

## 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); 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); Shippenville 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-Donegal 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); Wallaceton 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, 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); Berry Hollow Water Company (Northampton County, April 3, 2014); Scott Township (Lackawanna County, May 22, 2014); Paint-Elk Joint Sewer Authority (Clarion County, July 31, 2014); Hamiltonban Township Municipal Authority (Adams County, November 3, 2014); Abbey Woods Homeowners Association (Butler County, July 14, 2015); Shipperville Borough (Clarion County, August 4, 2015); Paint Township Municipal Water Authority (Clarion County, October 15, 2015); McEwensville Municipal Authority (Northumberland County, October 21, 2015); Fairview Township (York County, December 22, 2015); Borough of New Cumberland (Cumberland County, October 31, 2016); Sewer Authority of the City of Scranton (Lackawanna County, December 29, 2016); The Municipal Authority of the City of McKeesport (Allegheny County, December 18, 2017); Township of Sadsbury (Chester County, March 6, 2019) and the Municipal Authority of the Borough of Turbotville and the Borough of Turbotville (Northumberland County, July 23, 2019). 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 661,815 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, 28th, 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, Mount 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 and Wyomissing 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 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 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, the Townships of Coolbaugh, Hamilton, Middle Smithfield, Ross, Smithfield and Stroud and the Village of Tobyhanna 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, Whitmarsh, Whitpain and Worcester in Montgomery County;

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

All, or portions of, the Boroughs of McEwensville, Milton, Northumberland, Turbotville and Watsontown and the Townships of Delaware, East Chillisquaque, Lewis, 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, East Pike Run, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Morris, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane and Union 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 66,136 customers in the following municipalities:

Portions of, the Townships of Franklin, Hamiltonban and Highland in Adams County;

All, or portions of, the Cities of Duquesne and McKeesport and the Boroughs of Dravosburg, Port Vue and West Mifflin in Allegheny 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 Boroughs of Clarion and Shippenville and the Townships of Clarion, Elk, Monroe and Paint in Clarion County;

All, or portions of, the Borough of New Cumberland and the Township of Lower Allen in Cumberland County;

All of the City of Scranton and the Borough of Dunmore in Lackawanna County;

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

All, or portions of, the Boroughs of McEwensville and Turbotville in Northumberland County;

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

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

A portion of the Township of Fairview in York County.

[406 municipalities in 36 counties.]

07/24/2019

**Appendix C**

Borough of Kane Authority  
Balance Sheet  
March 31, 2019  
(Dollars in thousands)

	Borough of Kane Authority Sewer March 31, 2019 (Audited)	
<b>Assets</b>		
Cash and cash equivalents	\$	350
Other current assets		1,680
Total property plant and equipment		8,898
Other long-term assets		148
Total Assets		<u>11,076</u>
<b>Capitalization and liabilities</b>		
Short Term Debt	\$	-
Current Portion of Long-term Debt		299
Other current liabilities		44
Total Long-term Debt		4,116
Other Long Term Liabilities		223
Stockholder's equity		6,394
Contributions in aid of construction		-
Total Capitalization and Liabilities		<u>11,076</u>

**Appendix D**

Pennsylvania-American Water Company  
Balance Sheet  
December 31, 2018  
(Dollars in thousands)

	PA American Water 12 Months Ended December 31, 2018 (Audited)	
<b>Assets</b>		
Cash and cash equivalents	\$	4,766
Other current assets		119,481
Total property plant and equipment		4,575,883
Regulatory assets & other L/T Assets		198,886
Total Assets	\$	4,899,016
Capitalization and liabilities		
Short Term Debt	\$	77,958
Current Portion of Long-term Debt		6,738
Other current liabilities		164,447
Total Long-term Debt		1,560,669
Regulatory & Other Long Term Liabilities		1,037,629
Stockholder's equity		1,852,195
Contributions in aid of construction		199,380
Total Capitalization and liabilities	\$	4,899,016

**Appendix E**

Borough of Kane Authority  
Income Statement  
for the 12 Months Ended March 31, 2019  
(Dollars in thousands)

	Borough of Kane Authority 12 Months Ended March 31, 2019 (Audited)	
	<hr/>	
Operating Revenues	\$	1,434
Operating Expenses		
Operation and Maintenance		749
Depreciation and Amortization		503
General Taxes and Other		-
Total Operating Expenses		<hr/> 1,252
Operating Income		182
Other Income/(Expenses)		
Other Income/(Expense), Net		(1)
Interest Expense, Net		(130)
Total Other Expenses		<hr/> (131)
Income Before Income Taxes		51
Provision for Income Taxes		-
Net Income	\$	<hr/> <hr/> 51

**Appendix F**

Pennsylvania-American Water Company  
Income Statement  
for the 12 Months Ended December 31, 2018  
(Dollars in thousands)

	PA American Water 12 Months Ended December 31, 2018 (Audited)	
Operating Revenues	\$	689,215
Operating Expenses		
Operation and Maintenance		216,812
Depreciation and Amortization		124,565
General Taxes and Other		12,827
Total Operating Expenses		<u>354,204</u>
Operating Income		335,011
Other Income/(Expenses)		
Other Income/(Expense), Net		8,335
Interest Expense, Net		(77,965)
Total Other Expenses		<u>(69,630)</u>
Income Before Income Taxes		265,381
Provision for Income Taxes		76,309
Net Income	\$	<u><u>189,072</u></u>

Pennsylvania-American Water Company & Borough of Kane Authority  
 Pro-Forma Balance Sheet  
 December 31, 2018  
 (Dollars in thousands)

	PA American Water 12 Months Ended December 31, 2018 (Audited)	Borough of Kane Authority 12 Months Ended March 31, 2019 (Audited)	Combined Pro-Forma
<b>Assets</b>			
Cash and cash equivalents	\$ 4,766	\$ 350	\$ 5,116
Other current assets	119,481	1,680	121,161
Total property plant and equipment	4,575,883	8,898	4,584,781
Regulatory assets & other L/T Assets	198,886	148	199,034
Total Assets	<u>\$ 4,899,016</u>	<u>\$ 11,076</u>	<u>\$ 4,910,092</u>
<b>Capitalization and liabilities</b>			
Short Term Debt	\$ 77,958	\$ -	\$ 77,958
Current Portion of Long-term Debt	6,738	299	7,037
Other current liabilities	164,447	44	164,491
Total Long-term Debt	1,560,669	4,116	1,564,785
Regulatory & Other Long Term Liabilities	1,037,629	223	1,037,852
Stockholder's equity	1,852,195	6,394	1,858,589
Contributions in aid of construction	199,380	-	199,380
Total Capitalization and liabilities	<u>\$ 4,899,016</u>	<u>\$ 11,076</u>	<u>\$ 4,910,092</u>

Pennsylvania-American Water Company & Borough of Kane Authority  
 Pro-forma Income Statement  
 for the 12 Months Ended December 31, 2018  
 (Dollars in thousands)

	PA American Water 12 Months Ended December 31, 2018 (Audited)	Borough of Kane Authority 12 Months Ended March 31, 2019 (Audited)	Combined Pro-Forma
Operating Revenues	\$ 689,215	\$ 1,434	\$ 690,649
Operating Expenses			
Operation and Maintenance	216,812	749	217,561
Depreciation and Amortization	124,565	503	125,068
General Taxes and Other	12,827	-	12,827
Total Operating Expenses	<u>354,204</u>	<u>1,252</u>	<u>355,456</u>
Operating Income	335,011	182	335,193
Other Income/(Expenses)			
Other Income/(Expense), Net	8,335	(1)	8,334
Interest Expense, Net	<u>(77,965)</u>	<u>(130)</u>	<u>(78,095)</u>
Total Other Expenses	(69,630)	(131)	(69,761)
Income Before Income Taxes	265,381	51	265,432
Provision for Income Taxes	76,309	-	76,309
Net Income	<u>\$ 189,072</u>	<u>\$ 51</u>	<u>\$ 189,123</u>

(1) - The timing difference in restating Borough of Kane Authority to a December 31, 2018 is assumed by PAWC to be immaterial.

PENNSYLVANIA-AMERICAN WATER COMPANY

I, ANDREW L. SWOPE, 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 at a meeting thereof duly convened and held on August 10, 2017, at which meeting a quorum was present and acting throughout, 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 Kane Borough Authority ("Seller") wastewater system (the "Assets"); and

RESOLVED, that the proper officers of the Company be, and hereby are, authorized and directed to execute and deliver to Seller an agreement to purchase Seller's Assets; 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 Seller's Assets; and

RESOLVED, that any and all actions previously taken by such proper officers of the Company in executing and delivering to Seller an agreement to purchase the Assets are ratified, confirmed and approved.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of this Company this 7th day of November, 2019.



  
Secretary

## **KANE BOROUGH AUTHORITY – SEPTEMBER 17, 2019**

**CALL TO ORDER:** The Kane Borough Authority met on Tuesday September 17, 2019 at 4:00 P.M. at the Kane Borough Building, 112 Bayard Street, Kane, Pa. 16735.

**ROLL CALL:** Dave Peterson (Chairman), Howard Kane (Vice-Chairman), Frank Wojcik, Dave Westerburg, Erik Ross (Solicitor), Don Payne (Borough Manager), Karen A. Walter (Recording Secretary) **EXCUSED:** Edward Sleeman (Secretary/Treasurer), KLH Engineering

**VISITORS:** Dan Bickerton (PAWC-McMurray, Pa.), Todd Meserole (WWTP Employee), Phil Lingenfelter (WWTP Foreman), Elaine Bodistow (Wetmore Township Supervisor), Steve Dyne (Wetmore Township Supervisors Chairman), Tom Kase (Kane Borough Council President), Tony Alfieri (Kane Borough Solicitor), Jim Ianuzzi (Dawson Street), Mr. Ted Lutz (Kane Republican) **STATEMENT OF CITIZENS:** None.

**APPROVAL OF MINUTES:** A motion was made by Mr. Howard Kane seconded by Mr. Dave Peterson to approve the minutes dated July 16, 2019. One correction was requested to be made by Chairman Dave Peterson as follows: Page One – Manager’s Report Monthly Reports submitted be changed to read May and June of 2019. Motion carried with the noted correction. (4-0)

**UNFINISHED BUSINESS:** Borough Manager Don Payne stated the matter of eliminating repair work for grinder pumps is tabled at this time. Chairman Dave Peterson referenced discussion held at the July meeting and reported he has since met with Mr. Seth A. Field with Mr. Field agreeing to provide bookkeeping services on a monthly basis for the Borough Authority at a cost of \$100/per month.

**MANAGER’S REPORT:** WWTP Foreman Mr. Phil Lingenfelter submitted monthly reports for July and August of 2019. Mr. Frank Wojcik had some questions regarding grinder pumps. Borough Manager Don Payne stated we are still handling grinder pump repairs at this time, and explained we get a cost estimate on what the costs are to rebuild a pump and then charge the customer that amount and then we add the top portion from our funds to get a new pump.

**KANE BOROUGH COUNCIL  
SEPTEMBER 26, 2019**

**CALL TO ORDER**

The Special Meeting of Kane Borough Council was called to order at 6:30 PM by President Tom Kase. The meeting was held at the Kane Borough Building, 112 Bayard Street, Kane, PA 16735. Members were notified of the meeting on September 24, 2019.

**ROLL CALL**

Present: Brandon Schimp (Mayor), Tom Kase (President), Scott Rudolph, Katie Johnson, Linda Kerek, Donald Payne (Secretary), Anthony Alfieri (Solicitor), Jo Beth Brinkley (Recording Secretary)

Via phone: Gary Schul (Vice President), David Walker

Excused: Melanie Clabaugh, Lori Feldbauer, Tim Holt (Fire Chief), Heath Boyer (Police Chief), Mick O'Rourke (Street Department Manager)

**VISITORS**

Philip Lingenfelter (WWTP Foreman), Ted Lutz (The Kane Republican)

**STATEMENT OF CITIZENS ON AGENDA ITEMS**

None

**EXECUTIVE SESSION**

Council entered into Executive Session at 6:35 PM.

**REGULAR SESSION**

Council re-entered Regular Session at 7:02 PM.

**NEW BUSINESS**

**PAWC Sales Agreement**

A motion was made by Mrs. Johnson, seconded by Mr. Schul, to give permission to Mr. Kase and Mr. Payne to sign the Pennsylvania American Water Company Sales Agreement pending Mr. Alfieri's approval.

Mr. Kase requested a roll call vote at this time:

Mr. Kase – yes  
Mr. Schul – yes  
Mr. Walker – yes

Mr. Rudolph – yes  
Mrs. Johnson – yes  
Mrs. Kerek – yes

With the 6 - 0 decision by Council in favor of signing the agreement, the motion carried.

Repository Properties

Mr. Payne requested Council's approval to purchase or place bids on three properties currently held in the County Repository including 432 Janeway Street, 430 Greeves Street, and 519 Haines Street.

Mrs. Johnson stated that Council should consider Mr. Dakota Scalise's request during the August 14, 2019 Council Meeting as he approached Council stating his desire to purchase the 432 Janeway property. After discussion, it was the consensus of Council to proceed with the purchase of 432 Janeway Street to guarantee the structure is demolished properly and in a timely fashion. Mr. Kase will discuss this with Mr. Scalise in the hopes of avoiding any hard feelings. Mr. Scalise will also be reminded that he will be eligible to purchase this property at a later date from the Borough.

A motion was made by Mr. Schul, seconded by Mr. Walker, giving Mr. Payne approval to proceed with purchasing the Repository properties. Motion carried.

ADJOURNMENT

Being no further business, a motion was made by Mrs. Kerek, seconded by Mrs. Johnson, to adjourn the meeting. Motion carried. The meeting was adjourned at 7:16 PM.

  
Beth Brinkley, Recording Secretary

Sept. 20, 2019

A special meeting of the Wetmore Township supervisors was held on Sept. 20, 2019 at 4:00 P.M. at the township building.

The meeting was called to order by Steve Dyne – Chairman.

Supervisor present were Steve Dyne, Steve Chittester and Elaine Bodistow, along with Tyler Hannah – Township Solicitor.

at the meeting were Ted Lutz - report

Public Comment – None.

Review and vote on the Agreement of Sale for the Sewage System to PAWC.

Motion made by Elaine Bodistow, seconded by Steve Chittester To enter into the Asset Purchase agreement with PAWC to sell the Sewage System for the sum of \$17,560.00, and to give authorization to execute the Asset Purchase Agreement upon presentation of final Asset Purchase Agreement as being acceptable by the Kane Sewage Authority, Authority's solicitor – Erik Ross, attorney's at Eckert Seamans and Wetmore township's attorney Sean Hvizdzak; motion carried.

Supervisors discussed adopting an Intermunicipal Agreement with Township Solicitor - Tyler Hannah He will check into this.

Motion made by Steve Chittester, seconded by Steve Dyne to adjourn at 4:15 P.M.

Elaine Bodistow - Secretary



**KANE BOROUGH COUNCIL  
MAY 8, 2019**

**CALL TO ORDER**

The regular monthly meeting of Kane Borough Council was called to order at 6:30 P. M. by President Tom Kase. The meeting was held at the Kane Borough Building, 112 Bayard Street, Kane, PA 16735. Members were notified of the meeting on May 6, 2019.

**ROLL CALL**

Present: Brandon Schimp (Mayor), Tom Kase (President), Gary Schul (Vice-President), Melanie Clabaugh, David Walker, Shana Snyder, Katie Johnson, Linda Kerek, Matt Boyer (Junior Council Person), Donald Payne (Secretary), Anthony Alfieri (Solicitor), Lori Feldbauer, Jo Beth Brinkley (Recording Secretary), Tim Holt (Fire Chief), Heath Boyer (Police Chief), Philip Lingenfelter (WWTP Foreman), Mick O'Rourke (Street Department Manager)

**VISITORS**

Pastor Bill Waterman, Martin Berrigan, Steve Dyne, Ted Lutz (The Kane Republican), Mick Petruney, Larry Rudolph, Bill Cook (Assistant Street Department Manager)

**STATEMENT OF CITIZENS ON AGENDA ITEMS**

None

**APPROVAL OF MINUTES**

A motion was made by Mrs. Clabaugh, seconded by Mr. Walker, to approve the minutes of the April 10, 2019 regular monthly meeting. Motion carried.

**UNFINISHED BUSINESS**

- Council member Gary Schul – Mr. Schul spoke with PSAB for clarification on Resolution #03-19 – Authorizing Participation & Voting by Telecommunications Device. It has been stated that the wording is correct.
- Resolution #03-19 – Authorizing Participation & Voting by Telecommunications Device – A motion was made by Mr. Schul, seconded by Mr. Walker, to approve the use of telecommunication devices for meetings if needed. Motion carried.
- Ordinance #A-1048 – Amending Park Hours – A motion was made by Mr. Walker, seconded by Mrs. Johnson, to approve the second reading of Ordinance #A-1048 amending the park hours at Evergreen tennis and basketball courts to match those of town curfew. Motion carried.

## CORRESPONDENCE

1. PA Department of Military & Veterans Affairs – Notification of application approval for a Disabled Veteran's Real Estate Property Tax Exemption. Mr. Schul also mentioned this application is actually a renewal, not a new application.

## MONTHLY REPORTS

Budget – Report submitted to Council

A motion was made by Mr. Walker, seconded by Mr. Schul, to approve the Budget Report, as presented. Motion carried.

Tax Collector – Balance on duplicate - \$210,633.62

A motion was made by Ms. Snyder, seconded by Mr. Walker, to approve the Tax Collector's Report, as presented. Motion carried.

## BILLS FOR PAYMENT

Check detail in the amount of \$45,839.68 was presented to Council for approval. A motion was made by Ms. Snyder, seconded by Mrs. Clabaugh, to approve the Bills for Payment. Motion carried.

## STAFF REPORTS

Office – Mr. Payne added that he would like Council to work on a Vision Plan for the borough at the next Council Workshop on June 5, 2019. He also noted that the Fraley Street paving project is scheduled to begin May 28, 2019.

Grant Writer – The EADS Group is currently working on the Greenways, Trails & Recreational Program Grant application.

Solicitor – Mr. Alfieri reported to Council that items will be discussed in Executive Session.

Police

WWTP Foreman

Street Department

Reports submitted

Fire Department

Assessment Permits

Health Board – no report

Chief Boyer added that the full time officers have all been fitted for new bulletproof vests.

Mr. O'Rourke wanted to thank Mrs. Johnson for getting the new light post banners for main street. He was also pleased to introduce Bill Cook as the new Assistant Street Department Manager. Mr. O'Rourke informed Council that the street sweeper demonstration was very impressive and he is looking forward to scheduling 1-2 more with different companies to see what can be offered. Remarks also included that he attended LTAP training to educate street employees on ways to make roads better and last longer.

Chief Holt was very pleased to add that the Kane Volunteer Fire Department has been awarded \$65,000 from Collins Companies for communication upgrades. This amount roughly equals out to 40 new radios including software upgrades.

A motion was made by Ms. Snyder, seconded by Mr. Walker, to approve the Staff Reports, as presented. Motion carried.

### **COMMITTEE REPORTS**

No formal reports were submitted, however, several updates were stated to make Council aware:

- 1.) Mrs. Clabaugh is working with Kate Kennedy from the Kane Chamber of Commerce and a Pittsburgh firm to get a website update price quote.
- 2.) The Parks Commission will be working to reseed Evergreen grass due to the dead tree removal.
- 3.) The Labor Negotiations Committee met on May 7, 2019 to discuss the Civil Service Commission's recommendation to lift the 3 mile residency requirement of all full time police officers. The hope is that this will increase the number of potential applicants for the position of a fourth full time officer. With the 3 full time officers' approval, the Committee's recommendation is to extend the residency requirement to 25 miles or roughly 30 minutes out of the borough.

A motion was made by Mr. Walker, seconded by Ms. Snyder, to approve changing the residency requirement of the Police Contract to 25 miles or roughly 30 minutes out of the borough for full time officers. Motion carried in a 5-2 vote with Mr. Schul and Mr. Walker voting no. Mr. Alfieri has been directed to draw up this change to the Police Contract.

### **NEW BUSINESS**

#### **Park Commission Recommendation for Skate/Bike Park**

The Parks Commission has submitted a request to Council for upgrades to the Skate/Bike Park. A detailed plan of these upgrades include a kiosk, covered pavilion, and memorial tree. All recommendations, drawings and maps were approved by the commission. The proposed cost comes to \$13,412.00 and all labor will be done by volunteers with the exception of the acrylic coating to blacktop to be completed by Nagle.

A motion was made by Mr. Schul, seconded by Ms. Snyder, to approve the Parks Commission request for the Skate/Bike Park. Motion carried.

#### **Kane Borough Civil Service Commission Rules & Regulations**

A motion was made by Mr. Walker, seconded by Mrs. Johnson, to approve the Rules and Regulations for the Civil Service Commission. Motion carried.

Ordinance #A-1049 – Amending Chapter 242 – Vehicles & Traffic

A motion was made by Mr. Schul, seconded by Mr. Walker, to approve the first reading amending Chapter 242 (Vehicles and Traffic), Article VII (Alternate Parking), §242-56 (Violations and Penalties) to state: If the violation is not paid within seven (7) days, the Borough Police shall issue a citation with the District Justice. If the violation is paid after the citation has been filed with the District Justice, but before the hearing date, the fine shall be thirty dollars (\$30.00). Motion carried.

Ordinance #A-1050 – Amending Chapter 78 - Animals

A motion was made by Mr. Walker, seconded by Mrs. Kerek, to approve the first reading amending Chapter 78 Animals, Article II, Keeping of Certain Animals, §78-6 Certain Animals prohibited to state: It shall be unlawful for any person to keep any large animal or wild animal at any place within the Borough of Kane, except where the same shall be permitted under Chapter 250, Zoning, in a park, zoological garden to similar establishment for exhibit to the public or to any portion thereof and deleting §78-7 Keeping of Animals (A). Motion carried in a 6-1 vote with Mr. Schul voting no.

Resolution #04-19 – Authorizing Signers for Greenways, Trails and Recreation Program Grant

A motion was made by Mr. Schul, seconded by Ms. Snyder, to approve Mr. Thomas Kase (President) and Mr. Donald Payne (Secretary) as authorized signers for the Greenways, Trails and Recreation Program Grant. Motion carried.

**MAYOR'S REPORT**

Mayor Schimp submitted her report to Council. She added to her report:

1. Exploring PA Boroughs aired on May 2, 2019 at 7:30 P. M. on PCN. Although she was pleased with the overall program, she did feel that pertinent information and businesses were left out. Special thanks to Mr. Tracy Smith from Sixty Foot Films for all his footage.
2. Everything went very well in Harrisburg on all fronts speaking at the Capitol at meetings and dinners.

**STATEMENT OF CITIZENS**

Mr. Mick Petruney – would like the Ordinance Committee to discuss changing the wording of the swimming pool set backs in the CR Zone to make it easy to understand.

Mr. Steve Dyne – is excited that Kane's youth is so involved in making Kane bigger and better.

**OTHER COMMENTS**

Mr. Kase thanked Mr. Boyer for his service this school year as the Junior Council Person.

**EXECUTIVE SESSION**

Council entered into Executive Session at 7:55 P. M.

**REGULAR SESSION**

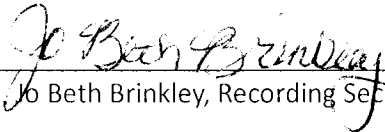
Council re-entered Regular Session at 8:22 P. M.

Sewer Sale

A motion was made by Mr. Schul, seconded by Mr. Walker, authorizing the signing of the agreement with Wetmore Township for the distribution of funds from all assets of the Borough of Kane Authority one year after the sale of the assets to Pennsylvania American Water at which time the Borough of Kane Authority will be dissolved. Motion carried.

**ADJOURNMENT**

Being no further business, a motion was made by Mr. Schul, seconded by Mr. Walker, to adjourn the meeting. Motion carried. The meeting was adjourned at 8:25 P. M.

  
Jo Beth Brinkley, Recording Secretary

October 1, 2019

The monthly meeting of the Wetmore Township supervisors was held on Oct. 1, 2019 at 7:00 P. M. at the township building.

The meeting was called to order by Steve Dyne – Chairman.

Supervisors present were Steve Dyne, Steve Chittester and Elaine Bodistow.

Visitors at the meeting were Denny Davis, Don Payne, Terry Carson and Ted Lutz – Reporter for the paper.

Visitor Comments: None

Motion made by Steve Chittester, seconded by Steve Dyne to approve the minutes of the Sept. 3<sup>rd</sup> and Sept. 20<sup>th</sup>, 2019 meetings; motion carried.

Motion made by Steve Chittester, seconded by Steve Dyne to Pay bills as listed and read; motion carried.

Two CD's (\$130,000.00 and \$200,000.00) in the Capital Project account are coming due in Oct. Current interest rate as of Sept. 16, 2019 was 1.75%.

Correspondence:

McKean County Assessment office-Notice from assessment office of intent to appeal. Motion made by Elaine Bodistow and seconded by Steve Chittester to exonerate Amy Hulings in the amount of \$76.84 for the reason of tax claim repository. Motion carried.

Act 13 Notices – MSL Oil and Gas Corp.-Hamilton Township; Curtis Oil Inc.- Lafayette and Howe Township; Blackhawk Energy LLC- Wetmore Township; National Fuel- Hamilton Township.

Information received from PA Hardwoods Development Council.

Road Report: Submitted by Dave Lawson –

Park Report Will be closed the end of October.

Unfinished business:

Ordinance violation appeal hearing will be changed to Civil action. No additional information as to date.

Comcast franchise agreement: no additional information.

Sale of Sewage system-Accepted as of Sept. 20<sup>th</sup>, 2019. Motion made by Elaine Bodistow and seconded by Steve Chittester to continue by resolution the motion that was made to enter into the asset purchase agreement with PAWC. Motion carried.

New Business:

Trick or Treat night- Motion made by Elaine Bodistow and seconded by Steve Chittester to follow Kane boroughs Trick or Treat schedule being October 31, 2019 from 6-8 pm. Motion carried.

160219

Paving- Discussion on the 2019 Paving Project is past the completion date of Sept. 20<sup>th</sup>. As per bid \$250 penalty daily could apply. Elaine to talk with Shawn Agosti from PennDot.

Public Comment:

Motion made by Steve Chlttester, seconded by Steve Dyne to adjourn at 7:25 P.M.

Elaine Bodistow – Sec.

A handwritten signature in cursive script that reads "Elaine Bodistow". The signature is written in black ink and is positioned below the typed name.

**TREASURER'S REPORT:** Secretary Treasurer Edward Sleeman was excused from this meeting due to medical issues. Mr. Sleeman had prepared his report information prior. Submitted were the Balance Sheet as of August 31, 2019, Profit and Loss Report for July through August of 2019, Check Detail Report, along with a list of bills paid for approval in the amount of \$113,676.10, along with the PLGIT Account Statement for month ending August 31, 2019. A motion was made by Mr. Howard Kane seconded by Mr. Frank Wojcik to approve the Treasurer's Report and the billings as submitted. Motion carried. (4-0).

**SOLICITOR'S REPORT:** No Report

**ENGINEER'S REPORT:** No Report

**NEW BUSINESS:** None

**OLD BUSINESS – ASSET PURCHASE AGREEMENT:** Solicitor Ross presented copies of an updated version of The Asset Purchase Agreement to Board Members. He stated the Authority had previously approved The Asset Purchase Agreement in July of 2017. Solicitor Ross highlighted changes to the document with two of the major changes as follows: 1.) Pa. American Water had withdrew from the original offer of \$22,982,500.00 which was derived thru independent appraisals by both the Authority and Pa. American Water Company to the current offer of \$17,560,000.00. 2.) In the event the Authority existence is terminated and the proceeds of the sale are divided between the Borough and the Township this provides the Kane Borough and the Township will then take on whatever the retained liabilities are of the Authority. Solicitor Erik Ross stated himself along with the Attorneys at Eckert Seaman's are satisfied with the updated version of the Asset Purchase Agreement.

**ASSET PURCHASE AGREEMENT- MOTION:** Mr. Howard Kane made a motion to enter into the Asset Purchase Agreement with Pennsylvania American Water Company to sell the Sewage System for a sum of \$17,560,000.00. Motion seconded by Mr. Frank Wojcik. **ROLL CALL VOTE:** Howard Kane- **yes**, Frank Wojcik - **yes**, Dave Peterson- **yes**, Dave Westerburg - **abstain**. Motion carried – (3-1).

Solicitor Erik Ross stated the Asset Purchase Agreement will also need to be formally approved by the Kane Borough Council and Wetmore Township Supervisors.

**MR. DAN BICKERTON: PA AMERICAN WATER COMPANY:** Mr. Dan Bickerton stated he appreciated the Board's approval. He then requested a "clean copy" of the updated Asset Purchase Agreement. He explained his company has an updated disclosure statement to execute the agreement soon and we are on a "time crunch". He noted he will need copies of any new agreements or contracts. Mr. Dan Bickerton stated the water company has no initial plans to separate sanitary and storm water unless required to do so by the DEP. If so he stated we would do this at the companies cost and then the Borough and the Township would have the maintenance responsibilities from that point forward. He is excited where we are at now, but noted we still have a long way to go involving final approval by Kane Borough Council, Wetmore Township Supervisors and the DEP.

**FINAL ASSET PURCHASE AGREEMENT:** Mr. Howard Kane made a motion that the Officers of the Authority be given authorization to execute the final Asset Purchase Agreement upon presentation of the final Asset Purchase Agreement as being acceptable by the authorities Solicitor and the attorney's at Eckert Seaman's. Motion seconded by Mr. Dave Westerburg. Motion carried. (4-0).

**MONTHLY REPORTS:** PAMS Fee Reports for July and August of 2019 were submitted. The Borough of Kane Sewer Fund Budget Reports were submitted for January thru July and January thru August of 2019.

**CLOSING COMMENTS:** Mr. Dave Westerburg wanted to clarify his reason for abstaining on a prior motion. He explained his abstaining was not in terms of a disagreement and was more of a deferral to more "seasoned people", and in addition noted this is only his third meeting as serving on the Borough Authority Board.

**EXECUTIVE SESSION/ADJOURNMENT:** There was no Executive Session. Being no additional comments a motion was made by Mr. Howard Kane seconded by Mr. Frank Wojcik to adjourn the meeting at 5:00 P.M. Motion carried. (4-0).

Karen A. Walter, Karen A. Walter – Recording Secretary

**Appendix K**

Pennsylvania-American Water Company  
Estimated Annual Revenues and Expenses of New Service Area  
Year 1  
(Dollars in thousands)

Operating Revenues	\$	1,470
Operating Expenses		
Operation and Maintenance		511
Depreciation and Amortization		625
General Taxes and Other		38
Total Operating Expenses		<u>1,174</u>
Operating income		296
Other Income/(Expenses)		
Other Income/(Expense), Net		13
Interest Expense, Net		(263)
Total Other Expenses		<u>(250)</u>
Income Before Income Taxes		46
Provision for Income Taxes		13
Net Income (Loss)	\$	<u><u>33</u></u>