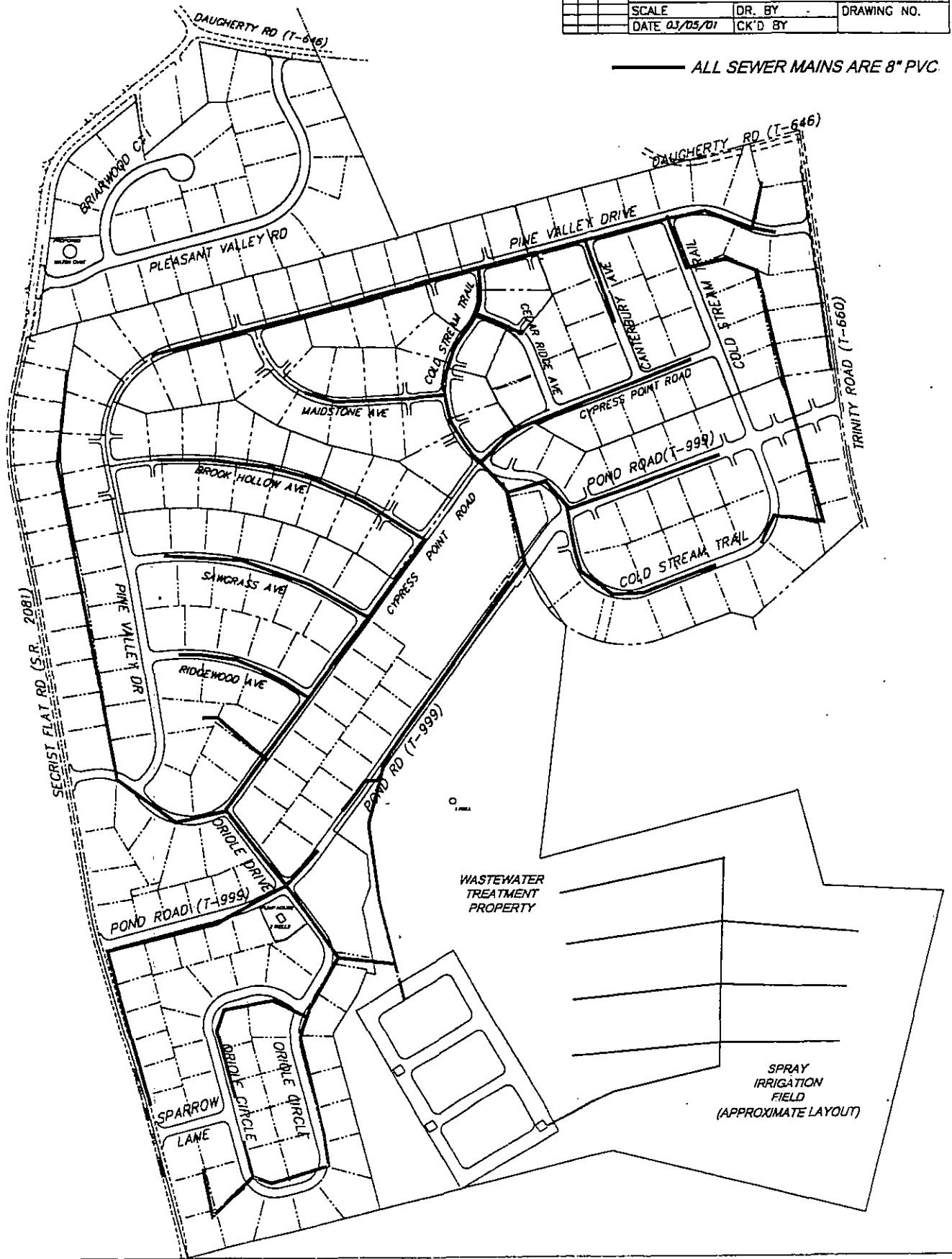
- 6" PVC WATER MAIN
- 4" PVC WATER MAIN
- - - - - 3" PVC WATER MAIN
- ..... 3" PVC WELL LINE



# CMV WATER & SEWER

REVISIONS	 <b>The York Water Company</b> <small>130 CANTY HUNNY STREET, NEW LISBON, YORK, PA 17402 (717)943-2001</small>	
	<b>TITLE</b> <i>CMV SEWER MAINS</i>	
	<b>SCALE</b>	<b>DR. BY</b>
	<b>DATE</b> 03/05/01	<b>CK'D BY</b>
	<b>DRAWING NO.</b>	

———— ALL SEWER MAINS ARE 8" PVC



**EXHIBIT "E"**

PROPOSED SCHEDULE FOR CMV ACQUISITION

# PROPOSED SCHEDULE FOR CMV ACQUISITION

March 27, 2001

March 1, 2001	CMV finalizes sales agreement
March 29, 2001	YWC submits sales agreement to PUC for approval
April 1, 2001	YWC submits DEP permit for construction of standpipe (90 day clock)
April 1, 2001	YWC submits application to transfer permit (90 day clock)
June 1, 2001	YWC receives approval of sale
July 1, 2001	YWC assumes operations of CMV
July 1, 2001	YWC begins various installation, replacement, and construction projects

**EXHIBIT "F"**

**PRESENT AND PROJECTED POPULATION SERVED**

Municipality	Number of Domestic Connections	2000*** Population	Actual Population Served In 2000	Projected Population Served		
				2010*	2020**	2030**
City of York	12,790	39,812	39,812	37,299	34,879	32,616
Codorus Twp.	1	3,861	4	25	45	81
Conewago Twp.	82	5,137	220	700	1,000	1,429
East Manchester Twp.	722	4,767	3,362	4,112	4,569	5,077
East Prospect Borough	291	840	840	568	577	586
Hallam Borough	609	1,540	1,540	1,460	1,504	1,550
Hellam Twp.	297	5,597	1,050	1,284	1,427	1,586
Hopewell Twp.	9	4,662	32	150	300	600
Jackson Twp.	646	6,222	2,215	2,709	3,010	3,345
Jacobus Borough	501	1,415	1,415	1,438	1,459	1,481
Jefferson Borough	251	655	655	712	729	747
Loganville Borough	340	940	940	892	852	814
Lower Windsor Twp.	231	7,382	995	1,217	1,352	1,503
Manchester Borough	670	1,978	1,978	1,905	1,943	1,981
Manchester Twp.	4,125	11,509	9,883	12,905	13,959	15,099
Mount Wolf Borough	516	1,428	1,428	1,216	1,167	1,120
North Codorus Twp.	906	8,300	3,000	3,669	4,077	4,530
North Hopewell Twp.	2	2,520	7	140	350	875
North York Borough	615	1,578	1,578	1,389	1,246	1,117
Railroad Borough	97	301	301	329	323	317
Seven Valleys Borough	185	483	483	487	489	491
Shrewsbury Twp.	16	6,426	85	150	250	417
Spring Garden Twp.	4,169	11,469	11,469	11,062	11,022	10,982
Springettsbury Twp.	7,054	23,381	23,120	24,447	25,859	27,353
Springfield Twp.	227	4,189	636	778	864	960
West Manchester Twp.	2,682	16,798	13,015	15,917	17,687	19,654
West York Borough	1,486	4,003	4,003	3,711	3,450	3,207
Windsor Twp.	1,137	13,417	3,640	4,452	4,947	5,497
York New Salem	153	648	648	770	794	818
York Twp.	4,154	22,587	17,750	21,708	24,122	26,805
Yorkana Borough	80	262	262	284	271	258
<b>TOTAL</b>	<b>45,044</b>	<b>214,107</b>	<b>146,366</b>	<b>157,885</b>	<b>164,524</b>	<b>172,896</b>

\* Population estimates from "York County Growth Trends", by York County Planning Commission, October, 1995.  
 \*\* The year 2020 and 2030 estimates are linear projections extrapolated from the 2000 and 2010 estimates.  
 \*\*\* The 2000 population is based on Census 2000 results.

**Projected Demand:**

Based on 10 year average daily gallons/capita:

140 GPCD

Average Daily Demand	1999	2010*	2020**	2030**
(Based on Avg. GPCD)	20,491,240	22,103,879	23,033,336	24,205,424
Growth beyond current area (Est.)		1,750,000	3,700,000	5,400,000
Dover Twp. Bulk Sales	300,000	400,000	500,000	600,000
Glen Rock Bulk Sales	136,000	200,000	230,000	260,000
New Freedom Bulk Sales	9,900	30,000	35,000	40,000
Stewartstown Bulk Sales		80,000	90,000	100,000
<b>Total</b>	<b>20,937,140</b>	<b>24,563,879</b>	<b>27,588,336</b>	<b>30,605,424</b>

Current available supply is 30.8 MGD (less DEP release of 7.785 MGD) = 23.0 MGD  
 Current supply will not satisfy the year 2030 projected demand. Therefore, source of supply should be increased.  
 Note: Current available supply (safe yield) is based on the drought of record (1966)

**CMV satellite water system:**

Residential Community GPCD:	Domestic Connections	2000*** Population	Population Served in 2000	Projected Population Served		
				2010*	2020**	2030**
45						
Chanceford Twp	248	855	855	955	975	995
Gallons/Day		38,475	38,475	42,975	43,875	44,775
Safe Yield of Wells		223,200	223,200	223,200	223,200	223,200

Current available supply is adequate through the year 2030.

**CMV satellite sewer system:**

Residential Gals. per EDU	EDU's		Projected EDU's		
	2000	2010*	2020**	2030**	
350					
Chanceford Twp	248	278	278	278	278
Gallons/Day	86,800	97,300	97,300	97,300	97,300
Permitted Treatment Capacity	100,000	100,000	100,000	100,000	100,000

Current available capacity is adequate through the year 2030.

**EXHIBIT "G"**

**INCOME TAX RETURNS**

**U.S. Corporation Income Tax Return**

**1999**

For calendar year 1999 or tax year beginning \_\_\_\_\_, 1999, ending \_\_\_\_\_  
▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

A Check if a: 1 Consolidated return (attach Form 951) <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T - see instructions) <input type="checkbox"/>	Name <b>THE YORK WATER COMPANY</b>	B Employer identification number <b>23-1242500</b>
	Number, street, and room or suite no. (If a P.O. box, see page 5 of instructions.) <b>130 EAST MARKET STREET</b>	C Date incorporated <b>02/08/1916</b>
	City or town, state, and ZIP code <b>YORK, PA 17405</b>	D Total assets (see page 6 of instructions) <b>\$ 100,221,605.</b>

E Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change of address

1 a	Gross receipts or sales	17,338,238	b	Less returns and allowances	c	Bal	1c	17,338,238
3	Gross profit. Subtract line 2 from line 1c		3				17,338,238	
4	Dividends (Schedule C, line 19)		4				6,315	
5	Interest	SEE STATEMENT. 1	5				249,377	
6	Gross rents		6				98,842	
7	Gross royalties		7					
8	Capital gain net income (attach Schedule D (Form 1120))		8					
9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)		9					
10	Other income (see page 7 of instructions - attach schedule)	SEE STATEMENT. 1	10				-519	
11	Total income. Add lines 3 through 10		11				17,692,253	

12	Compensation of officers (Schedule E, line 4)	12	294,725	
				13
14	Repairs and maintenance	14	1,765,248	
15	Bad debts	15	87,888	
16	Rents	16	186	
17	Taxes and licenses	17	1,325,455	
18	Interest	18	2,736,970	
19	Charitable contributions (see page 9 of instructions for 10% limitation)	19	64,814	
20	Depreciation (attach Form 4562)	20	3,944,258	
21	Less depreciation claimed on Schedule A and elsewhere on return	21a	21b	3,944,268
22	Depletion	22		
23	Advertising	23		
24	Pension, profit-sharing, etc., plans	24	231,100	
25	Employee benefit programs	25		
26	Other deductions (attach schedule)	26	4,049,163	
27	Total deductions. Add lines 12 through 26	27	15,625,757	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	2,066,496	
29	Less: a Net operating loss (NOL) deduction (see page 11 of instructions)	29a		
	b Special deductions (Schedule C, line 20)	29b	4,421	
29c		29c	4,421	

30	Taxable income. Subtract line 29c from line 28	30	2,062,075
32	Payments: a 1999 overpayment credited to 1999	32a	214,438
	b 1999 estimated tax payments	32b	686,377
	c Less: 1999 refund applied for on Form 4466	32c	( )
	d Bal	32d	900,815
	e Tax deposited with Form 7004	32e	
	f Credit for tax paid on undistributed capital gains (attach Form 2439)	32f	
	g Credit for Federal tax on fuels (attach Form 4136). See instructions	32g	10,416
32h		32h	911,231
33	Estimated tax penalty (see page 12 of instructions). Check if Form 2220 is attached	33	
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed	34	
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid	35	169,116
36	Enter amount of line 35 you want credited to 2000 estimated tax	36	169,116
	Refunded		NONE

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer 19/11/00 SECRETARY-TREASURER

Paid	Preparer's signature	<u>David J. [Signature]</u>	Date	<u>8/13/00</u>	Check if self-employed	<input type="checkbox"/>	Preparer's SSN or PTIN	<u>74-54-7285</u>
Preparer's Use only	Firm's name (or yours if self-employed) and address	<u>KPMG LLP</u> <u>1600 MARKET STREET</u> <u>PHILADELPHIA, PA</u>	EIN	<u>13-5565207</u>	ZIP code	<u>19103-7222</u>		

# Application for Automatic Extension of Time To File Corporation Income Tax Return

OMB No. 1545-0233

Name of corporation: **THE YORK WATER COMPANY** Employer identification number: **23-1242500**

Number, street, and room or suite no. (if a P.O. box or outside the United States, see instructions.):  
**130 EAST MARKET STREET**

City or town, state, and ZIP code:  
**YORK, PA 17405**

Check type of return to be filed:

- |   |   |  |   |                                       |
|---|---|--|---|---------------------------------------|
| <input checked="" type="checkbox"/> Form 1120 | <input type="checkbox"/> Form 1120-FSC  | <input type="checkbox"/> Form 1120-ND  | <input type="checkbox"/> Form 1120-REIT | <input type="checkbox"/> Form 1120-SF |
| <input type="checkbox"/> Form 1120-A          | <input type="checkbox"/> Form 1120-H  | <input type="checkbox"/> Form 1120-PC  | <input type="checkbox"/> Form 1120-RIC  |                                       |
| <input type="checkbox"/> Form 1120-F          | <input type="checkbox"/> Form 1120-L  | <input type="checkbox"/> Form 1120-POL | <input type="checkbox"/> Form 1120S     |                                       |
| <input type="checkbox"/> Form 990-C           | Note: Other 990 filers (i.e., Form 990, 990-EZ, 990-BL, 990-PF, and certain filers of Form 990-T (see instructions)) must use Form 2758 to request extension of time to file. |  |   |                                       |
| <input type="checkbox"/> Form 990-T           |   |  |   |                                       |

Form 1120-F filers: Check here if you do not have an office or place of business in the United States

1a. I request an automatic 6-month (or, for certain corporations, 3-month) extension of time until **SEPTEMBER 15** **2000** to file the income tax return of the corporation named above for  calendar year **1999** or  tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

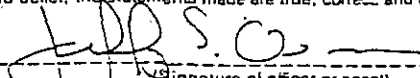
b. If this tax year is for less than 12 months, check reason:  
 Initial return     Final return     Change in accounting period     Consolidated return to be filed

2. If this application also covers subsidiaries to be included in a consolidated return, complete the following:

Name and address of each member of the affiliated group	Employer identification number	Tax period

3 Tentative tax (see instructions) .....	3	900,815
<b>4 Credits:</b>		
a Overpayment credited from prior year	4a	214,438
b Estimated tax payments for the tax year	4b	686,377
c Less refund for the tax year applied for on Form 4466	4c	
		Bal ▶ 4d 900,815
e Credit for tax paid on undistributed capital gains (Form 2439)	4e	
f Credit for Federal tax on fuels (Form 4136)	4f	
5 Total. Add lines 4d through 4f .....	5	900,815
6 Balance due. Subtract line 5 from line 3. Deposit this amount electronically or with a Federal Tax Deposit (FTD) Coupon (see instructions) .....	6	NONE

Signature. - Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application, and to the best of my knowledge and belief, the statements made are true, correct, and complete.


Vice President - Finance
03-14-00

(Signature of officer or agent)
(Title)
(Date)

**Schedule A** Cost of Goods Sold (See page 12 of instructions.)

1	Inventory at beginning of year	1
2	Purchases	2
3	Cost of labor	3
4	Additional section 263A costs (attach schedule)	4
5	Other costs (attach schedule)	5
6	Total. Add lines 1 through 5	6
7	Inventory at end of year	7
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1	8

9 a Check all methods used for valuing closing inventory:

(i)  Cost as described in Regulations section 1.471-3

(ii)  Lower of cost or market as described in Regulations section 1.471-4

(iii)  Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation?  Yes  No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation  Yes  No

**Schedule C** Dividends and Special Deductions (See page 13 of instructions.)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)	
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	6,315	70	4,421
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instr.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9	Total. Add lines 1 through 8. See page 14 of instructions for limitation			4,421
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up (section 78)			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1	6,315		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1			4,421

**Schedule E** Compensation of Officers (See instructions for line 12, page 1.)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	(d) Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
1	WILLIAM T. MORRIS		FULL%	%	%	163,710
	IRVIN S. NAYLOR		PART%	%	%	19,153
	HORACE KEESEY III		PART%	%	%	9,626
	JEFFREY S. OSMAN		FULL%	%	%	102,236
			%	%	%	
2	Total compensation of officers					294,725
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1					294,725

Schedule J Tax Computations (See page 15 of instructions.)

1 Check if the corporation is a member of a controlled group... 2 a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets... 3 Income tax... 4 a Foreign tax credit... 4 b Possessions tax credit... 4 c Check: Nonconventional source fuel credit... 4 d General business credit... 4 e Credit for prior year minimum tax... 5 Total credits... 6 Subtract line 5 from line 3... 7 Personal holding company tax... 8 Recapture taxes... 9 Alternative minimum tax... 10 Add lines 6 through 9... 11 Qualified zone academy bond credit... 12 Total tax...

Schedule K Other Information (See page 17 of instructions.)

1 Check method of accounting: a Cash b Accrual c Other... 2 See page 19 of the instructions and enter the: a Business activity code no. 221300 b Business activity WATER UTILITY c Product or service WATER... 3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation?... 4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?... 5 At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock?... 6 During this tax year, did the corporation pay dividends... 7 Was the corporation a U.S. shareholder of any controlled foreign corporation?... 8 At any time during the 1999 calendar year, did the corporation have an interest in or a signature or other authority over a financial account... 9 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?... 10 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of: (a) the total voting power... 11 Check this box if the corporation issued publicly offered debt instruments with original issue discount... 12 Enter the amount of tax-exempt interest received or accrued during the tax year 216,810... 13 If there were 75 or fewer shareholders at the end of the tax year, enter the number... 14 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here... 15 Enter the available NOL carryover from prior tax years...

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash				
2a Trade notes and accounts receivable	2,601,797.		2,873,260.	
b Less allowance for bad debts	(119,998.)	2,481,799.	(120,000.)	2,753,260.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach schedule)	STMT 5	491,424.		621,248.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets	102,653,944.		109,396,233.	
b Less accumulated depreciation	(15,774,768.)	86,879,176.	(17,155,352.)	92,240,881.
11a Depietable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
14 Other assets (attach schedule)	STMT 5	4,568,572.		4,606,215.
15 Total assets		94,420,971.		100,221,605.
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable		336,016.		600,992.
17 Mtgs., notes, bonds payable in less than 1 year				1,431,118.
18 Other current liabilities (attach schedule)	STMT 5	2,791,332.		4,087,511.
19 Loans from shareholders				
20 Mtgs., notes, bonds payable in 1 year or more		32,000,000.		32,800,000.
21 Other liabilities (attach schedule)	STMT 5	28,913,187.		30,472,330.
22 Capital stock: a Preferred stock				
b Common stock	27,292,726.	27,292,726.	28,099,197.	28,099,197.
23 Additional paid-in capital				
24 Retained earnings-Appropriated (attach schedule)				
25 Retained earnings - Unappropriated		3,087,710.		3,418,257.
26 Adjustments to shareholders' equity (attach schedule)				
27 Less cost of treasury stock		( NONE )		( 687,800 )
28 Total liabilities and shareholders' equity		94,420,971.		100,221,605.

Note: The corporation is not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See page 18 of instructions.)**

1 Net income (loss) per books	3,154,073.	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax	1,442,871.	Tax-exempt interest \$	216,810.
3 Excess of capital losses over capital gains		SEE STATEMENT 6	234,545.
4 Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation \$	2,153,567.
a Depreciation \$		b Contributions carryover \$	
b Contributions carryover \$		SEE STATEMENT 6	413,132.
c Travel and entertainment \$		9 Add lines 7 and 8	3,018,054.
SEE STATEMENT 6	487,606.	10 Income (line 28, page 11 - line 6 less line 9)	2,066,496.
6 Add lines 1 through 5	5,084,550.		

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1 Balance at beginning of year	3,087,710.	5 Distributions: a Cash	2,823,526.
2 Net income (loss) per books	3,154,073.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
		7 Add lines 5 and 6	2,823,526.
4 Add lines 1, 2, and 3	6,241,783.	8 Balance at end of year (line 4 less line 7)	3,418,257.

Investment Credit

1999

Attachment Sequence No. 52

Department of the Treasury Internal Revenue Service

Attach to your return. See separate instructions.

Name(s) shown on return THE YORK WATER COMPANY

Identifying number 23-1242500

Part I Current Year Credit

Table with 5 main rows for investment credits. Line 5 total is 1,302. Includes handwritten note 'SEE STATE A'.

Part II Tax Liability Limit (See Who Must File Form 3800 to find out if you complete Part II or file Form 3800.)

Table for tax liability limit with 15 rows. Includes sub-rows 7a-7k for various credits. Line 15 total is 1,302.

For Paperwork Reduction Act Notice, see separate instructions.

THE YORK WATER COMPANY  
 FEIN: 23-1242500  
 TAXABLE YEAR ENDED 12/31/99

Calculation of Allowable Investment Tax Credit

Total ITC Available		<u>\$1,302</u>
---------------------	--	----------------

Section 38(c)(1) Limitation

Excess (if any) of the taxpayer's net income tax over the greater of:		\$743,417
---	--	-----------

(A) tentative minimum tax, or	\$743,417	
(B) 25% of so much of the taxpayer's net regular tax liability as exceeds \$25,000	<u>\$169,027</u>	<u>\$743,417</u>

ITC Allowable under Section 38(c)(1) limitation		\$0
---	--	-----

Section 38(c)(2) limitation

Excess (if any) of the taxpayer's net income tax over the greater of:		\$743,417
---	--	-----------

(A) tentative minimum tax reduced by the lesser of:	\$743,417	
(a) portion of ITC not used in normal calculation, or	\$1,302	
(b) 25% of Tent Min Tax	<u>\$185,854</u>	<u>\$1,302</u>
		\$742,115

(B) 25% of so much of the taxpayer's net regular tax liability as exceeds \$25,000	<u>\$169,027</u>	<u>\$742,115</u>
--	------------------	------------------

ITC Allowable under Section 38(c)(2) limitation		\$1,302
---	--	---------

Total ITC Allowable		<u>\$1,302</u>
---------------------	--	----------------

THE YORK WATER COMPANY  
FEIN: 23-1242500  
TAXABLE YEAR ENDED DECEMBER 31, 1999

INVESTMENT TAX CREDIT (ITC)

All qualified property represents refunds of advances for construction of property placed in service prior to 1986. Accordingly, ITC is being claimed at the applicable rates for the years in which the property was placed in service.

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Department of the Treasury  
Internal Revenue Service (99)

▶ See the instructions for Form 4136.

**1999**  
Attachment  
Sequence No. 23

▶ Attach this form to your income tax return.

Name (as shown on your income tax return)

Taxpayer identification number

**THE YORK WATER COMPANY**

23-1242500

Caution: You cannot claim any amounts on Form 4136 that you claimed on Form 8849 or Schedule C (Form 720).

**1 Nontaxable Use of Gasoline and Gasohol**

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Off-highway business use of gasoline	\$ .1840	250.00	\$ 46.	301
b	Use of gasoline on a farm for farming purposes				
c	Other nontaxable use of gasoline				
d	10% gasohol			\$	312
e	7.7% gasohol				
f	5.7% gasohol				

**2 Nontaxable Use of Aviation Gasoline**

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade)	\$		\$	307
b	Other nontaxable use				

**3 Nontaxable Use of Undyed Diesel Fuel and Undyed Kerosene**

Claimant has the name and address of the person(s) who sold the fuel to the claimant and the date(s) of the purchase(s) and if exported, the required proof of export.

~~Claimant certifies that the fuel did not contain visible evidence of dye.~~

Exception. If any of the fuel included in this claim did contain visible evidence of dye, attach a detailed explanation and check here

Caution: Claims cannot be made on line 3 for fuel used on a farm for farming purposes or for kerosene sold from a blocked pump. Only registered ultimate vendors may make those claims.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use	\$ .2440	42,499.00	\$ 10,370.	303
b	Use in trains				
c	Use in certain intercity and local buses				303

**4 Nontaxable Use of Aviation Fuel (other than gasoline)**

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade)	\$		\$	310
b	Other nontaxable use				

For Paperwork Reduction Act Notice, see the instructions.

Form 4136 (1999)

**5 Sales by Registered Ultimate Vendors of Undyed Diesel Fuel** UV Registration No. ▶

Claimant sold the fuel at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained written consent of the buyer to take the claim; and obtained any required certificate from the buyer and has no reason to believe any information in the certificate is false.

Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim did contain visible evidence of dye, attach a detailed explanation and check here

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use on a farm for farming purposes	\$	}	\$	303
b	Use by a state or local government				

**6 Sales by Registered Ultimate Vendors of Undyed Kerosene** UV Registration No. ▶  
UP Registration No. ▶

Claimant sold the kerosene at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained written consent of the buyer to take the claim; and obtained the required certificate (for lines 6a and 6b) from the buyer and has no reason to believe any information in the certificate is false.

Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in the claim did contain visible evidence of dye, attach a detailed explanation and check here

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use on a farm for farming purposes	\$	}	\$	303
b	Use by a state or local government				
c	Sales from a blocked pump				

**7 Nontaxable Use of Liquefied Petroleum Gas (LPG) in Certain Buses**

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in certain intercity and local buses	\$	}	\$	304
b	Use in qualified local and school buses				

**8 Gasohol Blending**

Claimant bought gasoline taxed at the full rate and blended it with alcohol to make gasohol. The gasohol was used or sold for use in a trade or business. For each batch of gasohol, claimant has the required information relating to the purchase of the gasoline and alcohol used to make the gasohol and to support the amount claimed.

Percentage of alcohol in the gasohol	(a) Rate	Gallons of		(d) Amount of credit (col. (a) X col. (b))	(e) CRN
		(b) Gasoline	(c) Alcohol		
a 10% alcohol	\$	}		\$	302
b 7.7% alcohol					
c 5.7% alcohol					

g Total income tax credit claimed. Add lines 1 through 8. Enter here and on Form 1040, line 63 (also check box b on line 63); Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23c; Form 1041, line 24a; or the proper line of other returns. . . . . ▶	9	\$	10,416.
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SEE STATEMENT 7 FOR DESCRIPTION OF OFF-HIGHWAY BUSINESS USE.

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service (99)

See separate instructions.

Attach this form to your return.

Attachment Sequence No. 67

Name(s) shown on return

Identifying number

THE YORK WATER COMPANY

23-1242500

Business or activity to which this form relates

GENERAL DEPRECIATION AND AMORTIZATION

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "listed property," complete Part V before you complete Part I.)

Table with 13 rows for Part I, including fields for maximum dollar limitation, total cost, threshold cost, reduction in limitation, and section 179 expense deduction.

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation for Assets Placed in Service ONLY During Your 1999 Tax Year (Do Not Include Listed Property.)

Section A - General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions

Section B - General Depreciation System (GDS) (See page 3 of the instructions.)

Table for Section B with columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction.

Section C - Alternative Depreciation System (ADS) (See page 5 of the instructions.)

Table for Section C with columns: (a) Class life, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction.

Part III Other Depreciation (Do Not Include Listed Property.) (See page 5 of the instructions.)

Table with 3 rows for Part III, including fields for GDS and ADS deductions, property subject to section 168(f)(1) election, and ACRS and other depreciation.

Part IV Summary (See page 6 of the instructions.)

Table with 3 rows for Part IV, including fields for listed property, total deductions, and portion of the basis attributable to section 253A costs.

Part IV Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See page 7 of the instructions for limits for passenger automobiles.)

Table with columns for evidence of business use, depreciation basis, recovery period, and depreciation deduction. Includes rows 24 and 25 for business use percentages and row 26 for totals.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with columns for Vehicle 1 through Vehicle 6. Rows 28-34 cover business/commuting miles and personal use availability.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table for Section C with columns for Yes/No. Rows 35-39 cover policy statements and requirements for employer-provided vehicles.

Part VI Amortization

Table for Part VI Amortization with columns for description of costs, amortization period, and amount. Rows 40-42 show amortization for 1999 and total amounts.

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.  
▶ Attach to the corporation's tax return.

**1999**

Name  
**THE YORK WATER COMPANY**

Employer identification number  
**23-1242500**

1	Taxable income or (loss) before net operating loss deduction		1	2,062,075
2	<b>Adjustments and preferences:</b>			
a	Depreciation of post-1986 property	2a	935,994	
b	Amortization of certified pollution control facilities	2b		
c	Amortization of mining exploration and development costs	2c		
d	Amortization of circulation expenditures (personal holding companies only)	2d		
e	Adjusted gain or loss	2e		
f	Long-term contracts	2f		
g	Installment sales	2g		
h	Merchant marine capital construction funds	2h		
i	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2i		
j	Tax shelter farm activities (personal service corporations only)	2j		
k	Passive activities (closely held corporations and personal service corporations only)	2k		
l	Loss limitations	2l		
m	Depletion	2m		
n	Tax-exempt interest from specified private activity bonds	2n		
o	Intangible drilling costs	2o		
p	Accelerated depreciation of real property (pre-1987)	2p		
q	Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only)	2q		
r	Other adjustments <b>STMT. 8</b>	2r		
s	Combine lines 2a through 2r	2s	935,994	
3	Preadjustment alternative minimum taxable income (AMTI). Combine lines 1 and 2s	3	2,998,069	
4	<b>Adjusted current earnings (ACE) adjustment:</b>			
a	Enter the corporation's ACE from line 10 of the worksheet on page 11 of the instructions	4a	3,956,759	
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see examples beginning on page 6 of the instructions)	4b	958,690	
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	719,018	
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 6 of the instructions). Note: You must enter an amount on line 4d (even if line 4b is positive) . . . SEE STATEMENT 9.	4d	8,228,812	
e	ACE adjustment • If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount • If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount	4e	719,018	
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax	5	3,717,087	
6	Alternative tax net operating loss deduction (see page 7 of the instructions)	6		
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see page 7 of the instructions	7	3,717,087	

For Paperwork Reduction Act Notice, see page 10 of separate instructions.

8	Enter the amount from line 7 (alternative minimum taxable income) . . . . .	8	3,717,087.
9	<b>Exemption phase-out computation</b> (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):		
a	Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0- . . . . .	9a	
b	Multiply line 9a by 25% (.25) . . . . .	9b	
c	Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0- . . . . .	9c	NONE
10	Subtract line 9c from line 8. If zero or less, enter -0- . . . . .	10	3,717,087.
11	Multiply line 10 by 20% (.20) . . . . .	11	743,417.
12	Alternative minimum tax foreign tax credit. See page 7 of the instructions . . . . .	12	
13	Tentative minimum tax. Subtract line 12 from line 11 . . . . .	13	743,417.
14	Regular tax liability before all credits except the foreign tax credit and possessions tax credit . . . . .	14	701,106.
15	Alternative minimum tax: Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9). If zero or less, enter -0- . . . . .	15	42,311.

Adjusted Current Earnings Worksheet

► See ACE Worksheet Instructions (which begin on page 8).

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	2,998,069
2	ACE depreciation adjustment:			
a	AMT depreciation	2a		3,008,274
b	ACE depreciation:			
(1)	Post-1993 property	2b(1)		1,386,042
(2)	Post-1989, pre-1994 property	2b(2)		487,518
(3)	Pre-1990 MACRS property	2b(3)		173,374
(4)	Pre-1990 original ACRS property	2b(4)		185,917
(5)	Property described in sections 168(f)(1) through (4)	2b(5)		
(6)	Other property	2b(6)		37,964
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)		2,270,815
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	737,459
3	Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income	3a		216,810
b	Death benefits from life insurance contracts	3b		
c	All other distributions from life insurance contracts (including surrenders)	3c		
d	Inside buildup of undistributed income in life insurance contracts	3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	216,810
4	Disallowance of items not deductible from E&P:			
a	Certain dividends received	4a		4,421
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	4,421
5	Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs	5a		
b	Circulation expenditures	5b		
c	Organizational expenditures	5c		
d	LIFO inventory adjustments	5d		
e	Installment sales	5e		
f	Total other E&P adjustments. Combine lines 5a through 5e		5f	
6	Disallowance of loss on exchange of debt pools		6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8	Depletion		8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	3,956,759

Department of the Treasury  
Internal Revenue Service

▶ Attach to the corporation's tax return.

**1999**

Name	Employer identification number
<b>THE YORK WATER COMPANY</b>	<b>23-1242500</b>
1 Alternative minimum tax (AMT) for 1998. Enter the amount from line 15 of the 1998 Form 4626	1 97,767.
2 Minimum tax credit carryforward from 1998. Enter the amount from line 9 of the 1998 Form 8827	2 953,936.
3 Enter the total of any 1998 unallowed nonconventional source fuel credit and 1998 unallowed qualified electric vehicle credit. See instructions	3
4 Add lines 1, 2, and 3	4 1,051,703.
5 Enter the corporation's 1999 regular income tax liability minus allowable tax credits. See instructions	5 699,804.
6 If the corporation is: • A "small corporation" exempt from the AMT for 1999, and line 5 is \$25,000 or less, enter -0-. See instructions. • A "small corporation" exempt from the AMT for 1999, and line 5 is more than \$25,000, enter 25% (.25) of the excess. • Not a "small corporation" exempt from the AMT for 1999, complete Form 4626 for 1999 and enter the tentative minimum tax from line 13	6 743,417.
7 Subtract line 6 from line 5. If zero or less, enter -0-	7
8 Minimum tax credit. Enter the smaller of line 4 or line 7. Also enter this amount on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 4e). If the corporation had a post-1986 ownership change or has preacquisition excess credits, see instructions	8
9 Minimum tax credit carryforward to 2000. Subtract line 8 from line 4. See instructions	9 1,051,703.

**General Instructions**

Section references are to the Internal Revenue Code.

**Purpose of Form**

Form 8827 is used by corporations to figure the minimum tax credit, if any, for AMT incurred in prior tax years and to figure any minimum tax credit carryforward.

**Who Should File**

Form 8827 should be filed by corporations that had:

- An AMT liability in 1998;
- A minimum tax credit carryforward from 1998 to 1999; or
- A nonconventional source fuel credit or a qualified electric vehicle credit not allowed for 1998 (see the instructions for line 3).

**Specific Instructions**

**Line 3**

Enter the total of any nonconventional source fuel credit and qualified electric vehicle credit not allowed for 1998 solely

because of the limitations under sections 29(b)(6)(B) and 30(b)(3)(B).

**Line 5**

Enter the corporation's 1999 regular income tax liability (as defined in section 26(b)) minus any credits allowed under Subchapter A, Part IV, subparts B, D, E, and F of the Internal Revenue Code (e.g., if you are filing Form 1120, subtract any credits on Schedule J, lines 4a through 4d, from the amount on Schedule J, line 3).

**Line 6**

See the 1999 Instructions for Form 4626 to find out if the corporation is treated as a "small corporation" exempt from the AMT. If the corporation is a "small corporation" exempt from the AMT, see section 38(c)(3) before completing line 6 for special rules that apply to controlled corporate groups, regulated investment companies, and real estate investment trusts.

**Line 8**

If the corporation had a post-1986 ownership change (as defined in section 382(g)), the amount of pre-change

minimum tax credits that can be applied against the corporation's tax for any tax year ending after the ownership change may be limited. See section 383 and the related regulations. To figure the amount of the pre-change credit, the corporation must allocate the credit for the change year between the pre-change period and the post-change period. The corporation must use the same method of allocation (ratable allocation or closing-of-the-books) for purposes of sections 382 and 383. See Regulations section 1.382-6 for details.

Also, preacquisition excess credits of one corporation generally cannot be used to offset the tax attributable to recognized built-in gains of another corporation. See section 384 for details.

If either limit applies, attach a computation of the minimum tax credit allowed. Enter that amount on line 8. Write "Sec. 383" or "Sec. 384" on the dotted line to the left of the line 8 entry space.

**Line 9**

Keep a record of this amount to carry forward and use in future years.

FORM 1120, PAGE 1 DETAIL

=====

LINE 5 - INTEREST INCOME

-----

INTEREST CHARGED TO CONSTRUCTION	102,952.
OTHER INTEREST INCOME	146,425.
	-----
TOTAL	249,377.
	=====

LINE 10 - OTHER INCOME

-----

OTHER INCOME	-519.
	-----
TOTAL	-519.
	=====

FORM 1120, PAGE 1 DETAIL

## LINE 17 - TAX SUMMARY

TAXES (EXCLUDING INCOME TAXES)	1,237,123.
OTHER STATE AND LOCAL TAXES	88,332.
TOTAL LINE 17 - TAXES	1,325,455.

## LINE 17 - TAXES AND LICENSES

OTHER TAXES	109,535.
REALTY TAX	573,432.
PAYROLL TAXES	281,398.
NON-OPERATING TAXES	13,628.
CAPITAL STOCK TAX - PA	259,130.
PA INCOME TAX	88,332.
TOTAL	1,325,455.

FORM 1120, PAGE 1 DETAIL

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LINE 19 - CONTRIBUTIONS DEDUCTION

-----

LINE 28, TAXABLE INCOME (EXCLUDING CONTRIBUTION DEDUCTION) 2,131,310.

LINE 29A, NOL DEDUCTION

TAXABLE INCOME WITHOUT REGARD TO CONTRIBUTIONS DEDUCTION  
 NOL CARRYBACKS, AND NET CAPITAL LOSS CARRYBACKS 2,131,310.

CONTRIBUTIONS DEDUCTION AS LIMITED 213,131.

CONTRIBUTIONS CARRYOVER

YEAR ENDING	AMOUNT GENERATED	AMOUNT UTILIZED	CONVERTED TO NOL CARRYOVER	CARRYOVER NOT UTILIZED
12/31/1994				
12/31/1995				
12/31/1996				
12/31/1997				
12/31/1998				
12/31/1999	64,814.	64,814.		

TOTAL 64,814. 64,814.

AMOUNT TO PAGE 1, LINE 19 64,814.  
 =====

EXPIRED CARRYOVER:

TOTAL CARRIED FORWARD TO 2000: -----  
 =====

FORM 1120, PAGE 1 DETAIL

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LINE 26 - OTHER DEDUCTIONS

-----

AMORTIZATION	145,359.
SERVICE LINE FORFEITURES	17,200.
SUPPLIES & EXPENSE	366,100.
SUPERVISION	347,397.
FUEL OPERATING	256,005.
POWER PURCH	616,247.
BILLING & ACCTG	442,264.
INSURANCE GENERAL	568,063.
PREPAID EXPENSES	46,818.
RATE CASE DEFERRED COST	100,868.
OTHER MISCELLANEOUS DEDUCTIONS	420,318.
DEFERRED ENGINEERING SERVICES	-2,732.
OPERATION	14,250.
MISC GENERAL EXP	460,058.
ADMIN & GEN EXP	-78,389.
METER EXPENSES	155,613.
CUSTOMER RELATIONS	173,724.
	-----
TOTAL	4,049,163.
	=====

## FORM 1120, PAGE 4 DETAIL

	BEGINNING	ENDING
SCH L, LINE 6 - OTHER CURRENT ASSETS		
PREPAID EXPENSES	174,888.	225,106.
RECOVERABLE INCOME TAXES	-44,863.	5,702.
SUPPLIES	361,399.	390,440.
TOTAL	491,424.	621,248.
SCH L, LINE 14 - OTHER ASSETS		
DEFERRED DEBT EXPENSE	406,277.	396,190.
OTHER ASSETS	1,712,431.	1,531,312.
DEFERRED RATE CASE EXPENSE	4,820.	105,688.
PREPAID PENSION COST	1,826,514.	1,977,883.
NOTES RECEIVABLE	618,530.	595,143.
TOTAL	4,568,572.	4,606,216.
SCH L, LINE 18 - OTHER CURRENT LIABILITIES		
ACCRUED TAXES	302,381.	31,458.
DIVIDENDS PAYABLE	506,426.	534,889.
ADVANCE REVENUES	211,192.	212,658.
ACCRUED INTEREST	675,762.	676,688.
MISCELLANEOUS ACCRUALS	1,095,571.	2,631,818.
TOTAL	2,791,332.	4,087,511.
SCH L, LINE 21 - OTHER LIABILITIES		
DEFERRED TAXES	4,589,715.	5,554,690.
CUSTOMER ADVANCES FOR CONSTRUCTION	16,694,335.	15,457,384.
CONTRIB. IN ADVANCE OF CONSTRUCTION	7,080,610.	8,658,845.
DEFERRED EMPLOYEE BENEFITS	548,527.	801,411.
TOTAL	28,913,187.	30,472,330.

## FORM 1120, PAGE 4 DETAIL

## SCH M-1, LINE 5 - EXPENSES ON BOOKS NOT DEDUCTED IN RETURN

STATE TAXES	51,373.
NON-DEDUCTIBLE INTEREST EXPENSE	9,560.
NON-DEDUCTIBLE LOBBYING EXPENSE	3,400.
POST-RETIREMENT BENEFITS	3,741.
ACCRUED VACATION PAY	1,992.
DEFERRED COMPENSATION	241,304.
FUEL TAX CREDIT	10,416.
DEFERRED ENGINEERING SERVICES	2,732.
DISALLOWANCE OF DEBT AMORTIZATION	31,946.
PURTA ASSESSMENT	127,527.
CLUB DUES	3,615.
TOTAL	487,606.

## SCH M-1, LINE 7 - INCOME ON BOOKS NOT INCLUDED IN THIS RETURN

CUSTOMER ADVANCES	83,176.
FASB 87 PENSION INCOME	151,369.
TOTAL	234,545.

## SCH M-1, LINE 8 - DEDUCTIONS IN RETURN NOT CHARGED AGAINST BOOK

COST OF REMOVAL	68,126.
SERVICE LINE FORFEITURES	17,200.
INDEMNIFICATION AMORTIZATION	141,932.
RATE CASE DEFERRED COST	100,868.
AMORTIZATION OF AQUISITION ADJUSTMENT	34,788.
PREPAID EXPENSES	50,218.
TOTAL	413,132.

FORM 4136 DETAIL

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DESCRIPTION OF OFF-HIGHWAY BUSINESS USE

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WATER PRODUCTION AND TREATMENT

FORM 4626 DETAIL

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LINE 2R - OTHER ADJUSTMENTS - CHARITABLE CONTRIBUTIONS

-----

ALTERNATIVE MINIMUM TAXABLE INCOME (BEFORE CONTRIBUTIONS)	3,781,901.
AMT NOL DEDUCTION	
TAXABLE INCOME WITHOUT REGARD TO CONTRIBUTIONS DEDUCTION NOL CARRYBACKS, AND NET CAPITAL LOSS CARRYBACKS	3,781,901.
CONTRIBUTIONS DEDUCTION AS LIMITED	378,190.

CONTRIBUTIONS CARRYOVER

YEAR ENDING	AMOUNT GENERATED	AMOUNT UTILIZED	CONVERTED TO NOL CARRYOVER	CARRYOVER NOT UTILIZED
12/31/1994				
12/31/1995				
12/31/1996				
12/31/1997				
12/31/1998				
12/31/1999	64,814.	64,814.		
-----				
TOTAL	64,814.	64,814.		

EXPIRED AMT CARRYOVER:

AMT TOTAL CARRIED FORWARD TO 2000:

REGULAR CONTRIBUTIONS	64,814.
AMT CONTRIBUTIONS	64,814.
-----	
CONTRIBUTION ADJUSTMENT	
=====	

FORM 4626 DETAIL

LINE 4 - ACE ADJUSTMENT

	1990	1991	1992	1993	1994	1995
	----	----	----	----	----	----
ACE .....	4,045,186.	3,488,036.	2,855,873.	5,126,418.	4,177,079.	4,418,343.
AMTI .....	2,857,835.	2,269,077.	1,653,973.	3,572,797.	3,069,821.	3,172,213.
ACE OVER AMTI .....	1,187,351.	1,218,959.	1,201,900.	1,553,621.	1,107,258.	1,246,130.
AMTI OVER ACE .....						
75% ACE PREFERENCE .	890,513.	914,219.	901,425.	1,165,216.	830,444.	934,598.
75% ACE REDUCTION ..						
CARRYOVER CREATED ..	890,513.	914,219.	901,425.	1,165,216.	830,444.	934,598.
PRIOR YR CARRYOVER (REDUCTION ALLOWED) .....		890,513.	1,804,732.	2,706,157.	3,871,373.	4,701,817.
CARRYOVER USED (REDUCTION CLAIMED) .....						
CARRYOVER REMAINING	890,513.	1,804,732.	2,706,157.	3,871,373.	4,701,817.	5,636,415.

FORM 4626 DETAIL

LINE 4 - ACE ADJUSTMENT

	1996	1997	1998	1999
ACE .....	3,474,110.	4,029,622.	4,068,064.	3,956,759.
AMTI .....	2,088,101.	2,905,244.	3,121,923.	2,998,069.
ACE OVER AMTI .....	1,386,009.	1,124,378.	946,141.	958,690.
AMTI OVER ACE .....				
75% ACE PREFERENCE .	1,039,507.	843,284.	709,606.	719,018.
75% ACE REDUCTION ..				
CARRYOVER CREATED ..	1,039,507.	843,284.	709,606.	719,018.
PRIOR YR CARRYOVER (REDUCTION ALLOWED)	5,636,415.	6,675,922.	7,519,206.	8,228,812.
CARRYOVER USED (REDUCTION CLAIMED)				
CARRYOVER REMAINING	6,675,922.	7,519,206.	8,228,812.	8,947,830.

**U.S. Corporation Income Tax Return**

For calendar year 1998 or tax year beginning \_\_\_\_\_, 1998, ending \_\_\_\_\_, 19\_\_

OMB No. 1545-0123

**1998**

Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

A Check if a: 1 Consolidated return (attach Form 851) <input type="checkbox"/>		Name <b>THE YORK WATER COMPANY</b>	B Employer identification number <b>23-1242500</b>
2 Personal holding co (attach Sch. PH) <input type="checkbox"/>		Number, street, and room or suite no. (If a P.O. box, see page 5 of instructions.) <b>130 EAST MARKET STREET</b>	C Date incorporated <b>02/08/16</b>
3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T - see instructions) <input type="checkbox"/>		City or town, state, and ZIP code <b>YORK, PA 17405</b>	D Total assets (see page 5 of instructions) <b>\$ 94,420,971.</b>

E Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change of address

1 a	Gross receipts or sales	16,810,669.	b	Less returns and allowances	c Bal	1c	16,810,669.
2	Cost of goods sold (Schedule A, line 8)					2	
3	Gross profit. Subtract line 2 from line 1c					3	16,810,669.
4	Dividends (Schedule C, line 19)					4	2,596.
5	Interest					5	263,915.
6	Gross rents					6	84,913.
7	Gross royalties					7	
8	Capital gain net income (attach Schedule D (Form 1120))					8	
9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)					9	
10	Other income (see page 6 of instructions - attach schedule)					10	-21,692.
11	Total income. Add lines 3 through 10					11	17,140,401.

12	Compensation of officers (Schedule E, line 4)	12	179,044.
13	Salaries and wages (less employment credits)	13	1,080,581.
14	Repairs and maintenance	14	1,605,615.
15	Bad debts	15	93,957.
16	Rents	16	558.
17	Taxes and licenses	17	1,436,059.
18	Interest	18	2,745,706.
19	Charitable contributions (see page 8 of instructions for 10% limitation)	19	69,205.
20	Depreciation (attach Form 4562)	20	3,974,226.
21	Less depreciation claimed on Schedule A and elsewhere on return	21a	
21b		21b	3,974,226.
22	Depletion	22	
23	Advertising	23	
24	Pension, profit-sharing, etc., plans	24	263,904.
25	Employee benefit programs	25	
26	Other deductions (attach schedule)	26	3,723,438.
27	Total deductions. Add lines 12 through 26	27	15,172,293.
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	1,968,108.
29	Less: a Net operating loss deduction (see page 9 of instructions)	29a	
29b	b Special deductions (Schedule C, line 20)	29b	1,817.
29c		29c	1,817.

30	Taxable income. Subtract line 29c from line 28	30	1,966,291.
31	Total tax (Schedule J, line 12)	31	765,325.
32	Payments: a 1997 overpayment credited to 1998	32a	152,344.
32b	b 1998 estimated tax payments	32b	818,229.
32c	c Less 1998 refund applied for on Form 4466	32c	
32d	d Bal	32d	970,573.
32e	e Tax deposited with Form 7004	32e	
32f	f Credit for tax paid on undistributed capital gains (attach Form 2439)	32f	
32g	g Credit for Federal tax on fuels (attach Form 4136). See instructions	32g	9,190.
32h		32h	979,763.
33	Estimated tax penalty (see page 10 of instructions). Check if Form 2220 is attached	33	
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed	34	
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid	35	214,438.
36	Enter amount of line 35 you want: Credited to 1999 estimated tax	36	214,438.
	Refunded		NONE

Under penalties or perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here: [Signature] Date: 1/11/99 Title: TREASURER

Preparer's signature	<u>[Signature]</u>	Date	<u>1/12/99</u>	Check if self-employed	<input type="checkbox"/>	Preparer's social security no.	
Firm's name (or yours if self-employed) and address	<u>KPMG LLP</u>		EIN	<u>13-5565207</u>		ZIP code	<u>19103-7222</u>

# Application for Automatic Extension of Time To File Corporation Income Tax Return

OMB No. 1545-0233

Name of corporation: **THE YORK WATER COMPANY**      Employer identification number: **23-1242500**

Number, street, and room or suite no. (If a P.O. box or outside the United States, see instructions.):  
**130 EAST MARKET STREET**

City or town, state, and ZIP code:  
**YORK, PA 17405**

Check type of return to be filed:

<input checked="" type="checkbox"/> Form 1120	<input type="checkbox"/> Form 1120-FSC	<input type="checkbox"/> Form 1120-ND	<input type="checkbox"/> Form 1120-REIT	<input type="checkbox"/> Form 1120-SF
<input type="checkbox"/> Form 1120-A	<input type="checkbox"/> Form 1120-H	<input type="checkbox"/> Form 1120-PC	<input type="checkbox"/> Form 1120-RIC	
<input type="checkbox"/> Form 1120-F	<input type="checkbox"/> Form 1120-L	<input type="checkbox"/> Form 1120-POL	<input type="checkbox"/> Form 1120S	

Form 990-C     Form 990-T    **Note: Other 990 filers (i.e., Form 990, 990-EZ, 990-BL, 990-PF, and certain filers of Form 990-T (see instructions)) must use Form 2758 to request extension of time to file.**

Form 1120-F filers: Check here if you do not have an office or place of business in the United States:

1a I request an automatic 6-month (or, for certain corporations, 3-month) extension of time until **SEPTEMBER 15**, **1999**, to file the income tax return of the corporation named above for  calendar year **1998** or  tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

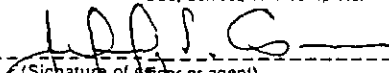
b If this tax year is for less than 12 months, check reason:  
 Initial return     Final return     Change in accounting period     Consolidated return to be filed

2 If this application also covers subsidiaries to be included in a consolidated return, complete the following:

Name and address of each member of the affiliated group	Employer identification number	Tax period

3 Tentative tax (see instructions) .....	<b>3</b>	979,763
<b>4 Credits:</b>		
a Overpayment credited from prior year .....	4a	152,344
b Estimated tax payments for the tax year .....	4b	818,229
c Less refund for the tax year applied for on Form 4466 .....	4c	( )
		Bal ▶ 4d 970,573
e Credit for tax paid on undistributed capital gains (Form 2439) .....	4e	
f Credit for Federal tax on fuels (Form 4136) .....	4f	9,190
5 Total. Add lines 4d through 4f .....	<b>5</b>	979,763
6 Balance due. Subtract line 5 from line 3. Deposit this amount electronically or with a Federal Tax Deposit (FTD) Coupon (see instructions) .....	<b>6</b>	NONE

Signature: Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application, and to the best of my knowledge and belief, the statements made are true, correct, and complete.

      **VICE PRESIDENT - FINANCE**      **3/12/99**  
 (Signature of officer or agent)      (Title)      (Date)

**Schedule A Cost of Goods Sold** (See page 10 of instructions.)

1	Inventory at beginning of year	1
2	Purchases	2
3	Cost of labor	3
4	Additional section 263A costs (attach schedule)	4
5	Other costs (attach schedule)	5
6	Total. Add lines 1 through 5	6
7	Inventory at end of year	7
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8

9 a Check all methods used for valuing closing inventory:

- (i)  Cost as described in Regulations section 1.471-3
- (ii)  Lower of cost or market as described in Regulations section 1.471-4
- (iii)  Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation?  Yes  No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation  Yes  No

**Schedule C Dividends and Special Deductions** (See page 11 of instructions.)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20% -owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	1,817
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)	80 <small>see instr.</small>	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))	100	
9	Total. Add lines 1 through 8. See page 12 of instructions for limitation		1,817
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))	100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1	2,596	
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1		1,817

**Schedule E Compensation of Officers** (See instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	(d) Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1 WILLIAM T. MORRIS		FULL %	%	%	
IRVIN S. NAYLOR		PART %	%	%	
HORACE KEESY III		PART %	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					179,044
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on line 12, page 1					179,044

**Schedule J Tax Computation** (See page 13 of instructions.)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563) . . . . .	<input type="checkbox"/>	
a	Important: Members of a controlled group, see instructions on page 13.		
2	If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):		
b	(1) <input type="text"/> (2) <input type="text"/> (3) <input type="text"/>		
	Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750)		
	(2) Additional 3% tax (not more than \$100,000)		
3	Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 13) ▶ <input type="checkbox"/>	3	668,539.
4 a	Foreign tax credit (attach Form 1118) . . . . .	4 a	
b	Possessions tax credit (attach Form 5735) . . . . .	4 b	
c	Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834)	4 c	
d	General business credit. Enter here and check which forms are attached: <input checked="" type="checkbox"/> 3800		
	<input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826		
	<input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847 <input type="checkbox"/> 8861	4 d	981.
e	Credit for prior year minimum tax (attach Form 8827) . . . . .	4 e	
5	Total credits. Add lines 4a through 4e . . . . .	5	981.
6	Subtract line 5 from line 3 . . . . .	6	667,558.
7	Personal holding company tax (attach Schedule PH (Form 1120)) . . . . .	7	
8	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 . . . . .	8	
9	Alternative minimum tax (attach Form 4626) . . . . .	9	97,767.
10	Add lines 6 through 9 . . . . .	10	765,325.
11	Qualified zone academy bond credit (attach Form 8860) . . . . .	11	
12	Total tax. Subtract line 11 from line 10. Enter here and on line 31, page 1 . . . . .	12	765,325.

**Schedule K Other Information** (See page 15 of instructions.)

	Yes	No		Yes	No
1	Check method of accounting: a <input type="checkbox"/> Cash		7	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) . . . . .	
	b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶			If "Yes," attach Form 5471 for each such corporation.	
2	See page 17 of the instructions and state the:			Enter number of Forms 5471 attached ▶	
a	Business activity code no. (NEW) ▶ 221300		8	At any time during the 1998 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? . . . . .	
b	Business activity ▶ WATER UTILITY			If "Yes," the corporation may have to file Form TD F 90-22.1.	
c	Product or service ▶ WATER			If "Yes," enter name of foreign country ▶	
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) . . . . .			9 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? . . . . .	
	If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			If "Yes," the corporation may have to file Form 3520 . . . . .	
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . .		10	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes,"	
	If "Yes," enter employer identification number and name of the parent corporation ▶			a Enter percentage owned ▶	
5	At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) . . . . .			b Enter owner's country ▶	
	If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶			c The corporation may have to file Form 5472. Enter number of Forms 5472 attached ▶	
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) . . . . .		11	Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . . <input type="checkbox"/>	
	If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.			If so, the corporation may have to file Form 8281.	
			12	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ 114,952.	
			13	If there were 35 or fewer shareholders at the end of the tax year, enter the number ▶	
			14	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>	
			15	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶	

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash				
2 a Trade notes and accounts receivable	2,650,075.		2,601,797.	
b Less allowance for bad debts	( 110,000.)	2,540,075.	( 119,998.)	2,481,799.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach schedule)	STMT 5	1,075,333.		491,424.
7 Loans to stockholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10 a Buildings and other depreciable assets	98,041,758.		102,653,944.	
b Less accumulated depreciation	( 14,398,083.)	83,643,675.	( 15,774,768.)	86,879,176.
11 a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13 a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
14 Other assets (attach schedule)	STMT 5	4,232,175.		4,568,572.
15 Total assets		91,491,258.		94,420,971.
<b>Liabilities and Stockholders' Equity</b>				
16 Accounts payable		551,403.		336,016.
17 Mtges., notes, bonds payable in less than 1 year		843,000.		NONE
18 Other current liabilities (attach schedule)	STMT 5	1,807,374.		2,791,332.
19 Loans from stockholders				
20 Mtges., notes, bonds payable in 1 year or more		32,000,000.		32,000,000.
21 Other liabilities (attach schedule)	STMT 5	27,138,696.		28,913,187.
22 Capital stock: a Preferred stock				
b Common stock	26,453,873.	26,453,873.	27,292,726.	27,292,726.
23 Additional paid-in capital				
24 Retained earnings-Appropriated (attach schedule)				
25 Retained earnings - Unappropriated		2,696,912.		3,087,710.
26 Adjustments to shareholders' equity (attach schedule)				
27 Less cost of treasury stock		( )		( )
28 Total liabilities and stockholders' equity		91,491,258.		94,420,971.

Note: You are not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

**Schedule M-1: Reconciliation of Income (Loss) per Books With Income per Return (See page 16 of instructions.)**

1 Net income (loss) per books	3,135,389.	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax	1,481,581.	Tax-exempt interest \$	114,952.
3 Excess of capital losses over capital gains		SEE STATEMENT 6	94,120.
4 Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation \$	2,205,539.
a Depreciation \$		b Contributions carryover \$	
b Contributions carryover \$		SEE STATEMENT 6	647,432.
c Travel and entertainment \$		9 Add lines 7 and 8	3,062,043.
SEE STATEMENT 6	413,181.	10 Income (line 28, page 1) - line 6 less line 9	1,968,108.
6 Add lines 1 through 5	5,030,151.		

**Schedule M-2: Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1 Balance at beginning of year	2,696,912.	5 Distributions: a Cash	2,744,591.
2 Net income (loss) per books	3,135,389.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
		7 Add lines 5 and 6	2,744,591.
4 Add lines 1, 2, and 3	5,832,301.	8 Balance at end of year (line 4 less line 7)	3,087,710.

Form **3468**

# Investment Credit

OMB No. 1545-0155

Department of the Treasury  
Internal Revenue Service

▶ Attach to your return.  
▶ See separate instructions.

**1998**  
Attachment  
Sequence No. 52

Name(s) shown on return  
**THE YORK WATER COMPANY**

Identifying number  
**23-1242500**

## Part I Current Year Credit

1 Rehabilitation credit (see instructions for required attachments):			
a Check this box if you are electing under section 47(d)(5) to take your qualified rehabilitation expenditures into account for the tax year in which paid (or, for self-rehabilitated property, when capitalized). See instructions. Note: This election applies to the current tax year and to all later tax years. You may not revoke this election without IRS consent <input type="checkbox"/>			
Enter the amount of qualified rehabilitation expenditures and multiply by the percentage shown:			
b Pre-1936 buildings	x 10% (.10)	1b	
c Certified historic structures	x 20% (.20)	1c	
Enter NPS number assigned or the flow-through entity's identifying number (see instructions)			
d Rehabilitation credit from an electing large partnership (Schedule K-1 (Form 1065-B), box 9)		1d	
2 Energy credit. Enter the basis of energy property placed in service during the tax year (see instructions)	x 10% (.10)	2	
3 Reforestation credit. Enter the amortizable basis of qualified timber property acquired during the tax year (see instructions for limitations)	x 10% (.10)	3	
4 Credit from cooperatives. Enter the unused investment credit from cooperatives		4	
5 Total current year investment credit. Add lines 1b through 4 <i>See Stmt. A</i>		5	981

## Part II Tax Liability Limit (See Who Must File Form 3800 to find out if you complete Part II or file Form 3800.)

6 Regular tax before credits:			
• Individuals. Enter amount from Form 1040, line 40		}	6
• Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1)			
• Other filers. Enter regular tax before credits from your return			
7a Credit for child and dependent care expenses (Form 2441, line 9)	7a		
b Credit for the elderly or the disabled (Schedule R (Form 1040), line 20)	7b		
c Child tax credit (Form 1040, line 43)	7c		
d Education credits (Form 8863, line 18)	7d		
e Mortgage interest credit (Form 8396, line 11)	7e		
f Adoption credit (Form 8839, line 14)	7f		
g District of Columbia first-time homebuyer credit (Form 8859, line 11)	7g		
h Foreign tax credit	7h		
i Possessions tax credit (Form 5735, line 17 or 27)	7i		
j Credit for fuel from a nonconventional source	7j		
k Qualified electric vehicle credit (Form 8834, line 19)	7k		
l Add lines 7a through 7k		7l	
8 Net regular tax. Subtract line 7l from line 6		8	
9 Alternative minimum tax:			
• Individuals: Enter amount from Form 6251, line 28		}	9
• Corporations. Enter amount from Form 4626, line 15			
• Estates and trusts. Enter amount from Form 1041, Schedule I, line 39			
10 Net income tax. Add lines 8 and 9		10	
11 Tentative minimum tax (see instructions)	11		
12 If line 8 is more than \$25,000, enter 25% (.25) of the excess (see instructions)	12		
13 Enter the greater of line 11 or line 12		13	
14 Subtract line 13 from line 10. If zero or less, enter -0-		14	NONE
15 Investment credit allowed for current year. Enter the smaller of line 5 or line 14 here and on Form 1040, line 47; Form 1120, Schedule J, line 4d; Form 1120-A, line 2a; Form 1041, Schedule G, line 2c; or the applicable line of your return		15	981

THE YORK WATER COMPANY  
 FEIN: 23-1242500  
 TAXABLE YEAR ENDED 12/31/98

Calculation of Allowable Investment Tax Credit

Total ITC Available	\$981
---------------------	-------

Section 38(c)(1) Limitation

Excess (if any) of the taxpayer's net income tax over the greater of:	\$766,306
---	-----------

(A) tentative minimum tax, or	\$766,306	
(B) 25% of so much of the taxpayer's net regular tax liability as exceeds \$25,000	\$160,885	\$766,306

ITC Allowable under Section 38(c)(1) limitation	\$0
---	-----

Section 38(c)(2) limitation

Excess (if any) of the taxpayer's net income tax over the greater of:	\$766,306
---	-----------

(A) tentative minimum tax reduced by the lesser of:	\$766,306	
(a) portion of ITC not used in normal calculation, or	\$981	
(b) 25% of Tent Min Tax	\$191,577	\$981
	\$765,325	

(B) 25% of so much of the taxpayer's net regular tax liability as exceeds \$25,000	\$160,885	\$765,325
--	-----------	-----------

ITC Allowable under Section 38(c)(2) limitation	\$981
---	-------

Total ITC Allowable	\$981
---------------------	-------

THE YORK WATER COMPANY  
FEIN: 23-1242500  
TAXABLE YEAR ENDED 12/31/98

INVESTMENT TAX CREDIT (ITC)

All qualified property represents refunds of advances for construction of property placed in service prior to 1986. Accordingly, ITC is being claimed at the applicable rates for the years in which the property was placed in service.

Department of the Treasury  
Internal Revenue Service

▶ Attach to your tax return.  
▶ See separate instructions.

Name(s) shown on return

Identifying number

THE YORK WATER COMPANY

23-1242500

**Part I Tentative Credit**

1 a	Current year investment credit (Form 3468, Part I)	1a	981
b	Current year work opportunity credit (Form 5884, Part I)	1b	
c	Current year welfare-to-work credit (Form 8861, Part I)	1c	
d	Current year credit for alcohol used as fuel (Form 6478)	1d	
e	Current year credit for increasing research activities (Form 6765, Part I)	1e	
f	Current year low-income housing credit (Form 8586, Part I)	1f	
g	Current year enhanced oil recovery credit (Form 8830, Part I)	1g	
h	Current year disabled access credit (Form 8826, Part I)	1h	
i	Current year renewable electricity production credit (Form 8835, Part I)	1i	
j	Current year Indian employment credit (Form 8845, Part I)	1j	
k	Current year credit for employer social security and Medicare taxes paid on certain employee tips (Form 8846, Part I)	1k	
l	Current year orphan drug credit (Form 8820, Part I)	1l	
m	Current year credit for contributions to selected community development corporations (Form 8847, Part I)	1m	
n	Current year trans-Alaska pipeline liability fund credit (see instructions)	1n	
o	Current year general credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1o	
2	Current year general business credit. Add lines 1a through 1o	2	981
3	Passive activity credits included on line 2 (see instructions)	3	
4	Subtract line 3 from line 2	4	981
5	Passive activity credits allowed for 1998 (see instructions)	5	
6	Carryforward of general business, WIN, or ESOP credit to 1998 (see instructions for the schedule to attach)	6	
7	Carryback of general business credit from 1999 (see instructions)	7	
8	Tentative general business credit. Add lines 4 through 7	8	981

**Part II General Business Credit Limitation Based on Amount of Tax**

9	Regular tax before credits:		
	• Individuals. Enter amount from Form 1040, line 40	}	9
	• Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1)		
	• Other filers. Enter regular tax before credits from your return		
10 a	Credit for child and dependent care expenses (Form 2441, line 9)	10a	
b	Credit for the elderly or the disabled (Schedule R (Form 1040), line 20)	10b	
c	Child tax credit (Form 1040, line 43)	10c	
d	Education credits (Form 8863, line 18)	10d	
e	Mortgage interest credit (Form 8396, line 11)	10e	
f	Adoption credit (Form 8839, line 14)	10f	
g	District of Columbia first-time homebuyer credit (Form 8859, line 11)	10g	
h	Foreign tax credit	10h	
i	Possessions tax credit (Form 5735, line 17 or 27)	10i	
j	Credit for fuel from a nonconventional source	10j	
k	Qualified electric vehicle credit (Form 8834, line 19)	10k	
l	Add lines 10a through 10k	10l	
11	Net regular tax. Subtract line 10l from line 9	11	668,539
12	Alternative minimum tax (see instructions)	12	97,767
13	Net income tax. Add lines 11 and 12	13	766,306
14	Tentative minimum tax (see instructions)	14	766,306
15	If line 11 is more than \$25,000, enter 25% (.25) of the excess (see instructions)	15	160,884.75
16	Enter the greater of line 14 or line 15	16	766,306.00
17	Subtract line 16 from line 13. If zero or less, enter -0-	17	NONE
18	General business credit allowed for current year. Enter the smaller of line 8 or line 17 here and on Form 1040, line 47; Form 1120, Schedule J, line 4d; Form 1120-A, Part I, line 2a; Form 1041, Schedule G, line 2c; or the applicable line of your return. <b>Individuals, estates, and trusts:</b> See instructions if the credit for increasing research activities is claimed. <b>C corporations:</b> See instructions for Schedule A if any regular investment credit carryforward is claimed. See the instructions if the corporation has had a post-1986 "ownership change".	18	981

**Schedule A - Additional General Business Credit Allowed By Internal Revenue Code Section 38(c)(2) (Before Repeal by the Revenue Reconciliation Act of 1990) - Only Applicable to C Corporations**

19	Enter the portion of the credit shown on line 6 that is attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990)	19	981
20	Tentative minimum tax (from line 14)	20	766,306
21	Multiply line 20 by 25% (.25)	21	191,576.5
22	Enter the amount from line 17	22	981
23	Enter the portion of the credit shown on line 8 that is NOT attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990)	23	
24	Subtract line 23 from line 22 (if zero or less, enter -0-)	24	981
25	Subtract line 24 from line 19 (if zero or less, enter -0-)	25	NONE
26	For purposes of this line only, refigure the amount on line 11, Form 4626, by using zero on line 6, Form 4626, and enter the result here	26	766,306
27	Multiply line 26 by 10% (.10)	27	76,631
28	Net income tax (from line 13)	28	766,306
29	General business credit (from line 18)	29	981
30	Subtract line 29 from line 28	30	765,325
31	Subtract line 27 from line 30	31	688,694
32	Enter the smallest of line 21, line 25, or line 31	32	.00
33	Subtract line 32 from line 20	33	766,306.00
34	Enter the greater of line 15 or line 33	34	766,306.00
35	Subtract line 34 from line 28	35	.00
36	Enter the smaller of line 11 or line 35. Enter this amount also on line 18 instead of the amount previously figured on that line. Write "Sec. 38(c)(2)" in the margin next to your entry on line 18	36	.00
37	If line 35 is greater than line 36, enter the excess here and see the instructions on how to claim the additional credit	37	.00

**Paperwork Reduction Act Notice .** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act

unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping . . . . . 13 hr., 38 min.  
 Learning about the law or the form . . . . . 1 hr., 24 min.  
 Preparing and sending the form to the IRS . . . . . 1 hr., 40 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

**Credit for Federal Tax Paid on Fuels**

Department of the Treasury  
Internal Revenue Service (99)

▶ See the instructions for Form 4136.

**1998**

Attachment  
Sequence No. 23

▶ Attach this form to your income tax return.

Name (as shown on your income tax return)  
THE YORK WATER COMPANY

Taxpayer identification number  
23-1242500

**Caution:** You cannot claim any amounts on Form 4136 that you claimed on Form 8849, Form 843, or Schedule C (Form 720).

**1 Nontaxable Use of Gasoline/Gasohol**

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Off-highway business use of gasoline		\$ .1840	220.00	\$ 40.	301
b Use of gasoline on a farm for farming purposes					
c Other nontaxable use of gasoline					
d Gasohol containing at least 10% alcohol				\$	312
e Gasohol containing at least 7.7% alcohol but less than 10% alcohol					
f Gasohol containing at least 5.7% alcohol but less than 7.7% alcohol					

**2 Nontaxable Use of Aviation Gasoline**

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Use in commercial aviation (other than foreign trade)		\$		\$	307
b Other nontaxable use					

**3 Nontaxable Use of Undyed Diesel Fuel and Undyed Kerosene\***

\*Applies to kerosene taxed beginning July 1, 1998.

Claimant certifies that the fuel did not contain visible evidence of dye.

Exception. If any of the fuel included in this claim did contain visible evidence of dye, attach a detailed explanation and check here

Claimant has the name and address of the person(s) who sold the fuel to the claimant and the date(s) of the purchase(s) and if exported, the required proof of export.

*Caution: Claims cannot be made on line 3 for fuel used on a farm for farming purposes or for kerosene sold from a blocked pump. Only registered ultimate vendors may make those claims.*

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Nontaxable use	2	.2440	37,499.00	\$ 9,150.	303
b Train use					305
*This rate applies after October 31, 1998.					
c Certain intercity and local bus use					303

**4 Nontaxable Use of Aviation Fuel (other than gasoline)**

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Use in commercial aviation (other than foreign trade)		\$		\$	310
b Other nontaxable use					

For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Form 4136 (1998)

**5 Sales by Registered Ultimate Vendors of Undyed Diesel Fuel**

UV Registration No.

Claimant certifies that the diesel fuel did not contain visible evidence of dye.  
 Exception. If any of the diesel fuel included in this claim did contain visible evidence of dye, attach a detailed explanation and check here

Claimant sold the fuel at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained written consent of the buyer to take the claim; and obtained any required certificate from the buyer and has no reason to believe any information in the certificate is false.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use on a farm for farming purposes	\$	}	\$	303
b	Use by a state or local government				

**6 Sales by Registered Ultimate Vendors of Undyed Kerosene\***

UV Registration No.

UP Registration No.

\*Applies to kerosene taxed beginning July 1, 1998.

Claimant certifies that the kerosene did not contain visible evidence of dye.  
 Exception. If any of the kerosene included in this claim did contain visible evidence of dye, attach a detailed explanation and check here

Claimant sold the kerosene at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained written consent of the buyer to take the claim; and obtained the required certificate (for lines 6a and 6b) from the buyer and has no reason to believe any information in the certificate is false.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use on a farm for farming purposes	\$	}	\$	303
b	Use by a state or local government				
c	Sales from a blocked pump				

**7 Nontaxable Use of Liquefied Petroleum Gas (LPG) in Certain Buses**

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Intercity and local buses	\$	}	\$	304
b	Qualified local and school buses				

**8 Gasohol Blending**

Claimant bought gasoline taxed at the full rate and blended it with alcohol to make gasohol. The gasohol was used or sold for use in a trade or business. For each batch of gasohol, claimant has the required information relating to the purchase of the gasoline and alcohol used to make the gasohol and to support the amount claimed.

	(a) Rate	Gallons of		(d) Amount of credit (col. (a) X col. (b))	(e) CRN
		(b) Gasoline	(c) Alcohol		
a	\$	}		\$	302
b					
c					

<b>9 Total income tax credit claimed.</b> Add lines 1 through 8. Enter here and on Form 1040, line 63 (also check box b on line 63); Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23c; Form 1041, line 24g; or the proper line of other returns. <span style="float: right;">▶</span>	<b>9</b>	\$	9,190.
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SEE STATEMENT 7 FOR DESCRIPTION OF OFF-HIGHWAY BUSINESS USE.



**Part V** Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information** (Caution: See page 8 of the instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business/investment use claimed?		Yes	No	23b If "Yes," is the evidence written?		Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (See page 7 of the instructions.):								
		%						
		%						
		%						
25 Property used 50% or less in a qualified business use (See page 7 of the instructions.):								
		%				S/L -		
		%				S/L -		
		%				S/L -		
26 Add amounts in column (h). Enter the total here and on line 20, page 1 . . . . .							26	
27 Add amounts in column (i). Enter the total here and on line 7, page 1 . . . . .								27

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
28 Total business/investment miles driven during the year (DO NOT include commuting miles) . . . . .												
29 Total commuting miles driven during the year . . . . .												
30 Total other personal (noncommuting) miles driven . . . . .												
31 Total miles driven during the year. Add lines 28 through 30 . . . . .												
32 Was the vehicle available for personal use during off-duty hours? . . . . .												
33 Was the vehicle used primarily by a more than 5% owner or related person? . . . . .												
34 Is another vehicle available for personal use? . . . . .												

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 9 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . . . .		
37 Do you treat all use of vehicles by employees as personal use? . . . . .		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? . . . . .		
39 Do you meet the requirements concerning qualified automobile demonstration use? See page 9 of the instructions . . . . .		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1998 tax year:					
41 Amortization of costs that began before 1998 . . . . .					41
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return . . . . .					42

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.  
▶ Attach to the corporation's tax return.

**1998**

Name  
**THE YORK WATER COMPANY**

Employer identification number  
**23-1242500**

1	Taxable income or (loss) before net operating loss deduction		1	1,966,291.
2	<b>Adjustments and preferences:</b>			
a	Depreciation of post-1986 property	2a	1,155,632.	
b	Amortization of certified pollution control facilities	2b		
c	Amortization of mining exploration and development costs	2c		
d	Amortization of circulation expenditures (personal holding companies only)	2d		
e	Adjusted gain or loss	2e		
f	Long-term contracts	2f		
g	Installment sales	2g		
h	Merchant marine capital construction funds	2h		
i	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2i		
j	Tax shelter farm activities (personal service corporations only)	2j		
k	Passive activities (closely held corporations and personal service corporations only)	2k		
l	Loss limitations	2l		
m	Depletion	2m		
n	Tax-exempt interest from specified private activity bonds	2n		
o	Intangible drilling costs	2o		
p	Accelerated depreciation of real property (pre-1987)	2p		
q	Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only)	2q		
r	Other adjustments <b>STMT 8</b>	2r		
s	Combine lines 2a through 2r	2s	1,155,632.	
3	Preadjustment alternative minimum taxable income (AMTI). Combine lines 1 and 2s	3	3,121,923.	
4	<b>Adjusted current earnings (ACE) adjustment:</b>			
a	Enter the corporation's ACE from line 10 of the worksheet on page 11 of the instructions	4a	4,068,064.	
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see examples beginning on page 5 of the instructions)	4b	946,141.	
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	709,606.	
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 6 of the instructions). Note: You must enter an amount on line 4d (even if line 4b is positive) <b>SEE STATEMENT 9</b>	4d	7,519,206.	
e	ACE adjustment: <ul style="list-style-type: none"> <li>If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount.</li> <li>If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount.</li> </ul>	4e	709,606.	
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax	5	3,831,529.	
6	Alternative tax net operating loss deduction (see page 6 of the instructions)	6		
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see page 6 of the instructions	7	3,831,529.	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4626** (1998)

8	Enter the amount from line 7 (alternative minimum taxable income) . . . . .	8	3,831,529.
9	Exemption phase-out computation (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):		
a	Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0- . . . . .	9a	
b	Multiply line 9a by 25% (.25) . . . . .	9b	
c	Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0- . . . . .	9c	NONE
10	Subtract line 9c from line 8. If zero or less, enter -0- . . . . .	10	3,831,529.
11	Multiply line 10 by 20% (.20) . . . . .	11	766,306.
12	Alternative minimum tax foreign tax credit. See page 7 of the instructions . . . . .	12	
13	Tentative minimum tax. Subtract line 12 from line 11 . . . . .	13	766,306.
14	Regular tax liability before all credits except the foreign tax credit and possessions tax credit, . . . . .	14	668,539.
15	Alternative minimum tax. Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9). If zero or less, enter -0- . . . . .	15	97,767.

**Adjusted Current Earnings Worksheet**

▶ See ACE Worksheet Instructions (which begin on page 7).

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	3,121,923.
2	ACE depreciation adjustment:			
a	AMT depreciation	2a		2,818,565.
b	ACE depreciation:			
	(1) Post-1993 property	2b(1)		629,786.
	(2) Post-1989, pre-1994 property	2b(2)		487,520.
	(3) Pre-1990 MACRS property	2b(3)		191,727.
	(4) Pre-1990 original ACRS property	2b(4)		186,926.
	(5) Property described in sections 168(f)(1) through (4)	2b(5)		
	(6) Other property	2b(6)		493,234.
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)		1,989,193.
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	829,372.
3	Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income	3a		114,952.
b	Death benefits from life insurance contracts	3b		
c	All other distributions from life insurance contracts (including surrenders)	3c		
d	Inside buildup of undistributed income in life insurance contracts	3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	114,952.
4	Disallowance of items not deductible from E&P:			
a	Certain dividends received	4a		1,817.
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	1,817.
5	Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs	5a		
b	Circulation expenditures	5b		
c	Organizational expenditures	5c		
d	LIFO inventory adjustments	5d		
e	Installment sales	5e		
f	Total other E&P adjustments. Combine lines 5a through 5e		5f	
6	Disallowance of loss on exchange of debt pools		6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8	Depletion		8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	4,068,064.

**Credit For Prior Year Minimum Tax-Corporations**

**1998**

▶ Attach to the corporation's tax return.

Name	Employer identification number
<b>THE YORK WATER COMPANY</b>	<b>23-1242500</b>
1 Alternative minimum tax (AMT) for 1997. Enter the amount from line 15 of the 1997 Form 4626	1 196,672.
2 Minimum tax credit carryforward from 1997. Enter the amount from line 9 of the 1997 Form 8827	2 757,264.
3 Enter the total of any 1997 unallowed nonconventional source fuel credit and 1997 unallowed qualified electric vehicle credit. See instructions	3
4 Add lines 1, 2, and 3	4 953,936.
5 Enter the corporation's 1998 regular income tax liability minus allowable tax credits. See instructions	5 667,558.
6 If the corporation is: • A "small corporation" exempt from the AMT for 1998, and line 5 is \$25,000 or less, enter -0-. See instructions. • A "small corporation" exempt from the AMT for 1998, and line 5 is more than \$25,000, enter 25% (.25) of the excess. • Not a "small corporation" exempt from the AMT for 1998, complete Form 4626 for 1998 and enter the tentative minimum tax from line 13	6 766,306.
7 Subtract line 6 from line 5. If zero or less, enter -0-	7
8 Minimum tax credit. Enter the smaller of line 4 or line 7. Also enter this amount on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 4e). If the corporation had a post-1986 ownership change or has preacquisition excess credits, see instructions	8
9 Minimum tax credit carryforward to 1999. Subtract line 8 from line 4. See instructions	9 953,936.

**General Instructions**

Section references are to the Internal Revenue Code.

**A Change To Note**

The tax liability limit for the minimum tax credit has been modified for "small corporations" exempt from the AMT. For these corporations, the tax liability limit is the regular tax (minus allowable credits) reduced by 25% of the excess of the regular tax (minus allowable credits) over \$25,000.

**Purpose of Form**

Form 8827 is used by corporations to figure the minimum tax credit, if any, for AMT incurred in prior tax years and to figure any minimum tax credit carryforward.

**Who Should File**

Form 8827 should be filed by corporations that had:

- An AMT liability in 1997;
- A minimum tax credit carryforward from 1997 to 1998; or
- A nonconventional source fuel credit or a qualified electric vehicle credit not allowed for 1997 (see the instructions for line 3).

**Specific Instructions**

**Line 3**

Enter the total of any nonconventional source fuel credit and qualified electric vehicle credit not allowed for 1997 solely because of the limitations under sections 29(b)(6)(B) and 30(b)(3)(B).

**Line 5**

Enter the corporation's 1998 regular income tax liability (as defined in section 26(b)) minus any credits allowed under Subchapter A, Part IV, subparts B, D, E, and F of the Internal Revenue Code (e.g., if you are filing Form 1120, subtract any credits on Schedule J, lines 4a through 4d, from the amount on Schedule J, line 3).

**Line 6**

See the 1998 Instructions for Form 4626 to find out if the corporation is treated as a "small corporation" exempt from the AMT. If the corporation is a "small corporation" exempt from the AMT, see section 38(c)(3) before completing line 6 for special rules that apply to controlled corporate groups, regulated investment companies, and real estate investment trusts.

**Line 8**

If the corporation had a post-1986 ownership change (as defined in section 382(g)), the amount of pre-change minimum tax credits that can be applied against the corporation's tax for any tax year ending after the ownership change may be limited. See section 383 and the related regulations. To figure the amount of the pre-change credit, the corporation must allocate the credit for the change year between the pre-change period and the post-change period. The corporation must use the same method of allocation (ratable allocation or closing-of-the-books) for purposes of sections 382 and 383. See Regulations section 1.382-6 for details. Also, preacquisition excess credits of one corporation generally cannot be used to offset the tax attributable to recognized built-in gains of another corporation. See section 384 for details.

If either limit applies, attach a computation of the minimum tax credit allowed. Enter that amount on line 8. Write "Sec. 383" or "Sec. 384" on the dotted line to the left of the line 8 entry space.

**Line 9**

Keep a record of this amount to carry forward and use in future years.

FORM 1120, PAGE 1 DETAIL

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LINE 5 - INTEREST INCOME

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INTEREST CHARGED TO CONSTRUCTION	81,941.
OTHER INTEREST INCOME	181,974.
	<hr/>
TOTAL	263,915.
	<hr/> <hr/>

LINE 10 - OTHER INCOME

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OTHER INCOME	-22,292.
MISC NON OPERATING REVENUE	600.
	<hr/>
TOTAL	-21,692.
	<hr/> <hr/>

FORM 1120, PAGE 1 DETAIL

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LINE 17 - TAX SUMMARY

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TAXES (EXCLUDING INCOME TAXES)	1,050,856.
OTHER STATE AND LOCAL TAXES	385,203.
TOTAL LINE 17 - TAXES	1,436,059.

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LINE 17 - TAXES AND LICENSES

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CAPITAL STOCK TAX - PA	286,471.
OTHER TAXES	356,297.
REALTY TAX	378,432.
FICA TAXES	17,976.
NON OPERATING TAXES	11,680.
PA INCOME TAX	191,738.
STATE AND LOCAL INCOME TAX	193,465.
TOTAL	1,436,059.

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FORM 1120, PAGE 1 DETAIL

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LINE 19 - CONTRIBUTIONS DEDUCTION

---

LINE 28, TAXABLE INCOME (EXCLUDING CONTRIBUTION DEDUCTION)	2,037,313.
LINE 29A, NOL DEDUCTION	
TAXABLE INCOME WITHOUT REGARD TO CONTRIBUTIONS DEDUCTION NOL CARRYBACKS, AND NET CAPITAL LOSS CARRYBACKS	2,037,313.
CONTRIBUTIONS DEDUCTION AS LIMITED	203,731.

CONTRIBUTIONS CARRYOVER

YEAR ENDING	AMOUNT GENERATED	AMOUNT UTILIZED	CONVERTED TO NOL CARRYOVER	CARRYOVER NOT UTILIZED
12/31/1993				
12/31/1994				
12/31/1995				
12/31/1996				
12/31/1997				
12/31/1998	69,205.	69,205.		
<hr/>				
TOTAL	69,205.	69,205.		
AMOUNT TO PAGE 1, LINE 19		69,205.		
<hr/>				

EXPIRED CARRYOVER:

TOTAL CARRIED FORWARD TO 1999:

NONE

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## FORM 1120, PAGE 1 DETAIL

## LINE 19 - CURRENT YEAR CONTRIBUTIONS

DONATIONS	69,205.
TOTAL	69,205.

## LINE 26 - OTHER DEDUCTIONS

AMORTIZATION	152,800.
MISC NON OPERATING DEDUCTION	7,040.
SUPPLIES & EXPENSE POWER	638.
MAPS & RECORDS	25,555.
OTHER OFFICE EXP	27,513.
OPER LINES	188,902.
OPERATION HYD	4,381.
OPERATION STORAGE	12,230.
METER EXPENSE	159,025.
MISCELLANEOUS METER EXPENSE	1,455.
SERVICE CUST PREMISES	54,253.
CUSTOMER RELATIONS	114,808.
METER READING	200,685.
COLLECTING	102,594.
CUSTOMER NOTICES	28,290.
EXP GENERAL OFFICERS	21,436.
EXP GEN OFFICE EMPLOYEES	19,250.
EXP GEN OPER EMPLOYEES	4,997.
GEN OFFICE SUPPLIES & EXPENSE	108,660.
SPECIAL SERVICES	145,525.
REGULATORY COMM EXP	57,055.
MISC GENERAL EXPENSE	26,044.
MISC GENERAL EXP DIRECTOR FEES	129,050.
ADMINISTRATION & GENERAL EXP TRANSFER	-71,020.
OTHER DEDUCTIONS	-3,587.
MISCELLANEOUS	-23,493.
SUPPLIES & EXPENSE	295,697.
SUPERVISION	308,445.
FUEL OPERATING	40,584.
POWER PURCH	691,866.
BILLING & ACCTG	417,752.
INSURANCE GENERAL	498,663.
PREPAID EXPENSES	-15,426.
RATE CASE DEFERRED COST	-52,235.
DEFERRED ENGINEERING SERVICES	-2,980.
TOTAL	3,723,438.

## FORM 1120, PAGE 4 DETAIL

	BEGINNING	ENDING
<b>SCH L, LINE 6 - OTHER CURRENT ASSETS</b>		
PREPAID EXPENSES	190,314.	174,888.
RECOVERABLE INCOME TAXES	547,182.	-44,863.
SUPPLIES	337,837.	361,399.
TOTAL	1,075,333.	491,424.
<b>SCH L, LINE 14 - OTHER ASSETS</b>		
DEFERRED DEBT EXPENSE	440,163.	406,277.
OTHER ASSETS	1,078,409.	1,712,431.
DEFERRED RATE CASE EXPENSE	57,055.	4,820.
PREPAID PENSION COST	1,732,394.	1,826,514.
NOTES RECEIVABLE	913,934.	618,530.
INTANGIBLE ASSETS	10,220.	NONE
TOTAL	4,232,175.	4,568,572.
<b>SCH L, LINE 18 - OTHER CURRENT LIABILITIES</b>		
ACCRUED TAXES	115,074.	302,381.
DIVIDENDS PAYABLE	488,483.	506,426.
ADVANCE REVENUES	182,118.	211,192.
ACCRUED INTEREST	675,761.	675,762.
MISCELLANEOUS ACCRUALS	345,938.	1,095,571.
TOTAL	1,807,374.	2,791,332.
<b>SCH L, LINE 21 - OTHER LIABILITIES</b>		
DEFERRED TAXES	4,017,956.	4,589,715.
CUSTOMER ADVANCES FOR CONSTRUCTION	16,219,638.	16,694,335.
CONTRIB. IN ADVANCE OF CONSTRUCTION	5,861,487.	7,080,610.
DEFERRED EMPLOYEE BENEFITS	1,039,615.	548,527.
TOTAL	27,138,696.	28,913,187.

## FORM 1120, PAGE 4 DETAIL

## SCH M-1, LINE 5 - EXPENSES ON BOOKS NOT DEDUCTED IN RETURN

STATE TAXES	91,608.
NON DEDUCTIBLE INTEREST EXPENSE	9,849.
NON DEDUCTIBLE LOBBYING EXPENSE	3,987.
BAD DEBT RESERVE	10,000.
POST RETIREMENT BENEFITS	62.
ACCRUED VACATION PAY	875.
DEFERRED COMPENSATION	186,510.
RATE CASE DEFERRED COST	52,235.
FUEL TAX CREDIT	9,190.
DEFERRED ENGINEERING SERVICES	2,980.
PREPAID EXPENSES	15,426.
DISALLOWANCE OF DEBT AMORTIZATION	30,459.
TOTAL	413,181.

## SCH M-1, LINE 7 - INCOME ON BOOKS NOT INCLUDED IN THIS RETURN

FASB 87 PENSION INCOME	94,120.
TOTAL	94,120.

## SCH M-1, LINE 8 - DEDUCTIONS IN RETURN NOT CHARGED AGAINST BOOK

COST OF REMOVAL	55,173.
SERVICE LINE FORFEITURES	400.
INDEMNIFICATION AMORTIZATION	149,373.
CUSTOMER ADVANCES	249,021.
PURTA ASSESSMENT	193,465.
TOTAL	647,432.

FORM 4136 DETAIL

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DESCRIPTION OF OFF-HIGHWAY BUSINESS USE

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WATER PRODUCTION AND TREATMENT

FORM 4626 DETAIL

LINE 2R - OTHER ADJUSTMENTS - CHARITABLE CONTRIBUTIONS

TAXABLE INCOME WITHOUT REGARD TO CONTRIBUTIONS DEDUCTION NOL CARRYBACKS, AND NET CAPITAL LOSS CARRYBACKS	3,831,529.
CONTRIBUTIONS DEDUCTION AS LIMITED	383,153.

CONTRIBUTIONS CARRYOVER

YEAR ENDING	AMOUNT GENERATED	AMOUNT UTILIZED	CONVERTED TO NOL CARRYOVER	CARRYOVER NOT UTILIZED
12/31/1993				
12/31/1994				
12/31/1995				
12/31/1996				
12/31/1997				
12/31/1998	69,205.	69,205.		
<hr/>				
TOTAL	69,205.	69,205.		

EXPIRED AMT CARRYOVER:

AMT TOTAL CARRIED FORWARD TO 1999:

REGULAR CONTRIBUTIONS	69,205.
AMT CONTRIBUTIONS	69,205.
<hr/>	
CONTRIBUTION ADJUSTMENT	
<hr/>	

M 4626 DETAIL

E 4 - ACE ADJUSTMENT

	1990	1991	1992
	-----	-----	-----
.....	4,045,186.	3,488,038.	2,855,873.
(.....	2,857,835.	2,269,077.	1,853,973.
OVER AMT1 .....	1,187,351.	1,218,959.	1,201,900.
I OVER ACE .....			
ACE PREFERENCE .	890,513.	914,219.	901,425.
ACE REDUCTION ..			
CARRYOVER CREATED ..	890,513.	914,219.	901,425.
OR YR CARRYOVER (REDUCTION ALLOWED) .....		890,513.	1,804,732.
CARRYOVER USED (REDUCTION CLAIMED) .....			
CARRYOVER REMAINING	890,513.	1,804,732.	2,706,157.

FORM 4826 DETAIL

LINE 4 - ACE ADJUSTMENT

	1993	1994	1995	1996	1997	1998
CE .....	5,126,418.	4,177,079.	4,418,343.	3,474,110.	4,029,622.	4,068,064.
MTI .....	3,572,797.	3,069,821.	3,172,213.	2,088,101.	2,905,244.	3,121,923.
CE OVER AMTI .....	1,553,621.	1,107,258.	1,246,130.	1,386,009.	1,124,378.	946,141.
MTI OVER ACE .....						
5% ACE PREFERENCE .	1,165,216.	830,444.	934,598.	1,039,507.	843,284.	709,606.
5% ACE REDUCTION ..						
CARRYOVER CREATED ..	1,165,216.	830,444.	934,598.	1,039,507.	843,284.	709,606.
RIOR YR CARRYOVER (REDUCTION ALLOWED) ....	2,708,157..	3,871,373.	4,701,817.	5,636,415.	6,675,922.	7,519,206.
CARRYOVER USED (REDUCTION CLAIMED) .....						
CARRYOVER REMAINING	3,871,373.	4,701,817.	5,636,415.	6,675,922.	7,519,206.	8,228,812.

**EXHIBIT "H"**

DEP PERMITS

DER PERMITS

190	January 1908	Waterworks and 4 Filters
672	June 1910	Chemical House
Permit	June 1911	East Branch Codorus Reservoir (Lake Williams)
Permit	April 1914	Pumping Station
Permit	March 1921	2 New Filters
Permit	December 1924	6 New Filters
Permit	April 1931	New Rapid Sand Filtration Plant
Permit	October 1933	Revise Lake Williams Spillway Channel
5424	May 1936	Use Old Sed. Basins as Clear Wells
5966	February 1941	Spry System
WA62	June 1942	Water Allocation (11MGD)
67-1	December 1954	Additions to Lake Williams Dam
WA62-A	January 1955	Water Allocation (30MGD)
8488-W	April 1955	Bascule gates, Brillhart Pump No. 5, East York standpipe, waste water recycling, Shunks Hill Reservoir Addition
565W20	January 1957	Potassium permanganate
8617W	January 1957	Two story settling basin
565W7	June 1965	East Branch Impoundment
67-488	December 1965	Lake Redman Dam
6770201	April 1970	Industrial Waste (Lagoons)
18739	July 1970	Discharge Permit (Lagoons)
0007391	July 1974	NPEDS Discharge Permit (5 year term)
6776502	December 1976	Flocculator
0007391	June 1980	Renew NPEDS Discharge Permit (5 year term)
8475W-T-1	January 1982	Transfer of Lehr Water Company Permit

DER PERMITS (Cont.)

6780503	January 1983	3 gpm/sq. ft. Filter Operation
6782502-T-1 6779503-T-1 6774507-T-1 8326-T-1 8822W-T-1	February 1984	Transfer of New Salem Borough Permits
8840W-T-1 6778501-T-1	February 1984	Transfer of Gleneagles Water Company Permit
6783502	June 1984	New Salem Borough Permit (pump and main)
6784502	July 1985	Mt. Zion Water District (pump, main & tank)
565W16-T-1	January 1986	Transfer of Mt. View Water Company Permit
637-T-1	February 1986	Transfer of Hallam Borough Permit
-	May 1986	Transfer of Hepplewhite Water Company Permit
677450T-T-1 Permit	December 1986	Transfer of Raintree Water Company Permit
0007391	March 1987	Renew NPEDS Discharge Permit (5 year term)
565W16 Amended	February 1988	Farmbrook Tank
8653W-T2 6774506-T1	January 1992	Transfer of Mid-Penn Water Works Permit
WA62A Modifica- tion Order	March 1990	Increase Minimum Flow Release
565W16 Amended	April 1990	Yorkana Tank
-	January 17, 1991	Beneficial Use Order for Sediment
6780503 Amended	February 28, 1992	Rechlorination at Yorkana Tank
6780503 Amended	July 27, 1992	Finished Water Basin Cover Permit
WA67-62B	September 16, 1992	Water Allocation Permit - Supersedes WA 62A
WA67-62B Amended	August 13, 1993	Water Allocation Permit Amended (Dover Township bulk water)
6793504	January 5, 1994	Bull Road Booster
0007391	April 21, 1994	NPEDS Permit Renewal (5 years)

DER PERMITS (Cont.)

WA67-62B Amended	December 22, 1994	Water Allocation Permit Amended - (Nashville and East Prospect)
6780503	February 15, 1995	Corrosion Control - Soda Ash Feeder Installation
6780503	July 21, 1995	Loganville Tank
WA67-62B Amended	January 25, 1996	Water Allocation Permit Amended - (Jefferson Borough)
WA67-62B Amended	October 15, 1996	Water Allocation Permit Amended - (Glen Rock bulk water)
6780503	April 3, 1997	Slagle Road standpipe and modifications to York-New Salem pump station
WA67-62B Amended	June 11, 1997	Water Allocation Permit Amended - (Portions of the Townships of Shrewsbury, Hopewell, North Hopewell and Conewago)
6780503	June 30, 1997	Shrewsbury Tank
6797501	July 17, 1997	Hametown Booster Station
6780503 Amended	May 27, 1998	Lead & Copper Rule Monitoring Reduction
WA67-62B Amended	October 13, 1998	Water Allocation Permit Amended (Borough of Railroad)
7670100 Amended	January 12, 1999	Hypochlorite Disinfection at Filter Plant
7670100 Amended	January 12, 1999	Railroad and New Freedom Expansion
WA67-62B	June 3, 1999	New Freedom Water Allocation Permit Modification Order
0007391	December 1, 1999	NPDES Permit Renewal (5 years) Sedimentation Lagoons
6799507-MA	January 18, 2001	Cape Horn Road Standpipe

**EXHIBIT "I"**

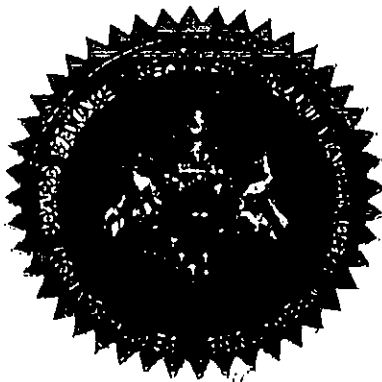
**CERTIFIED OPERATORS**

# Commonwealth of Pennsylvania



## Department of Environmental Protection

In accordance with the  
Sewage Treatment Plant and Waterworks Operators Certification Act  
and the Regulations of the  
State Board for Certification



**J. R. HINES PE**

Is Hereby Authorized To Operate  
SEWAGE TREATMENT PLANT  
CLASS A, TYPE 0

Certificate No. T3526

Date Approved December 2000

  
Chairman, Certification Board

Commonwealth of Pennsylvania  
Department of Environmental Protection

State Board for Certification of  
Sewage Treatment Plant & Waterworks Operators

Certificate No. W8328 Expires 06/30/2001

T. K. BAILEY  
12 WOLF ST  
GLEN ROCK PA 17327

Commonwealth of Pennsylvania  
Department of Environmental Protection

State Board for Certification of  
Sewage Treatment Plant & Waterworks Operators

Certificate No. W3272 Expires 06/30/2001

D. R. BARNHART JR  
179 VINMAR DR.  
YORK PA 17402

Commonwealth of Pennsylvania  
Department of Environmental Protection

State Board for Certification of  
Sewage Treatment Plant & Waterworks Operators

Certificate No. W9399 Expires 06/30/2001

D. C. ZARFOSS  
3048 SEAKS RUN RD  
GLEN ROCK PA 17327

Commonwealth of Pennsylvania  
Department of Environmental Protection

State Board for Certification of  
Sewage Treatment Plant & Waterworks Operators

Certificate No. W3622 Expires 06/30/2001

J. S. POKLEMBO  
4309 BUNNY LN  
YORK PA 17406

Commonwealth of Pennsylvania  
Department of Environmental Protection

State Board for Certification of  
Sewage Treatment Plant & Waterworks Operators

Certificate No. W8479 Expires 06/30/2001

E. S. MARKEY  
1665 CAMP BETTY WASHINGTON RD  
YORK PA 17402

Commonwealth of Pennsylvania  
Department of Environmental Protection

State Board for Certification of  
Sewage Treatment Plant & Waterworks Operators

Certificate No. W2902 Expires 06/30/2001

J. L. GUNNET  
4860 DARLINGTON ROAD  
YORK PA 17404

Commonwealth of Pennsylvania  
Department of Environmental Protection

State Board for Certification of  
Sewage Treatment Plant & Waterworks Operators

Certificate No. W3844 Expires 06/30/2001

Is Authorized to Operate: B1 WTP

G. M. ROUNDTREE  
100 E COLLEGE AVE  
YORK PA 17403

**EXHIBIT "J"**

**AGREEMENT TO PURCHASE CMV**

AGREEMENT OF SALE

THIS AGREEMENT, made the 21st day of FEBRUARY, 2001, between CMV WATER CO., INC. and CMV SEWAGE CO., INC., Pennsylvania corporations, (hereafter collectively the "Sellers"), and THE YORK WATER COMPANY, a Pennsylvania public utility corporation, (hereafter "York Water");

WITNESSETH:

WHEREAS, CMV Water Co., Inc. owns and operates a water distribution system and CMV Sewage Co., Inc. owns and operates a sanitary sewage collection and treatment system, which serve inhabitants in a development known as Chanceford Manor Village, situate in Chanceford Township, York County, Pennsylvania; and

WHEREAS, various facilities comprising a part of Sellers' water distribution system and sanitary sewage system are in need of improvements; and

WHEREAS, Sellers are willing to sell and York Water is willing to acquire the systems and make various improvements thereto, subject to York Water's regular rules, rates, regulations and tariffs applicable from time to time to customers of York Water and to the terms and provisions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. **CONSIDERATION.** Sellers agree to sell, assign, transfer and convey their water and sewage systems, with attendant easements, rights-of-way, real estate, personal property, fixtures and equipment, all as more fully described on Exhibit "A" hereto attached and made a

part hereof to York Water for the consideration of Three Hundred Fifty Thousand (\$350,000) Dollars, payable in cash or equivalent on the closing date, allocated as follows:

To CMV Water Co., Inc:

Personal property, fixtures and equipment	\$ 90,990
Land – well (Lot #15)	6,750
Land – water tank lot (Lot #30, Chanceford Crossings-Phase V)	<u>2,260</u>
TOTAL	\$ 100,000

To CMV Sewage Co., Inc:

Personal property, fixtures and equipment	\$ 65,000
Land – sewer plant lot	<u>185,000</u>
TOTAL	\$ 250,000

The sale does not include any cash, bank accounts or accounts receivable, all of which are reserved by Sellers.

2. **CONDITIONS.** This Agreement is subject to York Water receiving all requisite permits and approvals for the transactions contemplated by this Agreement from the Pennsylvania Public Utility Commission ("PUC"), the Pennsylvania Department of Environmental Protection ("DEP") and any and all other permits and approvals from all applicable authorities having jurisdiction.

In the event the foregoing conditions and contingencies are not satisfied by May 15, 2001, then, unless this Agreement is further extended by mutual agreement in writing of the parties hereto, this Agreement shall automatically become null and void without liability to either party hereunder.

3. **CLOSING DOCUMENTS.** On the closing date, Sellers shall sell, transfer, assign and convey to York Water the real and personal property described on Exhibit "A" and shall execute and deliver Bills of Sale for the personal property, fixtures and equipment,

assignments of the easements and rights-of-way and Special warranty deeds for the real estate conveying title as hereafter set forth, and such other Closing Documents as hereafter set forth.

4. **CONTINUED OPERATIONS.** Sellers agree that they will continue to operate their water distribution system and sanitary sewage system and render service to their customers pending the closing of the transaction contemplated by this Agreement and as hereinafter provided, unless prevented from such operations and services by force majeure or other conditions beyond their control.

5. **CUSTOMER LISTS.** Each Seller shall provide its customer list to York Water promptly after the execution of this Agreement, stating the names and addresses of all customers, and shall keep the same current at all times prior to closing, reporting all changes to York Water promptly.

6. **CONTINUING PROPERTY RECORDS.** Each Seller shall provide to York Water promptly all available information pertaining to the operation of each Seller's system including but not limited to any maps showing the location of mains, valves, etc. and such other information deemed necessary by York Water to construct proper Continuing Property Records as required by the Pennsylvania PUC Regulations.

7. **CLOSING.** Closing shall be held on a mutually acceptable date within thirty (30) days after the receipt of all permits and approvals referred to in Paragraph 2 hereof at 1:30 P.M. at the offices of Barley, Snyder, Senft & Cohen, LLC, 100 East Market Street, York, PA 17401.

8. **TIME OF ESSENCE.** The parties agree that time is of the essence of this Agreement.

9. **REPRESENTATIONS AND WARRANTIES.** Sellers represent and warrant to York Water:

A. **Title.** Sellers have good title to their respective water distribution system and sanitary sewage system as described on Exhibit "A", free and clear of all liens and encumbrances, except existing easements, conditions and restrictions, if any.

B. **Current Service.** Sellers are presently serving their customers on a regular basis.

C. **Corporate Action.** Sellers have taken all actions necessary to authorize the execution of this Agreement, Bills of Sale, Deeds and other Closing Documents.

D. **Outstanding Obligations.** There are in existence no contracts, obligations, commitments or agreements of Sellers pertaining to the water and sewage systems or to the operation thereof other than the general obligation to serve the customers of said systems. Any existing refunding arrangements, agreements or contracts remain the obligation of Sellers.

E. **No Litigation.** There is no litigation of any nature, pending or threatened, against or involving Sellers seeking to restrain or enjoin, or restraining or enjoining the sale of the water and sewage systems to York Water or the execution and delivery by Sellers of the Closing Documents. Sellers have received no notice and have no knowledge of any action, claim or proceeding pending or threatened against them which questions the validity of this Agreement or of any action taken or to be taken by Sellers hereunder.

F. **Existence of Assets.** At the time of closing none of the assets constituting the systems of each Seller as described in Exhibit "A" will have been lost, damaged, destroyed or disposed of and all such assets will then be in existence and in operating condition.

G. **Condition of Assets.** No representation or warranty is made by Sellers as to the condition of the assets constituting the water system and sewage system other than that the same will be in existence and in operating condition at time of closing. The assets are being sold and transferred in their presently existing "as is" condition.

10. **CONTINUANCE OF WARRANTIES.** Sellers agree that the foregoing representations and warranties shall be true as of the date of this Agreement and as of the closing date, subject, however, to any changes after the date of this Agreement because of any action expressly contemplated by this Agreement or otherwise approved in writing by York Water.

11. **COMMISSIONS.** No broker's, finder's or agent's fees or commissions shall be due or payable by York Water for or in connection with this Agreement for either the sale or the purchase of the water or sewage systems of Sellers. York Water represents that it has had no dealings with any broker, or agent, in connection with this transaction.

12. **REGULAR COURSE OF BUSINESS.** At all times between the date of this Agreement and the date of closing, Sellers agree to conduct their businesses of supplying water and sanitary sewage service to their customers and the operation of their systems and to keep the books relating thereto in the ordinary manner and regular and customary course of business and further agree not to dispose of, damage, destroy or encumber any of the assets of said systems without the prior written consent of York Water, and further agree not to take on any additional customers, enter into any main extension agreements that call for Sellers to make the extension at their cost, or changes to the systems or make any other material change or agreement without prior written approval of York Water, except further, as to all of the foregoing, as may be necessary or appropriate in order to comply with applicable law.

On the closing date Sellers will bill their customers for all services furnished by them prior to the closing date and shall retain all funds received for services furnished to that date. It is under-

stood and agreed that Sellers shall retain responsibility for the payment of all debts associated with the water and sewage systems which were incurred by Sellers.

13. **EXISTING WATER TANK SITE.** At closing Sellers shall assign to York Water the easement upon which is located the existing water tank. Sellers reserve unto themselves ownership of the water tank.

Upon completion of construction of a new water tank on Lot #30, Chanceford Crossings-Phase V, more fully described on Exhibit "A-2", and its placement into service, York Water shall reassign to CMV Water Co., Inc., or its assigns, the easement upon which the existing tank is located.

14. **SPRAY FIELDS.** If at any time within 15 years after the date of this Agreement the real estate utilized in the land spray treatment application is no longer used and useful in connection with the sanitary sewage system and York Water determines to sell such real estate, then in such event CMV Sewage Co., Inc., or its designated successor, shall have the right of first refusal to purchase such real estate upon the terms and conditions specified by York Water.

15. **IMPROVEMENTS.** In addition to the new water tank to be constructed and placed into service, York Water will make improvements to the present water system and sanitary sewage system at the sole cost and expense of York Water as York Water in its sole opinion deems necessary or desirable to provide adequate water and sanitary sewage service.

16. **EXTENSION REQUESTS.** In the event Sellers request extensions of existing services in connection with the Chanceford Manor Village Development, Sellers will make advances of funds in accordance with York Water's then applicable Rules and Regulations for extensions of service.

17. **DAMAGE OR DESTRUCTION.** In the event of loss or damage, destruction to or disposal of any portion of the assets constituting part of the systems of each Seller prior to

final closing, the purchase price shall be reduced by the amount of such loss, damage or destruction; provided, however, that if such loss, damage or destruction shall, in the sole opinion of York Water, be of such substantial amount or material consequence as shall render the operation of the remaining portions of the systems nonfeasible, this Agreement shall, at York Water's option, be terminated without further obligation to either party hereunder.

18. **NOTICES.** Any notice provided for herein shall be given in writing and shall be deemed validly given if delivered by registered or certified United States mail, postage prepaid, return receipt requested, addressed as follows:

**York Water:** The York Water Company  
130 East Market Street  
P. O. Box 15089  
York, PA 17405-7089  
Attention: William T. Morris, President

**Sellers:** Mr. Samuel Juffe, President  
Cornerstone Development Group, Inc.  
1090 Stelton Road  
Piscataway, NJ 08859

**With a copy to:** Mr. John Huenke, Vice President  
Cornerstone Development Group, Inc.  
Box 5475  
Felton, PA 17322

19. **ADDITIONAL CLOSING DOCUMENTS.** On the closing date Sellers agree to deliver to York Water the following additional documents:

A. Assignment of all Extension Agreements remaining in force on the closing date.

B. Certificate duly signed by the President and Secretary of each Seller to the effect that the representations and warranties set forth in Paragraph 9 hereof are true and correct as of the closing date.

C. Certified copies of all Resolutions of each Seller which relate to the provisions of this Agreement, including those referred to in Paragraph 9.C. hereof.

D. A Bulk Sales Affidavit of each Seller and a list of all creditors of each Seller, pursuant to the provisions of the Pennsylvania Uniform Commercial Code-Bulk Transfers, and such other evidence of satisfactory compliance with the provisions of said Code.

E. Copies of Operating Records relating to the water and sewage systems as may be reasonably required by York Water for its Continuing Property Records including, but not limited to, prior deeds, maps, files, rights-of-way and other records, or in lieu thereof true and correct certified copies thereof.

F. A favorable opinion of counsel for Sellers to the effect that to the best of counsel's knowledge:

(1) Each Seller has the legal capacity to sell its system as contemplated by this Agreement, and this Agreement has been duly executed and delivered by each Seller;

(2) The Closing Documents have been duly executed and delivered;  
and

(3) No litigation or proceedings are pending or threatened against Sellers which relate adversely to the transactions contemplated by this Agreement.

G. A Covenant of Further Assurances to the effect that each Seller shall from time to time take such further actions and execute and deliver such other documents and instruments at the request of York Water as may be necessary or desirable to give full force and effect to the provisions of this Agreement.

20. **ENTIRE AGREEMENT; AMENDMENT.** This Agreement contains the entire agreement between the parties hereto and no verbal or oral agreements, promises or understandings shall be binding upon either party in any dispute, controversy or proceeding at law, and any addition, variation, or modification to this Agreement shall be void and ineffective unless made by a writing signed by the parties hereto.

21. **MULTIPLE COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. **CAPTIONS AND UNDERLINING.** The paragraph captions, highlighting and underlining contained in this Agreement shall not be construed as part of this Agreement but are used merely for ready reference purposes.

23. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

24. **CONSTRUCTION.** This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officials and officers as of the date first above written.

ATTEST:  
*[Signature]* Secretary  
Title:

(SEAL)

ATTEST:  
*[Signature]* Secretary  
Title:

(SEAL)

CMV WATER CO., INC.  
By: *[Signature]* President  
Title:

CMV SEWAGE CO., INC.  
By: *[Signature]* President  
Title:

ATTEST:

~~\_\_\_\_\_~~  
Secretary

(SEAL) *J.P.S.*

THE YORK WATER COMPANY

By: ~~\_\_\_\_\_~~  
President

*W. [Signature]*

934878.1

**JOINDER**

Intending to be legally bound hereby, the undersigned hereby join as parties to the foregoing Agreement.

ATTEST:

*[Signature]*  
Title: Secretary

CHANCEFORD CROSSINGS, INC.

By: *[Signature]*  
Title: President

STEWARTSTOWN CORNERSTONE LIMITED PARTNERSHIP

By: *[Signature]*  
General Partner

934878.1

**EXHIBIT "A"**

**Property to be Conveyed**

A. All water facilities including, but not limited to, wells, pumps, fire hydrants, water valves, water meters, water mains, service lines, curb boxes and all appurtenant fixtures and equipment used in the production and distribution of water service.

B. All sanitary sewage facilities including, but not limited to, lagoons, spray fields, collection piping, mains, manholes and all appurtenant fixtures and equipment used in the sanitary sewage collection and treatment processes.

C. All real estate utilized in connection with providing water service as more fully described on Exhibits "A-1" and "A-2", including any easements and rights-of-way.

D. All real estate utilized in connection with providing sanitary sewage service as more fully described on Exhibit "A-3", including any easements and rights-of-way.

EXHIBIT "A-1"

LEGAL DESCRIPTION  
FOR  
LOT # 15 - WATER BUILDING LOT  
CHANCEFORD MANOR VILLAGE - SECTION A  
CHANCEFORD TOWNSHIP

ALL THAT CERTAIN piece, parcel, or tract of land lying and being situate in the Township of Chanceford, County of York and Commonwealth of Pennsylvania, being known and numbered as Lot Number 15 as shown on a FINAL SUBDIVISION PLAN of lands belonging to CHANCEFORD MANOR VILLAGE - SECTION A, as first prepared by Weigle Engineering Co., dated July 14, 1975, said plan being recorded in the Office of the Recorder of Deeds in and for York County, Pennsylvania in PLAN BOOK Y on PAGE 751, and subsequently shown on a plan of lots for CHANCEFORD MANOR VILLAGE - SECTION A-2 prepared by Weigle Engineering Co., dated October 27, 1977, said plan being recorded in the Office of the Recorder of Deeds in and for York County, Pennsylvania in PLAN BOOK Z on PAGE 933, and said lot being further described as follows, to wit:

BEGINNING at a point marking the intersection of the southern line of Township Road Number 999, formerly known as Sechrist Road and now known as Pond Road, with the western line of Oriole Drive, said roads being public streets having rights-of-way measuring fifty (50) feet between sidelines; thence along the western line of Oriole Drive on a course of South 37° 01' 07" East for a distance of 100.00 feet to a point marking a corner of Lot 16; thence leaving Oriole Drive, and along Lot 16 of the said plan, on a course of South 52° 58' 53" West for a distance of 66.08 feet to a point, said point marking a corner of Lot 16 as shown on the said plan; thence continuing along the said Lot 16 on a course of South 75° 33' 45" West for a distance of 32.66 feet to a point marking a corner of Lot 14; thence along the said Lot 14 on a course of North 24° 11' 20" West for a distance of 100.39 feet to a point on the southern line of Township Road Number 999, formerly known as Sechrist Road and now known as Pond Road; thence along the southern line of the said road, by a curve to the left having a radius of 445.57 feet for an arc distance of 74.76 feet, the chord of which bears North 61° 00' 15" East for a distance of 74.67 feet, to a point, the place of BEGINNING.

Containing 8,883 square feet of land, more or less.

BEING the same premises which Chanceford Manor Village Sewer Water Co., Inc., by its deed dated March 8, 1988 and recorded in the office of the Recorder of Deeds for York County, Pennsylvania, in Deed Book 98-J, Page 503, granted and conveyed unto CMV Water Co., Inc.

Exhibit "A-2"

LEGAL DESCRIPTION  
FOR  
LOT # 30 – WATER COMPANY LOT  
CHANCEFORD CROSSINGS – PHASE V  
CHANCEFORD TOWNSHIP

ALL THAT CERTAIN piece, parcel, or tract of land lying and being situate in the Township of Chanceford, County of York and Commonwealth of Pennsylvania, being known and numbered as Lot Number 30 as shown on a FINAL SUBDIVISION PLAN for CHANCEFORD CROSSINGS – PHASE V as prepared by Northfield Engineering and Design, Inc., said plan being recorded in the Office of the Recorder of Deeds in and for York County, Pennsylvania in PLAN BOOK on PAGE, and said lot being further described as follows, to wit:

BEGINNING at a point marking the intersection of the centerline of State Road Number 2081, also known as Sechrist Flat Road, a public street having a dedicated right-of-way measuring sixty (60) feet between side lines, with the centerline of Saddlebrook Drive, a proposed public street having a right of way measuring fifty (50) feet between side lines, said point of beginning being located approximately 177.5 feet northeast of the southwest corner of the original parcel, of which this was a part; thence in, along, and through the centerline of the said Sechrist Flat Road by a curve to the left having a radius of 2748.75 feet for an arc distance of 13.39 feet, the chord of which bears North 07° 53' 46" East for a distance of 13.39 feet, to the point of tangency of the curve just described; thence continuing in, along, and through the centerline of the said Sechrist Flat Road on a course of North 07° 45' 24" East for a distance of 113.07 feet to a point; thence leaving said road, and by a line of division along Lot 29 as shown on the same plan of subdivision herein-above mentioned, on a course of North 87° 06' 13" East for a distance of 193.78 feet to a point in the centerline of Briarwood Court, a proposed public street having a right of way measuring fifty (50) feet between side lines; thence in, along, and through the centerline of the said Briarwood Court by a curve to the left having a radius of 200.00 feet for an arc distance of 40.59 feet, the chord of which bears South 08° 42' 35" East for a distance of 40.52 feet to the point of tangency of the curve just described; thence continuing in, along, and through the centerline of the said Briarwood Court on a course of South 14° 31' 24" East for a distance of 42.04 feet to a point marking the intersection of the centerline of the said Briarwood Court with the centerline of the aforesaid Saddlebrook Drive; thence in, along, and through the centerline of the said Saddlebrook Drive on a course of South 75° 26' 29" West for a distance of 3.61 feet to the point of tangency of a curve; thence continuing in, along, and through the centerline of the said Saddlebrook Drive by a curve to the left having a radius of

200.00 feet for an arc distance of 65.36 feet, the chord of which bears South 66° 04' 45" West for a distance of 65.07 feet to a point marking the point of tangency of the curve just described; thence continuing in, along, and through the centerline of the said Saddlebrook Drive by a curve to the right having a radius of 200.00 feet for an arc distance of 141.12 feet, the chord of which bears South 76° 55' 52" West for a distance of 138.21 feet to a point marking the point of tangency of the curve just described; thence continuing in, along, and through the centerline of the said Saddlebrook Drive on a course of North 81° 57' 51" West for a distance of 30.00 feet to a point, the place of BEGINNING.

Containing 24,701 square feet of land, more or less.

SUBJECT TO the maintenance of the "clear sight triangles", as it affects this lot, at each street intersection, and

SUBJECT TO all applicable building setback requirements of the municipality as shown on the above-referenced plan of subdivision.

BEING part of the same premises which Esther V. Grove, widow, by her attorney-in-fact, Clester L. Grove, Jr., by deed dated January 10, 2001 and recorded in the office of the Recorder of Deeds for York County, Pennsylvania, in Land Record Book 1422, Page 299, granted and conveyed unto Stewartstown Cornerstone Limited Partnership.

Exhibit "A-3"

LEGAL DESCRIPTION  
FOR  
SEWER PLANT LOT  
CHANCEFORD MANOR VILLAGE - SECTION A  
CHANCEFORD TOWNSHIP

ALL THAT CERTAIN piece, parcel, or tract of land lying and being situate in the Township of Chanceford, County of York and Commonwealth of Pennsylvania, being shown on a PROPERTY SURVEY Plan of lands owned by CMV SEWAGE COMPANY, INC., as prepared by Northfield Engineering and Design, Inc., dated November 17, 2000, and said lot being further described as follows, to wit:

BEGINNING at a point in the center of Pond Road, formerly known as Sechrist Road and also known as Township Road Number 999, a public street having a right-of-way measuring fifty (50) feet between side lines, said point marking a corner of Lot 2 as identified on a plan of lots prepared for Chanceford Manor Village Sewage Company, Inc. by Eastern Development & Design, said plan being recorded in the Office of the Recorder of Deeds in and for York County Pennsylvania in Plan Book PP on Page 473; thence in, along, and through the center of the said Pond Road on a course of North  $36^{\circ} 18' 24''$  East for a distance of 974.50 feet to a point in the center of the said Pond Road; thence leaving said road, and along Lot 224 and Lot 225 as shown on a Revised Plan of Lots of Chanceford Crossings, Section B-4, by a curve to the left having a radius of 300.00 feet for an arc distance of 227.50 feet, the chord of which bears South  $32^{\circ} 40' 24''$  East for a distance of 222.09 feet to a steel pin; thence by a line of division and along a lot set aside for a recreation area for Chanceford Crossings, on a course of South  $07^{\circ} 13' 22''$  West for a distance of 690.80 feet to a steel pin; thence by the same on a course of North  $75^{\circ} 20' 08''$  East for a distance of 795.00 feet to a steel pin set on line of lands now or formerly of Freeman E. and Janet C. Gladfelter; thence along last-mentioned lands of Gladfelter on a course of South  $14^{\circ} 39' 52''$  East for a distance of 291.76 feet to an angle iron found marking a corner of said lands of Gladfelter; thence continuing along said lands of Gladfelter on a course of South  $87^{\circ} 23' 30''$  East for a distance of 362.23 feet to an angle iron found marking a corner of lands now or formerly of Clinton O. Grove, Jr.; thence along last-mentioned lands of Grove on a course of South  $14^{\circ} 44' 49''$  West for a distance of 964.22 feet to a point marked by a Hickory tree; thence along lands now or formerly of Roy G. Jackson, Jr., which lands have been subdivided into lots as shown on a plan of lots recorded in Plan Book NN on Page 833 and by a plan recorded in Plan Book NN on page 257, on a course of North  $76^{\circ} 26' 17''$  West for a distance of 775.00 feet to an iron pin found marking a corner of lands of the said Roy G. Jackson, Jr.; thence continuing along last-mentioned lands of Jackson and along the lots shown on a plan of subdivision recorded in Plan Book NN on Page 833, on a course of South  $76^{\circ} 29' 29''$  West for a distance of 707.87 feet to a steel pin; thence along Lots 28, 29, 30, 31, 32 and a portion of Lot 33 as shown on a plan of lots for Chanceford Manor Village, Section A-2, said plan being recorded in Plan Book Z on Page 933, on a course of North  $14^{\circ} 51' 35''$  West for a distance of 525.33 feet to a steel pin; thence continuing along said Lot 33 and a portion of Lot 34 as shown on the last-mentioned plan of lots, on a course of North  $32^{\circ} 32' 43''$  East for a distance of 141.22 feet to a steel pin; thence continuing along the said Lot 34 on a course of

North 23° 32' 28" East for a distance of 63.80 feet to a steel pin set on line of lands now or formerly of E. Wayne and Christine Hein, also known as Lot 2 as shown on a plan of subdivision recorded in Plan Book JJ on Page 727; thence along last-mentioned lands of Hein on a course of South 75° 31' 23" East for a distance of 28.67 feet to a steel pin; thence continuing along the same on a course of North 11° 26' 34" West for a distance of 196.27 feet to an iron pin; thence along other lands of CMV Sewage Co., Inc., which lands were once a part of this tract, on a course of North 20° 38' 45" East for a distance of 69.07 feet to an iron pin; thence continuing along the same on a course of North 05° 17' 13" West for a distance of 92.64 feet to an iron pin; thence continuing along the same on a course of North 53° 34' 46" West for a distance of 123.18 feet to, and passing through a concrete monument offset 25.00 feet from, a point in the center of Pond Road, the place of BEGINNING.

CONTAINING 44.20 acres of land, more or less.

BEING as to part, being the same premises which Chanceford Manor Village Sewer Co., Inc., by its deed dated March 8, 1988 and recorded in the office of the Recorder of Deeds for York County, Pennsylvania, in Deed Book 98-J, Page 509, granted and conveyed unto CMV Sewage Co., Inc.

AND BEING as to part, being part of the same premises which Chanceford Manor Investments, Inc., by its deed dated May 29, 1990 and recorded in the office of the Recorder of Deeds aforesaid in Deed Book 106-M, Page 4, granted and conveyed unto Chanceford Crossings, Inc.

TOGETHER WITH the free and uninterrupted right, liberty, privilege, easement and right-of-way, at all times and from time to time forever hereafter, unto the Grantee, its successors and assigns, for purposes of ingress, egress and regress for vehicular and pedestrian traffic to, from and between the within described premises and Pond Road (T-999), in, upon, across and over Lot 2 shown on a Final Subdivision Plan of Chanceford Manor Village Sewage Company, Inc., recorded in the office of the Recorder of Deeds for York County, Pennsylvania, in Plan Book PP, Page 473.

**ADDENDUM "A" TO AGREEMENT OF SALE  
DATED FEBRUARY 21, 2001  
BETWEEN CMV WATER CO., INC. AND CMV SEWAGE CO., INC.  
AND THE YORK WATER COMPANY**

WHEREAS, CMV Water Co., Inc. ("CMV Water") and CMV Sewage Co., Inc. ("CMV Sewage") ("the Sellers") and The York Water Company ("York Water") have entered into an Agreement of Sale dated February 21, 2001 ("Agreement of Sale"); and

WHEREAS, the Sellers and York Water agree that it is appropriate to clarify that the assets being purchased by York Water are those assets which are owned and operated by Sellers and which are located in Chanceford Township, York County, Pennsylvania; and,

WHEREAS, the Sellers and York Water agree that it is appropriate to clarify that any and all obligations of the Sellers arising out of the Agreement of Sale are with respect to the Chanceford Township, York County, Pennsylvania water and sewage systems;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. York Water is purchasing and Sellers are selling only those sewage and water systems, with attendant easements, rights-of-way, real estate, personal property, fixtures and equipment, all of which are more fully described on Exhibit "A" to the Agreement of Sale, which are owned and operated by Sellers and which are located in Chanceford Township, York County, Pennsylvania.
2. Any and all obligations of the Sellers which arise out of the Agreement of Sale are with respect to the Chanceford Township, York County, Pennsylvania water and sewage systems.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum "A" to the Agreement of Sale to be duly executed by their duly authorized officials and officers as of the date first above written.

ATTEST:

  
\_\_\_\_\_  
Title: Secretary

(SEAL)

CMV WATER CO., INC.

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

ATTEST: *[Signature]*  
Title: Secretary

(SEAL)

ATTEST: *[Signature]*  
Secretary

(SEAL)

CMV SEWAGE CO., INC.  
By: *[Signature]*  
Title: President

THE YORK WATER COMPANY  
By: *[Signature]*  
President

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P. O. BOX 3265, HARRISBURG PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE  
Secretary  
717-772-7777

April 11, 2001

A-230087  
A-213550F0016  
A-210532F2001  
A-230056F2001

MICHAEL W GANG ESQUIRE  
MICHAEL W HASSELL ESQUIRE  
MORGAN LEWIS AND BOCKIUS  
ONE COMMERCE SQUARE  
417 WALNUT STREET  
HARRISBURG PA 17101-1904

Dear Mr. Gang:

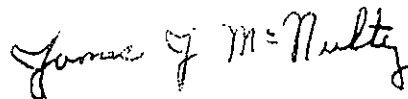
Receipt is acknowledged of the Application of The York Water Company, CMV Water Company, Inc., and CMV Sewage Company, Inc., which has been captioned and docketed to the above numbers.

You are directed upon receipt of this letter to publish the enclosed notice once a week for two consecutive weeks in a newspaper having a general circulation in the area involved and file proof of publication with the Commission on or before May 7, 2001.

This matter will receive the attention of the Commission and you will be advised of any further necessary procedure.

**DOCKETED**  
APR 10 2001

Sincerely,



James J. McNulty  
Secretary

JJM:ddt

Enclosure

cc: Lillian Harris, Esquire  
Louise Knight, Esquire

DOCUMENT  
FOLDER

DATE: April 11, 2001

SUBJECT: A-230087  
 A-213550F0016  
 A-210532F2001  
 A-230056F2001

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary *ddt*

**APPLICATION OF THE YORK WATER COMPANY, CMV WATER COMPANY, INC., AND CMV SEWAGE COMPANY, INC.**

---

We attach hereto a copy of the Application of The York Water Company, CMV Water Company, Inc., and CMV Sewage Company, Inc., which has been captioned and docketed to the above numbers.

Applicant has been instructed to publish in a newspaper.

If no protests are received by May 7, 2001, will your Bureau please prepare a report for the attention of the Commission or instruct the Secretary's Bureau to re-assign this matter to the Office of Administrative Law Judge for hearing.

Attachment

cc: Law Bureau

ddt

**DOCKETED**

APR 10 2001

**DOCUMENT  
 FOLDER**

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
NOTICE TO BE PUBLISHED

Application of the York Water Company, CMV Water Company, Inc., and CMV Sewage Company, Inc., for approval of: 1) the transfer by sale of certain waterworks and sewage property and rights of CMV Water Company, Inc., and CMV Sewage Company, Inc., to the York Water Company, 2) the right of The York Water Company to begin to offer or furnish water and wastewater service to the public in a portion of Chanceford Township and Felton Borough, York County, Pennsylvania, and 3) the abandonment by CMV Water Company, Inc., and CMV Sewage Company, Inc., of water and sewage service to the public in Chanceford Township, Pennsylvania. Docket Numbers: A-213550F0016; A-230087; A-230056F2001; and A-210532F2001.

Notice is hereby given that this Application may be considered without a hearing. Protests or petitions to intervene can be filed with the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the applicant on or before May 7, 2001, pursuant to Title 52 of the Pennsylvania Code.

Applicant:

The York Water Company  
CMV Water Company, Inc.  
CMV Sewage Company, Inc.

Through and By Counsel:

Michael W. Gang, Esquire  
Michael W. Hassell, Esquire  
Morgan, Lewis, and Bockius  
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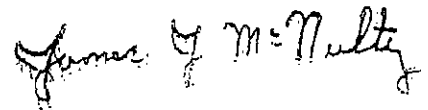
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HARRISBURG, PA 17101

BY THE COMMISSION



James J. McNulty  
Secretary