



17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
717-731-1970 Main
717-731-1985 Main Fax
www.postschell.com

Devin Ryan

dryan@postschell.com
717-612-6052 Direct
717-731-1985 Direct Fax
File #: 160767

November 21, 2014

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: IN THE MATTER OF THE APPLICATION OF THE YORK WATER COMPANY, Under Section 1102(a) of the Public Utility Code, for approval of the right of THE YORK WATER COMPANY to begin to offer or furnish water service to the public in an additional portion of Cumberland Township, Adams County, Pennsylvania, primarily in an area known as The Meadows Development
Docket No. A-2014-**

Dear Secretary Chiavetta:

Enclosed for filing are the original and three (3) copies of the Application of The York Water Company for the above-referenced proceeding. Also enclosed is a check in the amount of \$350.00 for payment of the filing fee. A CD containing a copy of the Application is also enclosed.

Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan

DTR/jl
Enclosures

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Application of The York Water Company has been served by certified mail, return receipt requested, upon the following:

Adams County Commissioners
County of Adams
Commissioners
117 Baltimore Street
Room 201
Gettysburg, PA 17325

The Meadows Property Owners
Association, Inc.
c/o Mr. Ronald H. Smith,
Secretary/Treasurer
P.O. Box 3902
Gettysburg, PA 17325-8185

Adams County Planning Commission
County of Adams
Planning Commission
117 Baltimore Street
Gettysburg, PA 17325

Marsh-Hill Community Association, Inc.
c/o Mr. Ronald H. Smith,
Secretary/Treasurer
P.O. Box 3902
Gettysburg, PA 17325-8185

Cumberland Township Supervisors
Municipal Building
1370 Fairfield Road
Gettysburg, PA 17325

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

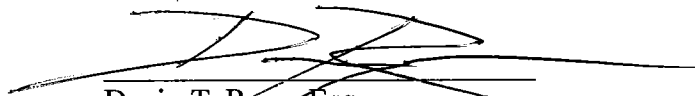
Bureau of Investigation and Enforcement
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17105-3265

Office of Small Business Advocate
Commerce Building
300 North Second Street, Suite 1102
Harrisburg, PA 17101

Department of Environmental Protection
Southcentral Regional Office
909 Elmerton Avenue
Harrisburg, PA 17110-8200

Mark Guise
Gettysburg Municipal Authority
PO Box 3307
601 E. Middle Street
Gettysburg, PA 17325-3307

Dated: November 21, 2014


Devin T. Ryan, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

IN THE MATTER OF THE APPLICATION OF :
THE YORK WATER COMPANY, Under :
Section 1102(a) of the Public Utility Code, for :
approval of the right of THE YORK WATER :
COMPANY to begin to offer or furnish water :
service to the public in an additional portion of :
Cumberland Township, Adams County, :
Pennsylvania, primarily in an area known as The : Docket No. A-2014-_____
Meadows Development. :
: :
: :
: :
: :

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. Name and Address of Applicant:

THE YORK WATER COMPANY
130 East Market Street
York, PA 17401

2. Name and Address of Applicant's Attorneys:

Michael W. Hassell, Esq.
Devin T. Ryan, Esq.
Post & Schell, P.C.
17 North Second Street – 12th Floor
Harrisburg, PA 17101-1601

3(a). Brief Corporate History and Purpose:

Under Special Act of the Assembly of February 8, 1816, The York Water Company (“York Water” or the “Company”) 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 47 municipalities in which water service and three municipalities in which wastewater service is now being rendered as more fully set forth in Paragraph 4 hereof.

York Water has amended its Corporate Charter by filing its Articles of Amendment with the Pennsylvania Department of State on June 29, 1990 (#9033866 to 9033870) with Certificate of Amendment issued thereon on June 29, 1990, so as to consolidate into one description its chartered territory. A subsequent amendment was issued February 28, 1994, to include additional portions of Jackson, North Codorus, Lower Windsor and Hellam Townships, and East Prospect, Wrightsville and Abbottstown Boroughs, York County, Pennsylvania (Microfilm Numbers 09415.0349-0352). On May 20, 1996, York Water's Articles of Incorporation were restated and amended. The amended area added Jefferson Borough and portions of Codorus Township. On March 3, 1997, the Applicant filed Articles of Amendment to include the area encompassing the Boroughs of Glen Rock, Shrewsbury, New Freedom and Railroad, Shrewsbury Township and portions of North Hopewell and Hopewell Townships (Microfilm Numbers 09719.1725-1727).

On May 1, 2000, the Applicant's Articles of Incorporation were amended and restated (Microfilm Numbers 200035.389-392). The amended and restated Articles authorize the Company to provide water service in the areas that are the subject of this Application.

3(b). Description of Service Furnished 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 and wastewater service to portions of its franchised wastewater territory as hereinafter specified in Paragraph 4 hereof.

3(c). Amount of Stock and Bonds:

York Water has authorized, issued and outstanding as of June 30, 2014, 12,827,367 shares of Common Stock, with no stated par value. York Water has in force and effect an Optional Dividend Reinvestment and Direct Stock Purchase and Sale Plan and an Employee Stock Purchase Plan.

There are also outstanding as of June 30, 2014, the following Senior Notes, Industrial Development Authority Revenue Refunding Bonds, Pennvest Loan and Pennsylvania Economic Development Financing Authority Exempt Facilities Revenue Bonds as follows:

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 2019 (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
4.50% Pennsylvania Economic Development Financing Authority Exempt Facilities Revenue Bonds, Series 2014, due 2038 (Securities Certificate No. S-2014-2405684 of 2014)	14,880,000
5.00% Monthly Senior Notes, Series 2010A, due 2040 (Securities Certificate No. S-2009-2122058 of 2009)	15,000,000
1% Pennvest Loan due 2019 (Securities Certificate No. S-00980703 of 1998)	226,000
4.05% Exempt Facilities Revenue Bonds, Series A of 2004, due 2016 (Securities Certificate No. S- 00030971 of 2003)	2,350,000
5.00% Exempt Facilities Revenue Bonds, Series A	

of 2004, due 2016 (Securities Certificate No. S-00030971 of 2003)	4,950,000
Variable Rate Exempt Facilities Revenue Bonds, Series 2008A, due 2029 (Securities Certificate No. S-00041015 of 2004)	12,000,000
4.75% Exempt Facilities Revenue Bonds Series A of 2006, due 2036 (Securities Certificate No. S-00061150)	10,500,000

4. Location of 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 48 municipalities for water service 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, Manchester, Spring Garden, Springettsbury and West Manchester, and parts of the Townships of Codorus, Conewago, Hellam, Hopewell, Jackson, Lower Windsor, Newberry, North Codorus, North Hopewell, Paradise, Shrewsbury, Springfield, West Manheim, Windsor and York, all in the County of York and the Boroughs of Abbottstown and Carroll Valley, and parts of Berwick, Cumberland, Hamilton, Mount Pleasant, Oxford, Reading and Union Townships, County of Adams, Commonwealth of Pennsylvania. In addition, York Water is now furnishing wastewater service to the public in portions of East Manchester Township, portions of Lower Windsor Township, and the Borough of East Prospect, all of which are located in York County.

The water community served has an estimated population of approximately 190,000 as of December 31, 2013, with water furnished to 64,181 customers as of June 30, 2014.

Of these there were 4,777 metered commercial (including apartment complexes) and industrial customers, 58,198 metered residential customers and 1,206 public and private fire protection customers. The wastewater community served has an estimated population of approximately 1,275 people with wastewater service furnished to 638 customers as of June 30, 2014.

All such water and wastewater 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 subsequently by Certificates of Public Convenience duly granted by the Pennsylvania Public Service Commission and by the Pennsylvania Public Utility Commission ("Commission") under The Public Service Company Law, Public Utility Law or Public Utility Code of Pennsylvania.

5. Proposed Expansion of Service Territory:

York Water proposes to expand its service territory to begin to offer or furnish water service to the public in an additional portion of Cumberland Township, Adams County, Pennsylvania. A map showing the location and boundary of the proposed expansion is attached as Exhibit "E."

The purpose of the proposed expansion of York Water's service territory to include an additional portion of Cumberland Township is to enable York Water to serve additional customers, in particular, the property owners in the residential development known as The Meadows ("The Meadows Development"). York Water proposes to expand its service territory to include the existing The Meadows Development properties and along the frontage of The Meadows Development with Biglerville Road. The proposed additional certificated service area has been discussed with Cumberland Township and Adams County officials, who do not oppose the requested expansion. Planning consistency letters from the Adams County Office of

Planning and Development and Cumberland Township are attached as Exhibit “J” and Exhibit “K,” respectively.

The Meadows Development is a residential development containing townhomes and carriage homes. There are approximately 78 property owners in The Meadows Development, and each of the property owners owns his or her residence and the real property beneath it. Moreover, there are two homeowner associations in The Meadows Development: (1) The Meadows Property Owners Association (“The Meadows POA”); and (2) Marsh-Hill Community Association, Inc. (“Marsh-Hill”).

The Meadows POA currently owns and operates the private water system that serves the 78 dwellings in The Meadows Development and a nearby commercial property owned by Hill, LLC. The Meadows POA is a Pennsylvania nonprofit corporation of Gettysburg, Adams County, Pennsylvania. Its membership consists of Hill, LLC and the property owners in The Meadows Development. The sole purpose of The Meadows POA is to operate the private water system.¹ Accordingly, if the Commission grants this Application, The Meadows POA will be dissolved. The Meadows POA obtains all of its water supplies from two wells that it owns in The Meadows Development. The map attached as Exhibit “D” shows the location of the existing water system owned by The Meadows POA.

The Meadows POA currently charges a quarterly flat fee of \$100.00 (i.e., \$400.00 per year) for each user. There is no requirement that each user be outfitted with a meter, although some of the property owners have chosen to install meters to track their water

1. The Meadows POA is a bona fide nonprofit organization serving its members. Therefore, The Meadows POA does not hold a certificate of public convenience from the Commission to provide water service, and the facilities to be acquired are not currently in the public service. Notwithstanding, York Water seeks all necessary approvals of this Application under Section 1102(a) generally to acquire the facilities of The Meadows POA and to serve the proposed additional service territory.

consumption. Furthermore, in accordance with the Bylaws of The Meadows POA, The Meadows POA may and has levied additional assessments on its members to cover water service costs. The most recent assessment was \$400.00 for each member, levied on April 2, 2014, with payment due July 2, 2014.

Marsh-Hill owns all of the common real property in The Meadows Development. Marsh-Hill is a Pennsylvania nonprofit corporation of Gettysburg, Adams County, Pennsylvania. As relevant to York Water's acquisition of the water system, Marsh-Hill is the owner of the real estate which contains and is improved with the facilities comprising The Meadows POA's Water Supply and Distribution System. Accordingly, The Meadows POA currently holds all necessary easements and rights-of-way to operate its water facilities, including the two wells that are located on real property owned by Marsh-Hill.

York Water has entered into an Agreement with The Meadows POA and Marsh-Hill to purchase the Water Supply and Distribution System of The Meadows POA and the attendant easements, rights-of-way, and rights on land owned by Marsh-Hill. A copy of this Agreement is attached hereto as Exhibit "M." The Agreement describes the assets that York Water is acquiring.

Following acquisition of The Meadows POA's water facilities, York Water will operate the existing wells and distribution system as a satellite system. Requests for water service will be considered in accordance with the Company's tariff and main extension rules.

York Water will install individual water meters, read water meters, and render bills based on those readings monthly. York Water also will install an automated meter reading system. York Water will charge its regular "Repumped System Rates" for service in the territory covered by this Application.

The Meadows POA determined that it has insufficient experience to continue to meet the regulatory requirements associated with its water obligations. The Meadows POA determined that it was in the best interest of its current customers to sell the water system to a company that was more experienced in dealing with utility service and the regulatory requirements associated with providing such service. The Meadows POA first approached Gettysburg Municipal Authority (“GMA”) regarding service to The Meadows Development. GMA has no facilities adjacent or in close proximity to The Meadows Development. GMA considered The Meadows POA’s inquiry but required a payment of \$461,000 from The Meadows POA to go forward. The Meadows POA declined this proposal (Exhibit “I”).

York Water will begin providing service to the customers currently served by The Meadows POA five days after the date of closing. Closing is contingent upon York Water obtaining Commission approval of this Application for a certificate of public convenience, and York Water’s receipt of Department of Environmental Protection (“DEP”) approval to assume The Meadows POA’s Community Water Supply permit. York Water has met with representatives of DEP to discuss the process and anticipates no issues.

6. Additional Capital Requirements:

York Water’s capital requirements for the acquisition consist of the purchase price of Thirty Thousand dollars (\$30,000) (as agreed upon in the agreement of purchase entered into with The Meadows POA and Marsh-Hill September 22, 2014, a copy of which is attached hereto, made a part hereof and marked Exhibit “M”); Twenty Thousand dollars (\$20,000) for the installation of Supervisory Control and Data Acquisition (“SCADA”) equipment; approximately Seventy Thousand dollars (\$70,000) to install approximately 78 meter pits; approximately Twelve Thousand dollars (\$12,000) to install approximately 78 meters; and Five Thousand

dollars (\$5,000) to install a fixed collector.² The estimated total cost of One-Hundred Thirty-Seven Thousand dollars (\$137,000 = \$30,000 + \$20,000 + \$70,000 + \$12,000 + \$5,000) will be financed by internally generated funds, proceeds from the issuance of common stock under York Water's dividend reinvestment and direct stock purchase and employee stock purchase plans, and, if necessary, borrowings against York Water's lines of credit.

7. Plant in Service and Plant to be Acquired:

Attached as Exhibit "A" is a summary, by major plant category, of used and useful plant in service of York Water as of June 30, 2014.

Exhibit "B" is a balance sheet of York Water as of June 30, 2014, which provides the capitalization of the Company.

York Water will acquire the Water Supply and Distribution System owned and operated by The Meadows POA. The water system includes all of the physical plant, property, and equipment. Additionally, York Water will acquire the easements, rights-of-way, improvements, personal property, fixtures, and equipment of The Meadows POA. A detailed inventory is attached as part of Exhibit "M."

8. Map of Service Area:

Attached as Exhibit "D" are two maps showing The Meadows POA's existing water service area. Exhibit "G" is a map showing the general location of the major facilities to be acquired from The Meadows POA, as described in Paragraphs Nos. 5 and 7 above.

A map of the proposed York Water service territory is included in Exhibit "E." The metes and bounds description of the expanded territory is included as Exhibit "F."

2. A fixed collector will obtain meter readings from the new meters installed in The Meadows Development and provide that information to York Water remotely.

York Water proposes that the additional water service territory include the current area served by The Meadows POA and the approximately four (4) properties adjacent to The Meadows Development along Biglerville Road. No other corporation, partnership, or individual is now furnishing or has corporate or franchise rights to furnish water service similar to that to be rendered by York Water to these approximately four properties. Public water service is not currently available to these approximately four properties; therefore, it is assumed that each property is served by a well. There is no mandatory water connection ordinance. These approximately four properties are included in the proposed territory because they are contiguous with The Meadows Development. Should the Commission grant the proposed service territory, and one of the property owners requests public water service, subject to York Water's Commission-approved tariff, York Water could serve the property.³ If the Commission excludes these approximately four properties from the proposed service territory, and a well or well pump fails or a property owner decides for any reason to no longer operate his or her well, the property owner could request water service, but York Water would have to apply to obtain Commission approval to expand its service territory by a single property in order to serve.

9. Future Capacity:

The service territory is anticipated to increase to 86 customers by 2020 because the four parcels adjacent to The Meadows Development contain a total of approximately 8 potential customers. The current system capacity of 85,000 gallons per day ("GPD") exceeds current average demand of 12,800 GPD and maximum demand of 19,000 GPD. Exhibit "H" is a table showing current and projected population and consumption data through the year 2040. Any additional capacity requirements will be provided by the developers that create the demand.

3. In fact, York Water has been in contact with some of the owners of these four properties, and they have indicated that they may want to receive public water service from York Water in the future.

10. Rates for Service:

York Water will charge its "Repumped System Rates" for service in the territory covered by this Application. Those rates are found in the Tariff and Rates of Applicant effective February 28, 2014 (Supplement No. 117 to Water-Pa. P.U.C. No. 14) or such later rates which may hereafter be approved by the Pennsylvania Public Utility Commission.

11. Profit and Loss Statement:

Attached as Exhibit "C" is a Statement of Income of York Water for the 12 months ended June 30, 2014.

12. Compliance with DEP Requirements:

York Water has notified The Meadows POA that it must contact DEP after closing to request that DEP rescind its Community Water Supply permit. York Water is not required to comply with 25 Pa. Code § 109.503(a)(3), and no business plan is required.

13. No Competitive Condition:

Portions of Cumberland Township are currently served by GMA. However, as explained above, GMA has no main located adjacent or in close proximity to The Meadows Development, and GMA's closest main is believed to be approximately one third to one half mile away from The Meadows Development. When approached by The Meadows POA to serve The Meadows Development, GMA required a payment of \$461,000 from The Meadows, and The Meadows POA declined (Exhibit "I"). No other 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 The Meadows POA, and no competitive condition will be created.

14. Facilities for Furnishing Service:

York Water will employ the facilities acquired from The Meadows POA and install meters and an automated meter reading system to furnish water service to customers in the proposed service territory. The facilities have sufficient capacity to provide service to all existing dwellings within the proposed service area. Additional facilities will be constructed as needed to serve other potential customers in the territory who request service, in accordance with the Company's main extension rules.

15. 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) The Meadows POA is no longer willing to provide water service to its users due to: (1) the regulatory requirements necessary to continue to provide service; and (2) the difficulties in maintaining a viable water system to serve its current users;

(b) York Water will bring significant resources to Water Supply and Distribution System to be acquired from The Meadows POA to keep the water system in compliance with existing and proposed regulatory requirements;

(c) York Water currently provides water service in Adams County and, therefore, is familiar with the community; and


(d) The Commission encourages utilities, such as York Water, to acquire small water systems such as The Meadows POA's Water Supply and Distribution System. *See* 52 Pa. Code §§ 69.701, 69.711.

16. Notification to Customers:

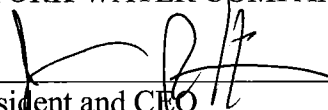
On October 29, 2014, York Water notified Hill, LLC and the residents of The Meadows Development of the acquisition and future filing of this Application, as well as the Company's rates for water service. A copy of the October 29, 2014 letter is attached hereto, made a part hereof and marked as Exhibit "L."⁴

WHEREFORE, Applicant requests that the Pennsylvania Public Utility Commission issue a Certificate of Public Convenience under the provisions of Section 1102(a) of the Public Utility Code evidencing the approval of the Commission for The York Water Company to expand its service territory to include an additional portion of Cumberland Township, Adams County, Pennsylvania.

ATTEST:


Secretary

THE YORK WATER COMPANY

By 
President and CEO

By 
Counsel for THE YORK WATER COMPANY

4. Although the second page of the letter is dated October 31, 2014, both pages were mailed to Hill, LLC and the residents of The Meadows Development on October 29, 2014.

EXHIBIT “A”

THE YORK WATER COMPANY
UTILITY PLANT

	As of
	<u>June 30, 2014</u>
Organization	\$ 5,302
Franchises and consents	4,918
Water rights	39,972
Reservoir land	855,803
Power and pumping land	1,119,474
Purification land	26,734
Transmission & distribution land rights-of-way	77,685
Distribution reservoir and standpipe land	620,946
Office land	115,023
Stores, shop and garage land	135,845
Collecting and impounding reservoirs	4,618,123
Lake, river and other intakes	3,676,760
Wells and springs	22,502
Supply mains	177,419
Other water source structures	144,637
Power and pumping structures	8,685,119
Purification buildings	2,293,299
Office buildings	1,223,873
Stores, shop and garage buildings	2,891,721
Miscellaneous structures and improvements	199,859
Power generation equipment	1,263,661
Oil engine pumping equipment	1,810,714
Electric pumping equipment	3,027,284
Scada system	698,223
Purification system	15,906,718
Distribution reservoirs and standpipes	18,848,324
Mains and accessories	157,426,579
Services	36,704,612
Meters	17,221,713
Fire hydrants	6,834,471
Backflow preventors	327,367
Office furniture and equipment	7,876,381
Transportation equipment	1,269,031
Stores equipment	97,515
Shop equipment	68,043
General equipment	584,478
Tractor	34,370
Laboratory equipment	51,398
Construction equipment	156,605
Communication equipment	1,320,413
Miscellaneous equipment	280,438
Wastewater pumping land	7,170
Wastewater treatment land	144,504
Wastewater treatment structures	213,414
Wastewater power generation equipment	38,578
Wastewater collection sewers	1,235,144
Wastewater services	249,164
Wastewater pumping equipment	172,174
Wastewater treatment and disposal equipment	783,567
Wastewater monitoring equipment	72,897
Wastewater outfall lines	10,962
Wastewater communication equipment	2,902
Wastewater miscellaneous equipment	5,275
Total Utility Plant in Service	<u>\$ 301,679,103</u>
Construction work in progress	6,593,929
Utility plant acquisition adjustment	<u>(3,542,150)</u>
TOTAL UTILITY PLANT	<u>\$ 304,730,882</u>

EXHIBIT “B”

THE YORK WATER COMPANY
BALANCE SHEET

As of
June 30, 2014

ASSETS

UTILITY PLANT:

Utility Plant, at original cost	\$304,730,882
Less-Reserve for depreciation	<u>57,672,527</u>
	247,058,355

OTHER PHYSICAL PROPERTY:

Less-Reserve for depreciation	768,976
-------------------------------	---------

CURRENT ASSETS:

Cash and cash equivalents	2,083,162
Accounts receivables, less reserves	3,977,553
Unbilled revenue	2,384,691
Materials and supplies, at cost	796,755
Prepaid expenses	748,860
Other current assets	<u>3,616</u>
	9,994,637

OTHER LONG-TERM ASSETS:

Deferred debt expense	2,635,901
Notes receivable	279,672
Deferred regulatory assets	15,207,292
Other	<u>3,792,038</u>
	21,914,903

\$279,736,871

THE YORK WATER COMPANY
BALANCE SHEET

As of
June 30, 2014

CAPITALIZATION AND LIABILITIES

CAPITALIZATION:

Common stock, no par value	\$77,451,747
Earnings retained in the business	24,140,257
	101,592,004

Long-term debt	84,863,513
	186,455,517

CURRENT LIABILITIES:

Short-term borrowings	0
Current portion of long-term debt	42,917
Accounts payable	1,766,070
Dividends payable	1,582,085
Accrued taxes	2,808,091
Accrued interest	1,038,153
Other accrued expenses	1,337,963
	8,575,279

DEFERRED CREDITS:

Customers' advances for construction	11,468,461
Contributions in aid of construction	29,925,670
Deferred employee benefits	5,842,143
Deferred regulatory liabilities	810,033
Deferred income taxes	34,500,444
Other deferred credits	2,159,324
	84,706,075

\$279,736,871

EXHIBIT “C”

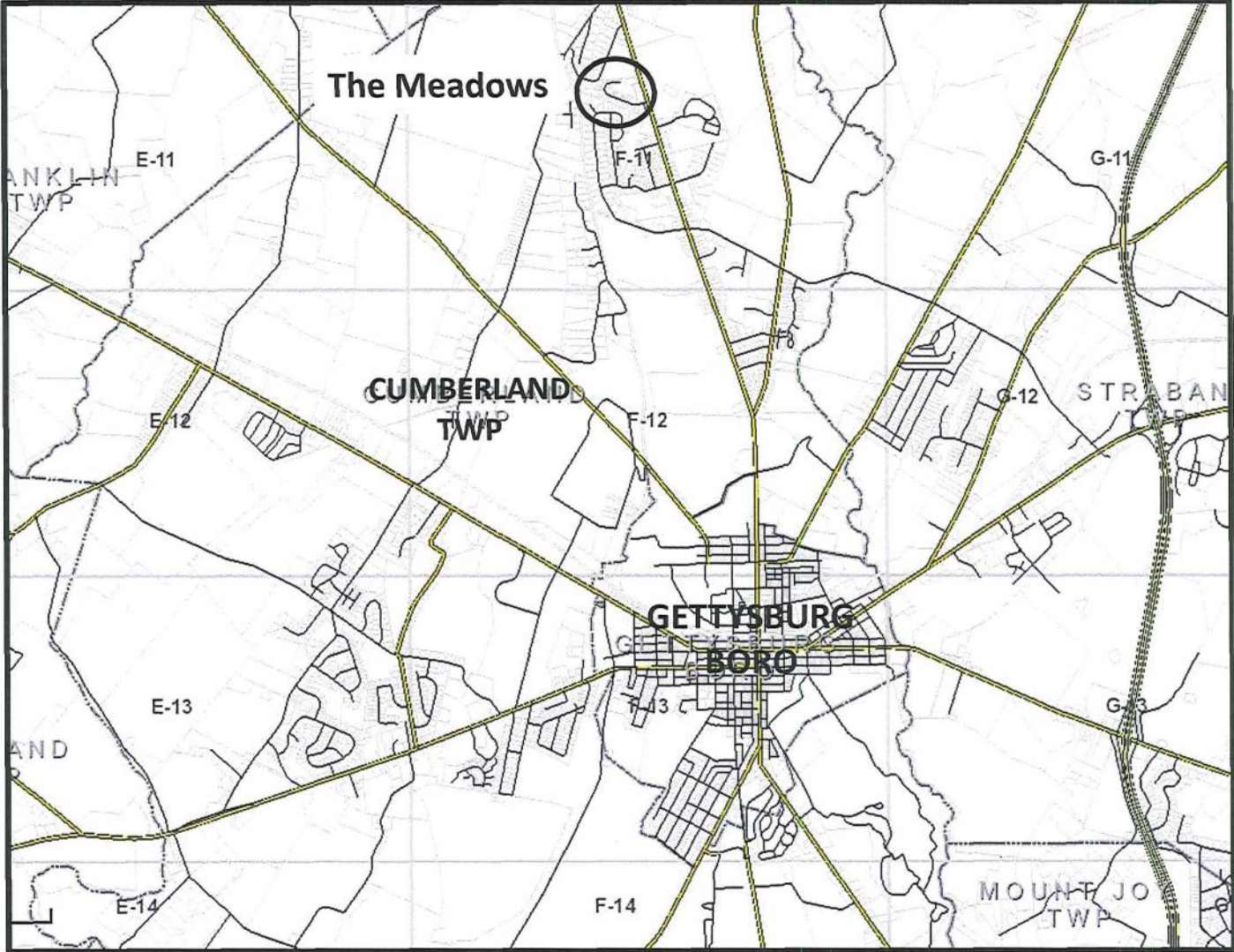
**THE YORK WATER COMPANY
STATEMENT OF INCOME**

	Twelve Months Ended <u>June 30, 2014</u>
OPERATING REVENUES:	
Residential	\$27,766,235
Commercial and industrial	12,677,049
Other	3,473,316
	<u>43,916,600</u>
OPERATING EXPENSES:	
Operation and maintenance	7,753,223
Administrative and general	7,965,089
	<u>15,718,312</u>
Depreciation	5,825,951
Taxes other than income taxes	1,126,930
Income taxes	6,032,108
	<u>28,703,301</u>
Operating income	15,213,299
INTEREST EXPENSE AND OTHER INCOME:	
Interest on debt	5,199,966
Allowance for funds used during construction	(136,366)
Other expenses, net	109,314
	<u>5,172,914</u>
NET INCOME	<u><u>\$10,040,385</u></u>

EXHIBIT "C"

EXHIBIT “D”

Exhibit D
The Meadows
Current Service Territory
Location Map



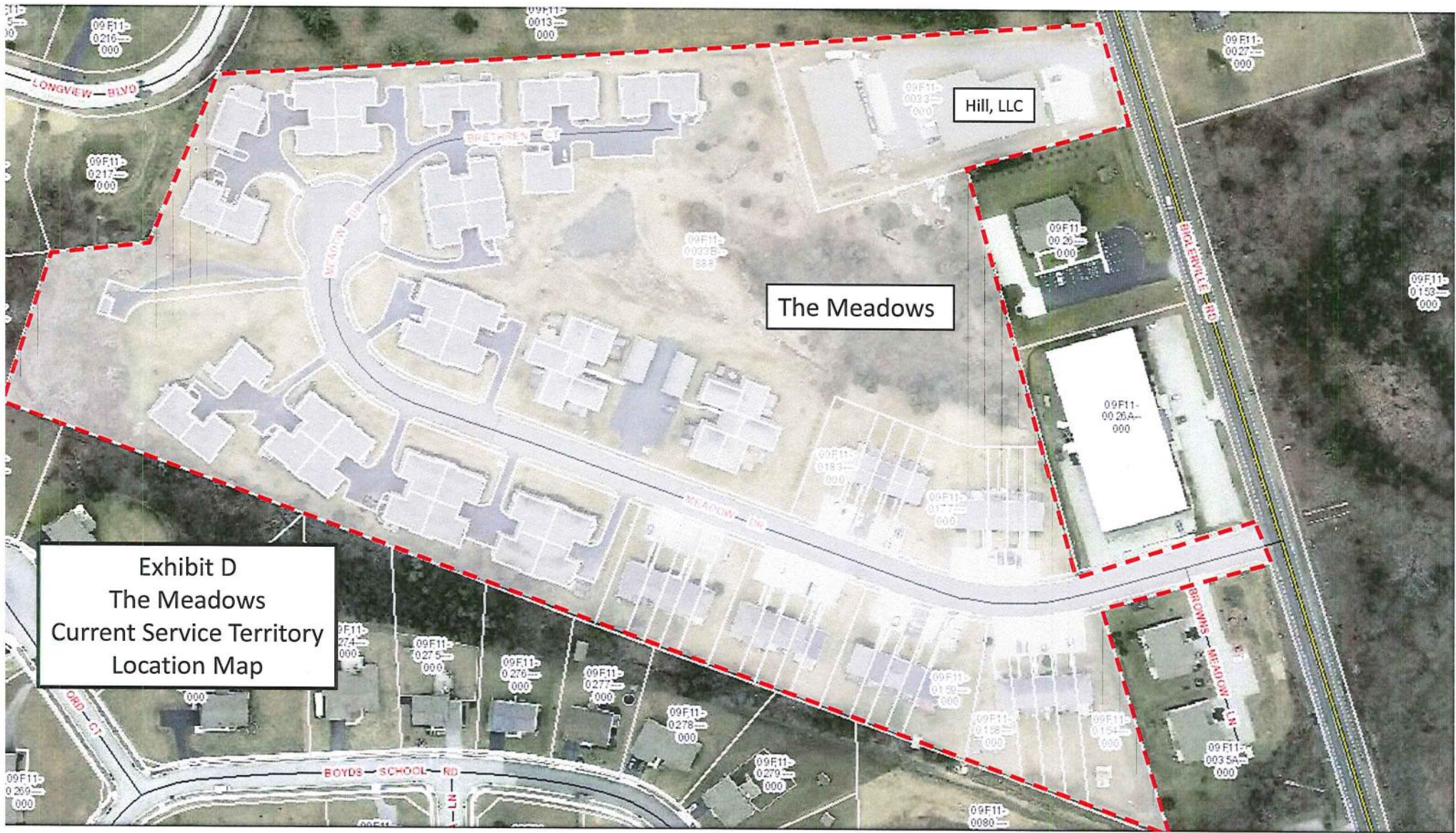


Exhibit D
The Meadows
Current Service Territory
Location Map

Hill, LLC

The Meadows

EXHIBIT “E”

— — Exhibit E
The Meadows
Proposed Charter Territory



Expands the Existing Service Area served by The Meadows to include approximately four (4) Properties adjacent to The Meadows along Biglerville Rd.

EXHIBIT “F”

Exhibit F

METES AND BOUNDS DESCRIPTION OF EXPANDED WATER CHARTER AREA

BEGINNING, at a point in the centerline of Biglerville Road (S.R. 034); thence in a northwestwardly direction along the northernmost property line of Parcel ID Number 09F11-0035-000 to the northwest corner of said parcel; thence southwestwardly along the western property line of said parcel and excluding the entirety of said parcel to a point of intersection with parcel ID Numbers 09F11-0035A-000, 09F11-0036-000 and 09F11-0080-000; thence in a northwestwardly direction approximately one-thousand four hundred and 80 (1480) feet along the western property line of multiple parcels to a point of intersection with the southeast corner of Parcel ID Number 09F11-00218A-000; thence in a northeastwardly direction along the westernmost property line of Parcel ID Number 09F11-0033B-888 and including the entirety of said parcel to a point of intersection with the northwest corner of said parcel; thence northeastwardly approximately one-thousand twenty (1020) feet to the centerline of Biglerville Road (S.R. 034); thence southeastwardly approximately nine-hundred sixty (960) feet along the centerline of Biglerville Road (S.R. 034) to the point of beginning; and area of (21) acres.





EXHIBIT “G”

Exhibit G
The Meadows
Major Facilities

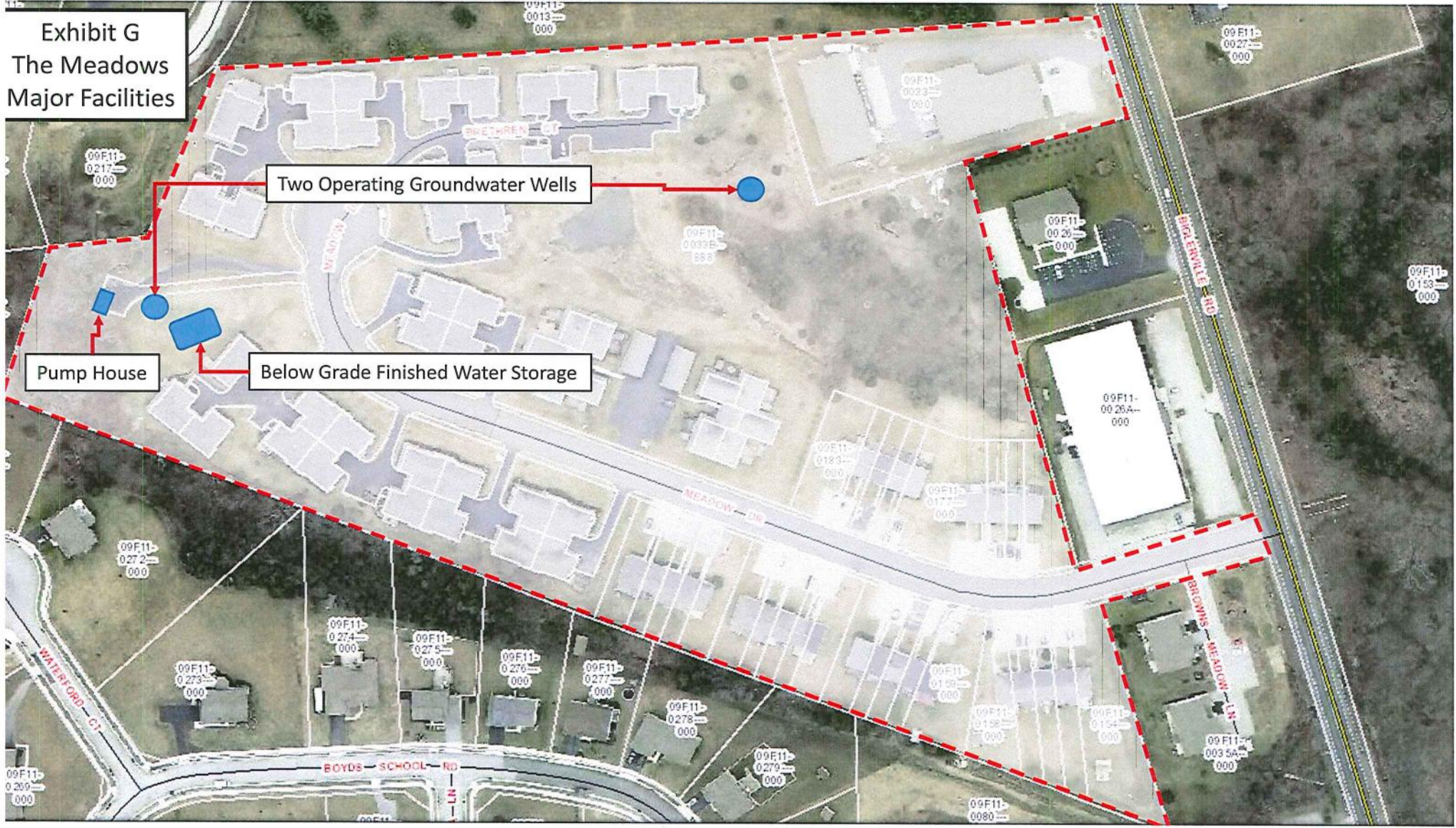


EXHIBIT “H”

PROJECTED POPULATION AND CONSUMPTION GROWTH

EXHIBIT "H"

Table showing current and projected population and consumption data through the year 2040.

The Meadows	2014	2020	2030	2040
# of Customers	78	84	97	113
Population Served	180	202	234	271
Avg. Day Demand	12,800	14,314	16,604	19,260
Max. Day Demand	19,000	21,370	24,789	28,755
Max./Avg. Ratio	1.48	1.49	1.49	1.49
Safe Yield Available	85,000	85,000	85,000	85,000
% of Yield Max. Day	22%	25%	29%	34%

2020 and beyond Customer Projection assumes a PUC approved, expanded service territory that would allow York Water to serve additional customers. Developer will be responsible for contributing towards additional well construction and/or production and storage.

Population projection based on Adams County Water Supply Plan, Table 4, Chapter II-5, June 2001.

EXHIBIT “I”

**MINUTES OF THE GETTYSBURG MUNICIPAL AUTHORITY
BOARD OF DIRECTORS MEETING**

March 17, 2014

The duly advertised Meeting of the Board of Directors of the Gettysburg Municipal Authority ("GMA") was called to order at 6:00 p.m. at the GMA office, 601 E. Middle Street, Gettysburg, PA 17325, by Ms. Dorothy Puhl, Chairman. Present were Ms. Dorothy Puhl, Chairman; Ms. Susan Naugle, Vice Chairman; Dr. Timothy Good, Secretary; Mr. William Monahan, Treasurer; Ms. Susan Cipperly, Assistant Secretary/Treasurer; Mr. Mark Guise, Utilities Manager; Mr. Brian Funkhouser, P.E., of Buchart Horn, Inc., Authority Engineer; Mr. Bernie Yannetti, Authority Solicitor, Amy Christopher, Finance Director and Ms. Karen Rabine, Recording Secretary.

Mr. Jim Paddock, representing Cumberland Township Board of Supervisors and Mr. Jim Hale, representing The Gettysburg Times were in attendance.

Water Agenda:

Public Comment:

Ms. Puhl called for public comment and none was given.

Minutes:

Mr. Monahan moved, seconded by Dr. Good, to approve the Minutes of the Board's February 17, 2014 Board of Directors Meeting. The motion passed unanimously.

Approval of Invoices:

Mr. Monahan moved, seconded by Ms. Cipperly, that all invoices for the month be paid. The motion passed unanimously.

Corporate Resolution Approval/ Online Banking:

Mr. Monahan moved, seconded by Dr. Good to add Ms. Christopher to the signature list and add as administrator of the online banking. The motion passed unanimously.

SRBC Transfer Application Update:

Mr. Guise stated that the SRBC along with DEP are having an informational meeting on March 25, 2014 at 7:00 p.m. at the Agricultural Center. Mr. Funkhouser and Mr. Guise presented the Board members with a draft of a presentation outlining GMA's proposal.

Civil War Trust Update:

Mr. Yannetti updated the Board on the Civil War Trust. Mr. Monahan moved, seconded by Dr. Good to execute the Civil War Trust Declaration of Restriction Maintenance Easement and that Board Chairman Ms. Puhl has the authority to sign the Easement. The motion was passed unanimously.

Demolition of Old WTP Update:

Mr. Monahan moved, seconded by Ms. Naugle to approve Application for Payment #1 to Dilapidated Demolition in the amount of \$38,000.00 for the water treatment plant demolition. The motion was passed unanimously.

Meadows Request to Consider Acceptance:

Mr. Guise informed the Board that tap-on and facility fees for the Meadows 77- unit development on Biglerville Road would total a minimum of \$461,000 if GMA were to undertake the proposed acquisition. The Board authorized Mr. Guise to give the figures to the Meadows Homeowners' Association to see if it wishes to move forward.

Waddell Service Request:

Mr. Guise presented a preliminary/final minor subdivision plan from Sharrah Design Group, Inc. on behalf of their client Chad Waddell, requesting GMA to send a letter to Straban Township indicating that GMA is willing to serve the lot with public water and sewer. Ms. Cipperly moved, seconded by Mr. Monahan to approve that we send a letter to Straban Township that GMA does presently have both water and sewer capacity and is willing to serve the Chad Waddell project provided Mr. Waddell meets all the conditions posed for this project.

Sewer Agenda:

Interceptor Improvements Update:

Mr. Funkhouser of Buchart Horn informed the Board that we still need one residential, Dal-Tile and K&W Tire easements. We are also waiting for the Railroad Crossing permit and the Army Corps of Engineers Joint permit.

Service Agreement Update:

Mr. Guise stated there is nothing to report at this time.

Steinwehr Avenue Update:

Mr. Monahan moved, seconded by Ms. Naugle to approve Application for Payment #1 to J.A. Myers, Contractor in the amount of \$45,728.95 for the Steinwehr Avenue Sewer Rehabilitation.

Correspondence:

GMA received a letter from the Land Conservancy of Adams County thanking us for our membership and donation.

Public Comment:

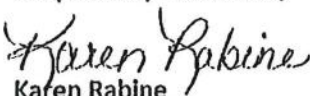
Chairman Puhl called for Public Comment and none was provided.

Adjournment:

With no other business to come before the Board, Mr. Monahan moved, seconded by Dr. Good, to adjourn the meeting at 7:10 p.m. The motion carried unanimously.

The next regular GMA Board of Directors meeting will be held on Monday, April 21, 2014, commencing at 6:00 p.m. at the GMA office.

Respectfully Submitted,



Karen Rabine
Recording Secretary

**MINUTES OF THE GETTYSBURG MUNICIPAL AUTHORITY
BOARD OF DIRECTORS MEETING**

May 19, 2014

The duly advertised Meeting of the Board of Directors of the Gettysburg Municipal Authority ("GMA") was called to order at 6:00 p.m. at the GMA office, 601 E. Middle Street, Gettysburg, PA 17325, by Ms. Dorothy Puhl, Chairman. Present were Ms. Dorothy Puhl, Chairman; Ms. Susan Naugle, Vice Chairman; Dr. Timothy Good, Secretary; Mr. William Monahan, Treasurer; Ms. Susan Cipperly, Assistant Secretary/Treasurer; Mr. Mark Guise, Utilities Manager; Mr. Brian Funkhouser, P.E., of Buchart Horn, Inc., Authority Engineer; Mr. Bernie Yannetti, Authority Solicitor, and Ms. Karen Rabine, Recording Secretary.

Mr. Kevin Stouffer, CPA and Mr. Craig Witmer, CPA, CGFM representing Smith, Elliott and Kearns, LLC, Ms. Barb Underwood, representing Cumberland Township Board of Supervisors and Mr. Jim Hale, representing The Gettysburg Times were in attendance.

Water Agenda:

Public Comment:

Ms. Puhl called for public comment. Barb Underwood from Cumberland Township stated that she had participated on the improvements to the Eisenhower Bridge and that it was a privilege to serve.

Minutes:

Ms. Naugle moved, seconded by Dr. Good, to approve the Minutes of the Board's April 21,, 2014 Board of Directors Meeting. The motion passed unanimously.

Approval of Invoices:

Dr. Good moved, seconded by Ms. Naugle, that all invoices for the month be paid. The motion passed unanimously.

2013 Audit Report:

Mr. Stouffer and Mr. Witmer reviewed the audit reports that were provided to the Board via a printed power point presentation. It was noted that the Water Fund had a positive change in net position and the Sewer Fund had a negative change in net position which reflects the first full year of depreciation on the new sewage treatment plant and a decline in usage.

SRBC Transfer Application Update:

Mr. Guise reported to the Board that the SRBC informed GMA they will delay their decision on GMA's request to connect to the York Water Company to allow progress toward a joint comprehensive plan between Gettysburg, Straban and Cumberland Townships.

Demolition of Old WTP Update:

Mr. Funkhouser informed the Board that the contractor is expected to finish this week.

Meadows Request to Consider Acceptance:

Mr. Guise informed the Board that John Berg of Meadows Home Owners Association states they are looking at other avenues and GMA's services will not be needed.

East Middle Street Rehabilitation:

Mr. Guise stated that GMA was approached by the County that they would like to improve Middle Street sidewalks, curbing, gas main and the Authority taking care of their needs. The County is asking if GMA would want to put this partnership together and be committed to this project around 2016. The Board directed Mr. Guise to get more information.

PICPI Misty Ridge Developers Agreement:

Mr. Monahan moved, seconded by Dr. Good to accept PICPI Misty Ridge Phase II Development Public Water Service Infrastructure Extension and Security Agreement. The motion passed unanimously.

Sewer Agenda:

Interceptor Improvements Update:

Mr. Funkhouser stated that we have received DEP's completeness packet and it meets their requirements.

Service Agreement Update:

Mr. Guise informed the Board the Service Agreement had been signed by Peter Marshall and also stated that he will be meeting the new Borough Manager Mr. Charles Gable. Ms. Naugle stated that she will bring another Financial Agreement to the Board of Directors for review.

Steinwehr Avenue Update:

Dr. Good moved, seconded by Mr. Monahan to approve Application for Payment #3 to J.A. Myers, Contractor in the amount of \$89,868.51 for the Steinwehr Avenue Sewer Rehabilitation. The motion was passed unanimously.

Pa Small Water & Sewer Grant Application:

Mr. Guise stated that the PA Small Water and Sewer Grant Application have been completed, mailed and now waiting for their decision.

Bio-Solids General Permit Approval:

Mr. Guise informed the Board that GMA received a 5 year renewal on our General Permit for use of Bio-solids by Land Application.

A.C. Commissioners-Improvements to Sach's Mill Covered Bridge:

Mr. Guise informed the Board that the Adams County Commissioners are interested in making improvements to Sach's Mill Covered Bridge. Commissioner Phiel asked GMA if they would share the cost and place lighting, parking and a water fountain at the bridge. The BOD gave permission to move forward on working with the County and getting more information.

Public Comment:

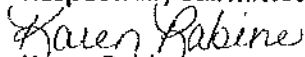
Chairman Puhl called for Public Comment and none was provided.

Adjournment:

With no other business to come before the Board, Mr. Monahan moved, seconded by Dr. Tim Good, to adjourn the meeting at 7:14 p.m. The motion carried unanimously.

The next regular GMA Board of Directors meeting will be held on Monday, June 16, 2014, commencing at 6:00 p.m. at the GMA office.

Respectfully Submitted,


Karen Rabine

Recording Secretary

EXHIBIT “J”

Adams County Office of Planning and Development

19 Baltimore Street, Suite 101

Gettysburg, PA 17325

Phone: (717) 337-9824

FAX: (717) 334-0786

Interim Director: Andrew Merkel, AICP

April 17, 2013

J.T. Hand, Chief Operating Officer

York Water Company

P.O. Box 15089

York, PA 17405-7089

Re: York Water Company
Acquisition Meadows Community Water System

Dear Mr. Hand,

The Adams County Office of Planning and Development is in receipt of a notice of York Water Company's intention to apply to the Pennsylvania Public Utility Commission (PUC) to acquire the Meadows Community Water System. The notice requests that Adams County review this matter to determine consistency with applicable comprehensive plans and land use ordinances. We offer the following comments regarding this matter.

Adams County Comprehensive Plan: The property and development in question lies within the "Residential – Medium-Low Density" land use designation of the Adams County Comprehensive Plan. This designation is applied in designated growth areas. Therefore, from a broad perspective, the Meadows Community is consistent with the land use element of the County Plan.

The primary component that must be reviewed in this correspondence is, however, how the proposed purchase of the community water system relates to the Utilities element of the County Plan. The Utilities element recommends that the County work collaboratively with local municipalities and municipal authorities to provide for the needed public sewer and public water services within designated growth areas. This overall policy statement implies that public entities (for example, municipal authorities and municipalities) will play a direct role in sewer and water service provision. In the case of the existing Meadows community water system, it must be noted that the site is located within the water service area of the Gettysburg Municipal Authority (GMA). Should the existing community water system be discontinued or sold, consolidating this system with the GMA water system would be the solution that achieves the highest degree of consistency with the Utilities element of the County Plan. Accordingly, consolidation with the GMA water system would be our preferred solution with regard to providing long term water system service to the residents of the Meadows.

The above notwithstanding, we acknowledge that the Meadows Property Owners Association has communicated with GMA with regard to the provision of public water service. We understand that GMA would have to charge the residents the current connection fee to be served by the GMA system and that GMA would not “purchase” the hard assets associated with the Meadows community water system. Accordingly, we understand the decision of the Property Owners Association from a financial perspective, as the Association would get compensated for the sale of the system and continue to have that system operated, hopefully, at a cost either comparable to or more affordable than current costs. This solution will continue to provide water service for this developed portion of the designated growth area.

While not our preferred solution, we do not object to the chosen solution of purchase of the community water system by York Water Company. This solution is sufficiently consistent with applicable recommendations of the Land Use and Utilities elements of the County Plan to warrant this Office’s support if the preferred option of consolidation with the GMA system is not possible.

Cumberland Township Comprehensive Plan: The property and development in question lies within the Residential – Medium-High Density land use designation of the Cumberland Township Comprehensive Plan. This designation is a component of the designated growth area of the Township Plan. Accordingly, the provision of public sewer and water service to this setting is appropriate. From this perspective, the Township Plan advocates for expansion of existing central water systems to provide water service along the Route 34 corridor. Precise text from the Utilities element reads as follows:

Expansion of the central water supply system to serve projected new dwellings and businesses in the central-west and Route 30 corridor areas of the township is a logical response to the Growth Management Plan’s designation of these areas for growth.

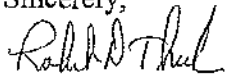
It is acknowledged that the current issue involves the disposition of the existing Meadows community water system rather than the extension of water service to accommodate new development. However, the policy implication in the above-referenced statement implies that the existing central water supply system in the overall area (GMA) should be relied upon to meet the water supply needs for Route 34 corridor growth area. Therefore, we do not view York Water Company’s acquisition of the Meadows community water system as fully consistent with the Township Plan. Further, we believe that consolidation of the system with the GMA water system would achieve a higher degree of consistency with the Township Plan given the language quoted above.

Zoning Ordinance: The property and development in question are subject to applicable provisions of the Cumberland Township Zoning Ordinance. However, the current water system acquisition proposal does not involve any expansion of the residential community. Thus, no analysis of consistency with the Zoning Ordinance is necessary in this evaluation. The focus of the review of this matter should be on consistency with adopted County and Township planning policies.

Summary: Our review of the current proposal indicates that the acquisition of the Meadows community water system by York Water Company is not inconsistent with applicable policies of the Adams County Comprehensive Plan and the Cumberland Township Comprehensive Plan. However, in both instances, a higher degree of consistency would be achieved if the Meadows system was consolidated with the Gettysburg Municipal Authority water system. At the same time, we recognize the potential constraints that might be involved with this alternative. Therefore, the Office of Planning and Development can support the proposed acquisition by York Water Company provided that the service area is designated as the Meadows Community only. No portion of the designated service area of this system should extend beyond the community, particularly to other properties that fall within the already established service area of the Gettysburg Municipal Authority.

We trust that this correspondence provides the input that the Pennsylvania Utilities Commission requires to review the comprehensive planning policies that are applicable to this proposal. Should you have any further questions regarding the above information, do not hesitate to contact me by phone at (717) 337-9824 or by email at rthaeler@adamscounty.us.

Sincerely,



Robert Thaeler
Principal Planner

cc. Cumberland Township Supervisors
Mark Guise, Gettysburg Municipal Authority
Andrew Merkel, Interim Director, ACOPD

EXHIBIT “K”



CUMBERLAND TOWNSHIP

1370 FAIRFIELD ROAD • GETTYSBURG, PENNSYLVANIA 17325
PHONE (717) 334-6485 FAX (717) 334-3632

November 20, 2014

The York Water Company
J. T. Hand, Chief Operating Officer
130 East Market Street
York, PA 17401

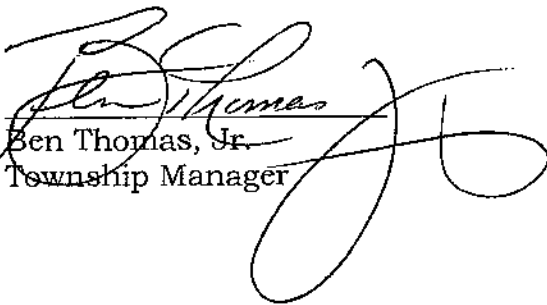
Dear Mr. Hand:

Cumberland Township acknowledges your October 27, 2014 letter regarding "York Water Application to Serve The Meadows, Cumberland Township, Adams County." We affirm the following:

1. The Meadows is located in Cumberland Township.
2. Cumberland Township does have an adopted Comprehensive Plan.
3. Cumberland Township does have an adopted zoning ordinance.
4. The Meadows zoning is permitted as Residential Medium - High (RMH).

Therefore, your letter appears to be consistent with the Cumberland Township Zoning Map/Ordinance and Comprehensive Plan.

Sincerely,


Ben Thomas, Jr.
Township Manager

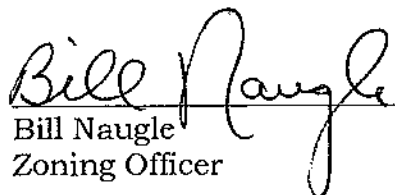

Bill Naugle
Zoning Officer

EXHIBIT “L”



The York Water Company

"That good York water"

SINCE 1816

October 29, 2014

Dear Meadows and Marsh-Hill Resident:

The York Water Company recently entered into an agreement to purchase the water facilities of The Meadows Property Owners Association, Inc. ("The Meadows"). York Water will apply to the Pennsylvania Public Utility Commission (PUC) for a Certificate of Public Convenience in order to serve the water needs of the members of The Meadows and the Marsh-Hill Community Association, Inc. ("Marsh-Hill") and file an application with the Pennsylvania Department of Environmental Protection (DEP) to transfer the Water Supply Permit from The Meadows to York Water. Once approved, our goal is to provide a smooth transition to all of our new customers.

York Water will acquire and continue to use The Meadows' water treatment and distribution system. As a current Meadows water customer, there is nothing you will need to do to initiate water service nor will you incur any additional costs. Once approved by the PUC and upon receipt of the necessary permits from DEP, you will receive a follow-up letter informing you of the transition date. Until that time, you are still served by The Meadows and you should contact their office for any water-related questions.

Once you become a customer of York Water, you will be charged our regular "Repumped System Rates" for service. These are the same rates that our other 38,000 repump customers pay for water service. As an example, if you use 3,000 gallons of water per month your cost under York Water's rates will be \$37.96 per month, plus there may be a Distribution System Improvement Charge (DSIC) and a State Tax Adjustment Surcharge (STAS) which are currently 0.0% of your bill. To view York Water's PUC approved tariff, please visit us at www.yorkwater.com.

The York Water Company has been locally owned and operated since 1816. We now provide water/wastewater service to 47 municipalities in York and Adams Counties and we look forward to providing the same superior service to our new water customers in The Meadows. On the reverse of this letter we have added general information, which responds to commonly asked questions. When the PA PUC and PA DEP approve the transfer, we will contact you with more detailed information on what it means to be a York Water customer. In the meantime, if you have any questions about this information or need additional information about the transition of water service through The York Water Company, please don't hesitate to contact me at jth@yorkwater.com or one of the Company's helpful customer service representatives at (717) 845-3601.

Sincerely,

J.T. Hand

Chief Operating Officer

The York Water Company
The Meadows Property Owner's Association Water Project

October 31, 2014

Dear Meadows and Marsh-Hill Resident:

The York Water Company has entered into an agreement to purchase The Meadows Property Owner's Association, Inc., water system. Following are a few commonly asked questions:

1. **Why did The Meadows sell the water system?** One of the reasons that the water system is being sold is because environmental regulations are making it more difficult for small water systems to operate. The members of The Meadows reviewed their options and determined that selling the system to York Water is the best alternative for the long term needs of their community's residents.
2. **When do I become a York Water customer?** Probably not for another 2-3 months or so. We will send out a "Welcome Packet" when that date gets closer.
3. **Who must hook up to the new system?** All current members of The Meadows Property Owner's Association will automatically become customers of The York Water Company.
4. **What work must I do to hook up?** York Water will be acquiring the water treatment and distribution assets from The Meadows. Once York Water has received the necessary approvals, we will contact you to make an appointment so that we can:
 - 1) Install a meter pit, water meter, shut-off valve, and backflow prevention device adjacent to or within your dwelling. Some properties will require a meter pit. The meter will be placed indoors for others. York Water will determine how best to establish water service for each property.
 - 2) Install a "Radio Frequency" meter reading device so we can read your meter without entering your property.

If all goes well, we will be able to do all of our work outside of your dwelling. However, after we set the meter, we need to make sure somebody responsible is at home so that when we turn the water service back on, you can check inside to make sure there are no leaks. We will do all of these activities at no cost to you. However, you will be responsible for insuring that the water meter and service line are protected from freezing weather and other possible damage.

5. **I see York Water employees around the area, what are they doing?** We will have workers and contractors that are marking the location of facilities and inventorying valves, service lines, meter pits, etc.

6. **Are there any connection fees?** No.

7. **How much does the water cost?** We read your meters and bill you monthly. Your water bill will depend on how much water you use. York Water's current monthly cost for a residential customer is: \$16.00 customer charge plus \$7.321 per 1,000 gallons. So, if you use 3,000 gallons per month your cost with York Water rates will be $\$16.00 + (3 \times \$7.321) = \$37.96/\text{month}$. If you use 2,000 gallons per month your cost with York Water rates will be $\$16.00 + (2 \times \$7.321) = \$30.64/\text{month}$. In addition, your water bill may include a small Distribution System Improvement Charge (DSIC) and a State Tax Adjustment Surcharge (STAS) which currently adds 0.0% to your monthly water bill. Any future rate increases can only occur with the approval of the Pennsylvania Public Utility Commission.

8. **Who do I call for information?**

You will still be served by The Meadows for the next 2-3 months, so if you have any questions regarding your existing water service, you should contact them. If you want to talk about this project with York Water, you can contact our Customer Service Department at 717-845-3601 or toll free at 1-800-750-5561 or email to customer.service@yorkwater.com.

EXHIBIT “M”

AGREEMENT OF WATER SYSTEM SALE

THIS AGREEMENT is made this 22nd day of SEPTEMBER 2014 between The Meadows Property Owners Association, Inc., a Pennsylvania nonprofit corporation of Gettysburg, Adams County, Pennsylvania ("The Meadows"), Marsh-Hill Community Association, Inc., a Pennsylvania nonprofit corporation of Gettysburg, Adams County, Pennsylvania ("Marsh-Hill"), and The York Water Company, a public utility corporation organized under the laws of the Commonwealth of Pennsylvania, having its principal office in the City of York, York County, Pennsylvania ("York Water").

WHEREAS, The Meadows owns facilities used for and is engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the inhabitants of The Meadows and the Marsh-Hill development and community in the Township of Cumberland in Adams County; and

WHEREAS, Marsh-Hill is the owner of the real estate which contains and is improved with the facilities comprising the Water Supply and Distribution System of The Meadows (as defined in Paragraph 2.1 of this Agreement); and

WHEREAS, York Water is a Pennsylvania public utility engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the public in various portions of York and Adams Counties, Pennsylvania; and

WHEREAS, The Meadows and Marsh-Hill are willing to sell, grant and convey, and York Water is willing to purchase and accept substantially all of the Water Supply and Distribution System and the attendant easements, rights-of-way and rights of The Meadows and Marsh-Hill (as defined in Paragraph 2.1 of this Agreement), in order to assure provision of a continuous and reliable source of potable water for the inhabitants of The Meadows and the Marsh-Hill development and community; and

WHEREAS, York Water is willing to operate such Water Supply and Distribution System, subject to York Water's regular rules, regulations and tariffs applicable from time to time to customers of York Water.

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. **SALE AND PURCHASE OF ASSETS.** At Closing (as defined in Paragraph 5 of this Agreement), subject to the terms and conditions of this Agreement, The Meadows and Marsh-Hill shall sell, assign, transfer, grant and convey to York Water and York Water shall purchase the Assets (as defined in Paragraph 2 of this Agreement) for the Purchase Price (as defined in Paragraph 3 of this Agreement).

2. **DESCRIPTION OF ASSETS.** The term "Assets" means the Water Supply and Distribution System, as defined in Paragraph 2.1 of this Agreement.

2.1. **Description of Water Supply and Distribution System.** The term Water Supply and Distribution System means all of the physical plant, personal property, equipment, inventory, tools, and facilities comprising the existing Water Supply and Distribution System owned and operated by The Meadows on real estate owned by Marsh-Hill(excepting those assets described as Excluded Assets in Paragraph 2.2), with attendant easements, rights-of-way, the exclusive right to draw water from Well Number 1 and Well Number 2, the improvements to the real estate, personal property, inventory, tools, fixtures and equipment, existing within the area described on **APPENDIX A** hereto attached and made a part hereof.

2.2. **Excluded Assets.** There is excluded from the sale and The Meadows and Marsh-Hill reserve unto themselves:

i. all funds designated as funds of The Meadows and Marsh-Hill respectively, including, specifically, any checking accounts, savings accounts, accounts receivables, insurance, and other investments related to the Water Supply and Distribution System and the provision of water services by The Meadows and Marsh-Hill; and

ii. fee simple ownership of any and all real property.

3. **PURCHASE PRICE.** The Meadows and Marsh-Hill agree to sell, assign, transfer, grant and convey the Assets, and York Water agrees to purchase the for the consideration of thirty thousand (\$30,000.00) dollars, of which purchase price twenty-five thousand (\$25,000.00) dollars shall be paid separately to The Meadows and five thousand (\$5000.00) dollars shall be paid separately to Marsh-Hill. The Meadows, Marsh-Hill and York Water will take all actions necessary to authorize the sale of the Water Supply and Distribution System from The Meadows and Marsh-Hill to York Water, and will prosecute all such actions in good faith and with due diligence.

4. **REPRESENTATIONS, WARRANTIES AND COVENANTS.**

4.1. **Title.** The Meadows and Marsh-Hill represent and warrant to York Water that they have good title to their Water Supply and Distribution System as defined in Section 2 and depicted on **APPENDIX A** free and clear of all liens and encumbrances except existing easements, conditions and restrictions, if any, that do not materially impact the operation of the Water Supply and Distribution System.

4.2. **Current Service.** The Meadows and Marsh-Hill represent and warrant to York Water that they are presently serving approximately 78 water customers on a regular basis.

4.3. **Compliance with Statutes and Regulations.** The Meadows and Marsh Hill represent and warrant to York Water that they comply with any and all applicable statutes and regulations relevant to the operation of the Water Supply and Distribution System.

4.4. **Outstanding Obligations.** Any existing refunding arrangements, agreements or contracts have been disclosed to York Water and shall remain the obligation of The Meadows and Marsh-Hill.

4.5. **Delinquency.** The Meadows and Marsh-Hill represent and warrant that they are not delinquent or in default on any loan, contract or obligation.

4.6. **Litigation.** The Meadows and Marsh-Hill represent and warrant that there is no litigation of any nature, pending or threatened against or involving The Meadows or Marsh-Hill seeking to restrain or enjoin, or restraining or enjoining, the sale of the Water Supply and Distribution System to York Water or the execution and delivery by The Meadows or Marsh-Hill of this Agreement or the Closing Documents. Neither The Meadows nor Marsh-Hill has received notice of nor has knowledge of any action, claim or proceeding pending or threatened against it.

4.7. **Representations of York Water.** York Water represents that it is properly licensed and authorized by the Commonwealth of Pennsylvania and Public Utility Commission and has the full right, power and authority to execute, deliver and carry out the terms of this Agreement and to consummate the transaction contemplated on its part as buyer herein once approval has been granted by the Commission to provide water utility service in this area. The individuals who have executed this Agreement and other documents herein on behalf of York Water have the authority to legally bind the company in the present Agreement. This Agreement and all other agreements and documents executed in connection herewith by York Water, upon due execution and delivery thereof, shall constitute the valid binding obligation of York Water,

enforceable in accordance with their respective terms, except as enforcement may be limited by law or equity.

4.8 **Continuance of Representations and Warranties.** The parties hereto agree that their foregoing respective representations and warranties shall be true as of the date of the Agreement and as of the Closing, subject, however, to any changes after the date of the Agreement because of any action expressly contemplated by this Agreement or otherwise approved in writing by both parties. The Meadows and Marsh-Hill further agree that its representations and warranties to York Water in this Agreement shall survive closing for a period of two (2) years.

4.9 **Rates for The Meadows and Marsh-Hill.** York Water agrees to charge its PUC approved re-pumped rates to all active The Meadows and Marsh-Hill customers. In accordance with Paragraph 13, rates and other aspects of service, from time to time, may be modified by the PUC.

5. **CLOSING.** The Closing shall take place within 30 days after all conditions set forth in Paragraph 6 have been met, following a "Notice of Completion of Facilities" by York Water unless all parties agree to an alternate closing date. York Water will bill its customers within the Service Area for all water furnished on and after the date of Closing and shall retain all funds received for water furnished from that date forward.

6. **CONDITIONS TO CLOSING.** The obligation of the parties to proceed to Closing is subject to fulfillment of the following further conditions:

6.1. **Regulatory Approvals.** This Agreement is subject to York Water receiving all requisite permits and approvals for the transaction contemplated by this Agreement from the Pennsylvania Public Utility Commission ("Commission"), the Pennsylvania Department of Environmental Protection ("DEP"), the Pennsylvania Department of Transportation

("PennDOT"), and the Interstate Commission on the Potomac River Basin ("ICPRB") and any and all other applicable authorities having jurisdiction. York Water shall initiate and timely prosecute in good faith and with due diligence, at its sole expense, necessary proceedings to obtain such permits and approvals. The Meadows and Marsh-Hill agree to provide such information, documents and assistance as may be reasonably requested by York Water in order to obtain such approvals.

6.2 This agreement is subject to the members of The Meadows approving certain changes to its Articles of Incorporation to permit transfer and conveyance of the Water Supply and Distribution System to a public utility. The Meadows shall initiate and timely prosecute in good faith and with due diligence, at its sole expense, necessary approval and filing of such amended Articles of Incorporation.

7. **CLOSING DOCUMENTS.** At the Closing, The Meadows and Marsh-Hill shall sell, transfer, assign and convey to York Water the real and personal property described on **APPENDIX A** and shall deliver or cause to be delivered the following documents:

7.1. **Bill of Sale** for the personal property, assignments of any existing easements and rights-of-way by The Meadows and Marsh-Hill, and an Easement Agreement conveying exclusive access and an exclusive right to use and operate Well Number 1 and Well Number 2, duly executed by The Meadows and Marsh-Hill in form for recording.

7.2. **Certificates** duly signed by the owner(s) of The Meadows and Marsh-Hill to the effect that the representations and warranties set forth in Paragraph 4 hereof are true and correct as of the Closing.

7.3. **Copies of operating records** relating to the Source of Supply and Water Distribution System as may be reasonably required by York Water including, but not limited to, a copy of an up to date customer list stating the names and addresses of all water users.

- 7.4. **A favorable opinion of counsel** for The Meadows to the effect that:
- i. The Meadows is a duly formed, validly existing nonprofit corporation in good standing under the laws of the Commonwealth of Pennsylvania; is qualified to transact business under the laws of the Commonwealth of Pennsylvania, and has the legal authority to sell its Water Supply and Distribution System ;
 - ii. The Meadows, acting through its duly authorized officers, has executed and delivered this Agreement and the Closing Documents, all of which are enforceable against The Meadows in accordance with their terms, subject to applicable laws of bankruptcy and similar laws;
 - iii. To the best of counsel's knowledge, there is no litigation or proceedings pending or threatened against The Meadows, which relate adversely to The Meadows' ability (a) to conduct its business, (b) to transfer its assets or (c) to consummate the transactions contemplated by this Agreement.

- 7.5. **A favorable opinion of counsel** for Marsh-Hill to the effect that:
- i. Marsh-Hill is a duly formed, validly existing nonprofit corporation in good standing under the laws of the Commonwealth of Pennsylvania; is qualified to transact business under the laws of the Commonwealth of Pennsylvania, and has the legal authority to take all actions in connection with the sale of the Water Supply and Distribution System as contemplated by this Agreement;
 - ii. Marsh-Hill, acting through its duly authorized officers, has executed and delivered this Agreement and the Closing Documents, all of which are

enforceable against Marsh-Hill in accordance with their terms, subject to applicable laws of bankruptcy and similar laws;

- iii. To the best of counsel's knowledge, there is no litigation or proceedings pending or threatened against Marsh-Hill, which relate adversely to Marsh-Hill's ability (a) to conduct its business, (b) to grant and convey all attendant rights and easements or (c) to consummate the transactions contemplated by this Agreement.

7.6. Permanent Utility and Access and Easement Agreement for Supply and Distribution System and Facilities to provide for long term access across lands of Marsh-Hill for operation, maintenance, and other access to all water distribution and supply related facilities of The Meadows.

7.7. Covenants of Further Assurances to the effect that The Meadows and Marsh-Hill shall from time to time take such further actions and execute and deliver such other documents and instruments at the request and cost of York Water as may be necessary or desirable to give full force and effect to the provisions of the Agreement.

8. COMMISSION. No broker's, finder's or agent's fees or commission 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 Supply and Distribution System of The Meadows and Marsh-Hill. York Water represents that it has had no dealing with any broker or agent in connection with this transaction.

9. REGULAR COURSE OF BUSINESS.

9.1. Conduct of Business. At all times between the dates of this Agreement and the Closing, The Meadows agrees to conduct its business of supplying water to its water customers and the operation of its Water Supply and Distribution System and to keep the books

relating thereto in the ordinary manner and regular and customary course of business and The Meadows and Marsh-Hill further agree not to dispose of or otherwise assign, grant or convey any of the assets of said Water Supply and Distribution System without the prior written consent of York Water, and further agree not to enter into any main extension agreements that call for The Meadows or Marsh-Hill to make the extension at its cost, or changes to the system or 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. The Meadows and Marsh-Hill will not terminate or fail to renew any of their respective insurance coverages prior to Closing. At all times between the dates of this Agreement and the Closing, The Meadows shall continue as the certified operator in responsible charge of the Water Supply and Distribution System and water operations.

9.2 Reserved.

9.3. Debt Coverage. It is understood and agreed that The Meadows and Marsh-Hill shall retain responsibility for the payment of all debts associated with the Water Supply and Distribution System that were incurred by The Meadows and Marsh-Hill prior to the date of Closing, including, but not limited to, short-term debt.

10. ASSUMPTION OF LIABILITIES. It is understood and agreed that York Water is purchasing assets and does not and shall not assume or in any way undertake to pay or discharge any obligations or liabilities of The Meadows or Marsh-Hill before, on or after the Closing Date, arising out of any transactions entered into, or any facts existing before, on or after the Closing Date, except as specifically provided herein. The Meadows and Marsh-Hill agree to pay or discharge their obligations and liabilities not assumed by York Water when due, and will indemnify and hold York Water harmless from any liability or claim arising from The Meadows' or Marsh-Hill's obligations or liabilities not expressly assumed by York Water.

11. **RISK OF LOSS.** Except as otherwise provided in this Agreement, The Meadows and Marsh-Hill assume all risks of destruction, loss, or damage to the Water Supply and Distribution System due to fire or other casualty up to the date of Closing. In the event any of the Water Supply and Distribution System shall be destroyed or damaged prior to the date of Closing, the part or parts so destroyed or damaged shall be replaced or repaired by The Meadows and Marsh-Hill at their sole cost and expense, except as otherwise provided in this Agreement, and unless York Water agrees that the purchase price provided herein may be reduced by an amount equal to the estimated cost of replacement or repair of the part or parts so destroyed or damaged; provided, however, if any such destruction or damage shall, in the opinion of York Water, be so extensive as to materially and adversely to affect the operating condition of the Water Supply and Distribution System, then, and in that event, York Water shall not be obligated to consummate the purchase and sale contemplated herein, and York Water shall not have any obligations whatever to The Meadows or Marsh-Hill by reason hereof. The risk of loss described within this paragraph 11 shall not include any loss or damage occasioned by actions of York Water, or their agents or employees, upon the Property.

12. **ACCESS AND INFORMATION.** The Meadows and Marsh-Hill will give to authorized representatives of York Water, upon reasonable notice, full access during normal business hours throughout the period prior to the Closing to the assets, inventory, books, contracts, extension agreements, and records of The Meadows and Marsh-Hill relating to the Water Supply and Distribution System, and furnish York Water during such period with all such material and information relating thereto as York Water may reasonably request.

13. **RIGHTS OF THE PUC, DEP AND OTHER REGULATORY AGENCIES.** York Water is regulated by the PUC as well as other governmental agencies. Nothing in this Agreement is intended to supersede, expand, or limit any powers of these regulatory agencies. In

all conflicts between this Agreement and another regulatory agency, the regulatory agency requirements shall supersede this Agreement.

14. **CAPTIONS.** The paragraph captions contained in this Agreement shall not be construed as part of the Agreement, but are used merely for ready reference purposes.

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

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

17. **NOTICES.** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid, registered mail, return receipt requested:

If to The Meadows, to:

The Meadows Property Owners Association, Inc.
c/o Ronald H. Smith, Secretary/Treasurer
P.O. Box 3902
Gettysburg, PA 17325-8185

If to Marsh-Hill, to:

Marsh-Hill Community Association, Inc.
c/o Ronald H. Smith, Secretary/Treasurer
P.O. Box 3791
Gettysburg, PA 17325

If to York Water, to:

Jeffrey R. Hincs
President and CEO
The York Water Company
130 East Market Street
York, PA 17401

18. **DEFAULT.** Time shall be of the essence with respect to performance of any obligation arising under this Agreement. Should any party violate or fail to fulfill and perform any

of the terms and conditions of this Agreement, the non-breaching party(ies) may elect to proceed against the breaching party for either actual damages incurred by the non-breaching party(ies) or to pursue specific performance of this Agreement.

19. RECORDING. This Agreement shall not be recorded in the Office of the Recorder of Deeds or in any other office or place of public record.

20. ENTIRE AGREEMENT. This Agreement contains the entire agreement between The Meadows, Marsh-Hill and York Water. There are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise of any kind whatsoever concerning this sale. Further, this Agreement shall not be altered, amended, changed or modified except in writing executed by all parties.

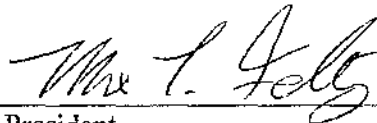
21. EXECUTION. This Agreement may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument which may be sufficiently evidenced by one counterpart. The exchange of copies of this Agreement and of signature pages by facsimile transmission or electronically via e-mail shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or electronically via e-mail shall be deemed to be their original signatures for all purposes.

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

ATTEST:


THE MEADOWS PROPERTY OWNERS
ASSOCIATION, INC.

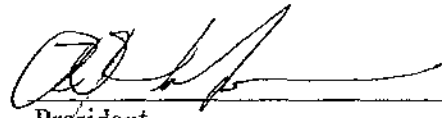

Secretary/Treasurer

By: 
President

ATTEST:


MARSH-HILL COMMUNITY
ASSOCIATION, INC.

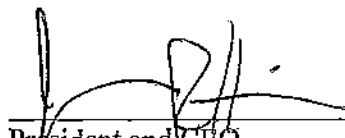

Secretary/Treasurer

By: 
President

ATTEST:

THE YORK WATER COMPANY

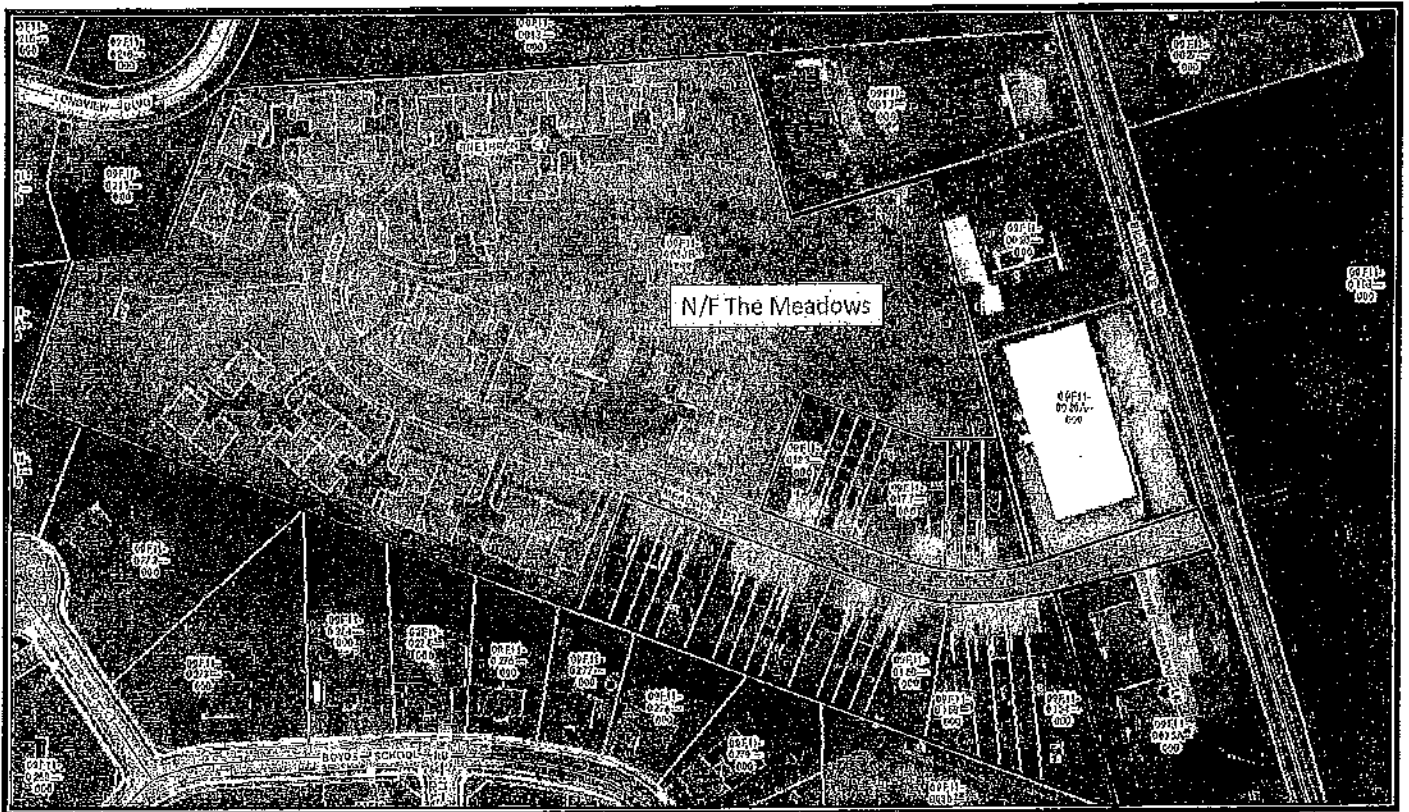

Asst. Secretary

By: 
President and CEO

APPENDIX "A"

ASSETS TO BE CONVEYED

- A. All water mains, service lines (from water main to edge of right-of-way or street), curb boxes and appurtenant fixtures and equipment in place and used in the water distribution system.
- B. All water valves presently in place in the water distribution system.
- C. All water meters owned by The Meadows or Marsh-Hill and presently in place throughout the water distribution system, and all new, unused water meters owned by The Meadows or Marsh-Hill.
- D. The exclusive right to draw from all operating wells owned by Marsh-Hill and/or operated by The Meadows, terminable only on abandonment.
- E. The existing underground water storage tank, utility shed, pump, pipe, and fittings.



PERMANENT UTILITY AND ACCESS EASEMENT AGREEMENT

THIS PERMANENT UTILITY AND ACCESS EASEMENT AGREEMENT (this "Agreement") is made this 6th day of November, 2014, between The Meadows Property Owners Association, Inc., a Pennsylvania nonprofit corporation of Gettysburg, Adams County, Pennsylvania ("The Meadows"), Marsh-Hill Community Association, Inc., a Pennsylvania nonprofit corporation of Gettysburg, Adams County, Pennsylvania ("Grantor") and The York Water Company, a corporation organized under the laws of the Commonwealth of Pennsylvania, having its principal place of business in the City and County of York and Commonwealth of Pennsylvania ("Grantee"):

WHEREAS, The Meadows owns facilities used for and is engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the inhabitants of The Meadows and the Marsh-Hill development and community in the Township of Cumberland in Adams County; and

WHEREAS, Grantor is the owner of the real estate which contains and is improved with the facilities comprising the Water Supply and Distribution System of The Meadows; and

WHEREAS, Grantor intends to maintain residential facilities on tracts of land in Cumberland Township, Adams County, PA owned by the Grantor, said tract of land identified as Adams County Tax Parcel 09F11-0033B--888 ("Property"); and

WHEREAS, Grantee is a public utility that supplies water to customers throughout York and Adams County; and

WHEREAS, in order to better serve the Grantor and other customers in the area, Grantee has proposed to operate and maintain existing water supply, water mains and facilities, and construct new water mains and facilities on the Property; and

WHEREAS, to operate and maintain a ground water supply to the Property, 25 Pa. Code §109.4 requires the Grantee to protect the water sources under the Grantee's control, provide and effectively operate and maintain the public water system facilities, and take whatever investigative or corrective action which is necessary to assure that safe and potable water is continuously supplied to the users; and §109.602(a) requires that a public water system shall be designed to provide an adequate and reliable quantity and quality of water to the public; and 109.603(a) requires the Grantee to take reasonable measures to protect sources from existing or foreseeable sources of contamination and causes of diminution; and §109.603(b) requires that Grantee must own or substantially control through a deed restriction the Zone I Wellhead Protection Area for well Number 2, and for well Number 1 must have certain and unrestricted easement rights granting the right of access to construct and maintain facilities on the Property and must have an exclusive and unrestricted easement for access to that portion of the Property upon which is located Well Number 2 (together with the rights granted in the Original Agreement, the "Easement"); and

WHEREAS, Grantor is willing to grant to Grantee the Easements herein described pursuant to the terms set forth in this Agreement.

NOW, THEREFORE, the parties, intending to be legally bound hereby, and in consideration of the payment of One (\$1.00) Dollar, receipt of which is hereby acknowledged, as well as the mutual covenants contained herein, do hereby agree as follows:

1. Incorporation of Recitals.

The above Recitals are hereby incorporated into this agreement as if set forth herein.

2. Permanent Zone I Well Number 2, Wellhead Protection Easement.

Grantor hereby grants and conveys to Grantee, its successors and assigns, the uninterrupted and exclusive easement and right of access, ingress and egress over the easement area designated the "Permanent Zone I Well Number 2, Wellhead Protection Easement," as shown on Exhibit "A" attached hereto and incorporated herein ("Permanent Zone I Well Number

2, Wellhead Protection Easement"). The Permanent Zone I Well Number 2, Wellhead Protection Easement shall be for the purpose of controlling, operating and maintaining the groundwater well, pumps and waterworks within the 100 Foot Radial Zone I Wellhead Protection Area and any other utility devices, facilities, cabinets, structures, antennae, fences and pavement, as determined by the Grantee, together with all fittings and appurtenances as may be necessary or convenient for the operation of same, and thereafter, to use, operate, inspect, repair, maintain, replace, enlarge and remove said facilities, fittings and appurtenances, together with all rights of ingress, egress and regress on, over and across said Permanent Zone I Well Number 2, Wellhead Protection Easement necessary and convenient for the full and complete use by the Grantee of the rights granted hereby, including the right to clear trees, brush and other obstructions from the surface of the Permanent Zone I Well Number 2, Wellhead Protection Easement. Grantee shall have the right to erect and maintain such fencing, gates, boundaries and devices as Grantee may in its discretion deem necessary or desirable to restrict access to and assure the security and operation of the Permanent Zone I Well Number 2, Wellhead Protection Easement.

3. Enforcement of Zone I Well Numbers 1 & 2, Wellhead Protection Area.

Grantor, its successors and assigns, shall comply with the Zone I Wellhead Protection Area conditions of the Public Water Supply permit(s) for Well Numbers 1 & 2, said Wellhead Protection Areas as shown on Exhibits "A" and "B" attached hereto and incorporated herein. Grantor shall take reasonable measures in order to protect the water sources under the Grantee's control and shall take whatever reasonable investigative or corrective action which is necessary to assure the Grantee's ability that safe and potable water is continuously supplied to the users. Further, Grantor shall take reasonable measures within its control to protect Well Numbers 1 & 2 from existing or foreseeable sources of contamination and causes of diminution. Grantor shall take reasonable measures within its control to ensure no new potential sources of contamination may be added within 100 feet of Well Numbers 1 & 2. Improvements existing at the time of execution may be replaced by Grantee with substantially similar improvements.

4. Permanent Utility Easement.

Grantor grants and conveys to Grantec, its successors and assigns, a Permanent Utility Easement in and across the entire Property, all as more fully shown on the attached plan, incorporated herein and marked as Exhibit "C." The Permanent Utility Easement shall be for the purpose of constructing and installing water mains, as determined by the Grantee in its discretion, together with all fittings and appurtenances as may be necessary or convenient from time to time for the operation of same, and thereafter, to use, operate, inspect, repair, maintain, replace, enlarge and remove said water mains, fittings and appurtenances, together with all rights of ingress, egress and regress on, over and across said Permanent Utility Easement as may be necessary and convenient for the full and complete use by the Grantee of the rights granted hereby, including the right to clear trees, brush and other obstructions from the surface of the Easement Area that impact Grantee's ability to execute any activity incidental to the rights granted in this paragraph. Grantec's obligation to its customers and Grantee's ownership of facilities installed extend to the point of the service line valve adjacent to each home. Grantee shall maintain ownership of replacement water meters. Water meters shall be protected by the customer as described in Grantee's Tariff. The grant of the Permanent Utility and Access Easement on the Property shall include the right to maintain the facilities installed within the limits of the Easement, from time to time and at any time in Grantee's discretion.

5. Permanent Well Protection, Water Storage Tank and Treatment Works Easement.

Grantor hereby grants and conveys to Grantee, its successors and assigns, the uninterrupted and exclusive easement and right of access, ingress and egress over the easement area designated the "Permanent Well Protection, Water Storage Tank and Treatment Works Easement," as shown on Exhibit "D" attached hereto and incorporated herein ("Permanent Well Protection, Water Storage Tank and Treatment Works Easement"). The Permanent Well Protection, Water Storage Tank and Treatment Works Easement shall be for the purpose of operating and maintaining the wells, water storage tank, pumps and treatment works housed in

the utility shed and any other utility devices, facilities, cabinets, structures, antennae, fences and pavement, as determined by the Grantee, together with all fittings and appurtenances as may be necessary or convenient for the operation of same, and thereafter, to use, operate, inspect, repair, maintain, replace, enlarge and remove said facilities, fittings and appurtenances, together with all rights of ingress, egress and regress on, over and across said Permanent Well Protection, Water Storage Tank and Treatment Works Easement necessary and convenient for the full and complete use by the Grantee of the rights granted hereby, including the right to clear trees, brush and other obstructions from the surface of the Permanent Well Protection, Water Storage Tank and Treatment Works Easement. Grantee shall have the right to erect and maintain such fencing, gates, boundaries and devices as Grantee may in its discretion deem necessary or desirable to restrict access to and assure the security and operation of the Permanent Well Protection, Water Storage Tank and Treatment Works Easement.

6. Consideration.

The consideration set forth in this Agreement is full and complete consideration for the Easements herein granted, and for any and all damage to the Property, to any interest of Grantor therein, or any other property of Grantor.

7. Title to Property.

Grantor hereby warrants and represents to Grantee that it holds good title to the Property free and clear of liens and encumbrances except existing easements, conditions and restrictions, if any, that do not materially impact or interfere with the easement rights granted herein.

8. Grantee's Costs.

Grantee shall be solely responsible for all costs and expenses associated with the construction, installation, maintenance, repair, inspection and operation of its facilities on the Property in the Permanent Zone I Well Number 2, Wellhead Protection Easement, the Permanent Utility Easement Area and the Permanent Well Protection, Water Storage Tank and Treatment Works Easement Areas.

9. Indemnification

Grantee agrees to release, hold harmless and indemnify Grantor from and against any and all claims, whether at law or equity, for damages of any kind whatsoever arising directly or indirectly from the construction, installation, maintenance, repair, inspection and operation of said facilities contemplated hereunder including, but not limited to, injury to person or property or loss of life, except to the extent caused by the negligence or willful misconduct of Grantor, or its officers, agents, employees or contractors.

10. No Interference or Obstruction.

Said Grantor, for itself, its successors and assigns, hereby covenants and agrees to and with the Grantee, its successors and assigns, that neither it nor any of its successors or assigns, shall or will interfere in any way whatsoever with the exercise of the rights hereby given the Grantee, its successors or assigns, or shall or will erect or maintain or cause or allow to be erected or maintained, any obstruction or obstructions of any nature whatsoever, including but not by way of limitation any structure, wall, fence, pole, tree, shrubbery, garden, septic tank, drainfield, cesspool, dry well, other on-lot sewage disposal equipment, liquid fossil fuel tank or other impediment of any nature whatsoever not hereinbefore enumerated in, on, under, along or upon said Zone I Wellhead Protection Area or tracts of land whereby access to Well Number 1, Well Number 2, facilities, pipe or pipes, wires, valves, fittings, appliances, accessories and other appurtenant equipment hereinbefore authorized to be laid shall or may be hindered, impeded or damaged in any manner whatsoever, and in the event of any such obstruction, hindrance or impediment, with the exception of pre-existing structures located within the easement as of the date of this agreement, the same may be removed without payment of damages by the Grantee, its successors or assigns, whenever such action shall reasonably be deemed by it to be necessary or advisable, and further covenants and agrees that this covenant and agreement and all of the terms, provisions and agreements of Grantor herein made shall run with the land, and further the Grantor does hereby warrant specially the easement hereby granted and Grantor's title to the

premises in, on, under, along and upon which the said right of way is granted against adverse mortgages, judgments and other liens.

11. Grantee's Covenant to Backfill.

Grantee covenants and agrees for itself, its successors and assigns, that it, or its successors or assigns, respectively, shall and will, from time to time, backfill any excavations made by it or them, respectively, in said easement or tracts of land and, except to the extent that there may be any violations of the provisions of the previous paragraph hereof, shall replace and restore the surface of the trench or trenches so excavated to the same grade and condition as existed before such excavation or excavations were made.

12. Personal Property.

It is the intention of the parties hereto, and accordingly agreed by the Grantor and the Grantee, for themselves and their successors or assigns, that none of the facilities being now or at any time hereafter installed in the aforesaid Easements by the Grantee shall be deemed to be or shall become part of the real estate or subject to any mortgage, lien or encumbrance thereon, but rather the same shall at all times remain the personal property of the Grantee, its successors or assigns.

13. Binding Agreement.

This Agreement shall be binding upon the parties hereto, their successors and assigns, and the Easements herein granted shall run with the land.

14. No Amendment or Modification.

The Easements granted herein shall not be altered, modified, limited, amended or terminated, except by means of a written instrument or instruments, executed by both Grantee and Grantor. This Agreement and any subsequent amendment or modification may be recorded in the Office of Recorder of Deeds in and for Adams County.

IN WITNESS WHEREOF, intending to be legally bound hereby, the undersigned parties hereto have executed or caused to be executed these presents the day and year first above written.

WITNESS:

THE MEADOWS PROPERTY OWNERS ASSOCIATION, INC.

[Signature]
Secretary/Treasurer

By: [Signature]
President

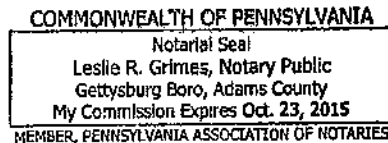
COMMONWEALTH OF PENNSYLVANIA)
(SS.
COUNTY OF ADAMS)

On this 6th day of November, 2014, before me, a Notary Public, the undersigned officer, personally appeared Max T. Felty, known to me (or satisfactorily proven) to be the President of The Meadows Property Owners Association, Inc., and he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of The Meadows Property Owners Association, Inc. by himself as President.

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

Leslie R. Grimes
Notary Public

My Commission Expires:



WITNESS:

MARSH-HILL COMMUNITY
ASSOCIATION, INC.

Ronald H. Smith
Secretary/Treasurer

By: *[Signature]*
President

COMMONWEALTH OF PENNSYLVANIA

)
(SS.

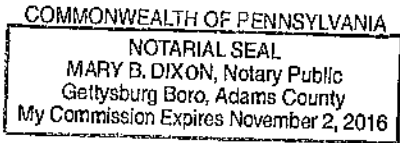
COUNTY OF ADAMS

)

On this 6th day of November, 2014, before me, a Notary Public, the undersigned officer, personally appeared Richard R. Hohmann, known to me (or satisfactorily proven) to be the President of Marsh-Hill Community Association, Inc., and he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of Marsh-Hill Community Association, Inc. by himself as President.

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

Mary B Dixon
Notary Public
My commission expires:



ATTEST:

B. C. Howell
Secretary

THE YORK WATER COMPANY

By: J. R. Hines
President

COMMONWEALTH OF PENNSYLVANIA)
) (SS.
COUNTY OF YORK)

On this 6th day of November, 2014, before me, a Notary Public, the undersigned officer, personally appeared Jeffrey R. Hines, known to me (or satisfactorily proven) to be the President of The York Water Company and acknowledged that he executed the same for the purposes therein contained.

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

Cynthia L. Howell
Notary Public

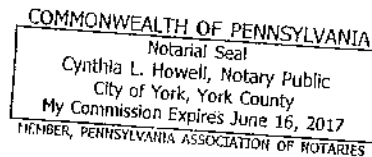
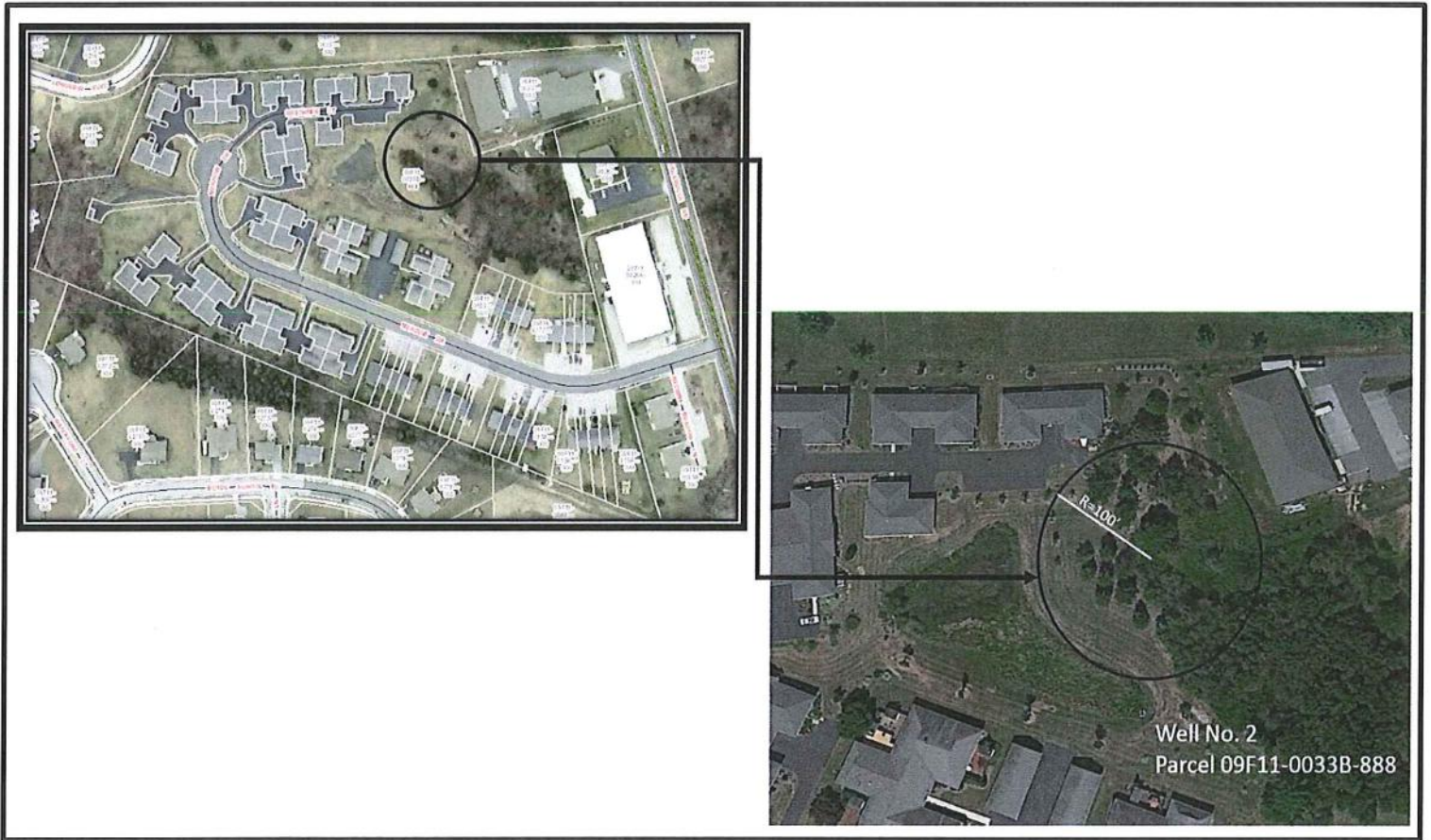


EXHIBIT A
PERMANENT ZONE I WELL NUMBER 2, WELLHEAD PROTECTION EASEMENT



Easement and uninterrupted and exclusive right over the 100 Foot radial easement area (“Permanent Zone I Well Number 2, Wellhead Protection Easement”), as shown. Permanent Zone I Well Number 2, Wellhead Protection Easement shall be for the purpose of controlling, operating the groundwater well, pumps and waterworks within the 100 foot Radial Zone I Wellhead Protection Area and any other utility devices, facilities, cabinets, structures, antennae, fences and pavement, as determined by the grantee, together with all fittings and appurtenances as may be necessary or convenient for the operation of same, and thereafter, to use, operate, inspect, repair, maintain, replace, enlarge and remove said facilities, fittings and appurtenances, together with all rights of ingress, egress and regress on, over and across said Permanent Zone I Well Number 2, Wellhead Protection Easement necessary and convenient for the full and complete use by the Grantee of the rights granted hereby, including the right to clear trees, brush and other obstructions from the surface of the Permanent Zone I Well Number 2, Wellhead Protection Easement.

EXHIBIT B
ZONE I WELL NUMBER 1, WELLHEAD PROTECTION AREA



EXHIBIT C
PERMANENT UTILITY EASEMENT

York Water Easement shall encompass: All existing water lines and service lines; and an additional ten (10) feet on either side of existing water lines and service lines; and reasonable access to said water lines and service lines; and one hundred (100) feet radially wellhead protection area for wells number 1 and 2; and all existing paved roads and driveways; and an additional five (5) feet on either side of all existing paved roads and driveways for installation and access to future water facilities.

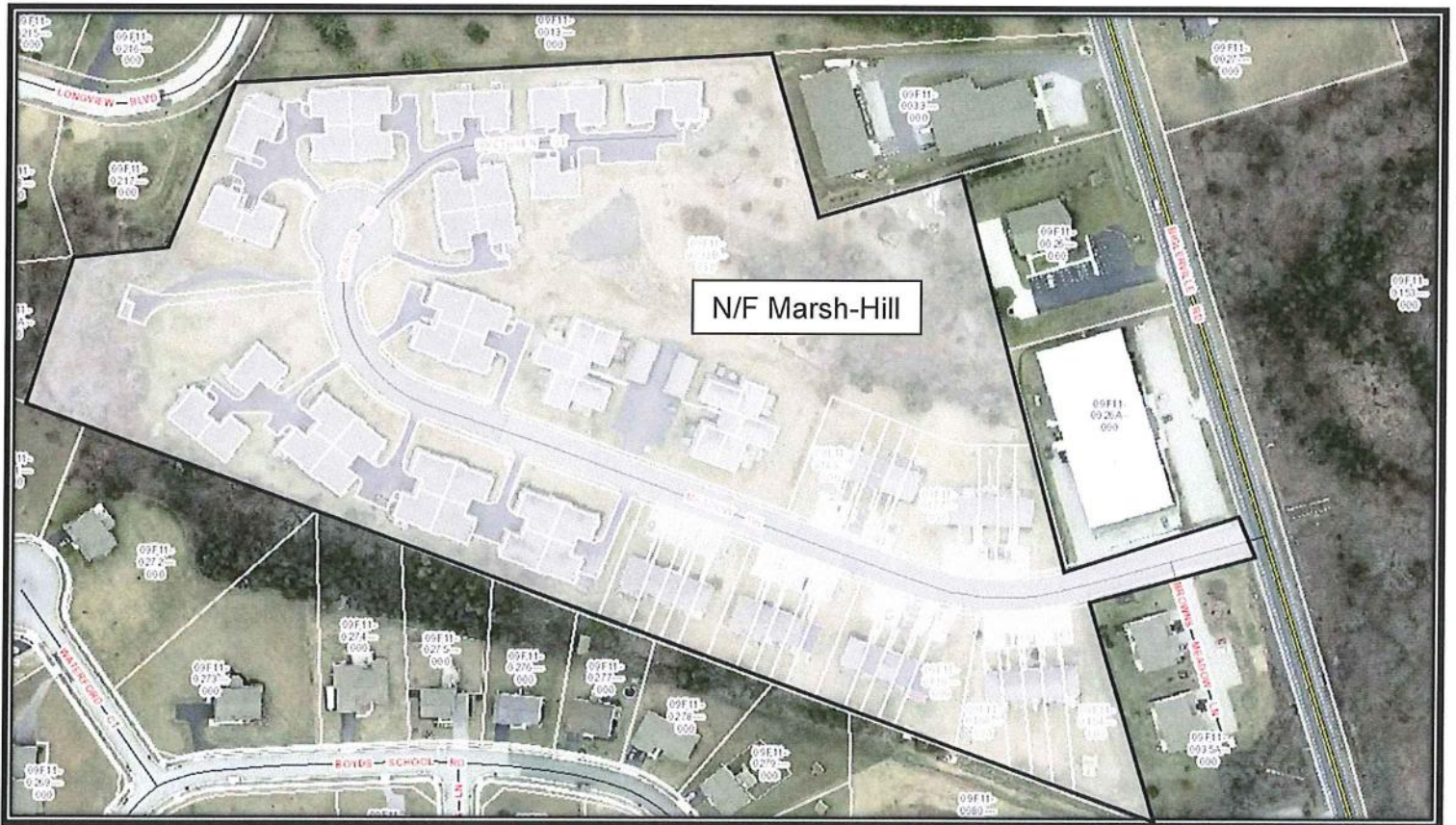
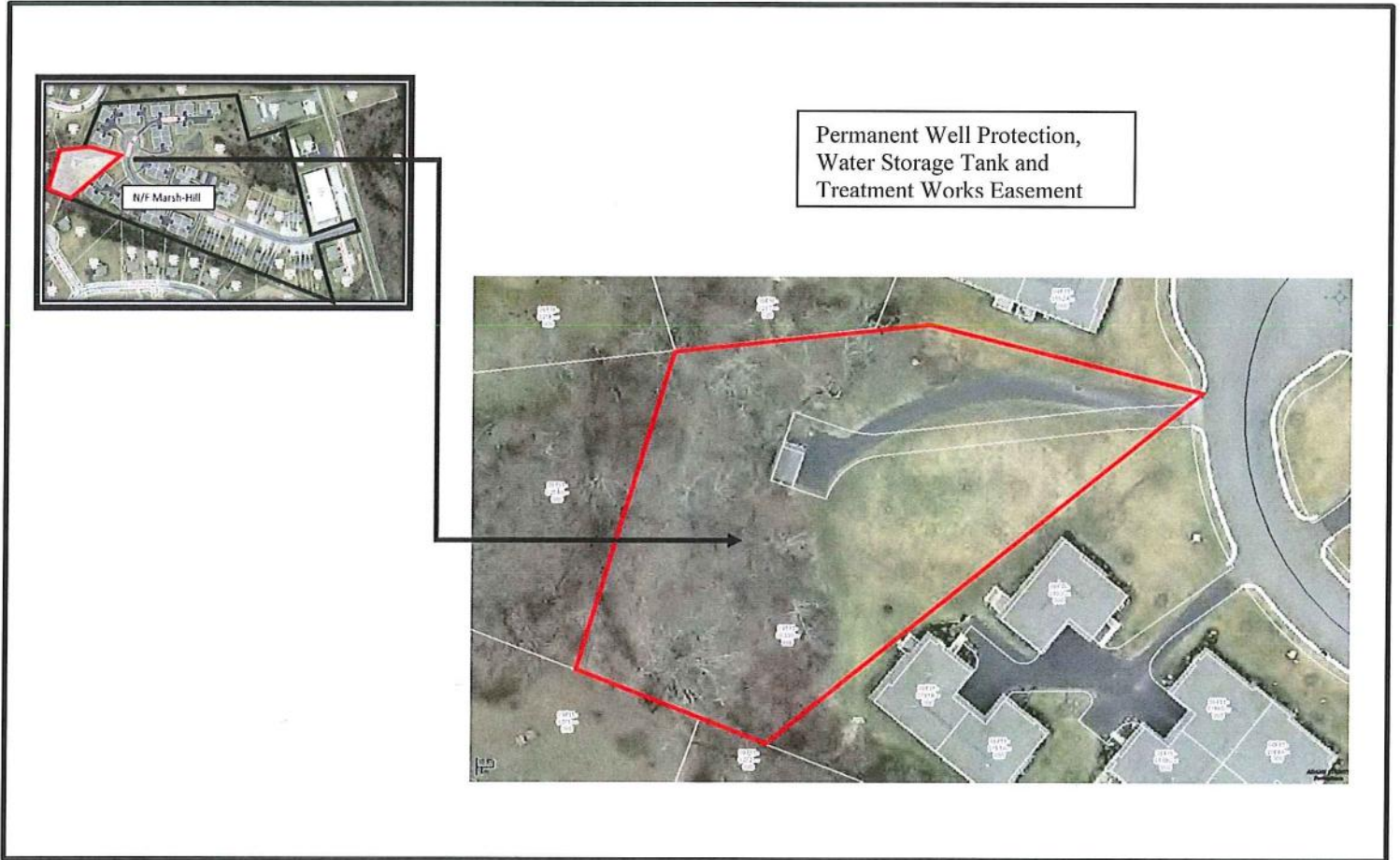


EXHIBIT D
PERMANENT WELL PROTECTION, WATER STORAGE TANK AND TREATMENT
WORKS EASEMENT



Easement and uninterrupted and exclusive right over the easement area (“Permanent Well Protection, Water Storage Tank and Treatment Works Easement”), as shown. Permanent Well Protection, Water Storage Tank and Treatment Works Easement shall be for the purpose of controlling, operating and maintaining Well Number 1, the water storage tank, pumps and treatment works housed in the utility shed and any other utility devices, facilities, cabinets, structures, antennae, fences and pavement, as determined by the grantee, together with all fittings and appurtenances as may be necessary or convenient for the operation of same, and thereafter, to use, operate, inspect, repair, maintain, replace, enlarge and remove said facilities, fittings and appurtenances, together with all rights of ingress, egress and regress on, over and across said Permanent Well Protection, Water Storage Tank and Treatment Works Easement necessary and convenient for the full and complete use by the Grantee of the rights granted hereby, including the right to clear trees, brush and other obstructions from the surface of the Permanent Well Protection, Water Storage Tank and Treatment Works Easement.