



**PENNSYLVANIA**  
**AMERICAN WATER**

800 West Hersheypark Drive  
Hershey, PA 17033  
P 717-531-3362  
F 717-531-3399  
[Seth.mendelsohn@amwater.com](mailto:Seth.mendelsohn@amwater.com)

**Seth A. Mendelsohn**  
Corporate Counsel

December 31, 2014

Rosemary Chiavetta  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, PO Box 3265  
Harrisburg, PA 17105-3265

**In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of McEwensville Municipal Authority, properties and rights related to its public water and wastewater systems to Pennsylvania-American Water Company, (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish water service to the public in McEwensville Borough and an additional portion of Delaware Township, Northumberland County, Pennsylvania, and (3) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in McEwensville Borough and a portion of Delaware Township, Northumberland County, Pennsylvania.**

Dear Ms. Chiavetta:

On behalf of Pennsylvania-American Water Company, I am e-filing an original copy of the above-referenced Application, together with payment in the amount of \$350 for the Commission's filing fee.

Sincerely,

Seth A. Mendelsohn

Enclosures

cc: Office of Consumer Advocate  
Office of Small Business Advocate  
Department of Environmental Protection

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

**In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of McEwensville Municipal Authority, properties and rights related to its public water and wastewater systems to Pennsylvania-American Water Company, (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish water service to the public in McEwensville Borough and an additional portion of Delaware Township, Northumberland County, Pennsylvania, and (3) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in McEwensville Borough and a portion of Delaware Township, Northumberland County, Pennsylvania.**

**Application No. \_\_\_\_\_**

**TO PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

1. Pennsylvania-American Water Company ("Pennsylvania-American" or "PAWC") hereby requests that the Pennsylvania Public Utility Commission ("PUC" or the "Commission") issue Certificates of Public Convenience evidencing its approval under Sections 1102(a) and 507 of the Public Utility Code (66 Pa.C.S. §1102(a), 507) of: (1) Pennsylvania-American's acquisition of substantially all of the assets, properties and rights of McEwensville Municipal Authority ("MBMA") related to, or used in connection with, its public water and wastewater systems; (2) Pennsylvania-American's right to offer, render, furnish and supply water and wastewater service in the areas served by MBMA.

2. The name and address of the Applicant is:

Pennsylvania-American Water Company  
800 West Hershey Park Drive  
Hershey, PA 17033

3. The names and address of the Applicant's attorneys are:

Susan D. Simms, Esquire  
Seth A. Mendelsohn, Esquire  
Pennsylvania-American Water Company  
800 West Hershey Park Drive  
Hershey, PA 17033  
(717) 531-3210

4. MBMA is a municipal authority that owns and operates a public water and wastewater system providing water and wastewater services to the public in McEwensville Borough and a portion of Delaware Township, Northumberland County, Pennsylvania.

5. Pennsylvania-American is a regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and is engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the public, and collecting, treating, transporting and disposing of wastewater and sewage for the public. Water and wastewater service is furnished by Pennsylvania-American to the public in a service territory encompassing more than 400 communities across the Commonwealth with a combined population of over 2,100,000. A description of Pennsylvania-American's certificated water and wastewater service territory is found at Exhibit A, along with a detailed corporate history, outlining all of the mergers, acquisitions and consolidations which have created Pennsylvania-American as it exists today.

6. As of December 1, 2014, MBMA furnished water service to approximately 156 residential customers (or 156 equivalent dwelling units (EDUs)) and furnished wastewater service to approximately 160 residential customers (or 160 EDUs).

7. As of November 30, 2014, Pennsylvania-American furnished water service to 649, 232 customers in the following classifications:

Residential	597,335
Commercial	44,661
Industrial	524
Municipal, Resale and Other	2,326
Fire Protection	4,386

and wastewater service to 17,109 customers in the following classifications:

Residential	16,157
Commercial	890
Industrial	7
Municipal	51
Sale for Resale	4

**A. TRANSFER, BY SALE, OF SUBSTANTIALLY ALL OF THE MBMA'S ASSETS, PROPERTIES AND RIGHTS RELATED TO ITS WATER AND WASTEWATER SYSTEMS TO PENNSYLVANIA-AMERICAN WATER COMPANY**

All of the preceding and succeeding paragraphs are incorporated by reference into this subpart A.

Summary of the Transaction

8. On December 17, 2014, MBMA entered into an agreement (Exhibit F) with Pennsylvania-American to sell the water and wastewater assets of MBMA.

Background Financial Information

9. There is attached hereto the balance sheet of MBMA as of December 31, 2013 (Exhibit B), which is the latest available, and Pennsylvania-American's unaudited balance sheet as of December 31, 2013 (Exhibit C). Please note that Pennsylvania-American will undertake an original cost study to determine the original cost and accumulated depreciation of MBMA's water and wastewater utility plant in service.

10. There is attached hereto the income statement of MBMA for the 12 months ended December 31, 2013 (Exhibit D) and Pennsylvania-American's unaudited income statement for the 12 months ended December 31, 2013 (Exhibit E).

11. All the annual reports, tariffs, certificates of public convenience, applications, securities certificates and similar documents filed with your Honorable Commission by Pennsylvania-American and its predecessors are made a part hereof by reference.

Terms And Impact of the Transaction

12. This Application seeks approval of the transfer to Pennsylvania-American of substantially all of the water and wastewater property and rights of MBMA. The terms and conditions of the transaction are contained in the executed Agreement between Pennsylvania-American and MBMA (Exhibit F). The specific property to be transferred is defined and described in Paragraph 1.1 of the Agreement.

13. The consideration for the transfer of the water and wastewater systems is as outlined in Paragraph 2.1 of the Agreement. The transaction is at arm's length.

14. No investment securities will be transferred in the proposed transaction.

15. There is attached hereto a pro forma balance sheet of Pennsylvania-American as of December 31, 2013, giving effect to the transfer (Exhibit G). However, as noted in Paragraph 9 above, Pennsylvania-American will update the original cost study through Closing for the purpose of establishing the depreciated original cost of the utility plant of MBMA. Once the original cost study is updated and the property's depreciated original cost and book value are finalized, Pennsylvania-American will amend the pro forma balance sheet giving effect to the transfer, accordingly.

16. There is attached hereto a pro forma consolidated income statement of Pennsylvania-American and MBMA for the 12 months ended December 31, 2013 (Exhibit H).

17. Tentative journal entries to record the transfer in Pennsylvania-American's accounts are set forth below, based upon the books of MBMA and the purchase price. However, as stated above, Pennsylvania-American will undertake an original cost study and will establish the depreciated original costs for MBMA's utility plant based on the results of the study.

Utility plant	\$1,510,000
Accumulated depreciation	\$1,140,000
Short term debt	\$370,000

18. There is attached a certified copy of the resolutions adopted by the Board of Directors of Pennsylvania-American authorizing the execution of the Agreement and the consummation of the proposed transfer (Exhibit I). A copy of the resolution adopted by the officers of MBMA authorizing the execution of the Agreement is attached as Exhibit J.

#### Effect on Service and Rates

19. The proposed transfer will have no detrimental effect on the service provided to Pennsylvania-American's existing customers or the customers transferred by MBMA. Pennsylvania-American suggests that the proposed transfer will have a beneficial effect on the customers of MBMA in that they will receive the benefit of Pennsylvania-American's experience in managing and operating water and wastewater systems which will result in efficiencies and improvements in the service to the customers to be transferred. Pennsylvania-American's existing customers will benefit because the acquisition will expand the customer base, over which existing costs are recovered and thereby, stabilize or reduce per-customer costs. The proposed transfer is in the public interest and satisfies the applicable standard of Section 1103 for, among other, the following reasons:

a. Pennsylvania-American has the managerial, technical and financial capabilities to safely and adequately operate the MBMA systems in compliance with the Public

Utility Code, the Clean Streams Law and other requisite regulatory requirements, and to make improvements as needed, on a short and long term basis.

b. The acquisition will further the Commission's goal of regionalization. MBMA's water and wastewater systems will become a part of a larger organization that is viable and is committed to providing improved service in the future. Any necessary system improvements can be completed within a reasonable period of time, without adversely affecting service to Pennsylvania-American existing customers.

c. The transferred customers will be served by a large, financially sound Company that has the capability to finance necessary capital additions. Given its size, access to the capital and its recognized strengths in system planning, capital budgeting and construction management, Pennsylvania-American is well-positioned to ensure that high quality water and wastewater service meeting federal and state requirements is provided to MBMA's customers and maintained for Pennsylvania-American's existing customers.

d. The transferred customers will benefit from enhanced customer service in a number of areas, such as additional bill payment options, extended customer service and call center hours, customer information and education programs.

e. The integration, by acquisition, of MBMA and Pennsylvania-American's existing operations creates opportunities for functional and operational consolidation, and associated efficiencies and cost savings.

20. The proposed transfer will have no immediate effect on the rates for service to be charged to Pennsylvania-American's existing customers. With regard to the customers to be transferred by MBMA to Pennsylvania-American, Pennsylvania-American will adopt MBMA's rates

existing at the time of Closing. MBMA's current rates are shown on Exhibit K and referenced at Schedule 6.2.2 of the Agreement.

21. Pennsylvania-American will finance the purchase with a note and cash.

22. The reason for the proposed transfer is the purchase by Pennsylvania-American of MBMA's water and wastewater systems.

23. Pennsylvania-American and MBMA are not affiliated with each other.

24. MBMA is not subject to any special or general assessments outstanding against it pursuant to Section 510 of the Public Utility Code.

**B. THE RIGHTS OF PENNSYLVANIA-AMERICAN TO OFFER OR FURNISH WATER AND WASTEWATER SERVICE TO THE PUBLIC IN MCEWENSVILLE BOROUGH AND AN ADDITIONAL PORTION OF DELAWARE TOWNSHIP, NORTHUMBERLAND COUNTY, PENNSYLVANIA.**

All of the preceding and succeeding paragraphs are incorporated by reference into this sub-part B.

25. Pennsylvania-American is currently furnishing water and wastewater services in the service territory outlined in Paragraph 5. MBMA is currently furnishing water and wastewater services to those areas outlined in Paragraph 4.

26. The area served by MBMA's water system is shown on the map at Exhibit L.1 and are further described on Exhibit L.2. The area served by MBMA's wastewater system is shown on the map at Exhibit M.1 and are further described on Exhibit M.2.

27. No additional permanent capital will be required by Pennsylvania-American for the purpose of financing the matters and things involved in this Application except as stated in paragraph 21.

28. No corporation, partnership or individual other than MBMA is now furnishing or has corporate or franchise rights to furnish service similar to that to be rendered by Pennsylvania-American in the territory covered by this Application, and no competitive condition will be created. As part of this Application, Pennsylvania-American has requested approval to acquire, by purchase, substantially all the water and wastewater property and rights of MBMA. MBMA will permanently discontinue all water and wastewater service to the public.

29. The facilities to be employed are described in Paragraph 1.1 of the Agreement. Specifically excluded assets are described in Paragraph 1.2 of the Agreement.

30. Immediately upon Closing, Pennsylvania-American will adopt MBMA's existing rates in the Application territories, and apply the rules and regulations regarding conditions of service, as set forth in Pennsylvania-American's duly filed and in effect tariff on the date of closing and as amended from time to time.

31. The estimated annual revenues and expenses of Pennsylvania-American in the application territory are set forth in Exhibit N.

#### **D. CONCLUSION**

32. Approval of this Application is necessary and proper in order for the public now served by MBMA to benefit by receiving water and wastewater service from a public water and wastewater supply company with the resources and personnel to provide safe and reliable water and wastewater service at reasonable prices.

WHEREFORE, Applicant prays your Honorable Commission to issue the necessary Certificates of Public Convenience under the Public Utility Code, as amended, 66 Pa. C.S. §1102(a), 507, authorizing:

- (a) the transfer, by sale, of substantially all the assets, properties and rights of MBMA related to or used in connection with its water and wastewater systems to Pennsylvania-American in accordance with the Agreement, and;
- (b) the commencement by Pennsylvania-American of water service to the public in McEwensville Borough and an additional portion of Delaware Township, Northumberland County, Pennsylvania; and
- (c) the commencement by Pennsylvania-American of wastewater service to the public in McEwensville Borough and a portion of Delaware Township, Northumberland County, Pennsylvania.

Respectfully submitted,

*Seth A. Mendelsohn*

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Susan D. Simms, Esquire  
Seth A. Mendelsohn, Esquire  
Counsel for  
Pennsylvania-American Water Company  
800 West Hershey Park Drive  
Hershey, PA 17033

Dated: Dec 31, 2014



## PENNSYLVANIA-AMERICAN WATER COMPANY

Pennsylvania-American Water Company, an investor-owned water company, with corporate offices at 800 West Hershey Park Drive, Hershey, is a subsidiary of American Water Works Company, Inc. On February 1, 1989, the then-existing Pennsylvania-American Water Company (the result of the January 1, 1987 merger of Riverton Consolidated Water Company with and into Keystone Water Company) was merged with and into Western Pennsylvania Water Company, and the name of the surviving corporation was changed to Pennsylvania-American Water Company. A brief summary of each of the three predecessor companies follows.

Riverton Consolidated Water Company was formed by the merger and consolidation of six operating water companies in 1904. It subsequently acquired seven additional systems, and at the time of its merger with Keystone, supplied water to 12 municipalities on the Harrisburg west shore, Cumberland County, and Fairview Township in York County.

Keystone Water Company resulted from the 1973 merger of 14 companies with and into White Deer Mountain Water Company. The Company later acquired four systems. It provided water service in 14 eastern Pennsylvania counties through the following distribution systems: Abington, Bangor, Berwick, Frackville, Hallstead, Hershey/Palmyra, Montrose, Moshannon Valley, Norristown, Northumberland, Susquehanna, Thompson, White Deer (Milton), and Yardley.

Western Pennsylvania Water Company was the product of the merger of 16 water companies with and into South Pittsburgh Water Company at various times from 1970 to 1973. WPW added seven water distribution systems, extending its service territory into portions of 12 western Pennsylvania counties. The company operated through the following district offices: Butler, Clarion, Connellsville, Ellwood, Indiana, Kane, Kittanning, McDonald, Mon Valley, New Castle, Pittsburgh, Punxsutawney, Uniontown, Warren, and Washington.

After the merger of Riverton and Keystone in 1987, the former Pennsylvania-American Water Company purchased five systems: Red Land Water Company in York County, Campbelltown Water Company in Lebanon County, and three systems in the Moshannon Valley area, Clearfield County - Woodland-Bigler Area Authority, Allport Water Authority, and Graham Water Association.

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water and wastewater systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995);

### **Exhibit A**

the water utility assets of Pennsylvania Gas and Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Lackawanna County Water System at Montage (Lackawanna County, April 11, 1997); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono Mountains Industrial Park Authority (Monroe County, May 7, 1998); Coolbaugh Township-Fire System (Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998); Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); Shipperville Municipal Authority (Clarion County, March 31, 2005); Blue Mountain Lake Associates, L.P. (Monroe County, October 31, 2005); East Fallowfield Township (Chester County, December 22, 2005); Stillwater Lakes Water Corporation (Monroe County, January 17, 2006); Winona Lakes Utilities, Inc. (Monroe and Pike Counties, January 26, 2006); Saville Rustin Water Company, Inc./Pine Ridge Community Association, Inc. (Pike County, March 29, 2006); Lexington Woods Corporation (Monroe County, July 24, 2006); Community Association of Pocono Farms, Incorporated (Monroe County, July 31, 2006); Redstone Water Company (Fayette and Washington Counties, March 20, 2007); Mountain Top Estates Property Owners Association (Monroe County, May 30, 2008); Claysville-Donnegal Joint Municipal Authority (Washington County, July 31, 2008); Three Lane Utilities, Inc. (Pike County, September 10, 2008); Clarion Area Authority (Clarion County, October 30, 2008); Boggs Township (Centre County, September 10, 2009); Amwell Township Water Authority (Washington County, September 23, 2009); Wallacetown Municipal Authority (Clearfield County, October 1, 2009); Saxonburg Area Authority (Butler County, October 28, 2009); Nittany Water Company (Centre and Clinton Counties, February 3, 2010); Sutton Hills Homeowners Association (Luzerne County, May 5, 2010); Birch Acres Water Works, Inc. (Monroe County, December 7, 2010); Helen Norella and Louis & Isabelle Norella (Lackawanna County, October 5, 2011); Wildcat Park Corporation (Schuylkill County, November 17, 2011); Estate of George Spangenberg d/b/a Lake Spangenberg Water Company (Lackawanna County, May 3, 2012); North Fayette County Municipal Authority-Balsinger Public Water System and Springfield Pike Public Water System (Fayette County, October 4, 2012); All Seasons Water Company (Pike County,

**Exhibit A**

December 20, 2012); Ha Ra Corporation-Fernwood Community Water System (Monroe County, December 31, 2012); Olwen Heights Water Service Company, Inc. (Lackawanna County, February 4, 2013); Indian Rocks Water Association (Wayne County, March 13, 2013); Koppel Borough (Beaver County, May 31, 2013); Pocono Mountain Lake Forest Community Association (Pike County, July 22, 2013); Clean Treatment Sewage Company (Pike County, August 21, 2013); Franklin Township Municipal Authority (Adams County, August 29, 2013) and Berry Hollow Water Company (Northampton County, April 3, 2014). On July 2, 1990, Brownsville Water Company (Fayette County) and California Water Company (Washington County) were acquired and merged into the Company. On June 16, 1992, the former Forge Road Acres water system (Cumberland County) was sold to South Middleton Township. On March 24, 2003, Salisbury Water Supply Company (State of Massachusetts) was acquired and merged into the Company.

As a result of the various mergers and acquisitions, the Company furnishes water service to about 649,127 customers in the following municipalities:

All, or portions of, the Townships of Mount Joy, Mount Pleasant and Straban in Adams County;

All, or portions of, the Cities of Clairton and Pittsburgh (16th, 18th, 19th, 20th, 23rd, 29th, 30th, 31st and 32nd Wards), the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Elizabeth, Glassport, Greentree, Heidelberg, Homestead, Ingram, Jefferson, Liberty, Lincoln, Mt. Oliver, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Elizabeth, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Elizabeth, Forward, Mt. Lebanon, North Fayette, Robinson, Scott, South Fayette, South Park and Upper St. Clair in Allegheny County;

All, or portions of, the Boroughs of Applegold and Kittanning and the Townships of Manor and Rayburn in Armstrong County;

All, or portions of, the Boroughs of Big Beaver, Ellwood City, Frankfort Springs and Koppel and the Townships of Franklin, Hanover and North Sewickly in Beaver County;

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence, West Lawn<sup>3</sup> and Wyomissing<sup>2</sup> and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor, South Heidelberg and Spring in Berks County;

All, or portions of, the Borough of Yardley and the Townships of Falls and Lower Makefield in Bucks County;

All, or portions of, the City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Donegal, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit in Butler County;

All, or portions of, the Boroughs of Philipsburg and South Philipsburg and the Townships of

Boggs, Rush and Walker in Centre County;

All, or portions of, the City of Coatesville, the Boroughs of Atglen, Parkesburg, South Coatesville and Spring City and the Townships of Caln, East Coventry, East Fallowfield, East Pikeland, East Vincent, Highland, Sadsbury, Schuylkill, Valley, West Caln, West Sadsbury and West Vincent in Chester County;

All, or portions of, the Boroughs of Clarion, Shippenville, Sligo and Strattanville and the Townships of Clarion, Elk, Farmington, Highland, Knox, Limestone, Monroe, Paint and Piney in Clarion County;

All, or portions of, the Boroughs of Chester Hill, Osceola Mills and Wallaceeton and the Townships of Boggs, Bradford, Decatur, Graham and Morris in Clearfield County;

All, or portions of, the Township of Porter in Clinton County;

All, or portions of, the Boroughs of Berwick and Briar Creek and the Township of Briar Creek in Columbia County;

All, or portions of, the Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown, West Fairview<sup>1</sup> and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Silver Spring and Upper Allen in Cumberland County;

All, or portions of, the Townships of Conewago, Derry, Londonderry, South Hanover and West Hanover in Dauphin County;

All, or portions of, the Cities of Connellsville and Uniontown, the Boroughs of Brownsville and South Connellsville and the Townships of Brownsville, Bullskin, Connellsville, Dunbar, German, Jefferson, Luzerne, Menallen, North Union, Redstone and South Union in Fayette County;

All, or portions of, the Borough of Indiana and the Township of White in Indiana County;

All, or portions of, the Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young in Jefferson County;

All, or portions of, the Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Abington, Carbondale, Fell, Glenburn, Jefferson, North Abington, Roaring Brook, Scott and South Abington in Lackawanna County;

All, or portions of, the Borough of Quarryville and the Townships of Bart, Colerain, Eden and Sadsbury in Lancaster County;

All, or portions of, the City of New Castle; the Boroughs of Ellport, Ellwood City,

New Beaver and South New Castle and the Townships of Hickory, Mahoning, Neshannock, North Beaver, Perry, Shenango, Taylor, Union and Wayne in Lawrence County;

All, or portions of, the Borough of Palmyra and the Townships of Annville, North Annville, North Londonderry, South Annville and South Londonderry in Lebanon County;

All, or portions of, the Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laflin, Larksville, Laurel Run, Luzerne, Nescopeck, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Conyngham, Fairview, Hanover, Hunlock, Jackson, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Salem, Union, Wilkes-Barre and Wright in Luzerne County;

All, or portions of, the Borough of Kane and the Township of Wetmore in McKean County;

All, or portions of, the Borough of Mount Pocono and the Townships of Coolbaugh, Hamilton, Middle Smithfield, Ross, Smithfield and Stroud in Monroe County;

All, or portions of, the Boroughs of Bridgeport, Norristown and Royersford and the Townships of East Norriton, Limerick, Lower Pottsgrove, Lower Providence, Perkiomen, Plymouth, Skippack, Upper Merion, Upper Providence, West Norriton, Whitemarsh, Whitpain and Worcester in Montgomery County;

All, or portions of, the Boroughs of Bangor, Belfast, Nazareth, Pen Argyl, Roseto, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Mount Bethel, Lower Nazareth, Palmer, Plainfield, Upper Mt. Bethel, Upper Nazareth and Washington in Northampton County;

All, or portions of, the Boroughs of Milton, Northumberland and Watsontown and the Townships of Delaware, East Chillisquaque, Point, Turbot, Upper Augusta and West Chillisquaque in Northumberland County;

Portions of the Townships of Delaware, Lehman and Westfall in Pike County;

All, or portions of, the Borough of Frackville and the Townships of Butler, Mahanoy, New Castle, Walker and West Mahanoy in Schuylkill County;

All, or portions of, the Boroughs of Forest City, Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland in Susquehanna County;

All, or portions of, the Borough of Lewisburg and the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer in Union County;

All, or portions of, the City of Warren and the Townships of Conewango, Glade, Meade, and

Pleasant in Warren County;

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Claysville, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle, West Brownsville and West Middletown and the Townships of Amwell, Buffalo, Canton, Carroll, Cecil, Chartiers, Cross Creek, Donegal, East Finley, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Morris, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane, Union and West Pike Run in Washington County;

Portions of the Townships of Clinton and Salem in Wayne County; and

All, or portions of, the Townships of Fairview and Newberry in York County.

As a result of acquisitions, the Company furnishes wastewater service to about 16,746 customers in the following municipalities:

Portions of the Township of Franklin, Adams County;

All of the Borough of Koppel in Beaver County;

All, or portions of, the City of Coatesville, the Boroughs of Parkesburg and South Coatesville and the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury in Chester County;

All, or portions of, the Borough of Clarion and the Townships of Clarion and Monroe in Clarion County;

Portions of the Townships of Coolbaugh, Middle Smithfield, Smithfield and Stroud in Monroe County;

Portions of the Townships of Delaware and Lehman in Pike County; and

All, or portions of, the Borough of Claysville and the Township of Donegal in Washington County.

<sup>1</sup> West Fairview Borough was merged into East Pennsboro Township in 1998.

<sup>2</sup> Wyomissing Hills was merged into Wyomissing Borough in 2002.

<sup>3</sup> West Lawn was merged into Spring Township in 2006.

[400 municipalities in 36 counties.]

4/30/2014

**McEwensville Municipal Authority**  
**Pro-Forma Balance Sheet (Unaudited)**  
**December 31, 2013**  
(Dollars in thousands)

**McEwensville**  
**Acquisition**  
**December 31,**  
**2013**  
**(Unaudited)**

<b>Property, plant and equipment</b>	
Utility plant - at original cost less accumulated depreciation	\$ 121
<b>Total property plant and equipment</b>	<b>\$ 121</b>
<b>Current assets</b>	
Cash and cash equivalents	\$ 124
Accounts receivable:	\$ 23
Billed, net of allowance for doubtful accounts	\$ 16
Other current assets	\$ 3
<b>Total current assets</b>	<b>\$ 166</b>
<b>Total assets</b>	<b>\$ 287</b>
<b>Capitalization and Liabilities</b>	
<b>Capitalization</b>	
<b>Total stockholder's equity</b>	<b>\$ 165</b>
Long-term debt	\$ 102
<b>Total capitalization</b>	<b>\$ 267</b>
<b>Current liabilities</b>	
Other	\$ 20
<b>Total current liabilities</b>	<b>\$ 20</b>
<b>Total capitalization and liabilities</b>	<b>\$ 287</b>

**Pennsylvania-American Water Company, Inc.**  
**Balance Sheet (Unaudited)**  
**December 31, 2013**  
(Dollars in thousands)

	<b>December 31, 2013 (Unaudited)</b>
<b>Property, plant and equipment</b>	
Utility plant - at original cost less accumulated depreciation	\$ 3,149,042
Utility plant acquisition adjustments, net	\$ 14,531
Total Non-Utility Plant, net	\$ 235
<b>Total property plant and equipment</b>	<b>\$ 3,163,808</b>
<b>Current assets</b>	
Cash and cash equivalents	\$ (1,377)
Accounts receivable:	
Billed, net of allowance for doubtful accounts	\$ 42,701
Unbilled	\$ 36,111
Other current assets	\$ 10,365
<b>Total current assets</b>	<b>\$ 87,801</b>
<b>Long-term assets</b>	
Regulatory assets	\$ 182,074
Goodwill	\$ 39,782
Prepaid Pension Expense	\$ -
Other	\$ 554
<b>Total long-term assets</b>	<b>\$ 22,409</b>
<b>Total assets</b>	<b>\$ 3,474,018</b>
<b>Capitalization and Liabilities</b>	
<b>Capitalization</b>	
<b>Total stockholder's equity</b>	<b>\$ 1,169,391</b>
Long-term debt	\$ 1,147,870
Preferred stock with mandatory redemption requirements	\$ 10,052
<b>Total capitalization</b>	<b>\$ 2,327,312</b>
<b>Current liabilities</b>	
Notes payable - associated companies	\$ 63,046
Current portion of long-term debt	\$ 3,917
Other	\$ 120,037
<b>Total current liabilities</b>	<b>\$ 187,000</b>
<b>Long-term liabilities</b>	
Deferred income taxes	\$ 694,084
Regulatory Liabilities	\$ 27,780
Other	\$ 109,994
<b>Total long-term liabilities</b>	<b>\$ 831,858</b>
<b>Contributions in aid of construction</b>	<b>\$ 127,848</b>
<b>Total capitalization and liabilities</b>	<b>\$ 3,474,018</b>

**McEwensville Municipal Authority**  
**Income Statement for the 12 Months Ended December 31, 2013 (Unaudited)**  
**(Dollars in thousands)**

**McEwensville Acquisition**  
**12 Months Ended**  
**December 31, 2013**  
**Unaudited**

<b>Operating revenues</b>	<b>\$</b>	<b>143</b>
<b>Operating expenses</b>		
Operation and maintenance	\$	81
Depreciation and amortization	\$	6
General taxes and other	\$	-
<b>Total Operating Expenses</b>	<b>\$</b>	<b>87</b>
<b>Operating income</b>	<b>\$</b>	<b>55</b>
<b>Other income (expenses)</b>		
Other income, net	\$	0
Interest expense, net	\$	(5)
Total Other Expenses	<b>\$</b>	<b>(5)</b>
<b>Income before income taxes</b>	<b>\$</b>	<b>50</b>
<b>Provision for income taxes</b>	<b>\$</b>	<b>-</b>
<b>Net income</b>	<b>\$</b>	<b>50</b>

**Pennsylvania-American Water Company, Inc.**  
**Income Statement for the 12 Months Ended December 31, 2013 (Unaudited)**  
**(Dollars in thousands)**

	<b>12 Months Ended December 31, 2013 Unaudited</b>
<b>Operating revenues</b>	<b>\$571,195</b>
<b>Operating expenses</b>	
Operation and maintenance	<b>\$200,367</b>
Depreciation and amortization	<b>\$87,484</b>
General taxes and other	<b>\$12,288</b>
<b>Total Operating Expenses</b>	<b>\$300,139</b>
<b>Operating income</b>	<b>\$271,056</b>
<b>Other income (expenses)</b>	
Other income, net	<b>\$1,337</b>
Interest expense, net	<b>64,458</b>
Total Other Expenses	<b>(63,121)</b>
<b>Income before income taxes</b>	<b>\$208,050</b>
<b>Provision for income taxes</b>	<b>\$85,586</b>
<b>Net income</b>	<b>\$122,464</b>

**PURCHASE AGREEMENT**

**between**

**MCEWENSVILLE MUNICIPAL AUTHORITY**

**as Seller**

**and**

**PENNSYLVANIA AMERICAN WATER COMPANY**

**as Buyer**

**Dated as of December 17, 2014**

## PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into as of the 17<sup>th</sup> day of December, 2014, by and between MCEWENSVILLE MUNICIPAL AUTHORITY, a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as "MBMA"), and PENNSYLVANIA AMERICAN WATER COMPANY, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as "PAWC").

### WITNESSETH

WHEREAS, MBMA is a municipal authority owning both a public water supply and wastewater treatment systems in McEwensville Borough and a portion of Delaware Township, Northumberland County, Pennsylvania (hereinafter referred to collectively as the "Water and Wastewater Systems" or "Acquired Assets"); and

WHEREAS, MBMA is the operator of the Water and Wastewater Systems; and

WHEREAS, MBMA's public water supply system has the Pennsylvania Department of Environmental Protection ("DEP") identification number ("PWSID") of 4490298 and operating under public water supply operations permits 4975501 & 4492502; and

WHEREAS, MBMA's wastewater system is identified under the national pollution discharge elimination system operations ("NPDES") permit number 0111414; and

WHEREAS, PAWC is a public water and wastewater utility in various areas of Pennsylvania, including, owning and operating, inter alia, a public water supply system in the vicinity of MBMA's Water and Wastewater Systems; and

WHEREAS, MBMA wishes to sell, and PAWC desires to purchase, substantially all of the

assets, properties and rights of MBMA on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, this Agreement witnesseth that for and in consideration of the respective covenants and agreements of the parties hereinafter set forth, the parties hereto, intending to be legally bound hereby, do covenant, contract and agree as follows:

## ARTICLE 1

### THE TRANSACTION

1.1 SALE AND PURCHASE OF ACQUIRED ASSETS. Subject to the terms, representations and conditions set forth in this Agreement, at Closing, MBMA shall sell, assign, transfer, deliver and convey or cause to be sold, assigned, transferred, delivered and conveyed to PAWC, free and clear of all liens and encumbrances whatsoever (other than Permitted Exceptions in Schedule 1.1), and PAWC shall purchase, the Acquired Assets. Acquired Assets means all of MBMA's right, title, and interest in and to all of the assets, properties and rights owned by MBMA and used in the business of providing water and wastewater service of every kind, nature and description existing on the Closing Date, excepting only those assets listed in Section 1.2. For avoidance of doubt, PAWC and MBMA agree that, excepting only the assets specifically described in Section 1.2, or as otherwise provided in this Agreement, every asset, property and right owned by MBMA and used in the provision of water or wastewater service, whether real, personal, mixed, tangible or intangible, and including all the physical plant, property, equipment, and facilities comprising the existing Water and Wastewater Systems owned by MBMA for providing water or wastewater service to the public in and about McEwensville Borough and a portion of Delaware Township, Northumberland County, Pennsylvania, wherever located, and without any other

exception whatever, is included within the Acquired Assets to be conveyed hereby. Except as specifically described in Section 1.2, the Acquired Assets shall include the following:

1.1.1 All real property easement rights, together with all fixtures, structures and other improvements erected thereon, and rights-of-way, water lines, rights of use, licenses, hereditaments, tenements, privileges and other appurtenances thereto or otherwise related to the Water and Wastewater Systems (such as appurtenant rights in and to public streets) (the "Real Estate") excepting only those assets specifically listed in Section 1.2;

1.1.2 All Water System facilities, including, but not limited to all water related treatment and storage facilities, sources of supply, distribution system network mains and related appurtenances, nine (9) fire hydrants and related appurtenances (located exclusively within McEwensville Borough), service lines (main to curb or edge-of-road or the first ten (10') feet of service lines wherein mains are located within easements), meters and corresponding customer accounts; all Wastewater System facilities, including, but not limited to all wastewater related treatment and conveyance facilities, collection system network mains (gravity or force) and related appurtenances, service laterals (main to curb or edge of road or the first ten (10') feet of service lines wherein mains are located within easements) and corresponding customer accounts; as well as all vehicles and equipment/tools, franchises, approvals, permits, authorizations, orders, registrations, certificates, variances, or other similar permits or rights relating to the ownership and operation of the Water and Wastewater Systems; as well as any and all real estate (fee parcel(s)) and real estate rights (easements, right-of-way, licenses, etc.) and intellectual property such as operational records, equipment warranties, plans, maps and studies, etc., all of which is related to MBMA's Water and Wastewater Systems excepting only those assets listed in Section 1.2;

1.2 EXCLUDED ASSETS. Specifically excluded from the Acquired Assets are (i) the service laterals and water service lines on the customer side (from the terminus point noted above for both service laterals and lines) to and throughout the customer's property; (ii) any and all grinder pump units, and related appurtenances, of all individual customers; (iii) any and all meter pits, and related appurtenances, of all individual customers; (iv) all storm water system facilities; and (v) those assets listed on Schedule 1.2.

1.3 LIABILITIES EXCLUDED. With the exception of Item 1 on Schedule 4.13, PAWC shall not assume any liabilities of MBMA. It is further understood and agreed that all obligations of any nature whatsoever, including obligations owed by MBMA to others, on the date of Closing shall be and remain with MBMA (the "Retained Liabilities"). Notwithstanding the foregoing, from and after Closing, PAWC shall assume full responsibility for providing public water and wastewater service in the area currently served by MBMA's Water and Wastewater Systems.

1.4 ACCOUNTS RECEIVABLE. Accounts receivable for water and wastewater services rendered through the close of business on the date of Closing shall be excluded assets as shown on Schedule 1.2, and accounts receivable for water and wastewater services rendered thereafter shall belong to PAWC.

## ARTICLE 2

### PURCHASE PRICE

#### 2.1 PURCHASE PRICE FOR THE ACQUIRED ASSETS.

Subject to the terms and conditions of this Agreement, the total purchase price for the Water and Wastewater Systems shall be Three-Hundred Seventy-Thousand (\$370,000.00) Dollars, payable to MBMA at the time of Closing by corporate check or wire transfer, at PAWC's discretion.

ARTICLE 3

THE CLOSING

3.1 CLOSING. Subject to the terms and conditions of this Agreement, the closing of the sale and purchase of the Acquired Assets (the "Closing") shall be held at such time and date as may be mutually satisfactory to the parties hereto ("the Closing Date"), within forty (40) days following the date on which all of the conditions set forth in Articles 7 and 8 of this Agreement have been met. Provided, however, that if Closing has not occurred on or before the one (1) year anniversary of the signing of the Agreement, either party shall have the right to terminate this Agreement by written notice to the other party, and the parties shall be relieved of all rights and responsibilities hereunder, except as specified herein. The Closing Date, as referred to in this Agreement, shall be the date of Closing. Closing shall take place at PAWC's offices at 800 West Hersheypark Drive, Hershey, Pennsylvania 17033 or in the alternative, if agreeable by the parties, via mail.

3.2 DELIVERIES AND PROCEEDINGS AT CLOSING. Subject to the terms and conditions of this Agreement, at the Closing, MBMA shall deliver or cause to be delivered to PAWC:

3.2.1 Bills of sale and instruments of assignment duly executed by MBMA as necessary to transfer all of the Acquired Assets to PAWC;

3.2.2 The consents to transfer all contracts, intellectual property and permits;

3.2.3 One or more special warranty deeds of conveyance of the Real Estate and easements to PAWC, duly executed and acknowledged by MBMA and in recordable form, each sufficient to convey the title and rights of access to the Water and Wastewater Systems. Deeds for

parcels may allow for a reversionary interest, at the option of MBMA, for the benefit of MBMA or its successor or assigns, for the parcels to be conveyed to PAWC, that will only apply if the facilities situated on the parcel are removed (to no greater than three (3) feet beneath the existing grade of the surrounding area and graded to its original condition) from the parcel and never replaced with any other facility for the provision of utility service; MBMA shall not be obligated to exercise its option if it is determined that any hazardous substances or toxic materials remaining on or under the ground of the parcel after the facilities have been removed and the area graded by PAWC;

3.2.4 The certificates, opinions and other documents required to be delivered by MBMA under this Agreement and certified resolutions evidencing the authority of MBMA as set forth in Section 4.2 hereof;

3.2.5 All such other agreements, documents and instruments of conveyance required by this Agreement or as shall, in the reasonable opinion of PAWC and its counsel, be necessary to transfer the Acquired Assets to PAWC in accordance with this Agreement, and where necessary or desirable, in recordable form;

3.2.6 In addition to such other instruments and documents as are to be delivered to PAWC by MBMA on or prior to the Closing, as provided herein, MBMA shall deliver to PAWC at the Closing a copy of all books and records and other documents maintained by MBMA relating to the Acquired Assets.

3.2.7 The Opinion of Counsel as reflected in Schedule 8.1.11

3.2.8 Those deliverables identified in Sections 3.2.1, 3.2.2, 3.2.3 and 3.2.5 shall originally be drafted by PAWC and finalized by the parties prior to Closing.

#### ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF MBMA

4. REPRESENTATIONS AND WARRANTIES OF MBMA. MBMA represents and warrants to PAWC that:

4.1 QUALIFICATION. MBMA is a municipal authority duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and MBMA has all requisite power and lawful authority to own the Water and Wastewater Systems as presently being conducted, and to convey the Acquired Assets to PAWC as contemplated under this Agreement.

4.2 AUTHORIZATION AND ENFORCEABILITY. The execution, delivery, performance and acceptance of this Agreement by MBMA have been, or will be at Closing, duly authorized by all necessary action, including that of McEwensville Borough. This Agreement constitutes a legal, valid and binding obligation of MBMA enforceable against MBMA in accordance with its terms. MBMA has full corporate power and corporate authority to execute, deliver and perform this Agreement and all other agreements and instruments to be executed by MBMA in connection herewith. Copies of the Resolutions, approving this Agreement, issued by MBMA and McEwensville Borough are attached hereto at Schedule 4.2.

4.3 NO VIOLATION OF LAWS OR AGREEMENTS. The execution, delivery, and performance of this Agreement do not, and the consummation of the transactions contemplated by this Agreement by MBMA as of Closing shall not (i) require any further approvals or consents from any other party; (ii) violate any law, ordinance or regulation; or (iii) conflict with, or result in a breach of, or constitute a default under, the terms, conditions or provisions of any agreement,

contract, lease, indenture, mortgage, or other instrument to which MBMA is a party or by which the Acquired Assets may be bound or affected.

4.4 PERMITS AND COMPLIANCE WITH LAWS GENERALLY. Except as disclosed on Schedule 4.4 hereto:

4.4.1 MBMA has not knowingly violated any local, state or federal law, rule or regulation with respect to the use and operation of the Water and Wastewater Systems. No outstanding notice, citation, summons or order has been issued, no outstanding complaint has been filed, no outstanding penalty has been assessed and no investigation or review is pending or, to the knowledge of MBMA, threatened, by any authority or other person with respect to any alleged violation by MBMA relating to the Water and Wastewater Systems of any law, ordinance, rule, regulation, code or order of any authority or failure to have any Permit required in connection with the operation of the Water and Wastewater Systems, except, in each case where such violations or failures, individually or in the aggregate, would not have a Material Adverse Effect. "Material Adverse Effect" shall mean a change or effect (or series of related changes or effects) which has or is reasonably likely to have a material adverse change in or effect upon the business, assets, condition (financial or otherwise), or results of operations of the Water and Wastewater Systems, taken as a whole.

4.4.2 MBMA possesses and is in compliance with all Permits, as reflected on Schedule 4.4, required to operate the Water and Wastewater Systems as presently operated and to own, lease, or otherwise hold the Acquired Assets under all applicable laws, rules, regulations, ordinances and codes, including environmental laws. The Water and Wastewater Systems, as operated, are in compliance with all applicable laws, rules, regulations, ordinances, codes, judgments

and orders except, in each case where such violations or failures, individually or in the aggregate, would not have a Material Adverse Effect. All Permits of MBMA, and the Water and Wastewater Systems, are in full force and effect. There are no proceedings pending or, to MBMA's knowledge, threatened that seek the revocation, cancellation, suspension or any adverse modification of any such Permits presently possessed by MBMA other than those revocations, suspensions or modifications which do not individually or in the aggregate have a Material Adverse Effect.

4.4.3 Schedule 4.4 is a complete and accurate list of all current Permits issued to MBMA relating to the operation of the Water and Wastewater Systems.

4.5 PENDING OR THREATENED LITIGATION. There is no known action, claim or litigation, arbitration, proceeding, judgment, injunction, audit or legal administrative or governmental investigation pending, and none are known to be threatened against or affecting the Water and Wastewater Systems or any of the Acquired Assets before any court, arbitrator or governmental authority, except as disclosed on Schedule 4.5. There are no known laws, ordinances, regulations or official orders now in effect or pending which could reasonably be expected to have a materially adverse effect on the Water and Wastewater Systems or the ownership, condition or operation of the Water and Wastewater Systems or the Acquired Assets, except as disclosed on Schedule 4.5.

4.6 ENVIRONMENTAL MATTERS. Except as expressly set forth on Schedule 4.6 hereto, and with such exceptions as are not reasonably likely, individually or in the aggregate, to have a minimal adverse effect:

4.6.1 MBMA has not disposed of or arranged for the disposal of or released any Hazardous Substances, other than in conformity with applicable laws and regulations, at any Real

Estate, or at any other facility, location, or site to be transferred to PAWC pursuant to the terms of this Agreement.

4.6.2 MBMA has not received any written notice or request for information with respect to, and to the best of MBMA's knowledge, MBMA has not been designated a potentially liable party for remedial action or response costs, in connection with any Real Estate, or, as of the date hereof, with respect to the Acquired Assets or the operation of the Water and Wastewater Systems, at any other facility, location, or other site under the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or comparable state statutes.

4.6.3 To the best of MBMA's knowledge, except for such use or storage of Hazardous Substances as is incidental to the operation of the Water and Wastewater Systems, which use and storage is or has been in compliance with applicable laws and regulations, no Real Estate has been used for the storage, treatment, generation, processing, production or disposal of any Hazardous Substances or as a landfill or other waste disposal site in violation of any law, rule or regulation.

4.6.4 During the period that MBMA has owned the Real Estate, underground storage tanks (other than tanks for the storage of water) are not, and have not in the past, been located on or under any Real Estate. MBMA has no knowledge of any underground storage tanks (other than tanks for the storage of water) located on or under any Real Estate prior to the time MBMA acquired the Real Estate.

4.6.5 There are no pending or unresolved claims against MBMA or the Water and Wastewater Systems for investigatory costs, cleanup, removal, remedial or response costs, or natural resource damages arising out of any releases or threat of release of any Hazardous Substances at any

Real Estate or, as of the date hereof, with respect to the Water and Wastewater Systems or the Acquired Assets or any other facility, location, or other site.

4.6.6 To the best of MBMA's knowledge, no polychlorinated biphenyls ("PCBs") or asbestos-containing materials are located at or in any Real Estate in violation of Environmental Laws or which require remedial action.

4.6.7 MBMA will within thirty (30) days of the date hereof provide PAWC with copies of all written environmental audits or investigations of which MBMA is aware (after due inquiry) prepared for the Real Estate or operations of the Water and Wastewater Systems.

4.7 BROKERAGE. MBMA has not made any agreement or taken any other action which might cause any person to become entitled to a broker's or finder's fee or commission as a result of the transactions contemplated hereunder which could result in liability to PAWC.

4.8 REAL ESTATE. Schedule 4.8 is a complete and accurate list of all real estate owned by MBMA and used in the business of providing water and wastewater services ("the Real Estate"). MBMA at Closing hereunder will convey and transfer to PAWC, indefeasible, good and marketable legal and equitable title to the Real Estate, free and clear of all liens, encumbrances, judgments, ground rents, leases, tenancies, licenses, covenants, conditions, restrictions, rights-of-way, easements, encroachments and any other matters affecting title (other than Permitted Exceptions and except as expressly provided herein), otherwise the title to the above described real estate shall be good and marketable or such as will be insured by any reputable Title Insurance Company at regular rates. No default or breach exists under any of the covenants, conditions, restrictions, rights of way or easements, if any, affecting all or any portion of the Real Estate, and there is no pending condemnation, eminent domain or similar proceeding affecting any of the Real

Estate, and to the best knowledge of MBMA, no such proceeding is threatened. MBMA has not received any written or oral notice of assessment against any of the Real Estate which remains unpaid. To the best of MBMA's knowledge, information and belief, there are no toxic or other dangerous conditions of the property.

4.9 EASEMENTS. To the best of MBMA's knowledge, information and belief, Schedule 4.9, which shall be updated as of Closing, is a complete and accurate list of all easements and rights-of-way over the real property of MBMA or others used by MBMA in the operation of the Water and Wastewater Systems or on which any of the Acquired Assets are located ("Easements"). MBMA and PAWC agree to cooperate to identify and obtain all necessary Easements prior to Closing to the extent that it is identified by either party that certain Easements do not exist of record for any component of the Acquired Assets. Furthermore, MBMA, upon execution of this Agreement, shall forward all documentation with respect to its Easements, both recorded or unrecorded, at MBMA's expense, to PAWC, which PAWC will forward to its Title Agent for purposes of conducting a title abstract. If, upon the completion of PAWC's Title Agent's search, it is determined that MBMA does not have sufficient Easements for the operation of the Acquired Assets, MBMA shall secure the necessary Easements prior to Closing so long as the procurements of such Easements does not exceed Thirty-Five Thousand (\$35,000) Dollars. In the event that MBMA may exceed this limit, MBMA shall notify PAWC, in writing, of the additional anticipated costs in excess of this limit. PAWC shall then respond in writing agreeing, within fifteen (15) days following receipt of MBMA's notice, to reimburse MBMA for the additional anticipated costs at Closing. In the event that PAWC elects not to reimburse MBMA the additional anticipated costs at Closing, the parties would then terminate this Agreement and both parties would agree to not pursue

the recovery of any expenses that either may have incurred in connection with the process involved through to the termination of the Agreement for the purchase of the Acquired Assets.

MBMA has or will at Closing have continuous rights of way for its water and wastewater lines and other facilities from the record or assessed owner(s) acquired by legal instruments in appropriate form duly recorded. MBMA is in lawful and quiet possession of all Easements and there are no pending, or threatened disputes, claims, condemnation, eminent domain or similar proceedings relating to the Easements. No consents of third parties are required in connection with the transfer of the Easements to PAWC except for consents which shall have been obtained prior to Closing. MBMA has or will have at Closing and will convey and transfer to PAWC, indefeasible, good and marketable title to the Easements, free and clear of all liens, judgments, ground rents, leases, tenancies, licenses, covenants, conditions, restrictions, rights of way, other easements, encroachments and any other matters affecting title (other than Permitted Exceptions and except as expressly provided herein). No default or breach exists under any of the covenants, terms or conditions under which the Easements were granted or are held or enjoyed by MBMA.

The title to the above described real estate easements shall be good and marketable or such as will be insured by any reputable Title Insurance Company at the regular rates. MBMA has no knowledge of any default or breach under any of the covenants, conditions, restrictions, rights of way or easement, if any, affecting all or any portion of the real estate easements, and there is no pending condemnation, eminent domain or similar proceeding affecting any of the real estate easements, and no such proceeding is threatened. MBMA has not received any written or oral notice

of assessment against any of the real estate which remains unpaid. To the best of MBMA's knowledge, information and belief, there are no toxic or other dangerous conditions of the property.

4.10 PERSONALTY. Except as otherwise indicated on Schedule 4.10, MBMA owns, free and clear of all liens, or leases from others under valid and enforceable leases not presently in default, all personal property in its possession or which is used or required for operation and maintenance of the Water and Wastewater Systems as it is now conducted.

4.11 LEASES. Schedule 4.11, which shall be updated as of Closing, contains a complete and accurate list of each lease of real property to which MBMA is a party ("Lease"). MBMA has delivered to PAWC a true, correct and complete copy of each Lease. Each Lease is valid and subsisting and in full force and effect in accordance with its terms and has not been modified, in writing or otherwise. Each Lease, or a memorandum thereof, is properly recorded in the land records of the county in which the respective property is located. There has been no default or event which, with the giving of notice or the passage of time, or both, would constitute a default, on the part of MBMA or any landlord under each such Lease, and MBMA has not asserted a defense to, offset or claim against any payment or performance which is the obligation of MBMA pursuant thereto. At Closing hereunder, MBMA shall consent to an Assignment, which PAWC shall prepare.

4.12 FIRE HYDRANTS. The public fire hydrants are or will be in good working condition and repair, reasonable wear and tear expected, as of Closing. The parties shall cooperate in making an inspection of all fire hydrants on or about thirty (30) days prior to the Closing date so as to confirm that all fire hydrants are in good condition.

4.13 CONTRACTS. As of the date of this Agreement, Schedule 4.13, which shall be updated at Closing, contains a complete and accurate list of all contracts, commitments,

agreements refundable Extension Deposit Agreements and instruments relating to the Water and Wastewater Systems including any residual waste disposal contracts and all leases of Real Estate and personal property related to the Water and Wastewater Systems ("Contracts"). MBMA has delivered to PAWC a correct and complete copy of each written agreement listed in Schedule 4.13. Except as disclosed on Schedule 4.13, with respect to each Contract, neither MBMA nor, to the best of MBMA's knowledge, any other party thereto, is in breach or default, no event has occurred which with notice or lapse of time would constitute a breach or default by MBMA, or permit termination, modification, or acceleration, under the Contract. Except as set forth in Schedule 4.13, there are no disputes pending or to the best of MBMA's knowledge, threatened, under or in respect of any of the Contracts. Those Contracts identified on Schedule 4.13 shall be assigned to PAWC and PAWC shall prepare the appropriate assignment, at Closing and to the extent necessary, for each such Contract and that such assignment may include an indemnity and hold harmless provision for the benefit of MBMA.

4.14 TAXES. The MBMA has (a) timely filed all material returns and reports for Taxes, including information returns, that are required to have been filed in connection with, relating to, or arising out of, the Water and Wastewater Systems, (b) paid all Taxes that are shown to have come due pursuant to such returns or reports and (c) paid all other material Taxes not required to be reported on returns in connection with, relating to, or arising out of, or imposed on the Acquired Assets for which a notice of assessment or demand for payment has been received or which have otherwise become due. To the best of the MBMA's knowledge, all such returns or reports have been prepared in accordance with all applicable laws and requirements in all material respects. None of the Acquired Assets (a) is property that is required to be treated as owned by another Person pursuant

to the "safe harbor lease" provisions of former Section 168(f)(8) of the Internal Revenue Code, (b) is "tax-exempt use property" within the meaning of Section 168(h) of the Internal Revenue Code or (c) directly or indirectly secures any debt the interest on which is tax-exempt under Section 103(a) of the Internal Revenue Code.

4.15 LIABILITIES. Schedule 4.15, which shall be updated at Closing, contains a complete and accurate list of all indebtedness of the MBMA related to the Water and Wastewater Systems. Such list includes the person to whom such indebtedness is owed, the interest rates applicable to such indebtedness, and a description of the property securing such indebtedness. MBMA has no liabilities with respect to the Water and Wastewater Systems, either direct or indirect, matured or un-matured or absolute, contingent or otherwise, except those liabilities expressly set forth at Schedule 4.15.

4.16 CUSTOMER ADVANCES. Schedule 4.16, which shall be updated at Closing, is a complete and accurate list of all unexpired customer advances for construction held by MBMA as of the date of this Agreement. Prior to Closing, with the exception of Item 1 on Schedule 4.13, MBMA shall complete the construction of all mains and facilities for which MBMA has received customer advances and return all unexpended customer advances to the appropriate depositor. Provided, however, that for projects acceptable to and approved in writing, by PAWC, MBMA may pay over to PAWC the unexpended, non-refundable customer advances, and PAWC shall assume all of the responsibility of the MBMA as to those unexpired customer advances for construction and shall be bound by the terms and conditions contained in those Extension Deposit Agreements. PAWC shall not assume, with the exception of Item 1 on Schedule 4.13, any responsibility for any unexpired customer advances for construction received by MBMA, or for any

Extension Deposit Agreements to which MBMA is or becomes a party, except as specifically agreed to in writing. Schedule 4.16 may be updated prior to Closing at the mutual consent of the parties.

4.17 FREE WATER AND/OR WASTEWATER SERVICE. MBMA represents and warrants that it has not entered into any contracts (whether reduced to writing or not) to or provides free water and/or wastewater service to any customers connected to the Water and Wastewater Systems, but should it discover that any such contracts exist, MBMA will terminate them prior to Closing.

## ARTICLE 5

### REPRESENTATIONS AND WARRANTIES OF PAWC

5. REPRESENTATIONS AND WARRANTIES OF PAWC. PAWC represents and warrants to MBMA that:

5.1 QUALIFICATION. PAWC is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to own, lease and operate the Water and Wastewater Systems.

5.2 AUTHORIZATION AND ENFORCEABILITY. PAWC has full corporate power and corporate authority to execute, deliver and perform this Agreement. The execution, delivery and performance by PAWC of this Agreement have been duly authorized by all necessary corporate action. This Agreement constitutes a legal, valid and binding obligation of PAWC, enforceable against PAWC in accordance with its terms. As of the Closing Date, each of the transaction documents to which PAWC is a party will be duly executed and delivered by PAWC and will constitute the legal, valid and binding obligation of PAWC, enforceable against PAWC in accordance with its respective terms.

5.3 NO VIOLATION OF LAWS OR AGREEMENTS. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated by this Agreement as of Closing will not, violate any provision of law or conflict with, result in a breach of, or constitute a default under, the terms, conditions or provisions of any agreement, contract or other instrument to which PAWC is a party.

5.4 BROKERAGE. PAWC has not made any agreement or taken any other action which might cause any person to become entitled to a broker's or finder's fee or commission as a result of the transactions contemplated hereunder which could result in liability to MBMA.

## ARTICLE 6

### COVENANTS

6.1 COVENANTS OF MBMA. From and after the date of this Agreement MBMA covenants and agrees that:

6.1.1 Conduct Of Business. MBMA will operate the Water and Wastewater Systems in the ordinary course of business substantially as it heretofore has been operated in accordance with all applicable local, state, and federal laws, rules and regulations.

6.1.2 Contracts And Commitments. Except normal and usual commitments for the purchase of materials and supplies consistent with past practice, no contract or commitment shall be entered into by or on behalf of MBMA relating to the Water and Wastewater Systems which would materially affect the operation of the Water and Wastewater Systems after Closing, except for those commitments approved in writing by PAWC.

6.1.3 Release Of Liens. MBMA will take action reasonable action necessary to cause the release, cancellation and discharge of any and all liens or encumbrances, so that as of the

Closing Date, the Acquired Assets will be free and clear of any and all such liens and encumbrances (other than the Permitted Exceptions in Schedule 1.1).

6.1.4 Material Events And Circumstance. MBMA shall promptly inform PAWC in writing of any specific event or circumstance of which MBMA is aware, or of which MBMA receives notice, that has or is likely to have, individually or in the aggregate, taken together with the other events or circumstances, a Material Adverse Effect on the Acquired Assets.

6.1.5 Supplemental Information.

6.1.5 (a) MBMA shall provide PAWC, within fifteen (15) days of execution or the date of receipt thereof, a copy of (a) each contract entered into by MBMA after the date hereof and prior to Closing relating to the Water and Wastewater Systems; (b) any written notice of assessments for public improvements against any Real Estate received after the date hereof and prior to Closing; and (c) any writ of summons or complaint filed against MBMA or its representatives for any and all claims relating to the Water and Wastewater Systems; and (d) the filing of any condemnation, eminent domain or similar proceeding affecting all or any portion of any of the Real Estate received after the date hereof but prior to the Closing.

6.1.5 (b) Within fifteen (15) days of the receipt of notice of violation, MBMA shall notify PAWC of any violations of state or federal standards.

6.1.6 Title Information. Within forty-five (45) days following the execution of this Agreement, MBMA shall use its reasonable efforts to deliver to PAWC true, correct and complete copies of all existing title policies, surveys, leases, deeds, instruments and agreements relating to title to the Real Estate in MBMA's possession, which shall reflect those Acquired Assets

outlined in Schedules 4.8 and 4.9, respectively as well as any amendments thereto through Closing.

6.1.7 Regulatory Consents. MBMA shall at all times, use its best efforts and diligently pursue all approvals, authorizations, consents and permits required to be obtained to consummate the transaction contemplated by the Agreement, including approval of any necessary change in control as it relates to the Acquired Assets and the corresponding Act 537 Plan. MBMA shall (i) as promptly as practicable, make or cause to be made such filing and submissions under the laws, rules and regulations applicable to it as may be required for MBMA to sell the Acquired Assets pursuant to the terms of this Agreement; and (ii) keep PAWC apprised of the status of any filing or submission to any such governmental or regulatory agency.

6.1.8 Storm Water System. McEwensville Borough and MBMA shall will retain ownership of all storm water system facilities, and retain ordinances, if any, that enforce that no storm water system facilities shall be connected to or cause storm water infiltration into the Wastewater System. Such ordinances shall be no less restrictive on storm water discharges after Closing than they were prior to Closing. If, at any time after Closing, PAWC identifies municipal storm water lines interconnected with the Wastewater System, PAWC may at its sole cost and discretion, disconnect such storm water lines from the Wastewater System and tie them into the municipal storm water system.

6.2 COVENANTS OF PAWC. From and after the date of this Agreement PAWC covenants and agrees that:

6.2.1 This section intentionally left blank

6.2.2 RATES. PAWC will implement MBMA's rates then in effect at Closing as PAWC's base rates, provided that such rates shall not be lower than those in effect on the date of this Agreement. These rates are reflected on Schedule 6.2.2.

6.2.3. This section intentionally left blank.

6.3 FURTHER ASSURANCES. Each party to this Agreement shall cooperate and deliver such instruments and take such action as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby. After the Closing, each party shall take such other actions and execute such other documents, certifications, and further assurances as MBMA or PAWC, as the case may be, may reasonably require in order to transfer more effectively to PAWC or to put PAWC more fully in possession of any of the Acquired Assets.

## ARTICLE 7

### PENNSYLVANIA PUBLIC UTILITY COMMISSION APPROVAL

7. The parties recognize and expressly agree that:

7.1 The consummation of the transaction is conditioned upon the approval of the Pennsylvania Public Utility Commission (the "PUC"). PAWC covenants and agrees to initiate, and faithfully prosecute the necessary proceedings to obtain the approval of the PUC for: (a) the transfer by sale of MBMA's Water and Wastewater Systems to PAWC; (b) the right of PAWC to provide water and wastewater service to the public in McEwensville Borough and a portion of Delaware Township, Northumberland County, presently being served by MBMA; (c) the right of PAWC to adopt water and wastewater rates in the area to be served equal to those shown at Schedule 6.2.2 at the time of Closing and to apply PAWC's existing Rules and Regulations for water and wastewater

service as set forth in PAWC's duly filed and effective tariff generally applicable to its services at the time of Closing; (d) the right of PAWC to adopt public fire hydrant rates to be effective in the applied-for-service territory, which annual rates shall be consistent with PAWC's Zone 1 rate of \$15.10/month/fire hydrant. MBMA, by this Agreement, covenants and agrees to provide such information, documents and assistance as may be reasonably requested by PAWC in connection with any such proceedings and to otherwise cooperate in the initiation and prosecution of any such proceeding.

## ARTICLE 8

### CONDITIONS PRECEDENT

8.1 CONDITIONS PRECEDENT TO PAWC'S OBLIGATIONS. The obligation of PAWC to consummate the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing, of each of the following conditions (any one or more of which may be waived in writing in whole or in part by PAWC in its sole discretion):

8.1.1 Representations and Warranties. MBMA's representations and warranties set forth in this Agreement or in any Schedule, list, certificate or document delivered pursuant to the provisions of this Agreement, shall be true in all material respects at and as of the time of Closing with the same force and effect as though such representations and warranties were made at and as of such time, and MBMA shall deliver to PAWC a certificate executed by its proper representatives, and dated the Closing date, certifying to the foregoing.

8.1.2 Performance of Agreements. MBMA shall have performed and complied with in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, and MBMA shall

deliver to PAWC a certificate executed by its proper representatives, and dated the Closing date, to such effect.

8.1.3 Adverse Change. There shall not have been a material adverse change, occurrence or casualty, financial or otherwise, to the Water and Wastewater Systems or the Acquired Assets, whether covered by insurance or not.

8.1.4 Release of Liens. All necessary action shall have been taken to cause the release, cancellation and discharge of any and all liens and encumbrances so that as of the Closing, the Acquired Assets shall be free and clear of any and all liens and encumbrances (other than Permitted Exceptions in Schedule 1.1), and MBMA shall have provided PAWC with such opinions, instruments or documents as PAWC may reasonably request, and in form and substance satisfactory to PAWC, evidencing the release, cancellation and discharge of any and all liens and encumbrances (other than Permitted Exceptions in Schedule 1.1) and that the Acquired Assets are not subject to any liens or encumbrances. In the event MBMA is unable to convey title to the Acquired Assets to PAWC at the Closing in accordance with the terms of this Agreement, PAWC shall have the option of: (a) accepting such title as MBMA is able to convey without abatement of the purchase price; or (b) canceling this Agreement in which case this Agreement shall be of no further force or effect and neither of the parties hereto shall have any further liability hereunder.

8.1.5 Bulk Sale Clearance Certificate. MBMA shall obtain a bulk sale clearance certificate by giving the Pennsylvania Department of Revenue ten days' notice prior to the completion of the sale and by filing all forms and documentation as required by 72 P.S. 1403. MBMA shall provide PAWC with evidence that the ten-day notice was given and shall present the bulk sale clearance certificate to PAWC when the certificate is obtained.

8.1.6 PUC Approval. The Pennsylvania PUC shall have issued an order, which order shall have become final and un-appealable, approving the transactions set forth at Article 7.

8.1.7 Other Regulatory Consents. PAWC shall have obtained the written, final and un-appealable approvals, authorizations and consents (including consents for permit transfers) that are required to consummate the transactions contemplated by this Agreement, including without limitations the approval of every regulatory agency of federal, state or local government that may be required in the opinion of either PAWC or MBMA.

8.1.8 This section is intentionally left blank.

8.1.9 Certification of Financial Information. MBMA shall have delivered to PAWC a certificate, in substantially the form set forth at Schedule 8.1.9, executed by its authorized representative and in form and substance satisfactory to PAWC, listing (i) the amount of its net outstanding long-term debt or notes, if any, related to the Water and Wastewater Systems, (ii) all unexpired customers' advances for construction and unexpended contributions in aid of construction as of the Closing date, and (iii) any and all additions or retirements to the Water and Wastewater Systems during the period from the date of this Agreement to the Closing date, together with the cost thereof.

8.1.10 List of Materials and Supplies. MBMA shall have delivered to PAWC a certificate listing all materials and supplies owned by MBMA as of the Closing related to the operation or maintenance of the Water and Wastewater Systems. Said certificate listing all materials and supplies shall be completed by the parties within fifteen (15) days prior to Closing.

8.1.11 Opinion of Counsel. MBMA shall have delivered to PAWC a favorable written opinion of its Counsel, dated as of the Closing Date and addressed to PAWC in form and substance satisfactory to PAWC, to the effect set forth in Schedule 8.1.11.

8.1.12 Contractual Consent. MBMA shall have obtained written approvals, authorizations and consents of transfer to all material transferable or assignable contracts, agreement, licenses and permits to the extent specifically required by the terms of such contracts, agreements, licenses or permits.

8.1.13 Delivery of Documents. MBMA shall have delivered, pursuant to Section 3.2.8, to PAWC the deeds, easements or assignments of easements, bills of sale, rights of way and other documents required to be transferred under this Agreement, and all books, records and such other instruments or documents maintained by MBMA relating to the Water and Wastewater Systems.

8.1.14 Delivery of Resolutions. MBMA shall have delivered to PAWC a copy of the Resolutions, certified by their proper representatives, approving the execution, delivery and performance of this Agreement, together with the certificate of its proper representatives that said Resolutions are in full force and effect and were duly adopted.

8.1.15 Permits Issued. The DEP and all other regulatory agencies or authorities having jurisdiction over the operations of the Water and Wastewater Systems shall have issued or consented to the transfer of the necessary permits as shown on Schedule 4.4 to PAWC to operate the Water and Wastewater Systems. A copy of the Permits for the MBMA Water and Wastewater Systems in effect on the execution date of this Agreement are attached at Schedule 4.4. The parties acknowledge that the current NPDES permit expires October 31, 2018. PAWC shall prepare all

necessary transfer application and related documents for execution by MBMA at Closing for subsequent submittal to DEP for approval. PAWC, however, reserves the right to terminate this Agreement if at any time prior to Closing, a new NPDES Permit for the Wastewater System is issued which, in PAWC's sole opinion, is more stringent or materially different from the NPDES Permit in effect on the date of the execution of this Agreement.

8.1.16 PAWC Board Approval. This Agreement is subject to and contingent upon the approval of PAWC's Board of Directors, after execution by the MBMA.

8.1.17 Easements and Rights-Of-Way. MBMA shall, pursuant to Section 3.2.8, have delivered to PAWC all documents necessary to transfer, at Closing, the easements and rights-of-way identified on Schedule 4.9 to PAWC by legal instruments in appropriate form duly executed.

8.1.18 Title Insurance. A reputable title insurance company shall have issued, at PAWC's expense, title commitment to PAWC for an Owner's Title Insurance Policy including extended coverage at regular rates, evidencing good and marketable title, in the amount of the fair market value of the Real Estate, covering title to the Real Estate on the date of Closing, and subject only to the following exceptions: existing building restrictions, ordinances, easement of roads, privileges or rights of public service companies, if any, agreements or like matters of record, or easement and restrictions visible upon inspection of the premises and/or of record, if any, at standard rates to be paid by PAWC.

8.2 CONDITIONS PRECEDENT TO MBMA'S OBLIGATIONS. The obligation of MBMA to consummate the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing, of each of the following conditions (any one or more of which may be waived in writing in whole or in part by MBMA in its sole discretion):

8.2.1 Regulations and Warranties. PAWC's representations and warranties contained in this Agreement or in any Schedule, list, certificate or document delivered pursuant to the provisions of this Agreement shall be true in all material respects at and as of the time of Closing, with the same force and effect as though such representations and warranties were made at and as of such time, and PAWC shall deliver to MBMA a certificate executed by its proper representatives, and dated the Closing Date, certifying to the foregoing.

8.2.2 Performance of Agreements. PAWC shall have performed and complied, in all material respects, with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, and PAWC shall deliver to MBMA a certificate executed by its proper representatives, and dated the Closing Date, to such effect.

8.2.3 Opinion of Counsel. PAWC shall deliver to MBMA a favorable written opinion of PAWC's counsel, dated as of the Closing Date and addressed to MBMA, in form and substance satisfactory to MBMA, to the effect set forth in Schedule 8.2.3.

8.2.4 Delivery of Documents. MBMA shall have delivered to PAWC the easements or assignments of easements, bills of sale, rights of way and other documents required to be transferred under this Agreement, and a copy of all books records and such other instruments or documents maintained by MBMA relating to the Acquired Assets.

8.2.5 Delivery of Resolutions. MBMA shall have delivered to PAWC a copy of the Resolutions, certified by their proper representatives, approving the execution, delivery and performance of this Agreement, together with the certificate of its proper representatives that said Resolutions are in full force and effect and were duly adopted.

## ARTICLE 9

## INDEMNIFICATION

9.1 INDEMNIFICATION BY MBMA. MBMA will indemnify, defend and hold harmless PAWC and its affiliates and their respective officers, directors and agents at all times after the date of this Agreement, from, against and in respect of any and all damage or deficiency resulting from (i) any misrepresentation, breach of warranty or nonfulfillment of any agreement or covenant made by MBMA in this Agreement or in any schedule, statement, certificate or other document furnished or to be furnished to PAWC in connection with the transactions contemplated hereby, and (ii) any and all liabilities of MBMA of any nature, whether due or to become due, whether accrued, absolute, contingent or otherwise, existing on the Closing Date or arising out of any transaction entered into, any state of facts existing or any event occurring on or prior to such date.

9.2 INDEMNIFICATION BY PAWC. PAWC will indemnify and hold harmless MBMA at all times after the date of this Agreement, from, against and in respect of any and all damage or deficiency resulting from (i) any misrepresentation, breach of warranty or nonfulfillment of any agreement or covenant made by PAWC as set forth in this Agreement or in any statement, certification or other document furnished or to be furnished to MBMA, in connection with the transactions contemplated hereby, and (ii) PAWC's operations of the Water and Wastewater Systems after Closing.

## ARTICLE 10

### MISCELLANEOUS

10.1 REALTY TRANSFER TAXES. PAWC agrees to pay any realty transfer taxes that may be due or owing as a result of the within transaction, and the parties agree to prorate any property taxes, if any.

10.2 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations, warranties and agreements made by MBMA and PAWC in this Agreement or pursuant hereto shall survive the Closing.

10.3 PENNSYLVANIA LAW TO GOVERN. This Agreement is being delivered in the Commonwealth of Pennsylvania and shall be construed and enforced in accordance with the laws of such State.

10.4 RISK OF LOSS. MBMA retains all risk of destruction, losses or damage to Water and Wastewater Systems due to fire or other casualty up to the Closing and agrees to maintain its current insurance coverage until the Closing. If prior to the Closing: (i) all or part of the Acquired Assets are destroyed by fire or the elements or by any other cause; or (ii) all or a part of the Acquired Assets are taken by eminent domain, MBMA shall give prompt notice thereof to PAWC and PAWC may, by notice given to MBMA prior to Closing, elect to cancel this Agreement. In the event PAWC shall so elect, both parties shall be relieved and released of and from any further liability hereunder.

10.5 ACCESS AND INFORMATION. MBMA will give to authorized representatives of PAWC reasonable access during normal business hours throughout the period prior to Closing to all the properties, books, contracts, commitments, and records of MBMA relating to the Water and Wastewater Systems, and furnish PAWC during such period with all such information relating thereto as PAWC may reasonably request. Within thirty (30) days of the execution of this Agreement, the MBMA shall provide PAWC with a complete list of customers, including names, service addresses, billing addresses, and meter sizes and serial numbers. This complete list shall be updated at Closing and provided to PAWC at Closing so as to be true and correct on the date of Closing.

10.6 RIGHT OF ENTRY. After the date of this Agreement and until Closing, PAWC shall have the reasonable right to enter upon the property and facilities constituting the Water and Wastewater Systems, after making reasonable prior arrangement with MBMA, for the purpose of making such inspections and investigations of the Water and Wastewater Systems, including, but not limited to surveys, fire hydrant testing, environmental assessments, and engineering studies, as PAWC deems reasonably necessary. PAWC shall indemnify and hold MBMA harmless from and against all losses, damages, demands, claims, suits and other liabilities, including attorney fees and other expenses of litigation, because of personal or bodily injury or property damage resulting from PAWC's presence at or use of the Water and Wastewater Systems for such inspections and investigations. PAWC shall promptly (within five (5) business days) return the surface of the property to substantially the same as before such inspections and investigations.

10.7 ENVIRONMENTAL ASSESSMENT. After the date of this Agreement and until the Closing Date, PAWC shall have the reasonable right to enter upon the property and facilities constituting the Water and Wastewater Systems, after making reasonable prior arrangement with MBMA, for the purposes of conducting an environmental assessment of the Water and Wastewater Systems. Within sixty (60) calendar days after the date this Agreement is executed, PAWC shall notify MBMA in writing if the environmental assessment reveals the presence of oil or petroleum products or any hazardous or toxic wastes or materials or storage of fuel tanks or any other environmental hazard or contamination. Within fifteen (15) days of the date of such notice, MBMA shall advise PAWC in writing as to whether MBMA can cure the environmental hazard or contamination. If MBMA is unable to cure any such environmental hazard or contamination, then PAWC shall have the right, in PAWC's sole discretion, to terminate this Agreement upon written

notice to MBMA whereupon this Agreement shall be null and void, and neither party shall have further rights nor obligations to the other hereunder.

10.8. TERMINATION OF AGREEMENT. If Closing has not occurred on or before the one (1) year anniversary of the signing of this Agreement, either party shall have the right to terminate this Agreement by written notice to the other party, and the parties shall be relieved of all rights and responsibilities hereunder, except as specified herein.

10.9 TIME OF THE ESSENCE. Time shall be of the essence with respect to all matters and times contained in this Agreement. Time as set forth in this Agreement shall not be extended except by written agreement signed by the parties. Notwithstanding the foregoing, if any date specified for the giving or receipt of notice, or for the exercise of any right or option, or for Closing, shall fall on a Saturday, Sunday or legal holiday observed by local banking institutions, the date so specified shall be extended to the next succeeding day in which is not a Saturday, Sunday or legal holiday.

10.10 SECTION HEADINGS. The Section headings herein have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

10.11 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:

To MBMA:       McEwensville Municipal Authority  
                  Attention: Mr. Steve Fisher, Co-Chairman  
                  P.O. Box 50  
                  McEwensville, PA 17749

With a copy to: Robert E. Benion, Esq.  
205 Broadway, P. O. Box 356  
Milton, PA 17847

To PAWC: Pennsylvania American Water Company  
Attn: Seth Mendelsohn, Esq.  
800 West Hershey Park Drive  
Hershey, PA 17033

10.12 SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of and be binding upon the successors and assignees of PAWC and MBMA. No assignment of this Agreement will be permitted unless the assignment is approved in writing by the non-assigning party, which approval will not be unreasonably withheld.

10.13 NO THIRD PARTY BENEFICIARIES. Nothing herein expressed or implied is intended or should be construed to confer upon or give to any person other than the parties hereto and their successors and permitted assigns any rights or remedies under or by reason of this Agreement.

10.14 ENTIRE AGREEMENT. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof, supersedes any prior agreements or understandings, written or oral, among the parties with respect to the subject matter hereof and is not intended to confer upon any person other than the parties hereto any benefit, right or remedy.

ATTEST:

  
Secretary


MCEWENSVILLE MUNICIPAL AUTHORITY

  
Co-Chairman

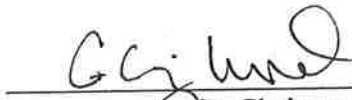
ATTEST:

  
Secretary

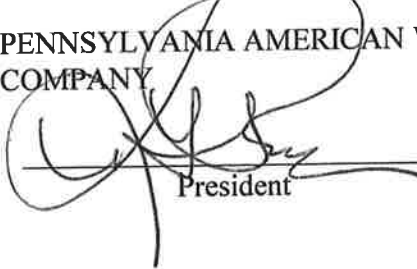
ATTEST:

  
Secretary

MCEWENSVILLE MUNICIPAL AUTHORITY

  
Co-Chairman

PENNSYLVANIA AMERICAN WATER  
COMPANY

  
President

List of Schedules

Schedule 1.1	Permitted Exceptions
Schedule 1.2	Excluded Assets
Schedule 4.2	Resolutions of MBMA and McEwensville Borough
Schedule 4.4	Permits
Schedule 4.5	Pending or Threatened Litigation
Schedule 4.6	Environmental Matters
Schedule 4.8	Real Estate
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Schedule 4.10	Personalty
Schedule 4.11	Leases
Schedule 4.13	Contracts to be assigned to PAWC at Closing
Schedule 4.15	Liabilities
Schedule 4.16	Customer Advances
Schedule 6.2.2	Existing Rates
Schedule 8.1.9	Certificate of Financial Information
Schedule 8.1.11	Opinion of Counsel (MBMA)
Schedule 8.2.3	Opinion of Counsel (PAWC)

Schedule 1.1

Permitted Exceptions

**NONE**

Schedule 1.2

Excluded Assets

Those items listed in Section 1.2 (i)-(iv), plus Seller's Cash or Cash Equivalents held in Bank or other related Accounts, with the exception of \$12,000 held in escrow for the Weaver Agreement referenced on Schedule 4.13, plus Accounts Receivable due for services rendered by MBMA for the benefit of MBMA's customers up to Closing, and any and all personal property situated within property and facilities owned by McEwensville Borough and shared between McEwensville Borough and MBMA.

Schedule 4.2

Resolutions of MBMA and McEwensville Borough approving Agreement (copies attached)

RESOLUTION NO. 02-2014

**A RESOLUTION OF THE BOROUGH COUNCIL OF McEWENSVILLE,  
NORTHUMBERLAND COUNTY, PENNSYLVANIA, APPROVING THE SALE OF  
THE WATER TREATMENT AND DISTRIBUTION SYSTEM AND SEWAGE  
COLLECTION AND TREATMENT SYSTEM BY THE MUNICIPAL AUTHORITY TO  
THE PENNSYLVANIA AMERICAN WATER COMPANY.**

WHEREAS, the McEwensville Municipal Authority has determined it is in the best interests of the Authority and the citizens of the Borough of McEwensville to enter into an agreement for the sale of the water treatment and distribution system and the sewage collection treatment system to the Pennsylvania American Water Company for the sum of Three Hundred Seventy Thousand and 00/100 (\$370,000.00) Dollars subject to the terms and conditions in the Purchase Agreement between the McEwensville Municipal Authority, as Seller, and the Pennsylvania American Water Company, as Buyer, dated as of December, 2014; and

WHEREAS, the Authority has approved the said sale and purchase pursuant to a Resolution to be adopted bearing the date of December, 2014; and

WHEREAS, the Borough Council of the Borough of McEwensville has determined that it is in the best interests of the citizens of the Borough to consent to the said Purchase Agreement of the water treatment and distribution system and the sewage collection and treatment system to Pennsylvania American Water Company under the terms and conditions set forth in the said Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of McEwensville, Northumberland County, Pennsylvania, as follows:

**SECTION 1.** The McEwensville Borough Council hereby approves that the proposed Purchase Agreement between the McEwensville Municipal Authority and the Pennsylvania American Water Company dated December, 2014, for the sale of the Authority's entire water treatment and distribution system and the Authority's sewage collection and treatment system, including all the assets pertaining thereto, excepting however, the Authority's cash or cash equivalent held in bank or other related accounts, plus accounts receivable due for services rendered by the Authority to its customers up to the date of closing and all personal property situate within property and facilities owned by the McEwensville Borough and shared between the Borough and the Authority for the sum of Three Hundred Seventy Thousand and 00/100 (\$370,000.00) Dollars, subject to the terms and conditions of the said Agreement.

DULY ENACTED AND ORDAINED this 3rd day of December, 2014.

ATTEST:

  
SECRETARY

  
PRESIDENT OF BOROUGH COUNCIL

APPROVED this third day of December, 2014.

Don O. Hedley  
MAYOR

RESOLUTION NO. 1-2014

**A RESOLUTION OF THE MUNICIPAL AUTHORITY OF THE BOROUGH OF McEWENSVILLE, NORTHUMBERLAND COUNTY, PENNSYLVANIA, AGREEING TO SELL THE WATER TREATMENT AND DISTRIBUTION SYSTEM AND SEWAGE COLLECTION AND TREATMENT SYSTEM TO THE PENNSYLVANIA AMERICAN WATER COMPANY.**

WHEREAS, the Authority has determined it is in the best interests of the Authority and the citizens of the Borough of McEwensville to enter into an agreement for the sale of the water treatment and distribution system and the sewage collection treatment system to the Pennsylvania American Water Company for the sum of Three Hundred Seventy Thousand and 00/100 (\$370,000.00) Dollars subject to the terms and conditions in the Purchase Agreement between the McEwensville Municipal Authority, as Seller, and the Pennsylvania American Water Company, as Buyer, dated as of December of 2014; and

WHEREAS, the Borough of McEwensville has approved the said sale and purchase pursuant to a Resolution bearing the date of December of 2014.

NOW, THEREFORE, BE IT RESOLVED by the Board of the McEwensville Municipal Authority, Northumberland County, Pennsylvania, as follows:

**SECTION 1.** The Authority hereby approves that the Purchase Agreement between the Authority and the Pennsylvania American Water Company dated December of 2014, for the sale of the Authority's entire water treatment and distribution system and the Authority's sewage collection and treatment system, including all the assets pertaining thereto, excepting however, the exception of the Authority's cash or cash equivalent held in bank or other related accounts, plus accounts receivable due for services rendered by the Authority to its customers up to the date of closing and all personal property situate within property and facilities owned by the McEwensville Borough and shared between the Borough and the Authority for the sum of Three Hundred Seventy Thousand and 00/100 (\$370,000.00) Dollars, pursuant to the terms and conditions of the said Agreement.

**SECTION 2.** The appropriate officers of the Authority are hereby authorized, empowered and directed on behalf of the Authority to execute any and all papers and documents and to do and cause to be done any and all actions and things necessary or proper to execute or carry out the aforesaid Purchase Agreement.

DULY ENACTED AND ORDAINED this 17<sup>th</sup> day of December, 2014.

ATTEST:

  
SECRETARY

  
CHAIRMAN

Schedule 4.4

Permits

NPDES Permit No. PA0111414 (copy attached)  
PWS Permit No.s 4975501 and 4492502 (copy attached)



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
BUREAU OF POINT AND NON-POINT SOURCE MANAGEMENT

**AUTHORIZATION TO DISCHARGE UNDER THE  
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM  
DISCHARGE REQUIREMENTS FOR PUBLICLY OWNED  
TREATMENT WORKS (POTWs)**

**NPDES PERMIT NO: PA0111414**

In compliance with the provisions of the Clean Water Act, 33 U.S.C. Section 1251 *et seq.* ("the Act") and Pennsylvania's Clean Streams Law, as amended, 35 P.S. Section 691.1 *et seq.*,

**McEwensville Borough Municipal Authority  
P O Box 50  
McEwensville, PA 17749-0050**

is authorized to discharge from a facility known as **McEwensville Municipal Authority**, located in **Delaware Township, Northumberland County**, to **Unnamed Tributary to Warrior Run** in Watershed(s) **10-D** in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts A, B and C hereof.

**THIS PERMIT SHALL BECOME EFFECTIVE ON** NOVEMBER 1, 2013

**THIS PERMIT SHALL EXPIRE AT MIDNIGHT ON** OCTOBER 31, 2018

The authority granted by this permit is subject to the following further qualifications:

1. If there is a conflict between the application, its supporting documents and/or amendments and the terms and conditions of this permit, the terms and conditions shall apply.
2. Failure to comply with the terms, conditions or effluent limitations of this permit is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application. (40 CFR 122.41(a))
3. A complete application for renewal of this permit, or notice of intent to cease discharging by the expiration date, must be submitted to DEP at least 180 days prior to the above expiration date (unless permission has been granted by DEP for submission at a later date), using the appropriate NPDES permit application form. (40 CFR 122.41(b), 122.21(d))

In the event that a timely and complete application for renewal has been submitted and DEP is unable, through no fault of the permittee, to reissue the permit before the above expiration date, the terms and conditions of this permit, including submission of the Discharge Monitoring Reports (DMRs), will be automatically continued and will remain fully effective and enforceable against the discharger until DEP takes final action on the pending permit application. (25 Pa. Code 92a.7(b), (c))

4. This NPDES permit does not constitute authorization to construct or make modifications to wastewater treatment facilities necessary to meet the terms and conditions of this permit.

**DATE PERMIT ISSUED** October 22, 2013

**ISSUED BY**

**Thomas M. Randis  
Clean Water Program Manager  
Northcentral Regional Office**

**PART A - EFFLUENT LIMITATIONS, MONITORING, RECORDKEEPING AND REPORTING REQUIREMENTS**

I. A. For Outfall 001, Latitude 41° 4' 28.00", Longitude 76° 49' 31.40", River Mile Index 0.04, Stream Code 14148

Receiving Waters: Unnamed Tributary to Warrior Run

Type of Effluent: Domestic Wastewater

1. The permittee is authorized to discharge during the period from Permit Effective Date through Permit Expiration Date.
2. Based on the anticipated wastewater characteristics and flows described in the permit application and its supporting documents and/or amendments, the following effluent limitations and monitoring requirements apply (see also Additional Requirements and Footnotes).

Parameter	Effluent Limitations					Monitoring Requirements	
	Mass Units (lbs/day) <sup>(1)</sup>		Concentrations (mg/L)			Minimum <sup>(2)</sup> Measurement Frequency	Required Sample Type
	Average Monthly	Weekly Average	Minimum	Average Monthly	Weekly Average		
Flow (MGD)	Report	Report Daily Max	XXX	XXX	XXX	1/day	Measured
pH (S.U.)	XXX	XXX	6.0	XXX	XXX	1/day	Grab
Total Residual Chlorine	XXX	XXX	XXX	1.0	XXX	1/day	Grab
CBOD5	9.0	15	XXX	25	40	2/month	Grab
Total Suspended Solids	11	16.5	XXX	30	45	2/month	Grab
Fecal Coliform (CFU/100 ml) May 1 - Sep 30	XXX	XXX	XXX	Geo Mean	XXX	2/month	Grab
Fecal Coliform (CFU/100 ml) Oct 1 - Apr 30	XXX	XXX	XXX	Geo Mean	2,000	2/month	Grab
Total Nitrogen	Report	XXX	XXX	Report	XXX	1/year	Grab
Total Phosphorus	Report	XXX	XXX	Report	XXX	1/year	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

at Outfall 001

WELL #1 - 77gpm

736 West Fourth Street  
Williamsport, Pennsylvania 17701  
July 31, 1973

CERTIFIED MAIL #622524

Permit #4973501

Permit Coordination  
McEwensville Municipal Authority  
McEwensville Borough, Northumberland County

Mr. Hiner E. Enterline, Chairman  
McEwensville Municipal Authority  
McEwensville, Pennsylvania 17749

Dear Mr. Enterline:

I am pleased to inform you that Permit #4973501 has been approved by the Bureau of Water Quality Management and is enclosed for the subject case. I have also been informed by the Bureau of Occupational Health that approval for this project will not be required, thus allowing release of the Water Quality Management Permit. The Permit should be reviewed and any instructions contained therein must be complied with.

Very truly yours,

Mark A. Roller  
Environmental Protection Director

MAR:dr

Enclosure

cc: W. Morrow, WQM  
G. Crawford, OH

49-920-1-01-01  
201  
401  
501  
601  
701  
8/19/73  
LDB

WATER SUPPLY PERMIT

NO. 4975501

<b>A. PERMITTEE: (Name and Address)</b> McEwensville Municipal Authority McEwensville, Pa. 17749	<b>B. PROJECT LOCATION</b> SERVING WATER TO THE PUBLIC WITHIN: Municipality <u>Borough of McEwensville</u> County <u>Northumberland</u>
<b>C. THIS PERMIT APPROVES FOR:</b> 1. <input checked="" type="checkbox"/> Use as Source of Supply 2. <input checked="" type="checkbox"/> Construction 3. <input type="checkbox"/> Operation	
AS INDICATED BELOW:	
<b>4. Source</b> <input checked="" type="checkbox"/> Well (3) <input type="checkbox"/> Spring (s) <input type="checkbox"/> Stream <input type="checkbox"/> Lake	<b>5. Facilities</b> <input type="checkbox"/> Impoundment <input type="checkbox"/> Settling <input type="checkbox"/> Filtration <input type="checkbox"/> Iron Removal <input type="checkbox"/> Softening
<input checked="" type="checkbox"/> Disinfection <input type="checkbox"/> Pump Station (s) <input checked="" type="checkbox"/> Transmission Lines <input checked="" type="checkbox"/> Distribution Storage <input checked="" type="checkbox"/> Distribution System	
KNOWN AS <u>Well No. 1</u>	
<p>YOU ARE HEREBY AUTHORIZED TO USE AS SOURCE(S) OF SUPPLY, CONSTRUCT OR OPERATE, AS INDICATED ABOVE, PROVIDED THAT FAILURE TO COMPLY WITH CHAPTER 4, ARTICLE 443, OF THE RULES AND REGULATIONS OF THE DEPARTMENT OF ENVIRONMENTAL RESOURCES OR THE TERMS OR CONDITIONS OF THIS PERMIT SHALL VOID THE AUTHORITY GIVEN TO THE PERMITTEE BY THE ISSUANCE OF THE PERMIT.</p>	
<p>NO DEVIATIONS FROM APPROVED PLANS OR SPECIFICATIONS AFFECTING THE TREATMENT PROCESS OR QUALITY OF WATERS SHALL BE MADE WITHOUT WRITTEN APPROVAL FROM THE DEPARTMENT.</p>	
<p>THIS PERMIT IS ISSUED BY THE DEPARTMENT OF ENVIRONMENTAL RESOURCES UNDER THE AUTHORITY OF THE ACT OF APRIL 22, 1905, (P.L. 260), AS AMENDED AND SECTION 2109 OF THE ADMINISTRATIVE CODE OF 1929, THE ACT OF APRIL 9, 1929 (P.L. 177), AS AMENDED.</p>	
PERMIT ISSUED Date <u>JUL 31 1975</u>	DEPARTMENT OF ENVIRONMENTAL RESOURCES By <u>Mark A. Roller, P.E.</u> Title <u>Regional Sanitary Engineer</u>

WATER SUPPLY PERMIT NUMBER 4975501  
McEwensville Municipal Authority  
Borough of McEwensville, Northumberland County

Page 2

This permit is issued subject to all Rules and Regulations now in force and the following Special Conditions:

- A. A 48-hour pump test must be conducted for this well to collect information relative to the quality of the water produced. The pump test must end on a Monday, Tuesday, or Wednesday and the regional office of the Department of Environmental Resources must be contacted at least one week in advance of the beginning of the test.
- B. This well may not be used as, or connected to, a source of public water supply until final written approval is given by the Department of Environmental Resources. This approval is contingent upon the results of chemical and bacteriological analyses collected at the termination of the pump test indicating that the water meets the requirements of the Department of Environmental Resources.

page 2

REGIONAL ENGINEER'S REVIEW

McEwensville Municipal  
Authority

Borough of McEwensville  
Northumberland County

Permit #4975501

their FHA grant until a permit is issued.

The soil erosion and sedimentation control plan for the project has been developed and is acceptable.

Based on the proposed construction of well and treatment provided, a favorable hydrogeologic on-site survey, and water samples showing acceptable quality, the system if properly operated, should provide a safe potable water meeting the requirements of the Department of Environmental Resources. It is recommended that the subject application be processed for issuance with special conditions added requiring a 48-hour pump test, sampling and analyses by the Department, and specific approval by this office prior to operation.

This case is being coordinated with the Bureau of Occupational Health.



Pennsylvania Department of Environmental Protection

208 West Third Street, Suite 101  
Williamsport, PA 17701-6448  
January 22, 1997

WELL #2 - 809pm *J. Lee*

**Northcentral Regional Office**

**CERTIFIED MAIL NO.: P 566 509 398**

Mr. Donald Strouse  
McEwensville Municipal Authority  
P.O. Box 92  
McEwensville, PA 17749

RE: Public Water Supply  
Permit No. 4492502 - Operation  
McEwensville Municipal Authority  
Borough of McEwensville, Northumberland County

Dear Mr. Strouse:

The above referenced Public Water Supply Operation Permit is enclosed. This permit authorizes operation of Well No. 2 as a source of public water supply and of the disinfection facilities provided for Well No. 2. Please read the special conditions accompanying this permit carefully. Please note that operation of this new water source will add a second entry point to your public water system and will require additional monitoring.

Any person aggrieved by this action may appeal, pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. Section 7514, and the Administrative Agency Law, 2 Pa. C.S., Chapter 5A, to the Environmental Hearing Board, Second Floor, Rachel Carson State Office Building, 400 Market Street, P. O. Box 8457, Harrisburg, PA 17105-8457, (717) 787-3483. TDD users may contact the Board through the Pennsylvania Relay Service, (800) 654-5984. Appeals must be filed with the Environmental Hearing Board within 30 days of receipt of written notice of this action unless the appropriate statute provides a different time period. Copies of the appeal form and the Board's rules of practice and procedure may be obtained from the Board. The appeal form and the Board's rules of practice and procedure are also available in braille or on audiotape from the Secretary to the Board at (717) 787-3483. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

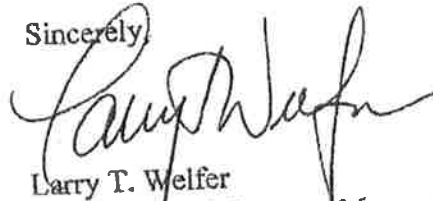
Mr. Donald Strouse

-2-

January 22, 1997

If you have any questions, please call me at 717-327-3675.

Sincerely,



Larry T. Welfer  
Environmental Program Manager  
Water Supply & Community Health

Enclosure

cc: William Sidler, P.E.  
James Caruso  
Ron Russell  
William Kosmer  
Harrisburg  
Microfiche  
File (2)

LTW/DQW/bls

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES  
BUREAU OF COMMUNITY ENVIRONMENTAL CONTROL

PUBLIC WATER SUPPLY PERMIT

4492502 -  
NO. Operation

<p>A. PERMITTEE: (Name and Address)</p> <p>McEwensville Municipal Authority P.O. Box 92 McEwensville, PA 17749</p>	<p>B. PROJECT LOCATION</p> <p>Municipality <u>Borough of McEwensville</u> County <u>Northumberland</u></p>			
<p>C. THIS PERMIT APPROVES FOR: 1. <input checked="" type="checkbox"/> Use as Source of Supply 2. <input type="checkbox"/> Construction 3. <input checked="" type="checkbox"/> Operation</p> <p>AS INDICATED BELOW:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <p>4. Source</p> <p><input checked="" type="checkbox"/> Well(s) <input type="checkbox"/> Spring(s) <input type="checkbox"/> Stream <input type="checkbox"/> Lake</p> </td> <td style="width: 33%; vertical-align: top;"> <p>5. Facilities</p> <p><input type="checkbox"/> Impoundment <input type="checkbox"/> Settling <input type="checkbox"/> Filtration <input type="checkbox"/> Iron and Manganese Treatment <input type="checkbox"/> Softening <input type="checkbox"/> Fluoridation <input type="checkbox"/> Other _____</p> </td> <td style="width: 33%; vertical-align: top;"> <p><input type="checkbox"/> Stabilization <input checked="" type="checkbox"/> Disinfection <input type="checkbox"/> Pump Station(s) <input type="checkbox"/> Transmission Lines <input type="checkbox"/> Distribution Storage <input type="checkbox"/> Distribution System</p> </td> </tr> </table> <p>KNOWN AS: <u>Well #2 (Church Street Well)</u></p>		<p>4. Source</p> <p><input checked="" type="checkbox"/> Well(s) <input type="checkbox"/> Spring(s) <input type="checkbox"/> Stream <input type="checkbox"/> Lake</p>	<p>5. Facilities</p> <p><input type="checkbox"/> Impoundment <input type="checkbox"/> Settling <input type="checkbox"/> Filtration <input type="checkbox"/> Iron and Manganese Treatment <input type="checkbox"/> Softening <input type="checkbox"/> Fluoridation <input type="checkbox"/> Other _____</p>	<p><input type="checkbox"/> Stabilization <input checked="" type="checkbox"/> Disinfection <input type="checkbox"/> Pump Station(s) <input type="checkbox"/> Transmission Lines <input type="checkbox"/> Distribution Storage <input type="checkbox"/> Distribution System</p>
<p>4. Source</p> <p><input checked="" type="checkbox"/> Well(s) <input type="checkbox"/> Spring(s) <input type="checkbox"/> Stream <input type="checkbox"/> Lake</p>	<p>5. Facilities</p> <p><input type="checkbox"/> Impoundment <input type="checkbox"/> Settling <input type="checkbox"/> Filtration <input type="checkbox"/> Iron and Manganese Treatment <input type="checkbox"/> Softening <input type="checkbox"/> Fluoridation <input type="checkbox"/> Other _____</p>	<p><input type="checkbox"/> Stabilization <input checked="" type="checkbox"/> Disinfection <input type="checkbox"/> Pump Station(s) <input type="checkbox"/> Transmission Lines <input type="checkbox"/> Distribution Storage <input type="checkbox"/> Distribution System</p>		
<p>YOU ARE HEREBY AUTHORIZED TO USE AS SOURCE(S) OF SUPPLY, CONSTRUCT OR OPERATE, AS INDICATED ABOVE, PROVIDED THAT FAILURE TO COMPLY WITH CHAPTER 109, ARTICLE II, OF THE RULES AND REGULATIONS OF THE DEPARTMENT OF ENVIRONMENTAL RESOURCES OR THE TERMS OR CONDITIONS OF THIS PERMIT SHALL VOID THE AUTHORITY GIVEN TO THE PERMITTEE BY THE ISSUANCE OF THE PERMIT.</p> <p>NO DEVIATIONS FROM APPROVED PLANS OR SPECIFICATIONS AFFECTING THE TREATMENT PROCESS OR QUALITY OF WATERS SHALL BE MADE WITHOUT WRITTEN APPROVAL FROM THE DEPARTMENT.</p> <p>THIS PERMIT IS ISSUED BY THE DEPARTMENT OF ENVIRONMENTAL RESOURCES UNDER THE AUTHORITY OF THE PENNSYLVANIA SAFE DRINKING WATER ACT, THE ACT OF MAY 1, 1984 (P.L. 206, NO. 43). OPERATION SHALL COMPLY WITH THE PROVISIONS OF CHAPTER 109 ADOPTED UNDER THE AUTHORITY IN SECTIONS 4 AND 6(e) OF THE PENNSYLVANIA SAFE DRINKING WATER ACT.</p> <p>THIS PERMIT IS SUBJECT TO THE ATTACHED SPECIAL CONDITIONS <u>A and B</u></p> <p>THIS PERMIT IS SUBJECT TO THE FOLLOWING STANDARD CONDITIONS RELATING TO EROSION CONTROL</p> <p>_____</p>				
<p>PERMIT ISSUED</p> <p>Date <u>JAN 27 1987</u></p>	<p>DEPARTMENT OF ENVIRONMENTAL RESOURCES</p> <p>By <u><i>Carolyn [Signature]</i></u></p> <p>Title <u>Environmental Program Manager</u></p>			

**Public Water Supply Permit 4992502 - Operation  
McEwensville Municipal Authority  
McEwensville Borough, Northumberland County**

**SPECIAL CONDITIONS**

The permit authorizes use of Well No. 2 as a source of supply and operation of chlorination facilities. This permit is subject to the following special conditions:

- A. The pumping rate of Well No. 2 (Church Street Well) shall not exceed 80 gpm. The total gallons of water pumped each day and the pumping rate shall be recorded daily and shall be submitted to the Department on a monthly basis. A chlorine residual measurement shall be secured and recorded daily from the entry point associated with the well or wells operating that day.
- B. Six months of surface water influence monitoring must be conducted in accordance with the approved monitoring plan. The monitoring must begin within three months of the issuance of this operating permit and the Department shall be notified within two weeks of commencement of the required monitoring.

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
WATER SUPPLY AND COMMUNITY HEALTH

For Department Use Only

**INTERNAL REVIEW AND RECOMMENDATIONS**

NAME OF APPLICANT <u>McEwensville Municipal Authority</u>	PROJECT LOCATION <u>McEwensville Borough Northumberland County</u>	APPLICATION NUMBER <u>4992502 - Operation</u>
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**BRIEF DESCRIPTION OF PROJECT AND DISCUSSION (Use additional sheets if necessary)**

The McEwensville Municipal Authority was issued Construction Permit No. 4992502 on October 2, 1992. This permit authorized development of Well No. 2 as a source of public water supply and construction of disinfection treatment facilities. The permit was extended twice due to political and zoning problems encountered by the authority which delayed construction of the facilities. A completion of construction notification was submitted for the project on December 12, 1996, and an inspection was conducted January 7, 1997.

Well No. 2, also known as the Church Street Well, was not in service at the time of inspection but all facilities appeared to have been constructed as designed and approved and were operable. The construction permit required that a surface water influence monitoring plan be submitted and approved by the Department before an operating permit would be issued. The monitoring plan has now been approved by the Department's hydrogeologist. A special condition is included in the operation permit requiring that six months of monitoring must be completed in accordance with the approved monitoring plan and that the monitoring must begin within three months from the issuance of the operating permit.

Well No. 2 is located on lot No. 14 of a subdivision known as Country Hills. An 8 inch test well was drilled in February 1991 by Wieand Brothers to a depth of 305 feet. The upper 61 feet of the well was enlarged to 12 inches and 63 feet 7 inches of 8 inch casing was installed and grouted in place. The well site location is mapped as Wills Creek formation consisting of calcareous shale and silt stone, but the drilling log indicates that mostly limestone was encountered. A 48-hour pump test was conducted and established a safe yield of 80 gpm.

A wellhouse was constructed adjacent to Well No. 2 to house metering and disinfection facilities. At the request of the adjacent property owners, a double slope roof was installed on the well house instead of the originally proposed single slope roof. The disinfection system utilizes sodium hypochlorite solution which is supplied by a Wallace & Tiernan Series 94-100 chemical feed pump. The solution is pumped from a 100 gallon covered plastic solution tank that is provided with a continuous mixer. Thirty-eight feet of 36 inch pipe was installed outside the treatment building to provide 25 minutes of contact time at a pumping rate of 80 gpm. Three sample taps are provided: a raw water tap, a tap immediately after chlorination, and a tap after the contact pipe. The authority intends to alternate use of Well No. 2 and Well No. 1. Well No. 2 is controlled with a timer and also has a low pressure startup switch in case of a fire or mechanical problem at Well No. 1.

It is recommended that the operation permit be issued with the suggested special conditions.

**CURRENT ESTIMATE OF COMPLETION DATE OF PROJECT (Industrial Wastes Only)**

			RECOMMENDATION AND ACTION	
Approve	Return	Deny	Signature	Date
✓			REVIEWING ENGINEER <i>David J. Wolf</i>	1/22/97
✓			PERMITS SECTION CHIEF <i>William J. ...</i>	1/24/97
✓			ENVIRONMENTAL PROGRAM MANAGER <i>Clay ...</i>	1/24/97

**PERMIT CONDITIONS:**

- STANDARD --
- SPECIAL (Use additional sheets if necessary) -- A and B.

Schedule 4.5

Pending or Threatened Litigation

**NONE**

Schedule 4.6

Environmental Matters

NONE

Schedule 4.8

Real Estate

Well 1, Treatment, 100,000 gallon storage tank (Keiffertown/Enterline Road), Delaware Township,  
Deed dated March 23, 1976

Well 2 and Treatment (Church Street), McEwensville Borough, Deed dated March 21, 1991

Wastewater Treatment (Off Mill Street), Delaware Township, Deed dated September 22, 1983

## Schedule 4.9

### Easements

1. Deed of Easement and Bill of Sale, between Charles G. Moyer and Margaret L, Moyer and the Municipal Authority of the Borough of McEwensville, recorded at Volume 50, Page 194;
2. Assignment of Right of Way, dated September 22, 1983, Volume 68, Page 287; and
3. Other Right-of-Way & Easements in the areas wherein Acquired Assets are situated outside of any and all public rights-of-ways McEwensville Borough, Delaware Township, State or County roadways other than those noted above.

Schedule 4.10

Personalty

NONE

Schedule 4.11

Leases

1. Lease Agreement between Samuel R. Raup and Borough of McEwenville, dated July 14, 1983, and terminating July 13, 2023, for the right to use an access road extending from Old Route 44 to the Wastewater Treatment Plant. Said lease recorded at Volume 68, Page 281, and subsequently assigned to McEwenville Municipal Authority on October 5, 1983, and recorded at Volume 68, Page 488.

Schedule 4.13

Contracts to be assigned to and assumed by PAWC at Closing

1. *Sewer Extension Agreement* between MBMA and Kenneth R. Weaver and Norma G. Weaver, dated February 8, 2006 (5 pages – copy attached), including responsibility by PAWC for all sums paid by the Weavers to MBMA pursuant to Section 8 of this agreement.
2. *Agreement* between MBMA and Kevin L. Yordy and Janet L. Yordy, dated March 28, 2009 (5 pages – copy attached).



- 1.2 Be sealed by a Licensed Professional Engineer.
- 1.3 All such plans, specifications and the Pennsylvania Department Of Environmental Protection (DEP) permit application and supporting data shall be supplied to the Authority in at least two (2) counterparts for use by Authority, plus such additional copies of duplicate originals as may be required by DEP and other regulatory bodies. The DEP permits(s) shall be prepared by the Weavers in the name of the Authority.
- 1.4 Authority may cause such plans and specifications as well as the permit data to be submitted to the consulting engineering firm retained by Authority. Plans, specifications and permit data shall be revised or amended, if necessary, until the same are approved by Authority and its consulting engineer.
- 1.5 Upon approval, said plans, specifications and permit data shall be submitted by the Authority to DEP requesting approval thereof and the issue of a water quality management permit and any such other permits as shall be required. Upon receipt of said permit or permits and upon compliance by the Weavers with all applicable local ordinances and regulations, the Authority shall notify Weavers that work may be commenced.
- 1.6 Weavers shall be responsible for compliance with all DEP soil erosion and sedimentation control requirements as well as all fees and charges in connection therewith.
2. Weavers shall be responsible to construct the extension of the water and sewer lines according to the approved plans and specifications and Authority shall have no responsibility or liability for payment of any part of the cost or expenses arising out of or relating to said construction for the labor, materials and equipment used therein or thereon, or upon any right-of-way and for any injury or damage to any persons or property occurring upon or associated with the construction of the project.
3. Once constructed, Weavers and/or their assignees, shall be subject to the rules and regulations established by the Authority and specifically, shall not at any time discharge into the sewer collection system any effluent other than "domestic" sewage from their development.
4. Weavers agree to give Authority ten (10) days written notice of their intention to begin construction of the extension of either the water or sewer collection lines so that its construction may be properly observed and monitored by Authority.

5. During the course of the construction, all materials, workmanship, and compliance with approved plans and specifications shall be subject to the observation and approval of Authority, its inspectors based upon spot inspections, or its consulting engineer. No pipe shall be covered until a final inspection and approval to proceed has been given to Weavers by Authority's inspector. Upon completion of construction and prior to the connection of the extension or any phase thereof to the water or sewer system(s) of Authority, Authority shall certify the satisfactory completion thereof.
6. Within thirty (30) days of completion of any phase of the extension or extensions, Weavers shall:
  - 6.1 Once the "provisional as-built" drawings have been approved, furnish, at their expense, two (2) "provisional as-built" drawings of the completed extension project (or any phase thereof) together with one (1) set of reproducible plans to Authority.
  - 6.2 Cause to be prepared, executed, acknowledged and delivered to Authority ready for recording, at their expense, a Deed of Dedication for the extension project or any phase thereof and conveyance of all pipes, manholes and all appurtenances as well as all rights, liberties and privileges appurtenant thereto including rights-of-way over the streets, roads, alleys and thoroughfares and private lands necessary to the existence of future maintenance thereof.
  - 6.3 Prior to the dedication of the streets to Delaware Township, convey to Authority, by instrument in a form approved by Authority and at Weavers' expense, an easement for the laying, relaying, maintenance, and repair for the water and sewer lines in the extension at their installed locations in the beds of such streets or across the lands of Weavers or both.
7. Upon receipt and recording of said Deed of Dedication, the extension project and all parts and appurtenances thereof as above described shall be, become and remain the sole, absolute and permanent property of Authority free and clear of any lien, obligations or other liability in favor of Weavers, their successors and assigns, and any of their creditors or in favor of any other person or corporation to the same end effect as if Authority had constructed the extension project or projects with its own labor and at its own expense. A memorandum of this Agreement shall be recorded in the Northumberland County Recorder Of Deeds Office at Weavers' expense. Prior to commencement of work by a contractor,

Weavers shall have the contractor execute a Stipulation Against Liens, shall file said Stipulation Against Liens in the Northumberland County Prothonotary's Office, and shall provide a copy thereof to Authority. Prior to acquiring materials for this project, Weavers shall have the supplier of said materials execute a Waiver Of Liens and shall provide a copy thereof to Authority. Following Delivery of the Deed Of Dedication, Authority shall maintain, repair, rebuild and otherwise act toward said extension as its own property and at its own cost and expense and Weavers shall have no further obligation or responsibility thereto except as hereinafter provided. Nothing here shall be construed to discharge or dilute the contractual obligations of the contractor or contractors of the Weavers to guarantee their workmanship. All contracts between Weavers and their contractors shall include provision that the warranties shall remain effective for the benefit of Authority.

#### FEEES


8. The EDU reservation fee will be ONE THOUSAND TWO HUNDRED (\$1,200.00) Dollars consisting of EIGHT HUNDRED (\$800.00) Dollars for sewer and FOUR HUNDRED (\$400.00) Dollars for water. EDU's for water and sewer may not be purchased and/or reserved separately. EDU's will not be considered reserved until the fee is paid. In the event Weavers purchase and/or reserve EDU's but do not receive approval for their subdivision, the reservation fees and tapping fees (purchased EDU's) will be refunded without interest. The purchased and/or reserved EDU's shall be exclusively for the Weaver property described hereinbefore and may not be transferred to any other property.
9. Weaver shall be responsible for payment of all legal, engineering, and inspection fees incurred by Authority in connection with this project. Within ten (10) days of execution of this Agreement, Weavers shall pay to Authority TWELVE THOUSAND (\$12,000.00) Dollars to be held in an escrow account by Authority and utilized to pay the aforementioned fees as they are incurred. Upon completion of the project, any unused funds will be returned to Weavers within ten (10) days of completion. In the event the escrow fund is fully depleted during the course of the project, Weavers shall pay an additional amount to Authority to be agreed upon at that time. Authority shall provide Weavers with an accounting of the disposition of all funds paid to it under this provision.
10. All fees shall be paid at the time the owner of a lot obtains the necessary permits to begin construction and/or to connect to the Authority systems. The tapping fee will be the amount charged to Borough residents at the time it is paid.
11. Charges for service to residents of the Weaver development shall be the same as charged to Borough residents.

IN WITNESS WHEREOF, McEwensville Municipal Authority, by its duly authorized Chairman, Kenneth R. Weaver and Norma G. Weaver, individually, intending to be legally bound hereby, have executed this Agreement on the date set forth next to their name.

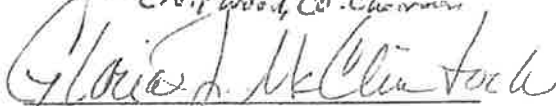
MCEWENSVILLE MUNICIPAL AUTHORITY

Date: February 8, 2006

By:

  
\_\_\_\_\_  
Stephen J. Fisher, Chairman  
*Chris Wood, Co-Chairman*

ATTESTED:

  
\_\_\_\_\_  
Gloria McClintock, Secretary

Date: 3-3-06

  
\_\_\_\_\_  
Kenneth R. Weaver

Date: 3/3/06

  
\_\_\_\_\_  
Norma G. Weaver

## AGREEMENT

NOW, THEREFORE, the parties herein, intending to be legally bound, agree as follows:

1. Yordys', at their expense, shall cause to be prepared, by qualified professional engineering personnel, detailed plans and specifications for the proposed extension(s) for water and sewer facilities of Authority; said plans and specifications shall:
  - 1.1 Conform to all existing requirements of the Authority.
  - 1.2 Be sealed by a Licensed Professional Engineer.
  - 1.3 All such plans, specifications and the Pennsylvania Department of Environmental Protection (DEP) permit application and supporting data shall be supplied to the Authority in at least two (2) counterparts for use by Authority, plus such additional copies of duplicate originals as may be required by DEP and other regulatory bodies. The DEP permit(s) shall be prepared by the Yordys in the name of the Authority.
  - 1.4 Authority may cause such plans and specifications as well as the permit data to be submitted to the consulting engineering firm retained by Authority. Plans, specifications and permit data shall be revised or amended, if necessary, until the same are approved by Authority and its consulting engineer.
  - 1.5 Upon approval, said plans, specifications and permit data shall be submitted by the Authority to DEP requesting approval thereof and the issue of a water quality management permit and any such other permits as shall be required. Upon receipt of said permit or permits and upon compliance by the Yordys' with all applicable local ordinances and regulations, the Authority shall notify Yordys that work may be commenced.
  - 1.6 Yordys' shall be responsible for compliance with all DEP soil erosion and sedimentation control requirements as well as all fees and charges in connection therewith.
2. Yordys' shall be responsible to construct the extension of the water and sewer lines according to the approved plans and specifications and Authority shall have no responsibility or liability for payment of any part of

## AGREEMENT

NOW, THEREFORE, the parties herein, intending to be legally bound, agree as follows:

1. Yordys', at their expense, shall cause to be prepared, by qualified professional engineering personnel, detailed plans and specifications for the proposed extension(s) for water and sewer facilities of Authority; said plans and specifications shall:
  - 1.1 Conform to all existing requirements of the Authority.
  - 1.2 Be sealed by a Licensed Professional Engineer.
  - 1.3 All such plans, specifications and the Pennsylvania Department of Environmental Protection (DEP) permit application and supporting data shall be supplied to the Authority in at least two (2) counterparts for use by Authority, plus such additional copies of duplicate originals as may be required by DEP and other regulatory bodies. The DEP permit(s) shall be prepared by the Yordys in the name of the Authority.
  - 1.4 Authority may cause such plans and specifications as well as the permit data to be submitted to the consulting engineering firm retained by Authority. Plans, specifications and permit data shall be revised or amended, if necessary, until the same are approved by Authority and its consulting engineer.
  - 1.5 Upon approval, said plans, specifications and permit data shall be submitted by the Authority to DEP requesting approval thereof and the issue of a water quality management permit and any such other permits as shall be required. Upon receipt of said permit or permits and upon compliance by the Yordys' with all applicable local ordinances and regulations, the Authority shall notify Yordys that work may be commenced.
  - 1.6 Yordys' shall be responsible for compliance with all DEP soil erosion and sedimentation control requirements as well as all fees and charges in connection therewith.
2. Yordys' shall be responsible to construct the extension of the water and sewer lines according to the approved plans and specifications and Authority shall have no responsibility or liability for payment of any part of

the cost or expenses arising out of or relating to said construction for the labor, materials and equipment used therein or thereon, or upon any right-of-way and for any injury or damage to any persons or property occurring upon or associated with the construction of the project.

3. Once constructed, Yordys' and/or their assignees, shall be subject to the rules and regulations established by the Authority and specifically, shall not at any time discharge into the sewer collection system any effluent other than "domestic" sewage from their development.
4. Yordys' agree to give Authority ten (10) days written notice of their intention to begin construction of the extension of either the water or sewer collection lines so that its construction may be properly observed and monitored by Authority.
5. For each unit that cannot demonstrate 40 PSI at the minimum service level of the Municipal Authority's water tank, individual residential booster pumps sufficient to create a minimum pressure of 40 PSI shall be installed by the Yordys' or the building contractor at the time of construction at no expense to the Authority. This pressure reading shall be taken at the first valve after the main water line at each unit. The booster pumps will be located in the affected units and become the property of and the maintenance responsibility of the individual owners. Yordys shall insert the following paragraph in Declaration for Protective Covenants of Pine Grove Meadows, McEwensville Borough, Northumberland County, Pennsylvania, in the covenants for each phase of the development:

"For each residential unit that cannot demonstrate 40 PSI at the minimum service level of the McEwensville Municipal Authority's water tank, individual booster pumps sufficient to create a minimum pressure of 40 PSI shall be installed by the Developer or the building contractor at the time of construction of the residence at no expense to the McEwensville Municipal Authority. The pressure reading shall be taken at the first valve after the main water line at each residential unit. The booster pumps will be located in the affected residential unit and become the property of and maintenance responsibility of the individual property owners."

6. During the course of the construction, all materials, workmanship, and compliance with approved plans and specifications shall be subject to the observation and approval of Authority, its inspectors based upon spot inspections, or its consulting engineer. No pipe shall be covered until a

final inspection and approval to proceed has been given to Yordys' by Authority's inspector. Upon completion of construction and prior to the connection of the extension or any phase thereof to the water or sewer system(s) of Authority, Authority shall certify the satisfactory completion thereof.

7. Within thirty (30) days of completion of any phase of the extension or extensions, Yordys' shall:

7.1 Once the "provisional as-built" drawings have been approved, furnish, at their expense, two (2) "provisional as-built" drawings of the completed extension project (or any phase thereof) together with one (1) set of reproducible plans to Authority.

7.2 Cause to be prepared, executed, acknowledged and delivered to Authority ready for recording, at their expense, a Deed of Dedication for the extension project or any phase thereof and conveyance of all pipes, manholes and all appurtenances within the public utility easement as well as all rights, liberties and privileges appurtenant thereto including rights-of-way over private lands necessary to the existence of future maintenance thereof.

8. Upon receipt and recording of said Deed of Dedication, the extension project and all parts and appurtenances thereof as above described shall be, become and remain the sole, absolute and permanent property of Authority free and clear of any lien, obligations or other liability in favor of Yordys', their successors and assigns, and any of their creditors or in favor of any other person or corporation to the same end effect as if Authority had constructed the extension project or projects with its own labor and at its own expense. A memorandum of this Agreement shall be recorded in the Northumberland County Recorder of Deeds Office at Yordys' expense. Prior to commencement of work by a contractor, Yordys' shall have the contractor execute a Stipulation Against Liens, shall file said Stipulation Against Liens in the Northumberland County Prothonotary's Office, and shall provide a copy thereof to Authority. Prior to acquiring materials for this project, Yordys' shall have the supplier of said materials execute a Waiver of Liens and shall provide a copy thereof to Authority. Following delivery of the Deed of Dedication, Authority shall maintain, repair, rebuild and otherwise act toward said extension as its own property and at its own cost and expense and Yordys' shall have no further obligation or responsibility thereto except as hereinafter provided. Nothing herein shall be construed to discharge or dilute the contractual obligations of the contractor or contractors of the Yordys' to guarantee their workmanship. All contracts between Yordys' and their contractors shall include provision

that the warranties shall remain in effect for the benefit of Authority for a period of twelve (12) months from the date of dedications.

### **FEES**

9. Yordys' shall be responsible for payment of all legal, engineering, and inspection fees incurred by Authority in connection with this project. Within ten (10) days of execution of this Agreement, Yordys' shall pay to Authority EIGHT THOUSAND (\$8,000.00) DOLLARS to be held in an escrow account by Authority and utilized to pay the aforementioned fees as they are incurred. Upon completion of the project, any unused funds will be returned to Yordys' within ten (10) days of completion. In the event the escrow fund is fully depleted during the course of the project, Yordys' shall pay an additional amount to Authority to be agreed upon at that time. Authority shall provide Yordys' with an accounting of the disposition of all funds paid to it under this provision.
10. All fees shall be paid at the time the owner of a lot obtains the necessary permits to begin construction and/or to connect to the Authority systems. The tapping fee will be the amount charged to Borough residents at the time it is paid.

IN WITNESS WHEREOF, McEwensville Municipal Authority, by its duly authorized Chairman, Kevin L. Yordy and Janet L. Yordy t/a Yordy Development, intending to be legally bound hereby, have executed this Agreement consisting of ten (10) numbered preprinted paragraphs on the date set forth next to their name.

**MCEWENSVILLE MUNICIPAL AUTHORITY**

Date:

By:

G. J. Wood  
Stephen J. Fisher, Chairman  
G. Craig Wood

ATTESTED:

Gloria McClintock  
Gloria McClintock, Secretary

**YORDY DEVELOPMENT**

Date:

3/28/09

By:

Kevin L. Yordy  
Kevin L. Yordy

Date:

3/28/09

By:

Janet L. Yordy  
Janet L. Yordy

Schedule 4.15

Liabilities

1. See Schedule 4.13, Item 1
2. Sewer Revenue Bonds, Series 1983, Ending Balance as of 12/31/2013 of \$ 84,920.90  
to be satisfied at Closing
3. Water Revenue Bonds, Series 1978, Ending Balance as of 12/31/2013 of \$ 19,911.00  
to be satisfied at Closing

Schedule 4.16

Customer Advances

See Schedule 4.13, Item 1

Schedule 6.2.2

Existing Rates – to be adopted by PAWC as its base rates effective at Closing

**WATER**

- Monthly Service Charge - \$18.00 and includes 1<sup>st</sup> 3,000 gallons/EDU
- Volumetric Charge - \$6.00/thousand gallons for all consumption in excess of 3,000 gallons/month

**WASTEWATER**

- Monthly Service Charge - \$48.00/EDU

**FIRE HYDRANTS**

- See Section 7.1 for applicable rates effective at Closing

**HOOK-ON FEES, Etc.**

- PAWC's Fees, etc. shall apply in lieu of that of MBMA's effective at Closing

Schedule 8.1.9

Certificate of Financial Information

CERTIFICATE AS TO DEBT, CONTRIBUTIONS,  
AND ADDITIONS AND RETIREMENTS

The undersigned officer of MCEWENSVILLE MUNICIPAL AUTHORITY ("MBMA"), with regard to the Purchase Agreement dated December \_\_, 2014 (the "Agreement") between MBMA, as Seller, and Pennsylvania-American Water Company ("PAWC"), as Buyer, for the sale by MBMA to PAWC of the public water supply and wastewater treatment, collection and disposal systems now owned by MBMA (the "Water and Wastewater Systems"), hereby certifies that:

1. The amount of MBMA's net outstanding long-term debt or notes related to the Water and Wastewater Systems is \$ 89,673.53
2. The amount of all unexpired customers' advances for construction and unexpended contributions in aid of construction is \$ 12,000.00
3. The additions or retirements to the Water and Wastewater Systems during the period [date of agreement] through the date of this Certificate, together with the cost thereof, are: \$ 0.

All of the foregoing statements are true and correct as of the \_\_\_\_ day of December, 2014.

ATTEST:

  
Secretary

(SEAL)

MCEWENSVILLE MUNICIPAL  
AUTHORITY

  
President

Schedule 8.1.11

Opinion of Counsel (MBMA)

**DRAFT**

Date

Pennsylvania American Water Company  
800 West Hersheypark Drive  
Hershey, PA 17033

Ladies and Gentlemen:

I have acted as counsel for \_\_\_\_\_, a Pennsylvania \_\_\_\_\_ (the "Seller") in connection with the execution and delivery by the Seller of the Purchase Agreement (the "Agreement") dated \_\_\_\_\_ between the Seller and Pennsylvania American Water Company, a Pennsylvania corporation ("PAWC"). This opinion is delivered to you pursuant to Paragraph 8.1.11 of the Agreement. All capitalized terms used herein without definition shall have the respective meanings ascribed to them in the Agreement unless otherwise noted.

In connection with the opinions expressed below, I have made such examination of law and have examined originals, or copies certified or otherwise identified to my satisfaction, of the Agreement and all other agreements and instruments to be executed by the Seller in connection with the Agreement ("Transaction Documents"), and such documents and records of the Seller, certificates of public officials and of officers of the Seller, and such other documents as I have deemed necessary or appropriate.

Based upon and subject to the foregoing, it is my opinion that as of the date hereof:

1. The Seller is validly existing under the laws of the Commonwealth of Pennsylvania and has all requisite municipal power and municipal authority to perform its obligations under the Agreement, and to own the Acquired Assets as now owned or leased and to operate the Acquired Assets as now operated.
2. All proceedings required to be taken by or on the part of the Seller to authorize the execution, delivery and performance of the Agreement and the Transaction documents, and the consummation of the transactions thereby, have been duly and properly taken. Each of the Agreement and the Transaction Documents have been duly and validly executed and delivered.

Pennsylvania American Water Company

[DATE]

Page 2

3. All consents, approvals, authorizations or orders of any court or governmental authority of the United States or the Commonwealth of Pennsylvania required for the consummation by the Seller of the transactions contemplated by the Agreement have been obtained.

4. Neither the execution and delivery of the Agreement and the Transaction documents by the Seller nor the consummation of the transactions contemplated thereby will conflict with, or result in a breach of, the terms, conditions, or provisions of, or constitute a default under, the terms of any agreement or instrument to which the Seller is a party or by which the Acquired Assets may be bound or affected. The execution, delivery and performance of, and compliance with, the Agreement and the Transaction Documents by the Seller will not violate any provision of any law, rule, regulation, or to my knowledge, order, permit, certificate, writ, judgment, injunction, decree, determination, award or other decision of any court, arbitrator or governmental authority, by which the Seller is bound or to which it is subject.

5. The Agreement and other agreements and documents to be executed pursuant thereto, when executed and delivered by the Seller, will constitute legal, valid and binding obligations of the Seller, enforceable against it in accordance with their respective terms.

Sincerely,

Schedule 8.2.3

Opinion of Counsel (PAWC)

**DRAFT**

Date \_\_\_\_\_

I am Corporate Counsel for Pennsylvania American Water Company ("PAWC"), a Pennsylvania corporation, in connection with the execution and delivery of the Purchase Agreement dated \_\_\_\_\_, between \_\_\_\_\_, as Seller, and PAWC, as Purchaser, for the sale by \_\_\_\_\_ to PAWC of the public wastewater system ("Wastewater System") and assets related to the Wastewater System now owned by \_\_\_\_\_. This Opinion is delivered to you under Paragraph 8.2.3 of the Purchase Agreement.

Based upon and subject to the foregoing, it is my opinion that as of the date hereof:

1. PAWC is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to own, lease and operate the Wastewater System.

2. The execution, delivery and performance of the Purchase Agreement does not, and the consummation of the transaction contemplated by the Purchase Agreement as of Closing will not, violate any provision of law or conflict with, result in a breach of, or constitute a default under, the terms, conditions or provisions of any agreement, contract or other instrument to which PAWC is a party.

Sincerely,

\_\_\_\_\_  
Corporate Counsel  
Pennsylvania American Water

**Pennsylvania-American Water Company, Inc.**  
**Pro-Forma Balance Sheet (Unaudited)**  
**December 31, 2013**  
**(Dollars in thousands)**

	<b>PAWC</b>	<b>McEwensville</b>	<b>Consolidated</b>
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Property, plant and equipment</b>			
Utility plant - at original cost less accumulated depreciation	\$ 3,149,042	\$ 121	\$ 3,149,163
Utility plant acquisition adjustments, net	\$ 14,531		\$ 14,531
Total Non-Utility Plant, net	\$ 235		\$ 235
<b>Total property plant and equipment</b>	<b>\$ 3,163,808</b>	<b>\$ 121</b>	<b>\$ 3,163,929</b>
<b>Current assets</b>			
Cash and cash equivalents	\$ (1,377)	\$ 124	\$ (1,253)
Accounts receivable:		\$ 23	\$ 23
Billed, net of allowance for doubtful accounts	\$ 42,701	\$ 16	\$ 42,717
Unbilled	\$ 36,111		\$ 36,111
Other current assets	\$ 10,365	\$ 3	\$ 10,368
<b>Total current assets</b>	<b>\$ 87,801</b>	<b>\$ 166</b>	<b>\$ 87,966</b>
<b>Long-term assets</b>			
Regulatory assets	\$ 182,074		\$ 182,074
Goodwill	\$ 39,782		\$ 39,782
Other	\$ 554		\$ 554
<b>Total long-term assets</b>	<b>\$ 222,409</b>	<b>\$ -</b>	<b>\$ 222,409</b>
<b>Total assets</b>	<b>\$ 3,474,018</b>	<b>\$ 287</b>	<b>\$ 3,474,305</b>
<b>Capitalization and Liabilities</b>			
<b>Capitalization</b>			
<b>Total stockholder's equity</b>	<b>\$ 1,169,391</b>	<b>\$ 165</b>	<b>\$ 1,169,556</b>
Long-term debt	\$ 1,147,870	\$ 102	\$ 1,147,972
Preferred stock with mandatory redemption requirements	\$ 10,052		\$ 10,052
<b>Total capitalization</b>	<b>\$ 2,327,313</b>	<b>\$ 267</b>	<b>\$ 2,327,580</b>
<b>Current liabilities</b>			
Notes payable - associated companies	\$ 63,046	\$ -	\$ 63,046
Current portion of long-term debt	\$ 3,917	\$ -	\$ 3,917
Other	\$ 120,037	\$ 20	\$ 120,057
<b>Total current liabilities</b>	<b>\$ 186,999</b>	<b>\$ 20</b>	<b>\$ 187,019</b>
<b>Long-term liabilities</b>			
Deferred income taxes	\$ 694,084		\$ 694,084
Regulatory Liabilities	\$ 27,780	\$ -	\$ 27,780
Other	\$ 109,994		\$ 109,994
<b>Total long-term liabilities</b>	<b>\$ 831,858</b>	<b>\$ -</b>	<b>\$ 831,858</b>
<b>Contributions in aid of construction</b>	<b>\$ 127,848</b>	<b>\$ -</b>	<b>\$ 127,848</b>
<b>Total capitalization and liabilities</b>	<b>\$ 3,474,018</b>	<b>\$ 287</b>	<b>\$ 3,474,305</b>

**Pennsylvania-American Water Company, Inc.**  
**Income Statement for the 12 Months Ended December 31, 2013 (Unaudited)**  
(Dollars in thousands)

	<b>PAWC</b>		<b>McEwensville Acquisition</b>		<b>Consolidated</b>
	<b>12 Months Ended</b>		<b>12 Months Ended</b>		<b>12 Months Ended</b>
	<b>December 31, 2013</b>		<b>December 31, 2013</b>		<b>December 31, 2013</b>
	<b>Unaudited</b>		<b>Unaudited</b>		<b>Unaudited</b>
<b>Operating revenues</b>	<b>\$ 571,196</b>	<b>\$</b>	<b>143</b>	<b>\$</b>	<b>\$ 571,339</b>
<b>Operating expenses</b>					
Operation and maintenance	\$ 200,367	\$	81	\$	200,448
Depreciation and amortization	\$ 87,368	\$	6	\$	87,374
General taxes and other	\$ 12,287	\$	-	\$	12,287
<b>Total Operating Expenses</b>	<b>\$ 300,022</b>	<b>\$</b>	<b>87</b>	<b>\$</b>	<b>\$ 300,109</b>
<b>Operating income</b>	<b>\$ 271,174</b>	<b>\$</b>	<b>55</b>	<b>\$</b>	<b>\$ 271,229</b>
<b>Other income (expenses)</b>					
Other income, net	\$ 1,337	\$	0	\$	1,338
Interest expense, net	\$ (64,458)	\$	(5)	\$	(64,463)
Total Other Expenses	<b>\$ (63,121)</b>	<b>\$</b>	<b>(5)</b>	<b>\$</b>	<b>(63,126)</b>
<b>Income before income taxes</b>	<b>\$ 208,050</b>	<b>\$</b>	<b>50</b>	<b>\$</b>	<b>\$ 208,101</b>
<b>Provision for income taxes</b>	<b>\$ 85,586</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>\$ 85,586</b>
<b>Net income</b>	<b>\$ 122,464</b>	<b>\$</b>	<b>50</b>	<b>\$</b>	<b>\$ 122,515</b>

PENNSYLVANIA-AMERICAN WATER COMPANY

I, E.T. HICKS, Assistant Secretary of Pennsylvania-American Water Company, a Pennsylvania corporation (the "Company"), DO HEREBY CERTIFY that below is a true and correct copy of resolutions duly adopted by the Board of Directors of the Company by Unanimous Consent on December 29, 2014, and that such resolutions have not been amended or rescinded and are still in full force and effect:

RESOLVED, that the officers of the Company be, and they hereby are, authorized to purchase the assets of the McEwensville Municipal Authority water and wastewater systems; and

RESOLVED, that any and all actions previously taken by such proper officers of the Company in executing and delivering to McEwensville Municipal Authority an agreement to purchase assets of the McEwensville Municipal Authority water and wastewater systems are ratified, confirmed and approved; and

RESOLVED, that the proper officers including but not limited to the President or a Vice President of the Company be, and hereby are, authorized and directed to execute and deliver any and all documents, make all filings and do any other thing which they may deem necessary, proper or desirable to effectuate the purposes of the foregoing resolution, and to carry out the closing of the purchase of the McEwensville Municipal Authority water and wastewater systems.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of this Company this 30th day of December, 2014.



Assistant Secretary



RESOLUTION NO. 1-2014

**A RESOLUTION OF THE MUNICIPAL AUTHORITY OF THE BOROUGH OF McEWENSVILLE, NORTHUMBERLAND COUNTY, PENNSYLVANIA, AGREEING TO SELL THE WATER TREATMENT AND DISTRIBUTION SYSTEM AND SEWAGE COLLECTION AND TREATMENT SYSTEM TO THE PENNSYLVANIA AMERICAN WATER COMPANY.**

WHEREAS, the Authority has determined it is in the best interests of the Authority and the citizens of the Borough of McEwensville to enter into an agreement for the sale of the water treatment and distribution system and the sewage collection treatment system to the Pennsylvania American Water Company for the sum of Three Hundred Seventy Thousand and 00/100 (\$370,000.00) Dollars subject to the terms and conditions in the Purchase Agreement between the McEwensville Municipal Authority, as Seller, and the Pennsylvania American Water Company, as Buyer, dated as of December of 2014; and

WHEREAS, the Borough of McEwensville has approved the said sale and purchase pursuant to a Resolution bearing the date of December of 2014.

NOW, THEREFORE, BE IT RESOLVED by the Board of the McEwensville Municipal Authority, Northumberland County, Pennsylvania, as follows:


**SECTION 1.** The Authority hereby approves that the Purchase Agreement between the Authority and the Pennsylvania American Water Company dated December of 2014, for the sale of the Authority's entire water treatment and distribution system and the Authority's sewage collection and treatment system, including all the assets pertaining thereto, excepting however, the exception of the Authority's cash or cash equivalent held in bank or other related accounts, plus accounts receivable due for services rendered by the Authority to its customers up to the date of closing and all personal property situate within property and facilities owned by the McEwensville Borough and shared between the Borough and the Authority for the sum of Three Hundred Seventy Thousand and 00/100 (\$370,000.00) Dollars, pursuant to the terms and conditions of the said Agreement.

**SECTION 2.** The appropriate officers of the Authority are hereby authorized, empowered and directed on behalf of the Authority to execute any and all papers and documents and to do and cause to be done any and all actions and things necessary or proper to execute or carry out the aforesaid Purchase Agreement.

DULY ENACTED AND ORDAINED this 17<sup>th</sup> day of December, 2014.

ATTEST:

  
SECRETARY

  
CHAIRMAN

MBMA's Current Rates

Schedule 6.2.2

Existing Rates – to be adopted by PAWC as its base rates effective at Closing

**WATER**

- Monthly Service Charge - \$18.00 and includes 1<sup>st</sup> 3,000 gallons/EDU
- Volumetric Charge - \$6.00/thousand gallons for all consumption in excess of 3,000 gallons/month

**WASTEWATER**

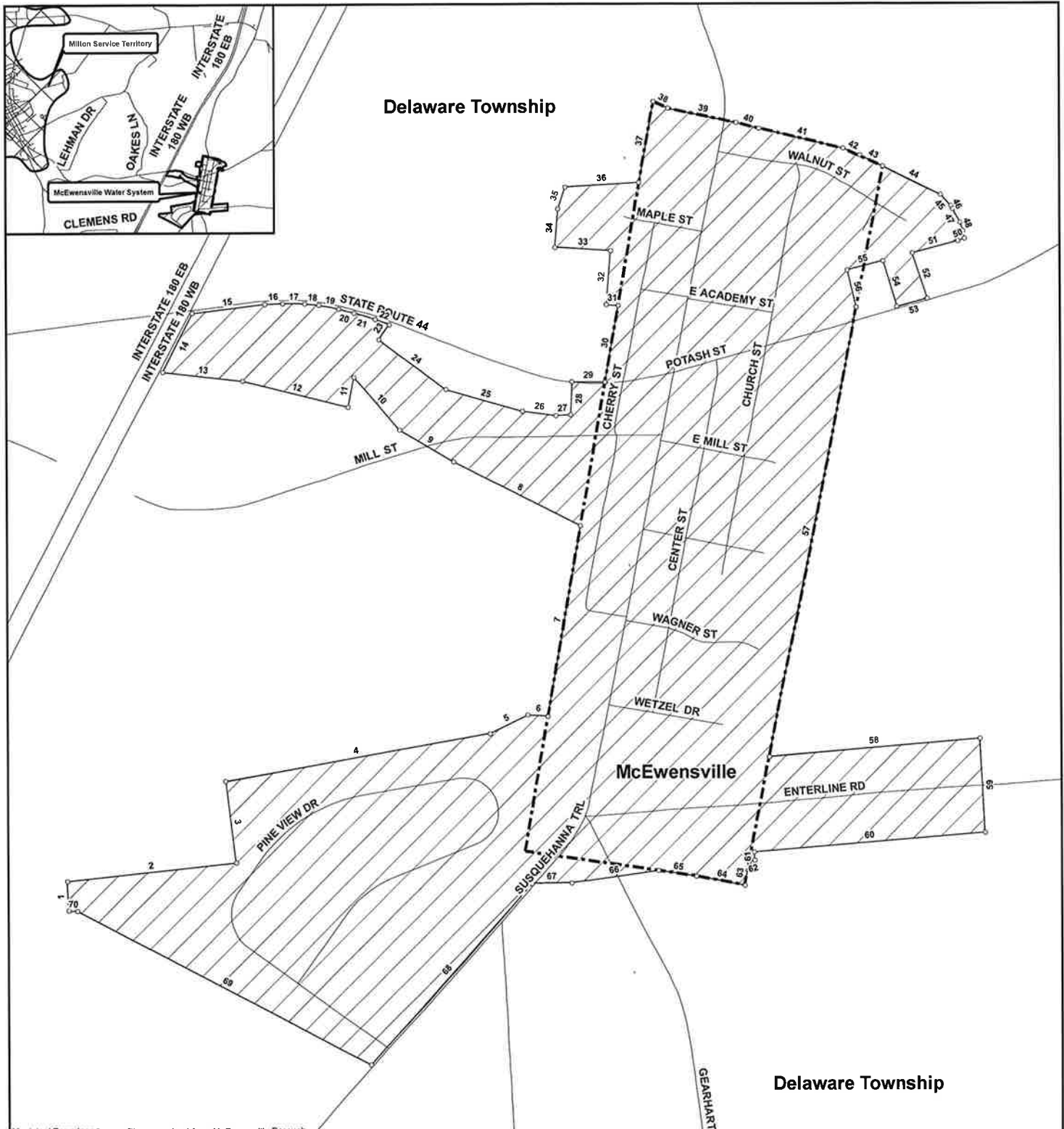
- Monthly Service Charge - \$48.00/EDU

**FIRE HYDRANTS**

- See Section 7.1 for applicable rates effective at Closing

**HOOK-ON FEES, Etc.**

- PAWC's Fees, etc. shall apply in lieu of that of MBMA's effective at Closing



Municipal Boundary Source: Plans received from McEwensville Borough

**Pennsylvania American Water Company**  
**Milton Operating Area**  
**Proposed Service Area - McEwensville Water System**  
**Approximately 150 Total Acres**  
**McEwensville Borough & Delaware Township,**  
**Northumberland County**

  
**PENNSYLVANIA**  
**AMERICAN WATER**  
 Pennsylvania American Water  
 800 West Hersheypark Drive  
 Hershey, PA 17033

**Legend**

-  PAWC Certified Water Service Territory
-  Proposed McEwensville Wastewater Service Area
-  Municipality

TO BE USED FOR REFERENCE ONLY  
 Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the Certified Service Territory may be reflected in the data supplied.



Disclaimer: Bearings and distances were not developed as a result of physical survey completed by a Professional Licensed Survey, but instead completed through employment of ESRI's ArcGIS COGO tool. \*Bearings and Distances attached separately.

**Exhibit L.1**

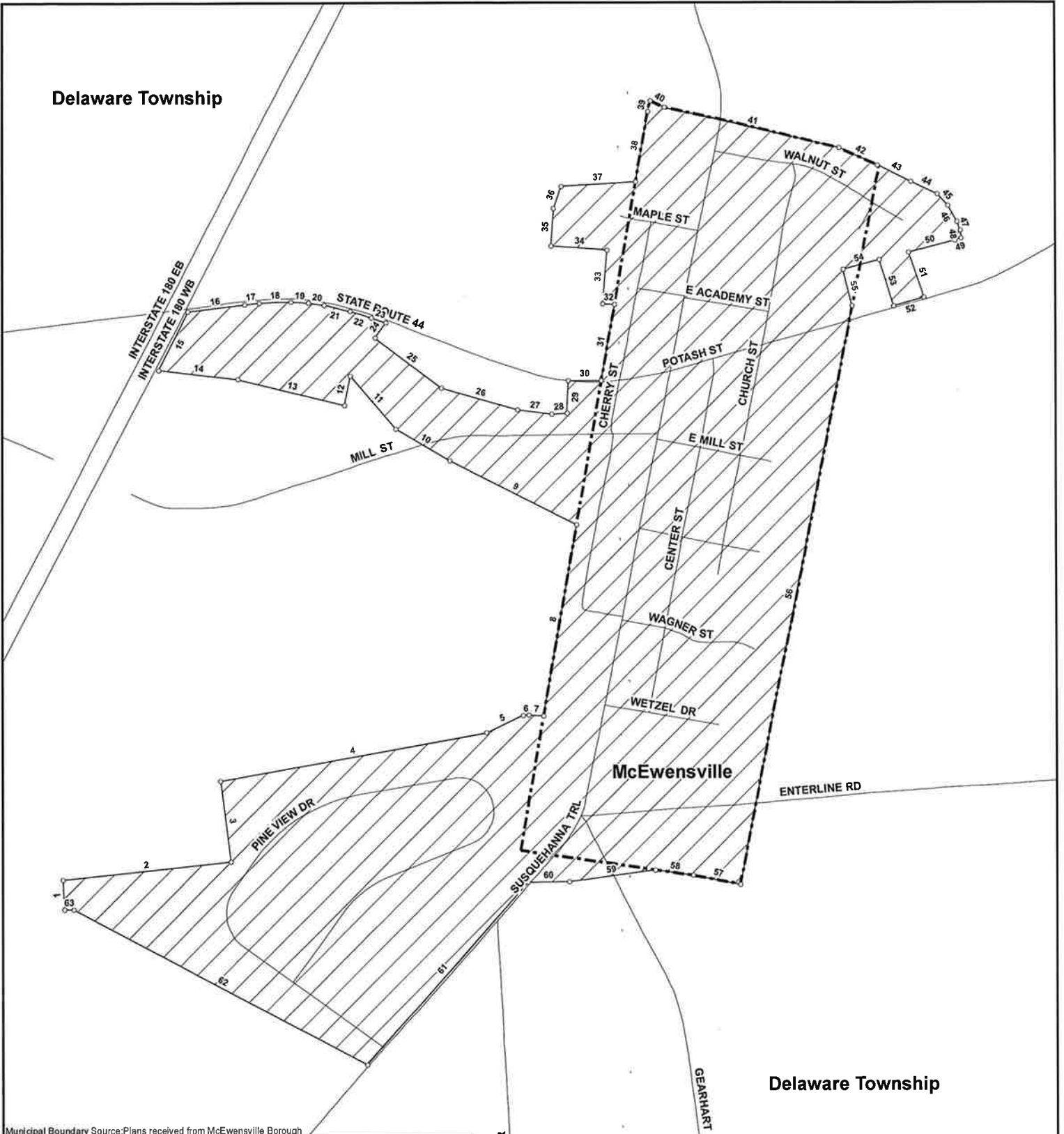
Sequence	From	To	Bearing	Distance (ft)
1	1	2	N2°27'01"W	131.3846
2	2	3	N83°51'30"E	760.6592
3	3	4	N7°28'57"W	366.6202
4	4	5	N80°01'51"E	1209.671
5	5	6	N64°01'32"E	188.29
6	6	7	S85°51'55"E	90.2958
7	7	8	N9°57'29"E	865.9099
8	8	9	N63°15'16"W	639.3303
9	9	10	N59°25'15"W	279.4954
10	10	11	N40°44'46"W	312.7989
11	11	12	S10°37'11"W	135.6568
12	12	13	N76°12'46"W	493.9184
13	13	14	N83°30'47"W	359.5938
14	14	15	N26°58'25"E	293.9572
15	15	16	N82°58'36"E	327.9819
16	16	17	N87°23'51"E	80.2912
17	17	18	S88°31'52"E	101.5959
18	18	19	S84°30'59"E	65.4035
19	19	20	S78°56'37"E	92.3389
20	20	21	S74°55'53"E	70.1193
21	21	22	S73°48'05"E	97.0834
22	22	23	S70°05'22"E	70.3511
23	23	24	S36°04'49"W	83.1329
24	24	25	S53°17'25"E	372.9181
25	25	26	S73°59'10"E	358.7116
26	26	27	S82°17'17"E	151.3691
27	27	28	N86°02'23"E	67.8704
28	28	29	N2°14'30"E	146.4663
29	29	30	S89°36'03"E	149.4828
30	30	31	N10°05'51"E	347.5711
31	31	32	N87°14'51"W	54.2292
32	32	33	N4°57'32"E	241.0063
33	33	34	N86°20'34"W	253.1196
34	34	35	N4°32'46"E	170.85
35	35	36	N19°15'45"E	102.62
36	36	37	N86°30'07"E	332.9119
37	37	38	N10°26'07"E	368.0671
38	38	39	S64°45'14"E	70.8276
39	39	40	S77°56'19"E	311.5654
40	40	41	S76°10'02"E	106.7416
41	41	42	S76°32'24"E	389.3399
42	42	43	S68°16'04"E	80.1779
43	43	44	S64°28'13"E	116.015
44	44	45	S64°12'53"E	290.9487
45	45	46	S44°04'15"E	68.1416
46	46	47	S25°01'01"E	17.2427
47	47	48	S30°07'45"E	67.4454
48	48	49	S18°12'31"E	41.6699
49	49	50	S10°37'11"E	33.9142
50	50	51	S68°11'55"W	30.8525
51	51	52	S75°33'36"W	215.1294
52	52	53	S18°36'46"E	212.1371
53	53	54	S75°08'59"W	142.2514
54	54	55	N17°27'45"W	213.4845
55	55	56	S75°34'27"W	167.2524
56	56	57	S14°04'45"E	169.1434
57	57	58	S11°12'47"W	2049.615
58	58	59	N85°05'53"E	954.8816
59	59	60	S3°04'53"E	419.8779
60	60	61	S85°17'30"W	1046.936
61	61	62	S2°39'47"E	37.3667
62	62	63	S76°51'58"W	26.7412
63	63	64	S9°50'45"W	106.6049
64	64	65	N78°54'38"W	221.143
65	65	66	N81°52'12"W	171.8662
66	66	67	S82°09'19"W	394.3151
67	67	68	S89°09'42"W	177.9704
68	68	69	S41°48'36"W	1088.372
69	69	70	N62°13'56"W	1486.847
70	70	1	N87°42'34"W	39.0937

SERVICE AREA IDENTIFICATION  
McEWENSVILLE MUNICIPAL AUTHORITY  
WATER AND WASTEWATER SYSTEMS

The McEwensville Municipal Authority ("MBMA") water and wastewater systems are owned and operated by MBMA and serve customers within McEwensville Borough and a portion of Delaware Township. The systems are located within Northumberland County east of Interstate 180 and 1.5 miles north of Interstate 80. The exact locations of the systems are found on Exhibits L.1 and M.1. The service areas are identified by the planar coordinates based on the Pennsylvania State Plane System.

Delaware Township

Delaware Township



Municipal Boundary Source: Plans received from McEwensville Borough

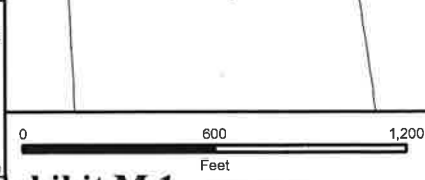
**Pennsylvania American Water Company**  
**Milton Operating Area**  
**Proposed Service Area - McEwensville Wastewater System**  
**Approximatley 142.5 Total Acres**  
**McEwensville Borough & Delaware Township,**  
**Northumberland County**



**Legend**

- Proposed McEwensville Wastewater Service Area
- Municipality

TO BE USED FOR REFERENCE ONLY  
 Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the Certified Service Territory may be reflected in the data supplied.



Disclaimer: Bearings and distances were not developed as a result of physical survey completed by a Professional Licensed Survey, but instead completed through employment of ESRI's ArcGIS COGO tool.  
 \* Bearings and Distances attached separately.

Exhibit M.1

Sequence	From	To	Bearing	Distance (ft)
1	1	2	N3°28'15"W	133.3464
2	2	3	N83°59'03"E	762.0089
3	3	4	N7°21'09"W	366.293
4	4	5	N79°53'28"E	1214.161
5	5	6	N64°43'33"E	180.95
6	6	7	N88°03'31"E	25.6223
7	7	8	S86°38'01"E	66.521
8	8	9	N9°56'59"E	864.1249
9	9	10	N63°10'21"W	635.6944
10	10	11	N59°33'57"W	281.898
11	11	12	N40°56'47"W	312.5964
12	12	13	S10°50'11"W	133.8981
13	13	14	N76°12'33"W	491.6023
14	14	15	N83°26'49"W	361.3015
15	15	16	N26°42'58"E	294.4555
16	16	17	N83°11'02"E	259.6477
17	17	18	N83°37'06"E	66.3836
18	18	19	N88°25'42"E	142.4147
19	19	20	S86°22'58"E	75.6716
20	20	21	S81°55'10"E	71.0176
21	21	22	S76°24'56"E	120.1136
22	22	23	S73°20'52"E	101.4781
23	23	24	S70°32'24"E	69.0486
24	24	25	S35°44'39"W	83.9572
25	25	26	S53°07'48"E	371.0938
26	26	27	S73°59'16"E	357.1735
27	27	28	S82°35'47"E	154.9376
28	28	29	N86°19'56"E	67.8473
29	29	30	N2°12'57"E	145.9424
30	30	31	S89°39'54"E	148.44
31	31	32	N10°00'14"E	347.2941
32	32	33	N88°06'24"W	52.546
33	33	34	N4°50'57"E	241.3152
34	34	35	N86°02'53"W	251.9011
35	35	36	N3°58'14"E	169.243
36	36	37	N19°24'49"E	104.4637
37	37	38	N86°38'32"E	333.4718
38	38	39	N10°02'23"E	318.6819
39	39	40	N12°34'59"E	49.8074
40	40	41	S64°32'12"E	70.6666
41	41	42	S77°03'14"E	807.8614
42	42	43	S65°41'16"E	187.6486
43	43	44	S64°05'50"E	167.9104
44	44	45	S64°57'37"E	131.2602
45	45	46	S42°30'38"E	70.6546
46	46	47	S29°08'35"E	81.9945
47	47	48	S20°41'44"E	41.757
48	48	49	S7°49'45"E	35.0489
49	49	50	S71°03'13"W	30.7456
50	50	51	S75°29'11"W	214.7525
51	51	52	S18°43'53"E	212.1939
52	52	53	S74°16'13"W	142.4887
53	53	54	N17°16'18"W	216.3532
54	54	55	S75°29'51"W	168.1173
55	55	56	S14°19'22"E	168.4296
56	56	57	S11°12'18"W	2632.058
57	57	58	N79°08'26"W	216.5516
58	58	59	N82°09'24"W	171.7456
59	59	60	S82°11'41"W	389.8971
60	60	61	S89°43'52"W	184.8979
61	61	62	S41°36'39"W	1090.188
62	62	63	N62°12'37"W	1489.499
63	63	1	N88°45'17"W	39.94

**SERVICE AREA IDENTIFICATION  
McEWENSVILLE MUNICIPAL AUTHORITY  
WATER AND WASTEWATER SYSTEMS**

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Estimated Annual Revenues and Expenses

Revenues - \$145,455

Expenses (excluding Interest, Taxes, Depreciation & Amortization) - \$90,150