

**Application of Pennsylvania-American Water Company for Acquisition of
the Wastewater Assets of the Township of Sadsbury
66 Pa. C.S. §1329
Application Filing Checklist – Water/Wastewater
Docket No. A-2018-_____**

8. State the total fees paid to the utility valuation experts for providing the completed appraisals for the acquisition and provide documentation, i.e., the valuation service agreement and all associated invoices, justifying the subject fee amounts.

RESPONSE: The fees paid to Jerome C. Weinert, P.E., Principal and Director for AUS Consultants, Inc. on behalf of PAWC and by Adrienne M. Vicari, P.E., Practice Area Leader, Financial Services, for Herbert, Rowland, and Grubic, Inc., on behalf of the Township are reflected on the enclosed valuation service agreements and associated invoices for services received to date.



369 East Park Drive
Harrisburg, PA 17111
717.564.1121
(FAX) 717.564.1158
www.hrg-inc.com

December 28, 2016

Mr. Dale L. Hansel, Chairman
Sadsbury Township Board of Supervisors
Sadisbury Township (Chester County)
P.O. Box 261
Sadsburyville, Pennsylvania 19369

Mail to:
Attorney Vincent M. Pompo, Solicitor
Lamb McErlane, PC
24 East Market Street
West Chester, Pennsylvania 19381

Re: Proposal for Utility Valuation Expert (UVE) Services
Wastewater Facilities

Dear Mr. Hensel:

We have been requested by Attorney Vincent Pompo to prepare this proposal for Utility Valuation Expert (UVE) service with respect to the possible sale of the Sadsbury Township Sanitary Sewer System (STSSS). On behalf of Herbert, Rowland & Grubic, Inc. (HRG), I thank you for this opportunity.

UNDERSTANDING OF THE PROJECT

Based on our discussions with Attorney Pompo, Sadsbury Township (the Township) has received and signed a Letter of Interest (LOI) from Pennsylvania American Water (PA American), a PUC regulated utility. HRG has received and reviewed a copy of the signed LOI. Accordingly, Paragraph 2 indicates that if a Definitive Agreement is reached, it is the desire of both parties to complete the transaction in accordance with the recent amendments to the public utility code commonly referred to as Act 12 of 2016 (Act 12). This is an option that must be elected by both buyer and seller. If elected, each party must retain its own UVE.

In addition, the PUC's Final Implementation Order, adopted on October 27, 2016, requires a single licensed engineer be retained to conduct an assessment of the condition of the tangible assets of the STSSS and provide an inventory to each UVE. According to the PUC, the scope of the licensed engineer shall include:

- An inventory of used and useful utility plant assets to be transferred compiled by year and account. Identify separately any utility plant that is being held for future use.
- A list of all non-depreciable property such as land and rights-of way.
- The inventory is to be developed from available records, maps, work orders, debt issue closing documents funding construction projects, and other sources to ensure an accurate listing of utility plant inventory by utility account.

The PUC order does not require the licensed engineer to provide the original cost of the assets. However, it has been our experience that if the licensed engineer has detailed knowledge of the system, they may be able to provide the original cost of the assets.

SCOPE OF SERVICES

UVE Services and Calculation of Fair Market Value

HRG will calculate the Fair Market Value (FMV) of the STSSS in compliance with the Uniform Standards of Professional Appraisal Practice employing the three valuation approaches specified in Act 12: Cost, Market and Income.

In particular,

1. **Cost Approach:** HRG will review the inventory of tangible assets and their original cost if provided by the licensed engineer. This will be used as the basis to calculate Depreciated Original Cost (DOE) and Depreciated Replacement Cost (DRC). Non-depreciable assets such as land and land rights will be included and identified as either integral to the operation of the STSSS or not essential to its operation or maintenance at this time. In addition, the analysis of tangible assets may influence the values determined under the Market or Income approach.
2. **Market Approach:** HRG will calculate the FMV using the Market approach. This method is generally based on the sales of comparable facilities; however, the number of transactions, the completeness of the financial information related to those transactions, and the uniqueness of the STSSS will likely require the use of alternative methods based on industry ratios and other market related financial metrics.
3. **Income Approach:** HRG will calculate the FMV using the Income approach. This method requires pro-forma projection of income and expenses, assuming operations by the purchaser based on operating data including:
 - a. Inter-municipal agreements governing the operation and use of the STSSS, including flow records contained in Chapter 94 Annual Reports and available supporting and supplemental information, such as engineering reports and billing records, in order to quantify the amount of capacity currently being used and the capacity available for new users. Growth is an important element in establishing the value of the system.
 - b. Operating and capital budgets, maintenance records, and other operational and financial documents as necessary in order to estimate future costs.

- c. Permits and regulatory compliance documentation, site control, including documentation of land held in fee simple and rights of way agreements.

HRG will provide a draft report for review by the Township and will prepare a final written report in a format acceptable to the PUC.

Our Scope is general in nature and was developed on the basis of our discussions with Attorney Pompo and our understanding of the work required. However, we are unable to determine in advance the completeness of the engineer's analysis of tangible assets and the availability and completeness of other operating and financial reports and records necessary for us to calculate the FMV under each required approach.

ADDITIONAL SERVICES: GENERAL CONSULTING AND POST UVE CONSULTING

HRG will provide a separate proposal, if requested, to the Township for general consulting services prior to initiating the UVE services and FMV calculation.

HRG will provide a separate proposal, if requested, to the Township for ongoing consultation in response to questions relating to user rate impacts, wholesale charges, PUC rate making procedures, and such other aspects of the transaction that are within our expertise.

STATEMENT OF INDEPENDENCE / CONFLICT OF INTERESTS

In accordance with the requirements of Act 12:

1. HRG will not derive any material financial benefit from the sale of the selling utility other than fees for services rendered.
2. HRG has no financial interest and no employee is known to be a family member of a director, officer or employee of either the acquiring public utility or entity, or selling utility within a twelve month period of the date of hire to perform this appraisal.

On December 7, 2016, HRG was notified by the PUC that our application to be designated a UVE has been accepted and we are registered as a UVE until December 31, 2017. A copy of the Secretarial letter is attached.

COMPENSATION

Our services and compensation will be provided on the basis of our General Provisions for Consulting and Design, Attachment No. 1. Compensation will be at our Financial Services Division hourly rates in effect at the time that the work is performed. A copy of our 2017 Hourly Rate Schedule is included as Attachment

Mr. Dale L. Hensel, Chairman
Sadsbury Township
December 28, 2016
Page 4

No. 2. Our work will be performed on an hourly basis. Our estimated total charges for this assignment are expected to be twenty-five thousand dollars (\$25,000) plus direct out of pocket expenses.

SCHEDULE

HRG will work in the most time efficient manner possible, but in no event will the delivery of our final report containing the FMV exceed ninety days (90 days) from the date we receive written notice that the service contract has been executed.

AUTHORIZATION

We have developed the above Scope of Services specifically with your project needs in mind. To indicate your acceptance of these terms, and authorize the work to begin, please sign the authorization statement below, return one copy to our office, and keep the other for your files.

Should you have any questions concerning our proposal, including the scope of work, the schedule, the cost or the attached provisions, please feel free to contact me to discuss it in greater detail.

We appreciate this opportunity to offer you our professional services in this capacity.

Sincerely,

Herbert, Rowland & Grubic, Inc.



Russell F. McIntosh
Vice President - Financial Services

RFM/kl/pk
Enclosures

ACCEPTED BY:



SADSBURY TOWNSHIP

Chairman

TITLE

1-3-17

DATE

Proprietary Notice

This proposal contains proprietary information regarding Herbert, Rowland & Grubic, Inc. and is a work product containing business sensitive materials. This proposal was prepared in response to your request for your specific project and no portion of this proposal may be shared with any other party.

Herbert, Rowland & Grubic, Inc.

GENERAL PROVISIONS FOR CONSULTING AND DESIGN

ENGINEER:
HERBERT, ROWLAND & GRUBIC, INC.
ENGINEERING & RELATED SERVICES

CLIENT: Sadsbury Township

PROPOSAL/AGREEMENT DATED: December 28, 2016

PROJECT: Utility Valuation Expert (UVE) Services - Wastewater Facilities

These General Provisions set forth herein are included by reference in the Agreement for the performance of engineering services which are described in the Agreement. The Agreement shall take precedence over these General Provisions to the extent that there are any inconsistencies or contradictory statement.

1. **GENERAL:** Herbert, Rowland & Grubic, Inc. (herein after referred to as HRG) shall provide for CLIENT professional engineering services in any or all phases of the Project to which the Agreement applies. These services will include serving as Client's Professional Engineering Representative for the Project, providing professional engineering consultation and advice and furnishing customary civil, environmental, transportation and related engineering and surveying services as required. HRG's professional services will be performed in accordance with generally accepted principles of engineering practice. It is understood that HRG shall not be held liable for work performed by other parties, for the accuracy of data supplied by other parties upon which HRG may rely, or for testing or inspection work performed by other parties.

2. **TIMING OF PROPOSAL:** HRG agrees that the Proposal/Agreement shall remain open and may be accepted by the CLIENT for thirty (30) days from the above date. Acceptance of the Agreement after the end of the 30-day period shall be valid only if HRG elects, in writing, to reaffirm the Proposal/Agreement and waive its right to reevaluate and resubmit the Proposal/Agreement.

3. **CONDUCT OF THE WORK:** All concept, preliminary and final plans will be submitted to CLIENT or its authorized representative for approval concurrent with proceeding to attempt to secure approvals by local, county, state and all other governmental authorities having jurisdiction over the Project. In the event CLIENT does not respond to such submission within five (5) days, it shall be considered to have been given its approval.

Survey work is weather dependent, and HRG cannot always guarantee the time or date a survey crew will be available. HRG recognizes the importance of survey scheduling and will make a good faith effort to meeting clients' needs.

4. **RIGHT OF ENTRY:** CLIENT agrees to provide rights of entry and all permits and permissions necessary for the completion of HRG's service under the Agreement at no cost to HRG.

5. **USE OF DOCUMENTS:** All documents are instruments of service with respect to this Project, and HRG shall retain an ownership (including exclusive copyright) and property interest therein (including the right of reuse at the discretion of HRG) whether or not the Project is completed. CLIENT may make and retain copies of Documents for information and reference in connection with use on the Project by CLIENT. Such Documents are not intended or represented to be suitable for reuse by CLIENT or others on extensions of the Project or on any other project. Any such reuse or modification without written verification or adaptation by HRG, as appropriate for the specific purpose intended, will be at CLIENT's sole risk and without liability or legal exposure to HRG or to HRG's Consultants. CLIENT shall indemnify and hold harmless HRG and HRG's Consultants from all claims, damages, losses, and expenses, including attorneys' fees arising out of or resulting therefrom. Any verification of adaptation of the Documents for extensions of the Project or for any other project will entitle HRG to further compensation at rates to be agreed upon by CLIENT and HRG.

Copies of Documents that may be relied upon by CLIENT are limited to the printed copies (also known as hard copies) that are signed or sealed by HRG. Files in electronic media format of text, data, graphics, or of other types that are furnished by HRG to CLIENT are only for convenience of CLIENT. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 30 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any errors detected within the 30-day acceptance period will be corrected by the party delivering the electronic files. HRG shall not be responsible to maintain documents stored in electronic media format after acceptance by CLIENT.

When transferring documents in electronic media format, HRG makes no representations as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by HRG at the beginning of this Project, nor does HRG confer or transfer any software license or right to use with

the conveyance of data files.

6. **COPYRIGHT:** HRG is the exclusive owner and has the exclusive copyright to documents prepared for this Project and will grant a license to use said documents for the Project to the CLIENT upon the CLIENT's payment in full of all invoices rendered by HRG. CLIENT may not in turn transfer said license except as provided in Paragraph 9 of these General Provisions. The failure of HRG to obtain copyright registration shall not affect or impair HRG's ownership of these documents.

7. **INDEMNIFICATION:** CLIENT will indemnify and hold harmless HRG, its officers, directors, shareholders, or agents, employees, consultants and subcontractors from and against any and all liabilities, damages, or expenses in connection with any personal injury or property damage arising out of or in any way connected with the negligence, recklessness, or intentional acts or omissions by CLIENT, its officers, directors, agents, contractors and employees. CLIENT further agrees to indemnify and hold harmless HRG for any and all fees and expenses incurred in enforcing or defending HRG's right under this Agreement or the performance of its duties under this Agreement.

HRG may settle any claim for which it has a right of indemnification against CLIENT without CLIENT's consent. Notwithstanding that settlement documents shall state that HRG does not admit liability and that it is a disputed claim, HRG shall not be required to prove its liability or the reasonableness of the settlement to obtain indemnification from CLIENT.

8. **INSURANCE:** HRG and its agents, employees and consultants are covered by Worker's Compensation insurance and have limited coverage under public liability and property damage insurance policies. Certificates of insurance will be provided upon request. HRG shall not be responsible for any loss, damage, or liability beyond the amounts, limits and conditions of such insurance. Additional coverage may be obtained at the CLIENT's expense. Failure to exercise this option waives any claims of liability beyond such limits. If the CLIENT obtains a builder's risk policy for the construction phase of this Project, HRG shall be a named insured.

9. **ASSIGNS:** CLIENT and HRG each binds itself and its partners, successors, executors, administrators, assigns, and legal representatives to the other party of this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party in respect to all covenants, agreements and obligations of this Agreement. Neither CLIENT nor HRG shall assign or transfer any rights under or interest in this Agreement without the prior written consent of the other, except to the extent that the effect of this limitation may be restricted by law.

10. **SUBCONSULTANTS:** HRG has the right to employ or retain such independent consultants, associates and subcontractors as it may deem appropriate to assist it in the performance of the services required.

11. **SAFETY RESPONSIBILITY:** HRG is not responsible for any safety precautions or programs of the CLIENT or any contractors working on the Project except for the safety of HRG's own employees.

12. **CONTROLLING LAW:** The Letter Agreement is to be governed by the laws of the Commonwealth of Pennsylvania which is the principal place of business of HRG.

13. **HAZARDOUS SUBSTANCES:** CLIENT represents and warrants to HRG that it has and will comply with all obligations imposed by applicable law upon the generation, storage or disposal of hazardous substances and/or waste and that it will promptly notify HRG of any notices concerning such matters. CLIENT agrees to hold harmless, identify and defend HRG from and against any and all damages and liabilities and expenses arising out of or in any way connected with the presence, discharge, exposure, release, or escape of hazardous substances, or wastes of any kind, excepting only such liability as may arise out of the sole negligence of HRG in the performance of services under this Agreement.

14. **PAYMENTS:** Invoices will be submitted by HRG on a monthly basis as the work proceeds. Payments will be due and payable in full on receipt of an invoice by CLIENT without retainage, and will not be contingent upon receipt of funds from third parties. If fees are not paid in full within 30 days of the date of the invoice, HRG reserves the right to pursue all remedies, including withdrawing certifications, stopping work on three (3) days' prior written notice, and retaining all documents without recourse. If at any time an invoice remains unpaid for a period in excess of 30 days, interest of the rate of 1-1/2% per month will be charged on past-due accounts. CLIENT agrees to indemnify and hold harmless HRG from and against any and all reasonable fees, expenses and costs incurred by HRG including, but not limited to, court costs, arbitrators and attorneys' fees and other claim related expenses incurred in the collection process.

All invoicing will be substantiated by HRG cost record sheets and work order system, all of which shall be made available to CLIENT upon request and during regular working hours for inspection and audit. Time spent in additional detailing of invoices is considered extra effort on the Project and will be invoiced as additional work along with any related cost of making copies and reproductions. Any increase in HRG's cost after the effective date of the Agreement resulting from state or federal legislation shall be reimbursed by the CLIENT.

Timely payment of invoices is a condition of this Agreement. Failure to make payments in full within the time limits stated above will be considered substantial noncompliance with the terms of this Agreement and will be cause for termination of the Agreement if HRG so chooses.

Unless otherwise agreed in writing, all fees and costs payable to HRG pursuant to this Agreement are payable at HRG's principal place of business in Dauphin County, Pennsylvania. It is hereby agreed that all suits will be litigated in Federal or State Court in Dauphin County, Pennsylvania or any other location at the sole discretion of HRG. Acceptance of payment by HRG elsewhere shall not constitute a waiver of this requirement.

In addition to its other remedies, HRG reserves the right to withhold submission (to CLIENT or any third party municipality or agency) of any plans or other documents and withhold performance of any other term of this Agreement upon default by CLIENT of any of CLIENT's obligation under this Agreement.

15. **TERMINATION:** The obligation to provide further services under this Agreement may be terminated by either party upon three (3) days' written notice in the event of a substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. CLIENT agrees to be liable and pay HRG for all labor done, work performed, materials furnished, and all expenses incurred for all work and additional work up to and including the day work is terminated, in accordance with the notice required under this section. A substantial failure to perform shall also include, but not be limited to, the CLIENT'S inability to provide credit references and/or a credit history acceptable to HRG prior or following the execution of this Agreement. Notwithstanding the above, failure of HRG to request said credit references shall not relieve client of its obligation to perform under the terms of this Agreement.

16. **THIRD PARTY BENEFICIARIES:** Nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than the CLIENT and HRG, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of CLIENT and HRG and not for the benefit of any other party.

17. **LIMITATION OF LIABILITY:** HRG shall endeavor to perform the services under this Agreement with the care and skill ordinarily used by members of HRG's profession practicing under similar conditions at the same time and in the same locality. There are no other warranties, express or implied, including, without limitations, no warranties of merchantability or fitness for particular purpose, made by HRG in this Agreement or in any reports, opinions, drawings, specifications or other documents furnished by HRG under this Agreement, or otherwise. HRG shall not be liable for the results of services performed with professional care and skill. To the fullest extent permitted by law, HRG's total liability to CLIENT for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to the Project or this Agreement from any cause or causes including, but not limited to, HRG's negligence, errors, omissions, strict liability, intentional acts, breach of contract or breach of warranty shall not exceed the total compensation received by HRG under this Agreement, or the amount paid on behalf of HRG by their insurers in settlement or satisfaction of CLIENT's claims under the terms and conditions of HRG's professional insurance policy or policies applicable thereto, whichever is greater.

18. **DESIGN WITHOUT CONSTRUCTION PHASE SERVICES:** It is understood and agreed that HRG's Basic Services under this Agreement do not include project observation or review of the Contractor's performance or any other construction phase services, and that such services will be provided by the CLIENT. The CLIENT assumes all responsibility for interpretation of the Contract Documents and for construction observation and administration and waives any claims against HRG that may be in any way connected thereto.

In addition, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold HRG harmless from any loss, claim or cost, including reasonable attorneys' fees and costs of defense, arising or resulting from the performance of such services by other persons or entities and from any and all claims arising from modifications, clarifications, interpretations, adjustments or changes made to the Contract Documents to reflect changed field or other conditions, except for claims arising from the sole negligence or willful misconduct of HRG.

If the CLIENT requests in writing that HRG provide any specific construction phase services, HRG will submit additional General Provisions for Construction Services and HRG shall be compensated for these Additional Services.

19. **RECORD DRAWINGS:** Record Drawings will not be prepared for this project unless the CLIENT specifically requests and agrees to compensate HRG for the extra work.

HRG will then prepare a set of reproducible record prints of Drawings showing those changes made during the construction process based upon the marked-up prints, drawings, and other data furnished by the Contractor(s) to HRG and which HRG considers significant. It is noted that HRG was not present nor involved in the construction project and has no information pertaining to the validity or completeness of the marked-up prints provided by the Contractor(s). Because these Record Drawings are based on unverified information provided by other parties which will be assumed reliable, HRG cannot and does not warrant the accuracy.

20. **CONTRACTOR/MANUFACTURER SUPPLIED DESIGNS:** The Work may require the furnishing and supplying of design services for such products as pre-manufactured buildings, tanks, special structures and systems, etc. CLIENT shall not hold HRG responsible for any such design which is furnished by others.

21. **OTHER WORK:** If the CLIENT requests HRG to provide engineering services on other Projects before a written Agreement is consummated for the other Project, the terms and conditions of this Agreement shall apply in full.

22. **AUTHORITY TO SIGN:** The individual signing this Agreement warrants that he has authority to sign as, or on behalf of, CLIENT for whom or for whose benefit HRG's services are rendered. If such individual does not have such authority, he understands and agrees that he is personally responsible for this Agreement to HRG in addition to any liability which CLIENT may have.

23. **MARKETING/ADVERTISING:** CLIENT hereby authorizes and grants to HRG the right to display a company sign at the project site during the construction phase of the project. CLIENT also grants HRG the right to use project related photographs, renderings, artist's depictions, project related articles and the like for marketing and advertisement purposes of the firm without further authorization from or compensation to the CLIENT. HRG will be responsible for securing any applicable permits and/or approvals associated with the installation of said project signs and for all direct costs associated with internal marketing and advertising activities.

24. **ENTIRE AGREEMENT:** These General Provisions, any drawings, plans, plats, and/or exhibits attached hereto, and the Proposal or Agreement to which these items are attached, set forth the entire understanding and agreement between the parties with respect to the subject matter contained therein and shall be binding upon and inure (except as otherwise provided herein) to the benefit of the parties and their respective successors and assigns. This Agreement supersedes all prior documents, agreements, and understandings between the parties with respect to the transactions contemplated hereby.



2017 FEE SCHEDULE

Classification	Hourly Billing Rates
Junior Technician	\$75.00
Administrative Staff	\$85.00
Technician I	\$125.00
Technician II	\$130.00
Senior Technician	\$135.00
Staff Professional I	\$135.00
Staff Professional II	\$150.00
Project Professional	\$185.00
Senior Professional	\$215.00
Principal	\$225.00

Professionals include Engineers, Land Surveyors, Landscape Architects, Planners, Geologists, Scientists and similar professionals.

Technicians include Designers, CADD Operators, Inspectors, Survey Technicians and similar technical staff.

All non-exempt employees have overtime rates of 1.5 times their normal billing rate.

Reimbursable expenses are billed at cost plus 10%, including, but not limited to Travel, Printing, Postage, Photography, Videos, Laboratory Work, Equipment Rental, and special outside Consultants.

PLEASE NOTE: HRG adjusts the fee schedule annually to reflect the cost of doing business for the coming year. This fee schedule is effective January 1, 2017 through December 31, 2017.



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. Box 3265, Harrisburg PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

December 7, 2016

Docket No. A-2016-2569809

Entity code: 9919250

HERBERT ROWLAND & GRUBIC INC
369 EAST PARK DRIVE
HARRISBURG PA 17111

Re: Application of Herbert, Rowland & Grubic, Inc. to Register as a Utility
Valuation Expert in the Commonwealth of Pennsylvania

Dear Ms. Vicari:

On 10/4/2016, Herbert, Rowland & Grubic, Inc. filed an application to register as a Utility Valuation Expert (UVE) with the Pennsylvania Public Utility Commission. UVEs are retained by entities for the valuation of acquired water and wastewater systems under Section 1329 of the Pennsylvania Public Utility Code [66 Pa C.S. § 1329] whereupon the utility valuation expert shall determine fair market value in compliance with the Uniform Standards of Professional Appraisal Practice, employing the cost, market and income approaches.

Upon review, it appears that the applicant meets the Pennsylvania Public Utility Commission's minimum qualifications to register as a UVE. Therefore, effective from the date of this Secretarial Letter, Herbert, Rowland & Grubic, Inc. is registered as a UVE on the Pennsylvania Public Utility Commission's Registry of Utility Valuation Experts which is published on the Commission's website. This approval is not meant to constitute a license, certification or warranty of any kind by the Pennsylvania Public Utility Commission.

This registration is valid until December 31, 2017. Thereafter, a UVE must renew registration by January 1 beginning in 2018 to remain on the registry.¹ In addition, the applicant is advised that if any information in the application changes, it must provide a written notice of said change to the Commission within 45 days of the change.

Questions concerning this letter may be directed to John Van Zant, Water/Wastewater Division, Bureau of Technical Utility Services at (717) 787 - 3810, jvanzant@pa.gov.

Sincerely,

Rosemary Chialetta
Secretary

Cc: Bureau of Administration

¹ Each UVE on the Commission's registry must submit a petition/request/letter/application for renewal by January 1, 2018, and each January 1 thereafter. The annual renewal fee is \$125.



369 East Park Drive
 Harrisburg PA 17111
 Phone: (717) 564-1121
 Fax: (717) 564-1158

Email Invoices to:

Sadsbury Township, Chester County
 9888 State Hwy 285
 Conneaut Lake, PA 16316

March 3, 2017
 Project No: R006038.0425
 Invoice No: 117593

Project Manager Russell McIntosh
 Client Manager

Project R006038.0425 Sadsbury Twp Utility Valuation Expert WW Services
Professional Services from January 30, 2017 to February 26, 2017

Professional Personnel

	Hours	Rate	Amount	
Administrative				
Lynch, Bryttani	.20	85.00	17.00	
Project Professional				
Brockman, Ryan	3.60	185.00	666.00	
Principal				
McIntosh, Russell	2.00	225.00	450.00	
Totals	5.80		1,133.00	
Total Labor				\$1,133.00
			TOTAL THIS INVOICE	<u><u>\$1,133.00</u></u>

Payment Terms are Upon Receipt. Interest of 1.5% per month is charged on any invoice outstanding over 30 days old.

REMITTANCE ADDRESS:
 Herbert, Rowland & Grubic, Inc.
 P.O. Box 4012
 Harrisburg, PA 17111



369 East Park Drive
Harrisburg PA 17111
Phone: (717) 564-1121
Fax: (717) 564-1158

Email Invoices to:

Dale Hansel
Sadsbury Township, Chester County
P O Box 261
Sadsburyville, PA 19369

April 7, 2017
Project No: R006038.0425
Invoice No: 118197

Project Manager Russell McIntosh
Client Manager

Project R006038.0425 Sadsbury Twp Utility Valuation Expert WW Services

Professional Services from February 27, 2017 to April 2, 2017

Professional Personnel

	Hours	Rate	Amount
Administrative			
Kulp, Paula	.80	85.00	68.00
Senior Technician			
Hildebrand, Jack	7.00	135.00	945.00
Project Professional			
Brockman, Ryan	2.70	185.00	499.50
Principal			
McIntosh, Russell	10.00	225.00	2,250.00
Totals	20.50		3,762.50
Total Labor			\$3,762.50

TOTAL THIS INVOICE \$3,762.50

Payment Terms are Upon Receipt. Interest of 1.5% per month is charged on any invoice outstanding over 30 days old.

REMITTANCE ADDRESS:
Herbert, Rowland & Grubic, Inc.
P.O. Box 4012
Harrisburg, PA 17111



Herbert, Rowland & Grubic, Inc.
Engineering & Related Services
AN EMPLOYEE-OWNED COMPANY

369 East Park Drive
 Harrisburg PA 17111
 Phone: (717) 564-1121
 Fax: (717) 564-1158

Email Invoices to:

Dale Hansel
 Sadsbury Township, Chester County
 P O Box 261
 Sadsburyville, PA 19369

May 5, 2017
 Project No: R006038.0425
 Invoice No: 118844

Project Manager Russell McIntosh
 Client Manager

Project R006038.0425 Sadsbury Twp Utility Valuation Expert WW Services

Professional Services from April 3, 2017 to April 30, 2017

Professional Personnel

	Hours	Rate	Amount
Administrative			
Lynch, Bryttani	.70	85.00	59.50
Project Professional			
Brockman, Ryan	37.70	185.00	6,974.50
Senior Professional			
Ambrose, Robert	14.00	215.00	3,010.00
Principal			
McIntosh, Russell	10.00	225.00	2,250.00
Totals	62.40		12,294.00
Total Labor			\$12,294.00

Unit Billing

4/27/2017	Mileage-Company Vehicles	130.0 Mileage @ 0.535	76.51	
	Total Units		\$76.51	\$76.51

TOTAL THIS INVOICE \$12,370.51

Payment Terms are Upon Receipt. Interest of 1.5% per month is charged on any invoice outstanding over 30 days old.

REMITTANCE ADDRESS:

Herbert, Rowland & Grubic, Inc.
P.O. Box 4012
Harrisburg, PA 17111



369 East Park Drive
 Harrisburg PA 17111
 Phone: (717) 564-1121
 Fax: (717) 564-1158

Email Invoices to:

Dale Hansel
 Sadsbury Township, Chester County
 P O Box 261
 Sadsburyville, PA 19369

June 8, 2017
 Project No: R006038.0425
 Invoice No: 119500

Project Manager Russell McIntosh
 Client Manager

Project R006038.0425 Sadsbury Twp Utility Valuation Expert WW Services
Professional Services from May 1, 2017 to June 4, 2017

Professional Personnel

	Hours	Rate	Amount	
Administrative				
Kulp, Paula	1.80	85.00	153.00	
Senior Professional				
Ambrose, Robert	10.00	215.00	2,150.00	
Vicari, Adrienne	1.00	215.00	215.00	
Principal				
McIntosh, Russell	20.00	225.00	4,500.00	
Totals	32.80		7,018.00	
Total Labor				\$7,018.00

Reimbursable Expenses

Postage			9.35	
Total Reimbursables			9.35	\$9.35

Unit Billing

5/4/2017	Mileage-Company Vehicles	160.0 Mileage @ 0.535	94.16	
	Total Units		\$94.16	\$94.16

TOTAL THIS INVOICE \$7,121.51

Unpaid Invoices Included in Total Now Due (please check your records to make sure you haven't issued payment)

Number	Date	Balance
118844	5/5/2017	12,370.51
Overdue invoices as of current invoice date.		\$12,370.51

Total Now Due **\$19,492.02**

Payment Terms are Upon Receipt. Interest of 1.5% per month is charged on any invoice outstanding over 30 days old.

REMITTANCE ADDRESS:

Herbert, Rowland & Grubic, Inc.
 P.O. Box 4012
 Harrisburg, PA 17111



Herbert Rowland & Grubic, Inc.
Engineering & Related Services

AN EMPLOYEE-OWNED COMPANY

369 East Park Drive
Harrisburg PA 17111
Phone: (717) 564-1121
Fax: (717) 564-1158

Email Invoices to:

Dale Hansel
Sadsbury Township, Chester County
P O Box 261
Sadsburyville, PA 19369

July 7, 2017
Project No: R006038.0425
Invoice No: 120184

Project Manager Russell McIntosh
Client Manager

Project R006038.0425 Sadsbury Twp Utility Valuation Expert WW Services

Professional Services from June 5, 2017 to July 2, 2017

Professional Personnel

	Hours	Rate	Amount
Principal			
McIntosh, Russell	10.00	225.00	2,250.00
Totals	10.00		2,250.00
Total Labor			\$2,250.00

TOTAL THIS INVOICE \$2,250.00

Payment Terms are Upon Receipt. Interest of 1.5% per month is charged on any invoice outstanding over 30 days old.

REMITTANCE ADDRESS:

Herbert, Rowland & Grubic, Inc.
P.O. Box 4012
Harrisburg, PA 17111

**Agreement to Provide Valuation Consulting Services
Between**

AUS Consultants

And

**Pennsylvania America Water Company
For the Appraisal of**

Sadsbury Township's Wastewater Utility

As of the most recent period (December 31, 2016)

Agreement for Valuation Consulting Services

This Agreement for Valuation Consulting Services (“Agreement”) is by and between AUS Consultants, a New Jersey corporation (“Supplier”) and Pennsylvania-American Water Company, a Pennsylvania corporation (“PA-American”) and is entered into as of January 12, 2017. In consideration of the covenants hereinafter contained, and intending to be legally bound, the Parties hereto agree to as follows:

Section 1. Description of Services:

Supplier is being engaged to act as a Utility Valuation Expert, as such term is defined in Pennsylvania Act 12 of 2016, amending Chapter 13 of the Pennsylvania Public Utility Code and the Final Implementation Order entered by the Public Utility Commission at Docket No. M-2016-2543193 (collectively, “Act 12”). Supplier is being engaged with respect to the proposed acquisition by PA-American of the wastewater system assets currently owned by Sadsbury Township, Chester County, Pa. (the “Project”). Upon the issuance of a notice to proceed by PA-American, Supplier shall prepare and produce the following appraisals and/or studies suitable for the Project, including if requested (collectively, the “Services”):

1. An Appraisal (Valuation study) consistent with the 2016-2017 & 2017-2018 Uniform Standards of Appraisal Practices (USPAP) as of the date requested by PA-American and consistent with the requirements of Act 12.
2. If applicable, provide expert witness testimony and documentation for the Valuation studies as required by Act 12.
3. If requested by PA-American, updates to the Valuation studies as of the date requested by PA-American.
4. Provide the documentation required by Act 12 with respect to the Services and the fees charged by Supplier pursuant to this Agreement.
5. If requested by PA-American, perform such other services as are consistent with Supplier’s engagement as a Utility Valuation Expert.

Section 2. Duration:

Unless amended, the Project subject to this Agreement is anticipated to be approximately two years in duration and will be performed for the period beginning upon the issuance of a notice to proceed by PA-American and continuing through January 11, 2019. Supplier acknowledges and agrees that it shall not and shall have no obligation to provide the Services until such time as PA-American has issued a notice to proceed. To the extent Act 12 imposes any requirements with respect to the timing for the completion of the Services, the commencement date for such Services shall not be deemed to be any earlier than the date PA-American issues the notice to proceed.

Proprietary and Confidential

This Agreement and information contained therein is not for use or disclosure outside of PA-AMERICAN, its Affiliates, and third party representatives, and Supplier except under written agreement by the contracting parties or as may be required by applicable law or regulation.

Section 3. Effective & Expiration Dates:

This Agreement shall be effective as of the date set forth in the first paragraph hereof ("Effective Date") and shall continue until the earlier to completion on the Project or January 11, 2019 ("Expiration Date") unless earlier terminated as set forth in this Agreement.

Section 4. Personnel to Perform the Services:

Jerome C. Weinert, Principal and Director, shall be in charge of the Services on behalf of Supplier. Supplier shall call upon additional experienced professional staff as required. In the event that this Project or Agreement should not continue for any reason, or should PA-American replace the need for Supplier, PA-American shall give notice as soon as feasibly possible for Supplier to re-deploy their resources elsewhere without any penalty to PA-American.

Both parties recognize the importance of maintaining a continuity of Supplier's personnel on this Project. Supplier agrees that any of its employees, staff, professionals, experts, partners, and/or other personnel: (a) identified as the "Project Team" identified in Section 6 of this Agreement, and/or (b) assigned to this Project subsequent to the execution of this Agreement, shall continue to be staffed on this Project throughout the entire length of time Project Services are provided under this Agreement. Further, said personnel shall be used in the same capacities in which they are initially intended as of the execution date of this Agreement, or as of the date they are assigned to the Project subsequent to execution date of this Agreement, so long as they continue to be employed by Supplier, or so long as PA-American continues to desire their services.

Should Supplier terminate its relationship and/or employment with said personnel, or if said personnel terminates the relationship with Supplier and/or resigns from employment with Supplier, to the extent that Supplier, for any reason, enters into non-compete or similar agreement(s) and/or arrangement (s) with any of its employees, staff, professionals, experts, partners, and/or other personnel, Supplier agrees to immediately release said personnel from non-compete or similar agreement(s) and/or arrangement(s) with respect to being able to work for PA-American in any capacity PA-American sees fit.

Should any or all of Suppliers employees, staff, professionals, experts, partners, and/or other personnel staffed on this Project leave the employ of Supplier during the terms of this Agreement, Supplier agrees to immediately notify PA-American and suggest alternative personnel to be staffed on the Project. In no event shall any Supplier employee, staff, professional, expert, partner, and/or other personnel be assigned to this Project (whether identified in this Section 4, or identified elsewhere subsequent to the execution of this Agreement) without the express written permission and approval by PA-American. Further, PA-American reserves the right to terminate the Services of any of Supplier employee, staff, professional, expert, partner, and/or other personnel working on this Project at any time, and for any reason, without penalty.

Section 5. Location:

Supplier's (AUS Consultants') offices in Harrisburg, Pennsylvania, Mt. Laurel, New Jersey, Greenfield, Wisconsin and various PA-American Company's sites as may be required.

Proprietary and Confidential

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Section 6. Prices:

Supplier fees for the Services are as follows:

Appraisal Activity	Fees (not to exceed)	Expenses (not to exceed)
Appraisal		
Initial Appraisal	\$26,960	\$3,200
Appraisal updates	\$2,500	\$800
Pre-filed Direct testimony related to the above described Valuation studies	\$3,000	\$500

Valuation Activity performed by AUS Consultants staff following completion of pre-filed testimony	Hourly Rates plus expenses
Jerome C. Weinert	\$250
David Sheffer	175
David Weiler	175
Michael Diedrich	225
Elizabeth A. Weinert	150
Earl Robinson	200
Susan Macchia	50

The expenses in the above tables are for travel and living, report production and shipping.

Supplier recognizes that its fees for the Project are subject to disclosure pursuant to Act 12 and so that Pa-American can include such fees as part of the transaction and closing costs associated with the proposed acquisition of the Project. Supplier further recognizes that its fees shall not exceed five percent (5%) of the fair market value of the assets to be acquired as part of the Project unless such fees are approved by the Pennsylvania Public Utility Commission ("PUC"). Supplier agrees that its fees shall comply with the requirements of Act 12 and the PUC Implementation Order regarding Act 12.

Section 7. Payment:

Payment all undisputed amounts shall be made within 60 days upon PA-American being invoiced each month for all work completed during the prior month, or partial payment upon being invoiced should this appraisal engagement be suspended.

All payment terms are Net 60.

Section 8. Non-Disclosure:

Proprietary and Confidential

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A. The Parties agree as follows:

1. In connection with the Project, PA-American may find it beneficial to disclose to Supplier certain confidential or proprietary information in written, oral or other tangible or intangible forms, which may include, but is not limited to, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, tracings, diagrams, models, samples, flow charts, data, computer programs, disks, diskettes, tapes, marketing plans, customer names and other technical, financial or business information (individually and collectively, "Information"). All Information which is disclosed by PA-American to Supplier, whether provided in tangible or intangible form, including, but not limited to, electronic mail or other electronic communications, shall be deemed to be confidential or proprietary. Further, if Information is provided orally, including Information conveyed to an answering machine, voice mail box or similar medium, it shall too be deemed to be confidential or proprietary.
2. Supplier shall:
 - a. Hold such Information in confidence with the same degree of care with which Supplier protects its own confidential or proprietary Information, but no less than reasonably prudent care;
 - b. Restrict disclosure of the Information solely to its employees, contractors and agents with a need to know such Information, advise those persons of their obligations hereunder with respect to such Information, and assure that such persons are bound by obligations of confidentiality no less stringent than those imposed in this Agreement;
 - c. Use the Information only as needed for the purposes of the Project;
 - d. Except for the purposes of the Project, not copy, distribute, or otherwise use such Information or knowingly allow anyone else to copy, distribute, or otherwise use such Information; any and all copies shall bear the same notices or legends, if any, as the originals; and,
 - e. Upon request, promptly return to PA-American all Information that is in tangible form; as to Information that was disclosed or is stored in intangible form, including, but not limited to electronic mail or other electronic communications, upon request by the PA-American, Supplier shall certify in writing within five (5) business days to PA-American that all such Information has been destroyed or, if the Information was recorded on an erasable storage medium, that Supplier has used reasonable efforts to erase all such Intangible Information.
3. Except for customer Information, Supplier shall have no obligation to preserve the confidential or proprietary nature of any Information which:
 - a. Was already known to the Supplier free of any obligation to keep it confidential at the time of its disclosure by PA-American as evidenced by Supplier's written records prepared prior to such disclosure; or
 - b. is or becomes publicly known through no wrongful act of Supplier; or

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- c. is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to PA-American with respect to such Information; or
 - d. is independently developed by an employee, contractor or agent of Supplier or a third party not associated with the Project and who did not have any direct or indirect access to the Information, as evidenced by the Supplier's written records; or
 - e. is approved for release by written authorization by PA-American; or,
 - f. it is required to disclose pursuant to a written request or demand of a duly empowered government agency or a court of competent jurisdiction, provided due notice and an adequate opportunity to intervene is given to PA-American, unless such notice is prohibited by such written request or demand, in which case, the Supplier shall disclose only such Information as is required and shall use reasonable efforts to obtain confidential treatment for any Information that is so disclosed.
4. Any Information relating to the Project that is disclosed by PA-American to Supplier shall remain confidential for five (5) years from the date of termination of the Agreement. Notwithstanding anything to the contrary herein, Customer Information shall remain confidential indefinitely and shall never be disclosed or used without the prior written approval of an authorized representative of PA-American. "Customer Information" includes, but is not limited to, customer name, address, phone number, information concerning a customer's calling patterns, unlisted customer numbers, any other information associated with a customer or with persons in the household of a customer, and any information available to PA-American and/or its suppliers by virtue of PA-American's relationship with its customers as a provider of telecommunications, Internet, information or other services, including, but not limited to, the quantity, technical configuration, location, type, destination, amount of use of telecommunications or other services subscribed to, and information contained on the telephone bills of PA-American's customers pertaining to telephone exchange service, telephone toll service or other services received by a customer of PA-American.
5. Any disclosed Information by PA-American shall be deemed the property of PA-American, who shall retain exclusively rights to such Information. Nothing contained in this Agreement shall be construed as granting or conferring any patent, copyright, trademark or other proprietary rights by license or otherwise in any such Information to Supplier, except for the right to use such Information in accordance with this Agreement.
6. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, PA-AMERICAN MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY NATURE WHATSOEVER WITH RESPECT TO ANY INFORMATION FURNISHED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR WARRANTIES AGAINST INFRINGEMENT.
7. In the event Supplier discloses, disseminates, or releases any confidential or proprietary Information received from PA-American, except as expressly permitted herein, such

Proprietary and Confidential

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disclosure, dissemination, or release shall be deemed a material breach of this Agreement. In the event of such breach, PA-American may demand prompt return of all confidential and proprietary Information previously provided to Supplier and terminate this Agreement. The provisions of this Section are in addition to any other legal rights or remedies PA-American may have in law or in equity.

8. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, irrespective of its choice of law principles. Both Parties agree to comply with all laws, including, but not limited to, laws and regulations regarding the export of information outside the United States. Supplier shall not knowingly transmit, directly or indirectly, in whole or in part, any Information of PA-American or export, directly or indirectly, any product or Information in contravention of the laws of the United States or the laws of any other country governing the aforesaid activities. Supplier shall not transfer any Information received hereunder or any product made using such Information to any country prohibited from receiving such data or product by the U.S. Department of Commerce Export Administration Regulations without first obtaining a valid export license. In the event Supplier violates the foregoing, Supplier shall defend, indemnify, and hold harmless PA-American from and against any claim, loss, liability, expense or damage including fines or legal fees, incurred PA-American with respect to the export or re-export activities contrary to the foregoing. Notwithstanding any other provision of this Agreement, this Section shall survive any termination or expiration of this Agreement.

Section 9. Ownership of Paid-For Development, Use and Reservation of Rights:

PA-American shall be the exclusive owner of all right, title, and interest in and to all Paid-For Development (defined below), including, without limitation, all Intellectual Property Rights therein and thereto. Supplier shall assign or have assigned to PA-American and hereby assigns to PA-American all Intellectual Property Rights in and to the Paid-For Development. "Paid-For Development" shall mean any and all Items to the extent produced or developed by or on behalf of Supplier or its employees, agents, or direct or indirect contractors or suppliers (and whether completed or in-progress), or forming part of any deliverable, pursuant to this Agreement (including, without limitation under any statement of work, exhibit, order or other document under, subordinate to, or referencing this Agreement or the Project) (collectively "Agreements") for the development of which PA-American has been charged monies in one or more of the Agreements ("Development Fees"). Paid-For Development shall always exclude all Excluded Materials, but shall include (without limitation) any modifications, alterations or updates of any Excluded Materials ("Enhancements") that otherwise fall within the definition of Paid-For Development ("Paid-For Enhancements"). PA-American's ownership of Paid-For Enhancements shall be subject to Supplier's underlying rights and ownership in Supplier's Excluded Materials.

"Items" shall mean any or all inventions, discoveries, ideas, (whether patentable or not), and all works and materials, including but not limited to products, devices, computer programs, source codes, designs, files, specifications, texts, drawings, processes, data or other

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information or documentation in preliminary or final form, and all Intellectual Property rights in or to any of the foregoing.

“Excluded Materials” shall mean: i) Supplier’s Pre-Existing Materials; ii) Supplier’s Independently Developed Materials; and iii) Supplier’s Mere Reconfigurations.

“Supplier’s Pre-Existing Materials” shall mean those Items owned by Supplier to the extent and in the form that they both existed prior to the date Supplier began any work under this Agreement and were created without any use of any PA-American Items. Supplier’s Pre-Existing Materials shall not, however, include Paid-For Enhancements thereto.

“Supplier’s Independently Developed Materials” shall mean those Items that have been developed by Supplier, or on Supplier’s behalf, both i) without use of any PA-American Items; and ii) independently of any work performed under any Agreements.

“Supplier’s Mere Reconfigurations” means those specific reconfigurations of Supplier’s pre-existing software performed by Supplier, or on Supplier’s behalf, but only to the extent that such reconfiguration is an alteration to such software which is strictly required to permit Supplier’s software to function on PA-American’s network or service platform. In no event shall Supplier’s Mere Reconfigurations include enhancements, modifications, or updates that are not contained in Supplier’s Pre-Existing Materials and that add any features, functionality, or capabilities.

“Intellectual Property Rights” means all patents (including all reissues, divisions, continuations, and extensions thereof) and patent applications, trade names, trademarks, service marks, logos, trade dress, copyrights, trade secrets, mask works, rights in technology, know-how, rights in content (including but not limited to performance and synchronization rights), or other intellectual property rights, protected under the laws of any governmental authority having jurisdiction.

Section 10. Right to Terminate:

PA-American has the right to terminate this Agreement, in its entirety or any portion thereof, at any time without penalty. Should PA-American terminate this Agreement at any time, Supplier shall be entitled to keep and collect all fees billed to PA-American prior to the termination date which are not the subject of a dispute between the parties. Further, Supplier shall be entitled to charge, and PA-American agrees to pay for all properly performed Services as of the termination date in accordance with the rates set forth in Section 6 or, in the case of a fixed fee, a prorata share of the monthly billing during the month in which the Agreement was terminated. Said prorata share shall be calculated by dividing the total number of days worked by Supplier during the month in which the Agreement is terminated, by the total number of calendar days in the month in which the Agreement was terminated.

Section 11. Invoices/Billing Information:

The Supplier agrees to submit invoices in paper and or electronic form with appropriate references to the PA-American Point of Contact identified in Section 12.

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Section 12. Project Manager/Point of Contact/Legal Counsel:

The project manager and/or point of contact of Supplier shall be:

Jerome C. Weinert
Principal and Director
AUS Consultants
Suite 201
8555 West Forest Home Avenue
Greenfield, Wisconsin 53228
E-Mail: weinertj@auswest.net
414-529-5755 (office)
414-529-5750 (fax)
414-698-8371 (cell)

The point of contact for PA-American shall be:

Scott D. Fogelsanger, Senior Business Development Manager
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055-4475
717-790-3044 (office)
717-875-2282 (cell)
717-790-3058 (fax)
Email: Scott.Fogelsanger@amwater.com

The Legal Counsel contact for PA-American shall be:

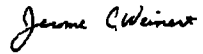
Andrew L. Swope, Vice President, General Counsel
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033
717-531-3210 (office)
717-574-2691 (cell)
717-531-3399 (fax)
Email: Andrew.Swope@amwater.com

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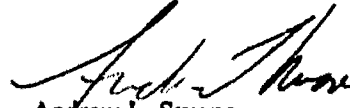
Section 13. Signatures:

AUS Consultants (Supplier)



Jerome C. Weinert
January 12, 2017

Pennsylvania American Water Company



Andrew L. Swope
January 12, 2017

Proprietary and Confidential

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Sadsbury Township - Wastewater Utility

Fees Paid to AUS Consultants as of October 13, 2017

Consultant	Invoice Date	Fees	Expenses	Total
<u>Act 12 Appraisal:</u>				
AUS Consultants	04/07/17	\$6,525.00	\$0.00	\$6,525.00
AUS Consultants	06/02/17	14,000.00	397.72	14,397.72
AUS Consultants	10/10/17	1,462.50	178.50	1,641.00
		-----	-----	-----
Total Billed to Date		\$21,987.50	\$576.22	\$22,563.72
		=====	=====	=====



DAVID A SHEFFER
Principal

dsheffer@ausconsultants.com

April 7, 2017

Mr. Bernie Grundusky
PA American Water Co.
852 Wesley Drive
Mechanicsburg, PA 17055

RE: Ref. No. 10-0606
Sadsbury Township – Business Enterprise Valuation

Dear Mr. Grundusky:

Please find enclosed our invoice in the amount of \$6,525.00 or professional services and/or expenses incurred and rendered from February 27, 2017 through April 1, 2017 relative to the above referenced project.

Upon your approval, I would appreciate you placing this invoice in line for payment at your convenience.

Sincerely,

David A. Sheffer

DAS:sm
enclosure



AUS Consultants, Inc.
155 Gaither Drive, Suite A
Mt. Laurel, NJ 08054
856 234 9200

Invoice Number: 145401
Invoice Date: April 06, 2017
PO Number:
Contract: VAL
Project: 10-0606
Page: 1
Incorporated: FTD# 22-1943906
www.ausinc.com
Consultant:
DAVID A. SHEFFER
DSHEFFER@AUSCONSULTANTS.COM

Bernie Grundusky
PA-American Water
Sadsbury Twp.
852 Wesley Drive
Mechanicsburg, PA 17055

	Current Hours	Rate	Current Amount
Professional Services			
TEROME WEINERT	22.50	250.00	5,625.00
ELIZABETH A. WEINERT	22.50	40.00	900.00
Invoice Total			6,525.00

Remit Checks to:
AUS Consultants
155 Gaither Drive, Suite A
Mt. Laurel, NJ 08054

Remit Wires to:
AUS, Inc. at Webster Bank, N.A.
Account 10974951, ABA#ACH 211170101
International Swift# WENAUS31

Invoice due in US dollars upon presentation
1.5% interest per month on balances over 30 days old may be
charged.



AUS CONSULTANTS

Jerome C. Weinert, PE, ASA, CDP
Principal and Director, Depreciation and Valuation
e-mail: weinertj@auswest.net

8555 West Forest Home Avenue
Suite 201
Greenfield, WI 53228
414.529.5755 " Tel
414.529.5750 " Fax
www.ausconsultants.com

June 2, 2017

Mr. Scott D. Fogelsanger
Senior Business Development Manager
Pennsylvania American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055-4475

Dear Scott:

Enclosed is our progress invoice for AUS Consultants appraisal of the Sadsbury Township Wastewater Utility System. This invoice is for appraisal activities through issuing our preliminary appraisal report on April 18, 2017. We have left approximately \$6,500 unbilled from our contract with PA American; the unbilled monies will be used for plant inspections and appraisal finalizations.

Very truly yours,

A handwritten signature in cursive script that reads "J Weinert".

eaw
Enclosure

INVOICE

Pennsylvania American Water Company

June 2, 2017

Enclosed is our progress invoice for AUS Consultants appraisal of the Sadsbury Township Wastewater Utility System. This invoice is for appraisal activities through issuing our preliminary appraisal report on April 18, 2017. We have left approximately \$6,500 unbilled from our contract with PA American; the unbilled monies will be used for plant inspections and appraisal finalizations.

Professional Fee

PROFESSIONAL FEE THIS INVOICE.....\$14,000

Expenses

Report Processing..... \$324.18

Fed Ex..... \$ 73.54

EXPENSES THIS INVOICE.....\$ 397.72

GRAND TOTAL THIS INVOICE\$14,397.72

Please remit with a duplicate copy of this Invoice to:

**AUS Consultants, Inc.
155 Galther Drive, Suite A
Mt. Laurel, NJ 08054**

CUSTOMER I.D. 70-PAA-01

INVOICE NO. 145985

Reference No. 10-0606-02

(G/L No. 441036)

Employer I.D. No.22-194-3906

INCORPORATED

Remit Wires to:

AUS, Inc. at Webster Bank, N.A.

Account 10974951, ABA# ACH211170101

International Swift# WENAUS31





October 10, 2017

Mr. Bernie Grundusky
PA American Water Co.
852 Wesley Drive
Mechanicsburg, PA 17055

RE: Ref. No. 10-0606
Sadsbury Township – Business Enterprise Valuation

Dear Mr. Grundusky:

Please find enclosed our invoice in the amount of \$1,641.00 for professional services and/or expenses incurred and rendered from August 27, 2017 through September 30, 2017 relative to the above referenced project.

Upon your approval, I would appreciate you placing this invoice in line for payment at your convenience.

Sincerely,

David A. Sheffer

DAS:sm
enclosure



AUS Consultants, Inc.
 155 Gaither Drive, Suite A
 Mt. Laurel, NJ 08054
 856 234 9200

Invoice Number 147085
 Invoice Date October 10, 2017
 PO Number
 Contract VAL
 Project 10-0606
 Page 1
 Incorporated FID# 22-1943906
 www.ausinc.com
 Consultant:
 DAVID A. SHEFFER
 DSHEFFER@AUSCONSULTANTS.COM

Bernie Grundusky
 PA-American Water
 Sadsbury Twp.
 852 Wesley Drive
 Mechanicsburg, PA 17055

	Current Hours	Rate	Current Amount
Professional Services			
DAVID A. SHEFFER	7.50	195.00	1,462.50
Administrative Services			
Administrative Staff			120.00
Out of Pocket Expenses			
Travel & Related Expenses			58.50
Invoice Total			<u><u>1,641.00</u></u>

Remit Checks to:
 AUS Consultants
 155 Galther Drive, Suite A
 Mt. Laurel, NJ 08054

Remit Wires to:
 AUS, Inc. at Webster Bank, N.A.
 Account 10974951, ABA#ACH 211170101
 International Swift# WENAUS31

Invoice due in US dollars upon presentation
 1.5% interest per month on balances over 30 days old may be
 charged.