

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Rates/Ratemaking**

1. Estimate the potential monthly incremental cost impact on existing and acquired customers following the actual results of the Buyer’s most recently adjudicated base rate proceeding, whether litigated or settled, allocating the fair market value of the acquired system according to the Buyer’s previously approved single-tariff pricing model.
  - a. In the case of a wastewater acquisition, a Buyer that employs a combined revenue requirement pursuant to 66 Pa. C.S. § 1311 will provide information assuming a combined water and wastewater revenue requirement consistent with its most recent adjudicated base rate proceeding.
  - b. If a Buyer has filed the thirty-day notice of 52 Pa. Code § 53.45(a), or has filed a rate case, it should calculate the above using data as proposed in its upcoming or filed rate case.

Response: Please refer to Appendix A of Aqua Statement No. 1, Direct Testimony of William C. Packer, included as Exhibit U to the Application.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Rates/Ratemaking**

2. If the Buyer has a present intention to increase the acquired system's rates to a certain level, please state the basis for the targeted rate.

Response: Aqua has no present intention to increase the Municipal Authority of the Borough of Shenandoah's ("MABS") rates to a targeted rate.

**AQUA PENNSYLVANIA, INC.**  
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**Section 1329 Application Standard Data Requests**

**Rates/Ratemaking**

3. Provide the annual depreciation expense using the purchase price/proposed rate base. If the exact depreciation expense is not available, provide the best estimate of the annual depreciation expense. Show how the depreciation expense is calculated.

Response: Please refer to Appendix A of Aqua Statement No. 1, Direct Testimony of William C. Packer, included as Exhibit U to the Application.

**AQUA PENNSYLVANIA, INC.**  
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**Rates/Ratemaking**

4. Provide an estimate of the annual revenue requirement of the municipal system under the Buyer's ownership. Provide the assumptions for the annual revenue requirement, including expected rate of return, expected depreciation expense, O&M expenses, etc.

Response: Please refer to Appendix A of Aqua Statement No. 1, Direct Testimony of William C. Packer, included as Exhibit U to the Application.

**AQUA PENNSYLVANIA, INC.**  
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**Rates/Ratemaking**

5. Other than the STAS, does Buyer’s current water/wastewater tariff include any provisions that would fall under “pass-through costs or charges imposed by the Commonwealth of Pennsylvania”?

Response: Aqua has a Distribution System Improvement Charge (“DSIC”) in its current water tariff.

**AQUA PENNSYLVANIA, INC.**  
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**Section 1329 Application Standard Data Requests**

**Rates/Ratemaking**

6. Provide a listing of any entities that currently receive free service from the Seller.

Response: Customers / entities that receive free water service from MABS include:

Fire Companies

- Shenandoah Ambulance – N Main Street
- Rescue Hook and Ladder Fire Co – N Main Street
- Polish American Fire Co – W Centre Street
- Phoenix Fire Co – Jardin Street
- Columbia Fire Co – W Centre Street
- Defender Hose Fire Co – Furnace Street
- Shenandoah Heights Fire Co – Swatara Road
- William Penn Fire Co. No. 1 – Mount Olive Boulevard

Borough Owned Properties

- Shenandoah Borough Hall – 15 W Washington Street
- Shenandoah Police Department – 15 W Washington Street
- Shenandoah Library – 15 W Washington Street
- Shenandoah Building Garage – Herald Street

MABS does not bill for public hydrants in the Borough of Shenandoah (“Borough”). Upon Closing, Aqua will bill the Borough for public hydrants within the Borough.

Aqua will continue free service to the Fire Companies listed above until Aqua’s next base rate case. Borough Owned Properties will begin to be billed at Closing.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Rates/Ratemaking**

7. In the next rate case, does buyer anticipate including the acquired system in a combined revenue requirement?

Response: Yes. Aqua anticipates including the MABS system in a combined revenue requirement in the next rate case.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Rates/Ratemaking**

8. If Seller has increased rates in the last year, please state the date of the increase and provide a copy of the new rate schedule and the total annual revenues produced under the new rates.

Response: MABS has not increased rates in the last year; however, MABS formalized the rates it charges customers in a Resolution passed on September 1, 2022, included in the Application as Exhibit H.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Rates/Ratemaking**

9. Are there any leases, easements, and access to public rights-of-way that Buyer will need in order to provide service which will not be conveyed at closing? If yes, identify when the conveyance will take place and whether there will be additional costs involved.

Response: Aqua is not presently aware of any needed leases, easements or access to public rights-of-way that will not be transferred at Closing. The Borough and the Abstractor are currently reviewing real property records to determine any needed easements and will be obtaining any needed easements in accordance with Article 6 of the Asset Purchase Agreement.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Costs/Benefits**

10. Provide a breakdown of the estimated transaction and closing costs. Provide invoices to support any transaction and closing costs that have already been incurred.

Response: The estimated total transaction and closing costs are included in the Application at paragraph 60. Please see below for a breakdown of costs projected through Closing. Please see Application Exhibit S1 for Gannett UVE invoices. Please see the attachments to SDR-10 for copies of other invoices incurred to date on the Application.

Legal	\$335,000.00
UVE	\$75,000.00
Engineering Assessment	\$46,561.82
<b>Total</b>	<b>\$456,561.82</b>

The costs shown above are estimated costs and are subject to change.



# INVOICE

Remit Payment To:  
 Pennoni Associates Inc.  
 P.O. Box 827328  
 Philadelphia, PA 19182-7328

Krista Weeks  
 Aqua Pennsylvania, Inc.  
 762 W. Lancaster Avenue  
 Bryn Mawr, PA 19010-3489

Invoice No : 1095524  
 Invoice Date : 11/22/2021  
 Project : PSWCX21004  
 Project Name : Shenandoah  
 Engineering  
 Assessment

## For Services Rendered Through 10/31/2021

Phase 01 - Correspondence with Aqua and the Borough; participated in conference calls; prepared preliminary spreadsheets; reviewed existing documents; updated files.

Ph 06 - Reviewed existing maps; prepared base map and shape files.

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit and Inventory Facilities	\$22,600.00	\$0.00	8.19%	\$1,850.00	\$1,850.00
02 -- Determine Original Cost Assets	\$21,700.00	\$0.00	0.00%	\$0.00	\$0.00
03 -- Facilities Assessment	\$18,300.00	\$0.00	0.00%	\$0.00	\$0.00
04 -- Prepare Assessment Report	\$8,600.00	\$0.00	0.00%	\$0.00	\$0.00
05 -- Meetings/Travel Allowance	NTE \$9,000.00	\$0.00	0.00%	\$0.00	\$0.00
06 -- GIS Mapping	NTE \$25,000.00	\$0.00	1.32%	\$330.00	\$330.00
<b>Total :</b>	<b>\$105,200.00</b>	<b>\$0.00</b>		<b>\$2,180.00</b>	<b>\$2,180.00</b>

## Phase: 06 -- GIS Mapping

### Labor

Class	Hours	Rate	Amount
Project Professional	1.00	125.00	125.00
Staff Professional	1.00	110.00	110.00
Graduate Professional	1.00	95.00	95.00

### Labor

**330.00**

## Phase Subtotal

**\$330.00**

## Total Due This Invoice

**\$2,180.00**

## Amount Due from Aqua Pennsylvania

**\$1,090.00**

## Amount Due from Borough of Shenandoah

**\$1,090.00**



# INVOICE

Remit Payment To:  
Pennoni Associates Inc.  
P.O. Box 827328  
Philadelphia, PA 19182-7328

Krista Weeks  
Aqua Pennsylvania, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010-3489

Invoice No : 1099071  
Invoice Date : 12/22/2021  
Project : PSWCX21004  
Project Name : Shenandoah  
Engineering  
Assessment

**For Services Rendered Through 12/05/2021**

Phase 01 -Review addition data provided by Aqua; correspondence with engineer, Borough and Aqua; prepared need summary for Borough and Authority; downloaded NAR4C Codes for Class A Water Systems.

Phase 03 - Set up report outline; updated NAR4C classifications and codes.

Phase 05 - Meeting with Benesch and Borough in their respective offices.

Phase 06 - Set up site visits; map conversions; set up layers; on site for data collection.

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit and Inventory Facilities	\$22,600.00	\$1,850.00	18.31%	\$4,137.59	\$2,287.59
02 -- Determine Original Cost Assets	\$21,700.00	\$0.00	0.00%	\$0.00	\$0.00
03 -- Facilities Assessment	\$18,300.00	\$0.00	3.23%	\$590.94	\$590.94
04 -- Prepare Assessment Report	\$8,600.00	\$0.00	0.00%	\$0.00	\$0.00
05 -- Meetings/Travel Allowance	NTE \$9,000.00	\$0.00	15.75%	\$1,417.22	\$1,417.22
06 -- GIS Mapping	NTE \$25,000.00	\$330.00	21.45%	\$5,361.25	\$5,031.25
<b>Total :</b>	<b>\$105,200.00</b>	<b>\$2,180.00</b>		<b>\$11,507.00</b>	<b>\$9,327.00</b>

**Phase: 05 -- Meetings/Travel Allowance**

**Labor**

Class	Hours	Rate	Amount
Senior Professional	8.75	150.00	1,312.50

**Labor** 1,312.50

**Expenses**

Description	Units	Rate	Amount
Mileage	187.00	0.56	104.72

**Expense Total:** 104.72

**Phase Subtotal**

**\$1,417.22**

**Phase: 06 -- GIS Mapping**

**Labor**

Class	Hours	Rate	Amount
Senior Professional	2.50	150.00	375.00

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INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.

Project	PSWCX21004	Shenandoah Engineering Assessment	Invoice	1099071
Graduate Professional		13.50	95.00	1,282.50
Technician I		20.00	85.00	1,700.00
Project Assistant		25.75	65.00	1,673.75
		<i>Labor</i>		----- 5,031.25
<b>Phase Subtotal</b>				<b><u>\$5,031.25</u></b>
		<b>Amount Due This Invoice</b>		<b><u>\$9,327.00</u></b>
		<b>Amount Due from Aqua Pennsylvania</b>		<b><u>\$4,663.50</u></b>
		<b>Amount Due from Borough of Shenandoah</b>		<b><u>\$4,663.50</u></b>

INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.



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 P.O. Box 827328  
 Philadelphia, PA 19182-7328

Krista Weeks  
 Aqua Pennsylvania, Inc.  
 762 W. Lancaster Avenue  
 Bryn Mawr, PA 19010-3489

Invoice No : 1103259  
 Invoice Date : 01/24/2022  
 Project : PSWCX21004  
 Project Name : Shenandoah  
 Engineering  
 Assessment

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## For Services Rendered Through 12/31/2021

Phase 01 - Correspondence with Aqua and Borough regarding facility access.

Phase 02 - Class A Facility Assessment Guidelines.

Phase 05 - Conference Call with Aqua and Borough.

Phase 06 - On-site field data collection; data input and map drawing.

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit and Inventory Facilities	\$22,600.00	\$4,137.59	19.38%	\$4,380.09	\$242.50
02 -- Determine Original Cost Assets	\$21,700.00	\$0.00	0.13%	\$27.50	\$27.50
03 -- Facilities Assessment	\$18,300.00	\$590.94	3.23%	\$590.94	\$0.00
04 -- Prepare Assessment Report	\$8,600.00	\$0.00	0.00%	\$0.00	\$0.00
05 -- Meetings/Travel Allowance	NTE \$9,000.00	\$1,417.22	16.58%	\$1,492.22	\$75.00
06 -- GIS Mapping	NTE \$25,000.00	\$5,361.25	29.49%	\$7,371.25	\$2,010.00
<b>Total :</b>	<b>\$105,200.00</b>	<b>\$11,507.00</b>		<b>\$13,862.00</b>	<b>\$2,355.00</b>

### Phase: 05 -- Meetings/Travel Allowance

#### Labor

Class	Hours	Rate	Amount
Senior Professional	0.50	150.00	75.00

**Labor** 75.00

### Phase Subtotal

**\$75.00**

### Phase: 06 -- GIS Mapping

#### Labor

Class	Hours	Rate	Amount
Senior Professional	1.50	150.00	225.00
Technician I	21.00	85.00	1,785.00

**Labor** 2,010.00

### Phase Subtotal

**\$2,010.00**

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INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.

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Project	PSWCX21004	Shenandoah Engineering Assessment	Invoice	1103259
<b>Amount Due This Invoice</b>				<b>\$2,355.00</b>

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INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.



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Remit Payment To:  
 Pennoni Associates Inc.  
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 Philadelphia, PA 19182-7328

Krista Weeks  
 Aqua Pennsylvania, Inc.  
 762 W. Lancaster Avenue  
 Bryn Mawr, PA 19010-3489

Invoice No : 1107889  
 Invoice Date : 02/24/2022  
 Project : PSWCX21004  
 Project Name : Shenandoah  
 Engineering  
 Assessment

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## For Services Rendered Through 01/30/2022

Phase 01 - Correspondence with Aqua regarding dam inspection and site inspection schedules.

Phase 02 - Reviewed cost data charts, set up facility descriptions.

Phase 05 - Conference calls with Aqua and the Borough.

Phase 06 - Reviewed preliminary maps; internal meetings to review data and progress.

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit and Inventory Facilities	\$22,600.00	\$4,380.09	21.70%	\$4,905.02	\$524.93
02 -- Determine Original Cost Assets	\$21,700.00	\$27.50	1.92%	\$416.87	\$389.37
03 -- Facilities Assessment	\$18,300.00	\$590.94	3.23%	\$590.94	\$0.00
04 -- Prepare Assessment Report	\$8,600.00	\$0.00	0.00%	\$0.00	\$0.00
05 -- Meetings/Travel Allowance	NTE \$9,000.00	\$1,492.22	19.08%	\$1,717.22	\$225.00
06 -- GIS Mapping	NTE \$25,000.00	\$7,371.25	31.29%	\$7,821.25	\$450.00
<b>Total :</b>	<b>\$105,200.00</b>	<b>\$13,862.00</b>		<b>\$15,451.30</b>	<b>\$1,589.30</b>

### Phase: 05 -- Meetings/Travel Allowance

#### Labor

Class	Hours	Rate	Amount
Senior Professional	1.50	150.00	225.00
<b>Labor</b>			<b>225.00</b>

### Phase Subtotal

**\$225.00**

### Phase: 06 -- GIS Mapping

#### Labor

Class	Hours	Rate	Amount
Senior Professional	1.00	150.00	150.00
Associate Professional	3.00	100.00	300.00
<b>Labor</b>			<b>450.00</b>

### Phase Subtotal

**\$450.00**

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INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.

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Project	PSWCX21004	Shenandoah Engineering Assessment	Invoice	1107889
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<b>Amount Due This Invoice</b>	<b><u>\$1,589.30</u></b>
<b>Amount Due from Aqua Pennsylvania</b>	<b><u>\$ 794.65</u></b>
<b>Amount Due from Borough of Shenandoah</b>	<b><u>\$ 794.65</u></b>

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INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.



# INVOICE

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 Philadelphia, PA 19182-7328

Krista Weeks  
 Aqua Pennsylvania, Inc.  
 762 W. Lancaster Avenue  
 Bryn Mawr, PA 19010-3489

Invoice No : 1113826  
 Invoice Date : 03/31/2022  
 Project : PSWCX21004  
 Project Name : Shenandoah  
 Engineering  
 Assessment

## For Services Rendered Through 03/06/2022

Phase 01 - On site for facility inspections; prepared data sheets.

Phase 02 - Reviewed cost data.

Phase 03 - Reviewed data and prepared descriptions.

Phase 04 - Report formatting.

Phase 05 - Conference calls with Aqua and the Borough; travel to Borough.

Phase 06 - Updated map with new data..

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit and Inventory Facilities	\$22,600.00	\$4,905.02	60.52%	\$13,676.52	\$8,771.50
02 -- Determine Original Cost Assets	\$21,700.00	\$416.87	3.28%	\$712.77	\$295.90
03 -- Facilities Assessment	\$18,300.00	\$590.94	12.12%	\$2,218.02	\$1,627.08
04 -- Prepare Assessment Report	\$8,600.00	\$0.00	5.50%	\$472.75	\$472.75
05 -- Meetings/Travel Allowance	NTE \$9,000.00	\$1,717.22	28.51%	\$2,566.32	\$849.10
06 -- GIS Mapping	NTE \$25,000.00	\$7,821.25	36.32%	\$9,078.75	\$1,257.50
<b>Total :</b>	<b>\$105,200.00</b>	<b>\$15,451.30</b>		<b>\$28,725.13</b>	<b>\$13,273.83</b>

## Phase: 05 -- Meetings/Travel Allowance

### Labor

Class	Hours	Rate	Amount
Senior Professional	2.00	150.00	300.00
Technician I	0.50	85.00	42.50

### Labor

**342.50**

### Expenses

Description	Date	Units	Rate	Amount
Mileage (Bill as Unit)				
Ciufo, Francis	02/16/2022	180.00	.585	105.30
Suder, Alex	02/23/2022	194.00	.585	113.49
Ciufo, Francis	02/24/2022	210.00	.585	122.85
Grasso, Beth-Ann	03/02/2022	256.00	.585	149.76

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INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.

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Project	PSWCX21004	Shenandoah Engineering Assessment	Invoice	1113826
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Tolls, Parking, & Other Travel	03/02/2022	15.20
Grasso, Beth-Ann		-----
<b>Expense Total:</b>		<b>506.60</b>

**Phase Subtotal** **\$849.10**

**Phase: 06 -- GIS Mapping**

<b>Labor</b>			
<u>Class</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Senior Professional	1.50	150.00	225.00
Associate Professional	3.50	100.00	350.00
Project Assistant	10.50	65.00	682.50
			-----
	<b>Labor</b>		<b>1,257.50</b>

**Phase Subtotal** **\$1,257.50**

**Amount Due This Invoice** **\$13,273.83**

**Amount Due from Aqua Pennsylvania** **\$ 6,636.92**

**Amount Due from Borough of Shenandoah** **\$ 6,636.91**



# INVOICE

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 Pennoni Associates Inc.  
 P.O. Box 827328  
 Philadelphia, PA 19182-7328

Krista Weeks  
 Aqua Pennsylvania, Inc.  
 762 W. Lancaster Avenue  
 Bryn Mawr, PA 19010-3489

Invoice No : 1117259  
 Invoice Date : 04/27/2022  
 Project : PSWCX21004  
 Project Name : Shenandoah  
 Engineering  
 Assessment

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## For Services Rendered Through 04/03/2022

Phase 01 - Reviewed documents, correspondence with MABS personnel; inventories data needs.

Phase 02 - Reviewed cost data.

Phase 03 - Prepared facility descriptions and evaluations.

Phase 04 - Prepared report sections; photo insertion and captions.

Phase 05 - Conference calls with Aqua and the Borough.

Phase 06 - Updated map with new data; georeferencing; QA/QC.

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit and Inventory Facilities	\$22,600.00	\$13,676.52	69.08%	\$15,613.00	\$1,936.48
02 -- Determine Original Cost Assets	\$21,700.00	\$712.77	7.90%	\$1,715.17	\$1,002.40
03 -- Facilities Assessment	\$18,300.00	\$2,218.02	31.31%	\$5,730.17	\$3,512.15
04 -- Prepare Assessment Report	\$8,600.00	\$472.75	22.06%	\$1,897.13	\$1,424.38
05 -- Meetings/Travel Allowance	NTE \$9,000.00	\$2,566.32	31.85%	\$2,866.32	\$300.00
06 -- GIS Mapping	NTE \$25,000.00	\$9,078.75	41.19%	\$10,297.50	\$1,218.75
<b>Total :</b>	<b>\$105,200.00</b>	<b>\$28,725.13</b>		<b>\$38,119.29</b>	<b>\$9,394.16</b>

### Phase: 05 -- Meetings/Travel Allowance

#### Labor

Class	Hours	Rate	Amount
Senior Professional	2.00	150.00	300.00

#### Labor

**300.00**

### Phase Subtotal

**\$300.00**

### Phase: 06 -- GIS Mapping

#### Labor

Class	Hours	Rate	Amount
Senior Professional	1.00	150.00	150.00
Associate Professional	5.00	100.00	500.00
Project Assistant	8.75	65.00	568.75

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INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.

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Project	PSWCX21004	Shenandoah Engineering Assessment	Invoice	1117259
			<i>Labor</i>	----- 1,218.75
<b>Phase Subtotal</b>				<u>\$1,218.75</u>
		<b>Amount Due This Invoice</b>		<u><u>\$9,394.16</u></u>
		<b>Amount Due from Aqua Pennsylvania Amount</b>		<u>\$4,697.08</u>
		<b>Due from Borough of Shenandoah</b>		<u>\$4,697.08</u>

INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.



# INVOICE

Remit Payment To:  
 Pennoni Associates Inc.  
 P.O. Box 827328  
 Philadelphia, PA 19182-7328

Krista Weeks  
 Aqua Pennsylvania, Inc.  
 762 W. Lancaster Avenue  
 Bryn Mawr, PA 19010-3489

Invoice No : 1121261  
 Invoice Date : 05/25/2022  
 Project : PSWCX21004  
 Project Name : Shenandoah  
 Engineering  
 Assessment

## For Services Rendered Through 05/01/2022

Phase 01 - Updated piping quantities, correspondence with MABS regarding facilities.

Phase 02 - Determined costs of historic structures; calculations for piping.

Phase 03 - Updated facility descriptions and evaluations.

Phase 04 - Report updates.

Phase 05 - Conference calls with Aqua and the Borough; travel to Brough.

Phase 06 - Updated map with new data; georeferencing; QA/QC.

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit and Inventory Facilities	\$22,600.00	\$15,613.00	83.03%	\$18,764.15	\$3,151.15
02 -- Determine Original Cost Assets	\$21,700.00	\$1,715.17	24.48%	\$5,311.49	\$3,596.32
03 -- Facilities Assessment	\$18,300.00	\$5,730.17	44.16%	\$8,081.62	\$2,351.45
04 -- Prepare Assessment Report	\$8,600.00	\$1,897.13	75.70%	\$6,510.23	\$4,613.10
05 -- Meetings/Travel Allowance	NTE \$9,000.00	\$2,866.32	37.18%	\$3,346.62	\$480.30
06 -- GIS Mapping	NTE \$25,000.00	\$10,297.50	52.20%	\$13,050.00	\$2,752.50
<b>Total :</b>	<b>\$105,200.00</b>	<b>\$38,119.29</b>		<b>\$55,064.11</b>	<b>\$16,944.82</b>

## Phase: 05 -- Meetings/Travel Allowance

### Labor

Class	Hours	Rate	Amount
Senior Professional	2.50	150.00	375.00

### Labor

375.00

### Expenses

Description	Date	Units	Rate	Amount
Mileage (Bill as Unit)				
Ciufo, Francis	04/07/2022	180.00	0.585	105.30
<b>Expense Total:</b>				<b>105.30</b>

## Phase Subtotal

**\$480.30**

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INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.

Project	PSWCX21004	Shenandoah Engineering Assessment	Invoice	1121261
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**Phase: 06 -- GIS Mapping**

**Labor**

<u>Class</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Senior Professional	0.50	150.00	75.00
Associate Professional	5.00	100.00	500.00
Project Assistant	33.50	65.00	2,177.50
<i>Labor</i>			<u>2,752.50</u>

**Phase Subtotal**

**\$2,752.50**

**Amount Due This Invoice**

**\$16,944.82**

**Amount Due from Aqua Pennsylvania**

**\$ 8,472.41**

**Amount Due from Borough of Shenandoah**

**\$ 8,472.41**

INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.



# INVOICE

Remit Payment To:  
 Pennoni Associates Inc.  
 P.O. Box 827328  
 Philadelphia, PA 19182-7328

Krista Weeks  
 Aqua Pennsylvania, Inc.  
 762 W. Lancaster Avenue  
 Bryn Mawr, PA 19010-3489

Invoice No : 1123380  
 Invoice Date : 06/14/2022  
 Project : PSWCX21004  
 Project Name : Shenandoah  
 Engineering  
 Assessment

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## For Services Rendered Through 06/05/2022

Phase 01 - Updated piping quantities, correspondence with MABS regarding facilities.

Phase 02 - Cost data calculations.

Phase 03 - Updated facility descriptions and evaluations.

Phase 04 - Draft report.

Phase 05 - Conference calls with Aqua and the Borough.

Phase 06 - Updated map with new data; georeferencing; QA/QC, data collection.

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit and Inventory Facilities	\$22,600.00	\$18,764.15	91.36%	\$20,646.47	\$1,882.32
02 -- Determine Original Cost Assets	\$21,700.00	\$5,311.49	31.81%	\$6,902.17	\$1,590.68
03 -- Facilities Assessment	\$18,300.00	\$8,081.62	57.31%	\$10,487.74	\$2,406.12
04 -- Prepare Assessment Report	\$8,600.00	\$6,510.23	77.18%	\$6,637.70	\$127.47
05 -- Meetings/Travel Allowance	NTE \$9,000.00	\$3,346.62	45.08%	\$4,057.19	\$710.57
06 -- GIS Mapping	NTE \$25,000.00	\$13,050.00	65.29%	\$16,322.50	\$3,272.50
07 -- Dam Assessment & Report	\$5,000.00	\$0.00	27.44%	\$1,372.14	\$1,372.14
<b>Total :</b>	<b>\$110,200.00</b>	<b>\$55,064.11</b>		<b>\$66,425.91</b>	<b>\$11,361.80</b>

### Phase: 05 -- Meetings/Travel Allowance

#### Labor

Class	Hours	Rate	Amount
Senior Professional	4.00	150.00	600.00

#### Labor

**600.00**

#### Expenses

Description	Date	Units	Rate	Amount
Mileage (Bill as Unit)				
Suder, Alex	05/17/2022	189.00	0.585	110.57
<b>Expense Total:</b>				<b>110.57</b>

### Phase Subtotal

**\$710.57**

Continued on next page...

INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.

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Project	PSWCX21004	Shenandoah Engineering Assessment	Invoice	1123380
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**Phase: 06 -- GIS Mapping****Labor**

<u>Class</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Senior Professional	1.50	150.00	225.00
Technician III	5.00	105.00	525.00
Associate Professional	1.00	100.00	100.00
Technician I	28.50	85.00	2,422.50
		<b>Labor</b>	<b>3,272.50</b>

**Phase Subtotal****\$3,272.50****Amount Due This Invoice****\$11,361.80****Amount Due from Aqua Pennsylvania****\$ 5,680.90****Amount Due from Borough of Shenandoah****\$ 5,680.90**

INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.



# INVOICE

Remit Payment To:  
**Pennoni Associates Inc.**  
 P.O. Box 827328  
 Philadelphia, PA 19182-7328

Krista Weeks  
 Aqua Pennsylvania, Inc.  
 762 W. Lancaster Avenue  
 Bryn Mawr, PA 19010-3489

Invoice No : 1128585  
 Invoice Date : 07/20/2022  
 Project : PSWCX21004  
 Project Name : Shenandoah  
 Engineering  
 Assessment

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**For Services Rendered Through 07/03/2022**

Phase 01 - Meet with MABS regarding system piping.

Phase 02 - Updated cost data calculations.

Phase 03 - Updated facility descriptions and evaluations, integrated Aqua comments.

Phase 04 - Draft report.

Phase 05 - Conference calls with Aqua and the Borough, site visit.

Phase 06 - Updated map with new data; georeferencing; QA/QC, data collection.

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit and Inventory Facilities	\$22,600.00	\$20,646.47	95.03%	\$21,476.39	\$829.92
02 -- Determine Original Cost Assets	\$21,700.00	\$6,902.17	50.10%	\$10,870.92	\$3,968.75
03 -- Facilities Assessment	\$18,300.00	\$10,487.74	82.25%	\$15,052.29	\$4,564.55
04 -- Prepare Assessment Report	\$8,600.00	\$6,637.70	83.62%	\$7,190.98	\$553.28
05 -- Meetings/Travel Allowance	NTE \$9,000.00	\$4,057.19	48.76%	\$4,388.59	\$331.40
06 -- GIS Mapping	NTE \$25,000.00	\$16,322.50	77.28%	\$19,320.00	\$2,997.50
07 -- Dam Assessment & Report	\$5,000.00	\$1,372.14	27.44%	\$1,372.14	\$0.00
<b>Total :</b>	<b>\$110,200.00</b>	<b>\$66,425.91</b>		<b>\$79,671.31</b>	<b>\$13,245.40</b>

**Phase: 05 -- Meetings/Travel Allowance**
**Labor**

Class	Hours	Rate	Amount
Senior Professional	1.50	150.00	225.00

**Labor**

225.00

**Expenses**

Description	Date	Units	Rate	Amount
Mileage (Bill as Unit)				
Ciufo, Francis	06/28/2022	190.00	0.56	106.40
<b>Expense Total:</b>				<b>106.40</b>

**Phase Subtotal**

**\$331.40**

Continued on next page...

INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.

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Project	PSWCX21004	Shenandoah Engineering Assessment	Invoice	1128585
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**Phase: 06 -- GIS Mapping****Labor**

<u>Class</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Senior Professional	2.50	150.00	375.00
Technician III	24.50	105.00	2,572.50
Associate Professional	0.50	100.00	50.00

**Labor**2,997.50**Phase Subtotal****\$2,997.50****Amount Due This Invoice****\$13,245.40****Amount Due from Aqua Pennsylvania****\$ 6,622.70****Amount Due from Borough of Shenandoah****\$ 6,622.70**

INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.



# INVOICE

**Remit Payment To:**  
**Pennoni Associates Inc.**  
**P.O. Box 827328**  
**Philadelphia, PA 19182-7328**

**Krista Weeks**  
**Aqua Pennsylvania, Inc.**  
**762 W. Lancaster Avenue**  
**Bryn Mawr, PA 19010-3489**

**Invoice No :** 1131922  
**Invoice Date :** 08/16/2022  
**Project :** PSWCX21004  
**Project Name :** Shenandoah  
 Engineering  
 Assessment

**For Services Rendered Through 07/31/2022**

Phase 02 - Researched parcel data; prepared spreadsheet; reviewed.

Phase 03 - Updated per Aqua comments.

Phase 04 - Final report.

Phase 05 - Conference calls with Aqua and the Borough.

Phase 06 - Hydrant and piping edits.

Phase 07 - Update descriptions; reviewed dam parcels.

Phase Code / Name	Contract Amount	Previously Billed	% Complete	Complete To Date	Amount This Invoice
01 -- Visit and Inventory Facilities	\$22,600.00	\$21,476.39	95.03%	\$21,476.39	\$0.00
02 -- Determine Original Cost Assets	\$21,700.00	\$10,870.92	72.67%	\$15,768.44	\$4,897.52
03 -- Facilities Assessment	\$18,300.00	\$15,052.29	86.79%	\$15,882.21	\$829.92
04 -- Prepare Assessment Report	\$8,600.00	\$7,190.98	86.83%	\$7,467.63	\$276.65
05 -- Meetings/Travel Allowance	NTE \$9,000.00	\$4,388.59	53.76%	\$4,838.59	\$450.00
06 -- GIS Mapping	NTE \$25,000.00	\$19,320.00	82.85%	\$20,711.25	\$1,391.25
07 -- Dam Assessment & Report	\$5,000.00	\$1,372.14	48.88%	\$2,444.12	\$1,071.98
<b>Total :</b>	<b>\$110,200.00</b>	<b>\$79,671.31</b>		<b>\$88,588.63</b>	<b>\$8,917.32</b>

**Phase: 05 -- Meetings/Travel Allowance**

**Labor**

Class	Hours	Rate	Amount
Senior Professional	3.00	150.00	450.00

**Labor**

**450.00**

**Phase Subtotal**

**\$450.00**

**Phase: 06 -- GIS Mapping**

Continued on next page...

INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.

Project	PSWCX21004	Shenandoah Engineering Assessment	Invoice	1131922
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**Labor**

<u>Class</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Technician III	13.25	105.00	1,391.25

**Labor**

----- 1,391.25

**Phase Subtotal**

**\$1,391.25**

**Amount Due This Invoice**

**\$8,917.32**

**Amount Due from Aqua Pennsylvania**

**\$4,458.66**

**Amount Due from Borough of Shenandoah**

**\$4,458.66**

INVOICES DUE ON RECEIPT. Invoices outstanding over 30 days will have a Service Charge of 1 1/2% per month.

January 9, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 179324

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 2,800.00  
Disbursements: \$ 0.00  
Total: \$ 2,800.00

February 11, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 180408

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 800.00  
Disbursements: \$ 0.00  
Total: \$ 800.00

March 9, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 181603

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 5,800.00  
Disbursements: \$ 0.00  
Total: \$ 5,800.00

April 9, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 182508

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 2,100.00  
Disbursements: \$ 0.00  
Total: \$ 2,100.00

May 11, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 183616

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 600.00  
Disbursements: \$ 0.00  
Total: \$ 600.00

June 4, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 184410

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 1,800.00  
Disbursements: \$ 0.00  
Total: \$ 1,800.00

July 8, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 185163

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 1,100.00  
Disbursements: \$ 0.00  
Total: \$ 1,100.00

August 6, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 186173

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 200.00  
Disbursements: \$ 0.00  
Total: \$ 200.00

September 4, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 188083

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 300.00  
Disbursements: \$ 0.00  
Total: \$ 300.00

November 5, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 190362

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 900.00  
Disbursements: \$ 0.00  
Total: \$ 900.00

December 4, 2020

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 191425

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 5,600.00  
Disbursements: \$ 0.00  
Total: \$ 5,600.00

January 7, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 192529

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 9,400.00  
Disbursements: \$ 0.00  
Total: \$ 9,400.00

February 8, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 193866

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 2,400.00  
Disbursements: \$ 0.00  
Total: \$ 2,400.00

March 5, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 195158

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 5,650.00  
Disbursements: \$ 0.00  
Total: \$ 5,650.00

March 5, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 195168

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 20,700.00  
Disbursements: \$ 0.00  
Total: \$ 20,700.00

April 7, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 196811

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 4,100.00  
Disbursements: \$ 0.00  
Total: \$ 4,100.00

May 7, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 196811

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0033 (0047)

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 100.00  
Disbursements: \$ 0.00  
Total: \$ 100.00

June 7, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 199270

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 2,900.00  
Disbursements: \$ 0.00  
Total: \$ 2,900.00

July 8, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 200710

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 1,300.00  
Disbursements: \$ 0.00  
Total: \$ 1,300.00

August 5, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 201789

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 3,600.00  
Disbursements: \$ 0.00  
Total: \$ 3,600.00

September 7, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 202813

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 3,700.00  
Disbursements: \$ 0.00  
Total: \$ 3,700.00

October 6, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 204159

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 400.00  
Disbursements: \$ 0.00  
Total: \$ 400.00

November 4, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 205346

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 10,600.00  
Disbursements: \$ 0.00  
Total: \$ 10,600.00

December 6, 2021

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 206371

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 3,500.00  
Disbursements: \$ 0.00  
Total: \$ 3,500.00

January 6, 2022

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 207566

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 400.00  
Disbursements: \$ 0.00  
Total: \$ 400.00

February 4, 2022

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 208681

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 3,300.00  
Disbursements: \$ 0.00  
Total: \$ 3,300.00

March 7, 2022

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 209866

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 2,400.00  
Disbursements: \$ 0.00  
Total: \$ 2,400.00

April 6, 2022

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 211001

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 3,400.00  
Disbursements: \$ 0.00  
Total: \$ 3,400.00

May 9, 2022

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 212689

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 7,300.00  
Disbursements: \$ 0.00  
Total: \$ 7,300.00

June 6, 2022

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 213540

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

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For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 4,600.00  
Disbursements: \$ 0.00  
Total: \$ 4,600.00

July 8, 2022

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 214749

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

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For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 3,800.00  
Disbursements: \$ 0.00  
Total: \$ 3,800.00

August 3, 2022

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 215750

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

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For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 2,700.00  
Disbursements: \$ 0.00  
Total: \$ 2,700.00

September 8, 2022

Aqua Pennsylvania Wastewater, Inc.  
762 W. Lancaster Avenue  
Bryn Mawr PA 19010  
Invoice: 217395

Re: Acquisition of Wastewater System Assets from  
Municipal Authority of the Borough of Shenandoah  
LM Account Number: 180379.0047

*Please remit payment to:*  
Lamb McErlane PC  
Attn.: Billing Department  
PO Box 565  
West Chester, PA 19381-0565

---

For Services Rendered in connection with acquisition of wastewater system assets.

Services: \$ 6,500.00  
Disbursements: \$ 0.00  
Total: \$ 6,500.00

**SAUL EWING  
ARNSTEIN  
& LEHR <sup>LLP</sup>**

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2715679  
Invoice Date 09/06/22  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 08/31/22:

**TOTAL AMOUNT OF THIS INVOICE** 2,829.15

**SAUL EWING**  
**ARNSTEIN**  
**& LEHR**<sup>LLP</sup>

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2712138  
Invoice Date 08/12/22  
Client Number 383262  
Matter Number 00001

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Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 07/31/22:

**TOTAL AMOUNT OF THIS INVOICE** 1,919.25

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**SAUL EWING**  
**ARNSTEIN**  
**& LEHR** <sup>LLP</sup>

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2706034  
Invoice Date 07/14/22  
Client Number 383262  
Matter Number 00001

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Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 06/30/22:

**TOTAL AMOUNT OF THIS INVOICE** 1,408.95

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**SAUL EWING  
ARNSTEIN  
& LEHR <sup>LLP</sup>**

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2698611  
Invoice Date 06/03/22  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 05/31/22:

**TOTAL AMOUNT OF THIS INVOICE** 545.40

**SAUL EWING**  
**ARNSTEIN**  
**& LEHR** <sup>LLP</sup>

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2693640  
Invoice Date 05/06/22  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 04/30/22:

**TOTAL AMOUNT OF THIS INVOICE** 3,076.35

**SAUL EWING  
ARNSTEIN  
& LEHR<sup>LLP</sup>**

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2686879  
Invoice Date 04/05/22  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 03/31/22:

**TOTAL AMOUNT OF THIS INVOICE** 2,828.61

**SAUL EWING  
ARNSTEIN  
& LEHR<sup>LLP</sup>**

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2681016  
Invoice Date 03/03/22  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 02/28/22:

**TOTAL AMOUNT OF THIS INVOICE** 1,440.90

**SAUL EWING**  
**ARNSTEIN**  
**& LEHR** <sup>LLP</sup>

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2676161  
Invoice Date 02/07/22  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 01/31/22:

**TOTAL AMOUNT OF THIS INVOICE** 3,810.12

**SAUL EWING  
ARNSTEIN  
& LEHR<sup>LLP</sup>**

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2671354  
Invoice Date 01/10/22  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 12/31/21:

**TOTAL AMOUNT OF THIS INVOICE** 940.25

**SAUL EWING  
ARNSTEIN  
& LEHR<sup>LLP</sup>**

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2665396  
Invoice Date 12/03/21  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 11/30/21:

**TOTAL AMOUNT OF THIS INVOICE** 3,600.00

**SAUL EWING  
ARNSTEIN  
& LEHR<sup>LLP</sup>**

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2661137  
Invoice Date 11/07/21  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 10/31/21:

**TOTAL AMOUNT OF THIS INVOICE** 2,457.25

**SAUL EWING  
ARNSTEIN  
& LEHR <sup>LLP</sup>**

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2654533  
Invoice Date 10/08/21  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 09/30/21:

**TOTAL AMOUNT OF THIS INVOICE** 2,268.45

**SAUL EWING  
ARNSTEIN  
& LEHR <sup>LLP</sup>**

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2648792  
Invoice Date 09/09/21  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 08/31/21:

**TOTAL AMOUNT OF THIS INVOICE** 5,897.70

**SAUL EWING  
ARNSTEIN  
& LEHR <sup>LLP</sup>**

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number 2643421  
Invoice Date 08/10/21  
Client Number 383262  
Matter Number 00001

Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 07/31/21:

**TOTAL AMOUNT OF THIS INVOICE** 1,332.00

**SAUL EWING**  
**ARNSTEIN**  
**& LEHR** <sup>LLP</sup>

Aqua Pennsylvania, Inc.  
Alex Stahl, Esq.  
762 W. Lancaster Avenue  
Bryn Mawr, PA 19010

Invoice Number	2637861
Invoice Date	07/12/21
Client Number	383262
Matter Number	00001

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Re: Borough of Shenandoah FMV Filing

FOR PROFESSIONAL SERVICES RENDERED THROUGH 06/30/21:

**TOTAL AMOUNT OF THIS INVOICE** 1,030.05

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**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Costs/Benefits**

11. Please describe known and anticipated general expense savings and efficiencies under Buyer’s ownership. State the basis for all assumptions used in developing these costs and provide all supporting documentation for the assumptions, if available.

Response: MABS current operating expenses are approximately \$1.7M. Aqua estimates annual operating and maintenance expenses of approximately \$1.2M, based on MABS’ operating expenses presented in the 2020 financial statements adjusted by the Company. The assumed reduction in operating costs is based on Aqua’s experience and estimates of costs during the first year of operations. Please also refer to the Direct Testimony of William C. Packer (Aqua Statement No. 1), included in the Application as Exhibit U, for further costs/benefits of the system under the Buyer’s ownership.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Costs/Benefits**

12. Please provide a copy of the Seller’s request for proposals (if there was one) and any accompanying exhibits with respect to the proposed sale of the system.

Response: Please see the attachment to SDR-12.



Borough of  
**Shenandoah**

**Request for Proposals**

**For the Sale of the Water System**

**of the**

**Municipal Authority of the Borough of Shenandoah**

***Key Dates***

Written Questions are welcome prior to 5:00 PM on: July 8, 2019, July 25, 2019 and August 23, 2019

Due Diligence Period: July 1, 2019 - September 15, 2019

Responses Due By: September 16, 2019

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## Section 1. Introduction - Continuation of Process

The Borough of Shenandoah (the “Borough”), together with the Municipal Authority of the Borough of Shenandoah (“MABS”), is soliciting proposals for the purchase of the Shenandoah water supply, treatment and distribution system (the “Water System”) serving the Borough and West Mahanoy Township in Schuylkill County, Pennsylvania. The Borough and MABS are seeking to sell the Water System to an established public or private utility with experience and a proven track record in Pennsylvania. The successful party will be expected to: (i) finance and construct improvements to the Water System necessary to meet regulatory and permit requirements and (ii) operate and maintain the Water System in a manner that will assure reliable, affordable and sustainable service to current and future customers of the Water System. The capital improvements required to upgrade the Water System are expected to significantly improve service and the financial condition and operation of the Water System. The Borough and MABS will be very interested in the extent to which all current employment positions at MABS can be maintained.

This Request for Proposals (“RFP”) is a follow-up to the Request for Expression of Interest and Qualification of bidders previously conducted by the Borough and MABS. All recipients of this RFP have been determined to be qualified bidders and are invited to continue in the process by submitting a proposal (each, a “Proposal”) in response to this RFP. Parties who participate in this RFP process are referred to herein as “Respondents.” Respondents will be given an opportunity to conduct due diligence with regard to the Water System over the next several months and will be provided with scheduled opportunities for site visits as more fully described herein.

**Register.** If your organization intends to prepare and submit a Proposal, please register by sending an e-mail to the Borough and its advisors: (i) Leo Pietkiewicz, President of Borough Council (Lpietkiewicz@jeldwen.com), (ii) Steven A. Goldfield (Goldfield.Steven@Verizon.net) and (iii) Gerald Cross (gerald.cross@pelcentral.org) with the following information:

- The name of your organization.
- Contact name, phone number and e-mail address.

This information will enable the Borough and MABS to provide your organization with: (i) access to a data room (“Data Room”) containing essential information about the Water System to inform each Respondent in regard to preparation of its Proposal and (ii) updates to the time schedule and information, as necessary.

**Confidentiality Agreement.** Prior to gaining access to the Data Room, each Respondent is required to execute and deliver a Confidentiality Agreement in the form attached hereto as Appendix A. Any proposed changes to the Confidentiality Agreement should be communicated

via e-mail to Steve Park, Esquire at Ballard Spahr (parks@ballardspahr.com), with a copy to the Borough's Solicitor – Joseph R. Baranko, Jr., Esquire (joeb@slusserlawfirm.com).

**Pre-Proposal Conferences.** Voluntary pre-proposal conferences will be held in July of 2019. The meeting dates, locations and times shall be communicated to Respondents registered in accordance with this RFP. Attendance at these meetings is not required, but is highly recommended for all Respondents interested in acquiring the Water System. Tours of the Water System will be arranged on the days of these conferences.

**Contact and Questions.** The Borough and MABS specifically request that any contact concerning this RFP shall be made exclusively in writing and directed exclusively to the Borough's advisors: Messrs. Goldfield and Park. Failure to comply with this request may result in the Respondent being eliminated from the process. To manage the submission of and responses to questions, three dates have been selected for submission of questions. Please hold all questions until these dates and aggregate your questions on the designated dates. Any questions related to this RFP **must be submitted in writing** no later than 5:00 p.m. on the following dates: July 8, 2019, July 25, 2019 and August 23, 2019. At the discretion of the Borough and MABS, these dates may be changed. Responses to all questions received will be provided to all registered Respondents and posted on-line in the Data Room.

## Section 2. Overview of Water System

**A. Introduction.** The Water System currently serves more than 2,800 residential and business customers located in the Borough and West Mahanoy Township (an adjacent municipality). The Original Cost Depreciated Study, available in the Data Room, includes a limited number of Water System customers within Shenandoah Heights (a Census Designated Place), Ringtown (a separate Borough) and the Village of Turkey Run, located in parts of Butler and West Mahanoy Townships, all located adjacent to the Borough in Schuylkill County, PA. The Water System is owned and operated by MABS.

**B. Source of Water and Storage Capacity.** Water is supplied to the Water System from filtered surface water stored in communities surrounding the Borough. The flow of water starts at the upper reservoir, Ringtown #6, which then travels through a 16” cast iron line that is approximately two miles in length, to the Ringtown #5 reservoir. From the Ringtown #5 reservoir, water is pumped over a mountain to the Raven Run Reservoirs #2 and #3 through a line that is approximately one mile in length. The Raven Run Reservoirs are located at the entrance road to the filter plant located on 242 Raven Run Road in West Mahanoy. The capacity for the Water System storage tanks are as follows:

Water System Storage Tank Capacity		
Name	Capacity (Gals.)	Built
Raven Run	850,000	mid 1990s
Shenandoah Heights	500,000	1980's
Turkey Run	150,000	1970's
Kehly	<u>1,000,000</u>	Early 90's
	2,500,000	

**C. Historic Anomaly.** In 1941, MABS was created. Thereafter, MABS acquired the assets and water rights of the Shenandoah Citizens Water and Gas Company, Girard Water Company, Shenandoah Borough Water Department and the Hammond Water Company. In many cases dual water lines were installed under the streets of the Borough by the Shenandoah Borough Water Department and Shenandoah Citizens Water and Gas Company. These dual, parallel mains still underlie the streets of the Borough today, resulting in redundancies and inefficiencies that could eventually be eliminated.

**D. Mains.** The Water System includes approximately 56 miles of aged mains. The aged condition of the Water System’s mains increases operational expenses and contributes to the financial challenges described herein. In addition, current operating expenses are unnecessarily high because some areas are served by dual, parallel mains, which result in doubling current distribution operational costs within the area where parallel mains exist. These are challenges, but if addressed, should become opportunities to improve operating margins for the Respondent with the successful Proposal.

**E. Challenges and Opportunities.** In recent years, the Water System has faced the following challenges:

- Investment in capital improvements has been minimal despite aged infrastructure, increasing operational expenses to maintain service to customers; and
- Due to increased operational costs, operating margins, which would normally provide funding for Water System improvements, have diminished.

**F. Financial Operations and Debt.** Table 1 below highlights excerpts from recent Financial Statements and other MABS' reports for the fiscal years ended September 30, 2010-2017. More financial information is available in the Data Room.

Table 1

	Derived from Operating Statements Provided by the MABS							
	Fiscal Years Ended September 30							
	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>								
Customer Revenue	\$1,541,950	\$1,637,047	\$1,597,271	\$1,617,110	\$1,791,028	\$1,703,697	\$1,902,642	1,873,574
Windfarm Income	\$95,550	\$95,550	\$95,550	\$95,757	\$96,942	\$100,328	\$100,328	100,388
Interest Income	\$551	\$167	\$79	\$18	\$3	\$3	\$96	\$528
Other Revenue	\$142,999	\$2,346	\$28,641	\$16,255	\$25,335	\$16,082	\$5,462	\$7,593
<b>Total Revenues</b>	<b>\$1,781,050</b>	<b>\$1,735,110</b>	<b>\$1,721,541</b>	<b>\$1,729,140</b>	<b>\$1,913,308</b>	<b>\$1,820,110</b>	<b>\$2,008,528</b>	<b>\$1,982,083</b>
<b>Operating Expenses (1)</b>								
Purification	\$354,855	\$364,876	\$397,961	\$378,940	\$379,346	\$452,566	\$379,087	\$398,602
Pumping	\$144,671	\$162,296	\$145,543	\$188,318	\$170,645	\$199,069	\$147,147	\$143,795
Distribution	\$288,931	\$307,409	\$286,920	\$312,194	\$357,540	\$559,937	\$406,699	\$457,463
General Operating	\$298,836	\$330,610	\$311,801	\$339,092	\$325,539	\$277,770	\$321,206	\$325,920
Administrative	\$86,150	\$69,968	\$65,753	\$110,097	\$62,980	\$55,311	\$72,275	\$79,625
<b>Total Operating Expenses</b>	<b>\$1,173,443</b>	<b>\$1,235,159</b>	<b>\$1,207,978</b>	<b>\$1,328,641</b>	<b>\$1,296,050</b>	<b>\$1,544,653</b>	<b>\$1,326,414</b>	<b>\$1,405,405</b>
<b>Operating Margin</b>	<b>\$607,607</b>	<b>\$499,951</b>	<b>\$513,563</b>	<b>\$400,499</b>	<b>\$617,258</b>	<b>\$275,457</b>	<b>\$682,114</b>	<b>\$576,678</b>
<b>Non Operating Expenses</b>								
Bad Debt		\$44,485		\$2,932		\$5,136	\$14,477	\$7,216
Interest Expense	\$120,222	\$125,605	\$123,623	\$116,645	\$112,448	\$108,492	\$106,416	\$101,030
Debt Principal Reduction	\$630	\$229,212	\$390,657	\$424,174	\$428,370	\$102,201	\$232,275	\$533,832
<b>Total Non Operating Expenses</b>	<b>\$120,852</b>	<b>\$399,302</b>	<b>\$514,280</b>	<b>\$543,751</b>	<b>\$540,818</b>	<b>\$215,829</b>	<b>\$353,168</b>	<b>\$642,078</b>
<b>Total Non Capital Revenues</b>	<b>\$486,755</b>	<b>\$100,649</b>	<b>(\$717)</b>	<b>(\$143,252)</b>	<b>\$76,440</b>	<b>\$59,628</b>	<b>\$328,946</b>	<b>-\$65,400</b>
Fixed Asset Investment	\$620,461	\$53,425	\$50,433	\$33,765	\$16,500	\$96,978	\$36,995	\$81,341
<b>Net Revenue</b>	<b>(\$133,706)</b>	<b>\$47,224</b>	<b>(\$51,150)</b>	<b>(\$177,017)</b>	<b>\$59,940</b>	<b>(\$37,350)</b>	<b>\$291,951</b>	<b>(\$146,741)</b>
<b>Other Financial Criteria</b>								
Cash	\$229,443	\$340,227	\$222,876	\$72,823	\$76,062	\$58,492	\$207,141	\$276,618
Accounts Receivable	\$234,393	\$196,343	\$200,551	\$206,480	\$266,183	\$284,975	\$335,674	\$324,732
Total Current Assets	\$692,432	\$818,192	\$723,174	\$597,715	\$672,557	\$680,252	\$924,533	\$985,733
Restricted Assets	\$82,304	\$8,214	\$8,216	\$8,218	\$3,352	\$3,353	\$0	\$0
Capital Assets Net						\$11,968,609	\$11,606,028	\$11,290,021
Current Liabilities Ex LT Debt	\$199,864	\$197,601	\$154,135	\$245,614	\$255,650	\$260,278	\$176,870	\$241,628
Total Debt (Loans)	\$6,584,609	\$6,355,397	\$5,964,740	\$5,540,566	\$5,112,196	\$5,009,995	\$4,777,720	\$4,243,888
Net Pension Liability (2)						\$165,876	\$173,114	\$614,523
Total Net Assets	\$7,667,993	\$7,627,331	\$7,607,583	\$7,492,829	\$7,576,773	\$7,268,162	\$7,429,807	\$7,514,637

(1) - Operating Expenses exclude Depreciation and Amortization expense

(2) - Pension Liability reporting began in 2015

MABS was not able to pay all of its debt service due in 2016, and it negotiated a necessary loan modification with PENNVEST. Subsequently, MABS retained a financial advisor to assist with a debt restructuring. The debt restructuring closed in September of 2018 and resulted in extending debt repayments far enough into the future to enable MABS to pay scheduled debt service and borrow approximately \$2.75 million for capital improvements. These improvements included replacement of a heating system and acquisition of new meters. All of MABS' current outstanding debt now consists of a loan from PNC Bank, National Association. See "Data Room – Financial Information – Current Debt" for an amortization schedule and additional information relating to this loan, which closed in September of 2018.

**G. Water Customers.** As of March 31, 2019, the Water System served approximately 2,643 residential, 186 commercial, 6 industrial, 34 municipal/institutional and 15 fire protection customers, totaling approximately 2,884 customers. The number of customers has declined in recent years due to factors described below.

<u>Year*</u>	<u>Total Customers</u>
2010	3,547
2011	3,310
2012	3,208
2013	3,161
2014	3,103
2015	3,016
2016	3,941
2017	3,001
2018	2,880
2019	2,884

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\*As of March 31<sup>st</sup> each year.

The largest decline in customers appears to be in the residential customer class due to outmigration from the Water System's service area. Commercial and industrial class counts have been relatively steady over the past several years. The largest customer of the Water System is Ateeco, Inc. a maker of frozen food products and long-term customer of the Water System. See "Data Room – Customer Information" for more detail about the residential usage and commercial and industrial class counts.

**LARGEST CUSTOMERS**

2018 Top 10 Largest Water Users

Customer	Consumption (gals.)	Total Billed
Ateeco, Inc	25,931,000	\$68,998
Shen Sewage	7,693,000	\$26,521
Secure Health	4,345,000	\$17,378
Sch Co Housing	2,963,000	\$55,825
Lee's Oriental	2,456,000	\$10,332
Shen Valley School Dist	1,399,000	\$6,389
Ridgeview	1,394,000	\$6,370
Ridgeview	1,189,000	\$8,470
Anuragha Singh	1,009,000	\$10,491
Sch Co Housing	1,008,000	\$20,720
<b>Total</b>	<b>49,387,000</b>	<b>\$231,494</b>

2017 Top 10 Largest Water Users

Customer	Consumption (gals.)	Total Billed
Ateeco, Inc	24,692,000	\$66,768
Sch Co Housing	12,068,000	\$56,189
Shen Sewage	5,572,000	\$24,193
Secure Health	4,851,000	\$19,225
Goldstar Plaza	2,685,000	\$15,192
Sch Co Housing	2,650,000	\$21,007
Lee's Oriental	1,826,000	\$7,982
Shen Valley School Dist	1,379,000	\$6,315
Ridgeview	1,159,000	\$8,335
Ridgeview	1,067,000	\$5,151
<b>Total</b>	<b>57,949,000</b>	<b>\$230,357</b>

**H. Customers.** For information about the number of residential, industrial and commercial customers by EDU's and revenues, see "Data Room – Customer Information."

**I. Water Rates.** Water rates include a minimum fixed charge based on the meter size of 5/8, 3/4 and 1 inch, which includes a 3,000 gallon monthly usage allowance, plus additional use charges (volumetric) for consumption above the monthly usage allowance. The volumetric rates have four-steps which both increase and decrease as consumption increases.

Rates for meter sizes 2 inch and larger are billed monthly based upon a minimum fixed charge, including a consumption allowance which is unique to each meter size. Usage above the initial allowance is billed based on the excess volume used. Rates include a two-tiered declining block rate. See "Data Room – Financial Information – Rates and Charges" for MABS' current rate structures.

The typical residential customer uses between 9,000 and 12,000 gallons per quarter and would expect an annual charge of approximately \$650 if their usage was approximately 4,000 gallons per month.

Based upon recent analysis by MABS during the course of several years, non-revenue water is estimated to be about 60% of finished water production with "unaccounted for water" estimated to be in the range of 25 to 30% of water produced; suggesting that the water supply cost could be reduced significantly including reduction of variable costs such as power, chemicals, personnel and maintenance services through capital improvements to reduce leaks. See "Data Room – Financial Information – Studies and Reports" for a Pennsylvania Department of Environmental Protection ("PADEP") assessment and recommendation to recoup approximately 29% more revenue.

**J. Water Meters.** The Water System meters are generally reaching the end of their useful life. In addition, the service line configurations often do not facilitate collection of past due accounts receivable because multiple units are frequently served by a single service line. These situations may include both multiple tenants and multiple owners served by the common line. Replacement of meters is expected to begin later in 2019. Completion of this investment is

another area where a challenge should present an opportunity for Respondents to improve the financial performance of the Water System.

**K. Water Filtration Plant.** The water filtration plant constructed in response to Pennsylvania’s Surface Water Treatment Rule is reaching the end of its life expectancy. As an example, spare parts for some of the plant components are no longer available, resulting in the need to cannibalize some units to maintain the operation of others.

**L. Employees.** A schedule containing the current employees of the Water System, their years of service, salary, and benefits, as well as a copy of the current Collective Bargaining Agreement, can be found on “Data Room – Employees.”

**M. Exclusion of Certain Ancillary Assets.** The proposed sale of the Water System will not include any interest the Borough or MABS may have in wind turbines or cell towers.

## Section 3 – Proposal Requirements and Process

### A. General Certifications.

Respondents shall certify in writing that they will:

1. Seek approval of rates (or in the case of a non-regulated utility, implement rates) that meet state standards while providing for appropriate system maintenance and capital improvement and, in the event of noncompliance by Respondent, provide adequate remedies for rate payers in order to protect the Borough and its residents' and all other customers' access to water services.

2. Comply with (a) all applicable federal and Pennsylvania laws; (b) all PADEP, Susquehanna River Basin Commission ("SRBC") and United States Environmental Protection Agency (US EPA) regulations; and (c) all Water System permits and, in the event of non-compliance, provide adequate remedies for the rate payers in order to protect its residents and all customers' access to water service.

3. Use best efforts to retain existing Water System employees and minimize rate increases, notwithstanding the necessity to invest significantly in capital upgrades and improvements.

### B. Expected Improvements.

Each Respondent shall describe the improvements it would expect to undertake (and the relevant, approximate time period for such undertaking) with respect to the following:

1. Customer service improvements and enhancements.
2. Customer safety, security, and environmental compliance.
3. Capability to undertake required capital improvements.
4. Ability to offer other system enhancements with a demonstrated knowledge of technologies.
5. Billing collection plan for retail and wholesale customer accounts.
6. Raw Water collection plan.

### C. Disclosure of Partners.

If the Respondent plans to partner with any entity in any role other than as a construction contractor or subcontractor in submitting a Proposal, Respondent must identify that party, describe in detail the role such party will play in the transaction and explain the relationship and responsibility such party will have to the Respondent, the Borough and MABS.

**D. Delivery of Proposals.**

Respondents should submit their Proposals in portable document format (PDF) by electronic mail transmittal of one PDF copy of their Proposal to Leo Pietkiewicz at Lpietkiewicz@jeldwen.com, by no later than 12:00 p.m. on September 16 , 2019 with one PDF copy each to Messrs. Park and Goldfield. Each Proposal should contain the following:

1. A transmittal letter.
2. A narrative of the Respondent's key personnel (and any Partner personnel) who will initially be involved, along with their contact information.
3. Information to address the matters described above in Section 3 A, B, and C.
4. A description of three comparable acquisitions, long-term leases and/or concession arrangements entered into by the Respondent with a Pennsylvania municipal utility during the past five years.
5. A summary of Respondent's compliance record with US EPA, SRBC and PADEP during the past five years.
6. Disclosure of any conflicts of interest or potential conflicts Respondent or its Partners may have.
7. A detailed description of the proposed transition plan, including rates, capital improvements, and staffing operations that would be implemented during the first five years of ownership. If any positions may be eliminated, a detailed description shall be provided.
8. A detailed explanation of the Respondent's current rate tariff for the region that MABS and the Borough would fall into and information about any pending or planned rate changes.
9. A completed and executed Bid Form attached hereto as Appendix B.
10. A record of all approved rate changes for the past 15 years showing the effective date of such increase, the annual average percentage rate change for all customers and the specific annual use charge for a customer using 9,000 gallons per quarter.

**E. Responsiveness.** Each Proposal will be reviewed for (i) the level of responsiveness of the Respondent to the requirements set forth in this RFP, (ii) the conformity to the RFP instructions regarding organization and format, and (iii) minor nonconformities, irregularities and apparent clerical mistakes which are unrelated to the substantive content of the Proposal. The Borough and MABS may exclude from consideration any Respondent whose Proposal contains a material misrepresentation.

**F. Selection of Successful Respondent.** Upon receipt of the Proposals, the Borough and MABS will proceed to review the Proposals. The evaluation process may, in the Borough's and MABS' sole discretion, include a request for revised Proposals. The Borough and MABS will

determine which Respondent, if any, is the successful Respondent and will notify all Respondents of the successful Respondent.

**G. Asset Purchase Agreement.** The Borough and MABS intend to negotiate and enter into an Asset Purchase Agreement (the “Asset Purchase Agreement”) with the successful Respondent. In the event that the Borough, MABS and the successful Respondent are unable to successfully negotiate the terms of, and execute and deliver, a final Asset Purchase Agreement, the Borough and MABS reserve the right to select the next-ranked Respondent as the successful Respondent and enter into the Asset Purchase Agreement with such Respondent.

## SECTION 4 - Certifications and Disclaimers

**A. Certifications.** The Respondent certifies by virtue of submitting information in accordance with Section 3 of this RFP that, at the time of submittal of its Proposal, the information and materials provided in its Proposal are truthful and accurate to the best of its knowledge in all respects. The Respondent also agrees to cooperate with the Borough and MABS with reasonable follow-up questions or discussions to enable the Borough and MABS to fully understand the Proposal submitted. All such discussions and participation shall be provided by the Respondent solely at its cost and expense and at no cost or further obligation whatsoever to the Borough or MABS. The Borough and MABS may utilize data submitted by any Respondent in any reasonable manner unless otherwise expressly limited in such Respondent's submittal. All materials submitted by each Respondent shall be subject to the Right-to-Know Law of the Commonwealth of Pennsylvania.

The information contained within this RFP is preliminary, is subject to modification, and is in no way binding on the Borough or MABS. The Borough and MABS reserve the right to use, adopt or incorporate any information, data and/or recommendations presented in the Proposals in the development of a strategy in support of potential future transactional opportunities. No Proposal shall constitute a contractual relationship between the Respondent and the Borough or MABS. A Respondent is not guaranteed in any way that it will secure any future contract or agreement with the Borough or MABS with regard to the Water System or any other asset. The issuance of this RFP shall not be deemed or construed to bind either the Borough or MABS to undertake a sale, lease or other disposition of the Water System with any party. The Borough and MABS reserve their respective rights to (i) disqualify any Respondent from future bidding at any time and (ii) accept, reject or disregard any and all Proposals for any reason, or for no reason, if doing so is deemed by the Borough or MABS to be in their respective best interests.

Each Respondent should submit a complete and concise response to the RFP, which will be retained by Borough and MABS, subject to the Borough's and MABS' record retention policies. Any data submitted to the Borough and MABS hereunder may be utilized by the Borough and MABS. All submittals received from Respondents will become the property of the Borough and MABS and will not be returned. By submitting a response to this RFP, each Respondent expressly acknowledges and agrees that the Borough and MABS will not be responsible or liable in any way for any losses that such Respondent may suffer from disclosure of information or materials to third parties.

**B. Respondent Responsibility for Proposal Costs.** This RFP is issued solely for the purpose of making a determination as to whether or not to sell the Water System. It should be understood by each Respondent that the Borough and MABS shall not be liable for any cost incurred by any Respondent associated with the preparation of a Proposal, the submission of information, or any other participation efforts associated with this RFP and any addendum(s) to the foregoing.

There shall be no claims whatsoever against the Borough or MABS, their staff or any other involved party for reimbursement of any Respondent costs and expenses incurred as a result of this RFP. Respondents may be asked to participate in further discussions with representatives of the Borough and MABS in Shenandoah, PA or at another location agreeable to all parties. The Respondents shall bear all of their own costs and expenses for such the preparation and submission of Proposals and participation in such discussions.

**C. Disclosure of Submitted Content.** Public disclosure of submitted Proposals will be governed by applicable law. If a Proposal contains confidential or proprietary information that the Respondent does not want to be disclosed to the public, all such information must be identified in a separate written statement setting forth the proprietary information and the legal basis for the requested confidentiality. All such nondisclosure items specified in the Respondent's Proposal shall nevertheless be subject to the public disclosure requirements provided by law or regulation.

**D. Rights to Use Proposals.** Respondent acknowledges and agrees that all material provided to the Borough and MABS during the RFP process and subsequent discussions or correspondence may be used without restriction by the Borough or MABS in the future. Respondent must be specific about any exceptions to this provision.

The Borough and MABS shall be entitled to make use of any materials, information, data, or concepts disclosed by any Respondent, without limitation, except as otherwise limited hereby. Each Respondent, by submitting a Proposal, specifically disclaims and waives any claim it may have based upon the use of such materials, information, data, or concepts by the Borough or MABS in whatever form the Borough or MABS deems appropriate except as specified in the previous heading "Disclosure of Submitted Content".

## Appendix A – Form of Confidentiality Agreement

### CONFIDENTIALITY AGREEMENT

June \_\_\_, 2019

Leo Pietkiewicz, President of Borough Council  
Borough of Shenandoah  
15 West Washington Street  
Shenandoah, PA 17976

#### **Re: Proposed Sale of Water System**

Ladies and Gentlemen:

You have requested the right to review certain non-public information (the “Confidential Information”) in response to a Request for Proposals (the “RFP”) issued by the Borough of Shenandoah (the “Borough”) and the Municipal Authority of the Borough of Shenandoah (the “MABS”) for the potential purchase of the water treatment and distribution system (the “Water System”) serving the Borough and West Mahanoy Township, both municipalities located in Schuylkill County, Pennsylvania. In consideration of our furnishing you with the Confidential Information, and as a condition to such disclosure, you agree to the terms of this Confidentiality Agreement (this “Agreement”) as follows:

1. The Confidential Information will be used by you solely for the purpose of your evaluation of the desirability of your entering into a potential transaction (the “Transaction”) with the Borough and MABS involving the sale by the Borough and MABS of the Water System and for no other purpose than in connection with the RFP.
2. You shall keep all Confidential Information secret and confidential and shall not, without the prior written consent of the Borough and MABS, disclose it to anyone except to a limited group of your own employees, directors, officers, agents, partners and outside advisors (“Representatives”) who are actually engaged in, and need to know such Confidential Information to perform the evaluation referred to above, each of whom must be advised of the confidential nature of the Confidential Information and of the terms of this Agreement and must agree to abide by such terms. In any event, you agree to undertake reasonable precautions to safeguard and protect the confidentiality of the Confidential Information, to accept responsibility for any breach of this Agreement by any of your Representatives, and at your sole expense to take all reasonable measures to restrain your Representatives from

prohibited or unauthorized disclosure or uses of the Confidential Information.

3. Upon any termination of your pursuit of a Transaction with the Borough and MABS or upon notice from the Borough and MABS to you to do so, (i) you will either return or destroy (including, to the extent practicable, expunging all such Confidential Information from any computer, word processor or other device containing such information) the Confidential Information which is in tangible form, including any copies which you may have made, and you will destroy (including, to the extent practicable, expunging all such Confidential Information from any computer, word processor or other device containing such information) all abstracts, summaries thereof or references thereto in your documents, and certify to us in writing that you have done so within 30 days of termination of pursuit of the Transaction or notice from the Borough and MABS and (ii) neither you nor your Representatives will use any of the Confidential Information with respect to, or in furtherance of, your business, any of their respective businesses, or in the business of anyone else, whether or not in competition with the Borough or MABS, or for any other purpose whatsoever. No such termination will affect your obligations hereunder or those of your Representatives.

4. Confidential Information includes not only written information but also information transferred orally, visually, electronically or by any other means. Confidential Information includes all analyses, compilations, forecasts, studies or other documents prepared by you or your Representatives in connection with your pursuit of a Transaction. Confidential Information does not include any information which was publicly available prior to your receipt of such information or thereafter became publicly available (other than as a result of disclosure by you or any of your Representatives). Information shall be deemed "publicly available" if it becomes a matter of public knowledge or is contained in materials available to the public or is obtained by you or your Representatives from any source other than the Borough, MABS or the representatives of either, including, without limitation, the Borough's or MABS' financial advisor for the Transaction; provided, that such source is not to your knowledge prohibited from disclosing such information by a legal, contractual or fiduciary obligation to the Borough or MABS and did not obtain the information from an entity or person prohibited from disclosing such information by a legal, contractual or fiduciary obligation to the Borough or MABS.

5. You understand that we have endeavored to include in the Confidential Information those materials which we believe to be reliable and relevant for the purpose of your evaluation, but you acknowledge that neither the Borough, MABS nor their respective financial advisors, legal counsel nor any of their respective representatives make any representation or warranty, express or implied, at law or in equity, as to the accuracy or completeness of the Confidential Information, or any other information furnished to you, and you agree that such persons shall have no liability to you or any of your Representatives resulting from any use of the Confidential Information or such other information. You understand and acknowledge that you may not rely on the accuracy or completeness of the Confidential Information and that you may rely solely on those representations and warranties, if any, that are made to you in a definitive agreement regarding the Transaction when, as and if it is executed, subject to such limitations and restrictions as may be specified in such definitive agreement. You acknowledge that the Borough, MABS and their representatives shall be free to take such actions regarding

any possible Transaction and the dissemination of Confidential Information that they, in their sole discretion, shall determine including, without limitation, negotiating with any other party and entering into a definitive transaction agreement with any other party without prior notice to you or any other person or discontinuing discussions or negotiations with you or any other party at any time for any reason or for no reason. You understand that the Confidential Information is not being furnished for use in an offer or sale of securities of the Borough or MABS and is not designed to satisfy the requirements of federal or state securities laws in connection with any offer or sale of such securities to you.

6. In the event that you or any of your Representatives is requested in any proceeding to disclose any of the Confidential Information, you will provide the Borough and MABS with prompt prior written notice so that the Borough and MABS may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that the Borough or MABS is unable to obtain such protective order or other appropriate remedy, you will furnish only that portion of the Confidential Information which you are advised by a written opinion of counsel is legally required, you will give the Borough and MABS written notice of the information to be disclosed as far in advance as practicable, and you will exercise your best efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information so disclosed.

7. To the extent that any Confidential Information may include materials subject to the attorney-client privilege, work product doctrine or any other applicable privilege concerning pending or threatened legal proceedings or governmental investigations, you, the Borough and MABS understand and agree that you, the Borough and MABS have a commonality of interest with respect to such matters and it is the Borough's and your desire, intention and mutual understanding that the sharing of such material is not intended to, and shall not, waive or diminish in any way the confidentiality of such material or its continued protection under the attorney-client privilege, work product doctrine or other applicable privilege. All Confidential Information provided that is entitled to protection under the attorney-client privilege, work product doctrine or other applicable privilege shall remain entitled to such protection under these privileges, this Agreement, and under the joint defense doctrine.

8. The fact that such Confidential Information has been delivered to you, that discussions or negotiations have occurred or are occurring with you regarding a possible Transaction, and the status of any such discussions or negotiations, are considered Confidential Information for purposes of this Agreement until such time as, and then only to the extent that, the Borough or MABS makes such information public.

9. Unless you consummate a Transaction with the Borough and MABS, you agree that for a period of one year, you will not, directly or indirectly, solicit for employment or hire (a) any senior management or (b) any employee of the Borough, MABS or their agents or representatives of the Borough or MABS with whom you have had contact or who became known to you in connection with your evaluation of a possible Transaction. Such one-year period shall be measured from, and expire one year following, the later of (i) the date of this letter agreement or (ii) the date of last contact by you or any of your Representatives with any officer or employee for purposes hereof.

10. During the course of your evaluation, all inquiries and other communications are to be made directly to the Borough, MABS or to such representatives of the Borough and MABS as detailed in the RFP. Accordingly, you agree not to directly or indirectly contact or communicate with any executive or other employee of the Borough or MABS concerning a possible Transaction, or to seek any information in connection therewith or about the Borough or MABS from such person, without the express written consent of the Borough and MABS.

11. Notwithstanding anything provided herein and any express or implied claim of exclusivity or proprietary rights, each party hereto hereby authorizes each other party hereto (and each of their representatives) to disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction contemplated hereby and all materials of any kind (including opinions and other tax analyses) that are provided to any of them relating to such tax treatment and tax structure. For purposes hereof, "tax treatment" means the purported or claimed U.S. federal income tax treatment of the Transaction and "tax structure" means any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of the Transaction.

12. Without impairing any other provision hereof, you will promptly advise the Borough and MABS of any prohibited disclosure or other breach of this Agreement.

13. You understand and agree that money damages would not be a sufficient remedy for any breach of this Agreement by you or your Representatives, and that the Borough and MABS, their agents and representatives shall be entitled to specific performance and/or injunctive relief as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for any such breach of this Agreement but shall be in addition to all other remedies available at law or in equity. You further agree that no failure or delay by the Borough, MABS or their representatives in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

14. Nothing in this Agreement shall impose any obligation upon you or us to consummate a Transaction or to enter into any discussion or negotiations with respect thereto.

15. Should any one or more of the provisions of this Agreement be found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. In addition, if any provision of this Agreement shall be found to be invalid, illegal or unenforceable under applicable law, such provision shall be deemed to be modified to the minimum extent necessary to make such provision legal, valid and enforceable.

16. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, applicable to contracts made and to be performed therein. The parties hereto irrevocably and unconditionally consent to and submit to the exclusive jurisdiction of, and venue in, the Court of Common Pleas for Schuylkill County, Pennsylvania, for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby.

If you are in agreement with the foregoing, please sign and return the enclosed copy of this Agreement which will constitute our agreement with respect to the subject matter of this Agreement as of the date first above written.

Very truly yours,

**BOROUGH OF SHENANDOAH**

**MUNICIPAL AUTHORITY OF  
BOROUGH OF SHENANDOAH**

\_\_\_\_\_

Name:  
Title:

\_\_\_\_\_

Name:  
Title:

**AGREED AND ACCEPTED TO:  
[Name of Interested Party]**

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

Its: \_\_\_\_\_

## Appendix B – Bid Form

1. A purchase price of \$\_\_\_\_\_ is hereby offered to the Borough and MABS for the Water System.
2. We \_\_\_ recommend \_\_\_ don't recommend a sale subject to Pennsylvania Act 12 of 2016, and therefore we \_\_\_ intend \_\_\_ do not intend to pursue approvals through Act 12.
3. In recognition of the Borough's and MABS' desire for our company to retain as many of the employees as possible working at the Water System, we commit to pursue the attached described strategy (Attach your company's current intentions, strategy and steps you commit to take relating to collective bargaining and labor retention goals as Exhibit 1 hereto}). If any positions may be eliminated during the next 5 years, state so explicitly.
4. The bid in "1" above assumes an approximate capital investment over the next 10 years as set forth on Exhibit 2 to this bid form.
5. The bid in "1" above assumes rate increases and Distribution System Improvement Charges and Collections as set forth on Exhibit 3 to this bid form, with the caveat that all rate increases are subject to review and approval by the Pennsylvania Public Utility Commission. The current rates for other customers in the applicable region for water are also attached to Exhibit 3.

Exhibit 1

Describe intentions relating to maintaining employees, labor strategy and steps to be taken.

Exhibit 2

Describe in broad terms the expected improvements that your company would expect to make to the Water System in the next 10 years including the approximate cost thereof built into your Proposal.

Exhibit 3

If regulated by the Pennsylvania Public Utility Commission, provide (i) applicable current tariff rates and charges, (ii) expected Distribution System Improvement and Collection charges and (iii) all rate increases that are assumed in your Proposal over the next ten years

Addendum I  
Dated September 17, 2019

A. All Respondents have now participated in a Site Visit that included a Question and Answer period. During these Question and Answer Periods, each Respondent was informed that the Borough and MABS are not solely focused on the highest possible purchase price, but instead are interested in each Respondent proposing a purchase price which takes into account a variety of priorities identified by the Borough and MABS during the Question and Answer Periods, including:

1. Purchase prices should reflect the Borough's and MABS' expectations that the winning Respondent will make a significant investment in the infrastructure of the water system so that the water system can and will be operated and maintained in a manner that will assure clean, reliable, affordable and sustainable water service to all customers and other users of the water system, and

2. Purchase prices should reflect the preservation and continuity of the existing jobs of current employees to the largest extent possible, for the longest period of time possible, and

3. Purchase prices should reflect the Respondents' ability to spread capital investment over a significantly larger rate base, thereby protecting rate payers from the costs associated with the capital investment to the largest extent possible and for the longest period of time possible.

For the sake of clarity and avoidance of any doubt that may have arisen in either the RFP or the Question and Answer Periods, the Borough and MABS encourage Respondents to provide their best ideas as to how they can provide upfront funds in the form of a purchase price, while making the appropriate capital investment and protecting employees and rate payers. The successful Respondent will not necessarily be the one with the highest purchase price. The above-priorities must be taken into account in the Bid Proposal in order to be successful.

Each Respondent may submit up to three separate bids (all three considered bids in the alternative) which seek to accomplish the above priorities in different manners, provided that each bid clearly identifies the distinct approaches to accomplish the foregoing priorities.

B. The Due Date for Bids has been extended to October 30, 2019.

C. In order to be on an even playing field, Respondent's should assume that \$1.2 million of the PNC Loan for new money is invested into capital assets of the Water System prior to any transfer (including new meters for commercial, industrial and residential customers). If the Borough and MABS determine to sell the system, appropriate adjustments to the Purchase Price will be made to the extent more (or less) proceeds are invested in capital assets.

Addendum II  
Dated October 16, 2019

1. How many of the employees are the Borough and MABs referring to when they state that the purchase price should reflect the preservation and continuity of existing jobs?

*Nine. The priority stated by MABS and the Borough applies to the full-time employees who are members of the union.*

2. Is there anything specifically we need to be aware of regarding pensions?

*Based upon prior experience, we expect that the purchase price will be sufficient for the Borough and MABS to make a deposit of a portion thereof, into the pension plan, so that the Borough and MABS are able, if they so choose, to satisfy pension obligations of the employees up until the date of closing. Obligations accruing thereafter will be the responsibility of the successful bidder.*

3. How many other bidders are participating?

*Three qualified respondents have participated in site visits and the RFP process.*

4. Although bidders are not required to send an APA with the bid, do we have an option to do so?

*Yes.*

5. As noted, the RFP allows for an alternative bid; does the alternative bid allow for menu options?

*Yes, but is very important that the menu options enable the evaluation team to choose various options and readily calculate the impact such option would have on the ultimate purchase price. Confusion created by menu options could adversely impact the evaluation of your bid.*

Addendum III  
Dated October 28, 2019

Notice is hereby given that the responses to the RFP for the Sale of the Water System of the Municipal Authority of the Borough of Shenandoah are now due no later than 12:00 p.m. on Monday November 4, 2019.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Costs/Benefits**

13. Please provide a copy of the proposal and exhibits of the Buyer for the purchase of Seller's system.

Response: Please see the attachment to SDR-13.



Marc A. Lucca, President

O: 610.645.1059 • F: 610.645.1162 • malucca@AquaAmerica.com

November 4, 2019

Steven A. Goldfield, Esquire  
205 North Monroe St.  
Media, PA 19063

Re: Shenandoah Water System Request for Proposals

Dear Mr. Goldfield:

Aqua Pennsylvania, Inc. (the "Proposer") hereby submits the attached Proposal in response to the Borough of Shenandoah Water System Request for Proposals (the "RFP") issued by Shenandoah Borough ("Shenandoah") on June 24, 2019, as amended.

The undersigned Proposer hereby unconditionally and irrevocably offers to enter into the Asset Purchase Agreement (the "APA") for identified water facilities owned and operated by the Municipal Authority of the Borough of Shenandoah ("MABS"). Capitalized terms not otherwise defined in this Proposal have the meanings set forth in the APA.

The Proposer, by its undersigned duly-authorized representative, hereby covenants, certifies, represents, and warrants, as follows in connection with this Proposal:

***RFP and Addendum Acknowledgement.*** The Proposer acknowledges receipt of the RFP and the following addenda to the RFP:

<u>Addendum No.</u>	<u>Date</u>
<u>Addendum I</u>	<u>09.17.19</u>
<u>Addendum II</u>	<u>10.16.19</u>
<u>Addendum III</u>	<u>10.25.19</u>

Sincerely,

A handwritten signature in black ink, appearing to read "Marc A. Lucca".

Marc A. Lucca  
President

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**Appendix B – Bid Form**

1. A purchase price of **\$12,000,000.00 (Twelve Million Dollars and Zero Cents)** is hereby offered to the Borough and MABS for the Water System.
  - a. **Aqua Pennsylvania Inc. is offering an alternative purchase of \$10,000,000.00 (Ten Million Dollars and Zero Cents) to the Borough and MABS for the Water System with an approximate eight percent reduction in rates compared with the rates we would request of the PA PUC during our next rate case for the purchase price above, i.e., \$12,000,000.**

It is important to note that rates are established by the PA PUC.

2. We  recommend  don't recommend a sale subject to Pennsylvania Act 12 of 2016, and therefore we  intend  do not intend to pursue approvals through Act 12.
3. In recognition of the Borough's and MABS' desire for our company to retain as many of the employees as possible working at the Water System, we commit to pursue the attached described strategy (Attach your company's current intentions, strategy and steps you commit to take relating to collective bargaining and labor retention goals as Exhibit 1 hereto). If any positions may be eliminated during the next 5 years, state so explicitly.
4. The bid in "1" above assumes an approximate capital investment over the next 10 years as set forth on Exhibit 2 to this bid form.
5. The bid in "1" above assumes rate increases and Distribution System Improvement Charges and Collections as set forth on Exhibit 3 to this bid form, with the caveat that all rate increases are subject to review and approval by the Pennsylvania Public Utility Commission. The current rates for other customers in the applicable region for water are also attached to Exhibit 3.

<b>Exhibit 1</b>
------------------

**Describe intentions relating to maintaining employees, labor strategy and steps to be taken.**

The close proximity of Aqua Pennsylvania and the MABS creates unique opportunities for efficiencies of operations as evidenced by our prior interconnection between our Roaring Creek Division and the Borough. Accordingly, opportunities exist for employees of the MABS to remain in their current jobs including opportunities to work in our neighboring Roaring Creek Division or seek advancement of their careers, at their choice, elsewhere in PA or across Aqua America's eight state footprint.

Our proposal includes offers of employment, subject to our on-boarding requirements, to all current full-time employees working in water treatment and distribution including meter reading. Information received shows that this represents nine (9) full-time employees. Employees not represented by the current union may also be asked to support our management team that work in our Roaring Creek Division. Our proposal for those employees represented by a collective bargaining unit assumes they will be absorbed into our existing Utility Workers of America (UWA) collective bargaining agreement. Completion of that transition requires negotiations with UWA representatives which will include a wage transition over a period of several years from their current MABS wage to Roaring Creek wages. Incorporating these employees into our Roaring Creek Division offers greater opportunities for growth both in MABS and the larger Division area. Details beyond that are subject to the outcome of those negotiations.

**Exhibit 2**

**Describe in broad terms the expected improvements that your company would expect to make to the Water System in the next 10 years including the approximate cost thereof built into your Proposal.**

We believe the MABS water system treatment plant is in good shape, but the distribution system is in poor condition and in need of immediate attention. The non-revenue water estimate of sixty percent (60%) water loss is evidence of this fact and puts a burden on plant operations as well as a waste of source water that would otherwise be available for the environment and/or use during dry periods. We therefore see the capital spend required in the distribution system to outweigh that of the plant in the next decade. Having said that it is important to note that our capital plan is based off information learned during our due diligence. We fully expect to reevaluate our capital plan upon assumption of ownership. Regardless of our findings we commit to invest appropriately into the MABS system to ensure compliance with state and federal regulations including PADEP, US EPA, the Susquehanna River Basin Commission and others, and to satisfy customer demands.

The plant has few near-term needs that we have been able to identify. These include filter media replacement to ensure proper filter operations. Additionally, we identified three safety related projects including adding a chlorine scrubber; adding chemical containment to several chemical feed lines; and separating electrical equipment from process piping areas. As an alternative we may pursue converting from the existing chlorine gas to liquid hypochlorite which would alleviate the need for a scrubber and remove this hazard from the area; however, we'd complete additional water quality analysis before making such a change. Finally, we believe the plant HVAC system(s) also needs repair and possible replacement, and the SCADA system requires upgrades which we would address when we incorporate it into our state-wide SCADA protocol. The total estimate of this work over the next ten-years is about \$8,000,000.

The distribution system will require a significant portion of the capital budget for the coming years. Much of the more than 50-miles of distribution system is plagued by an unknown quantity of mostly 4" and 6" cast iron and transite mains. The pipe network also has twin mains (redundant mains) under an unknown number of streets and a large number of issues related to common service lines, i.e., a single tap into the water main that serves more than one customer. Main replacement will be the primary focus of our capital expenditures for approximately the first five years before moving our attention to the pump stations where we would seek to increase mechanical and electrical reliability. Coincident with main replacement efforts will be a parallel effort to reconcile residential services where we see common service lines. These lines will be separated with a single service and water meter. Performing service line work coincident with the main replacement work allows services on either side of a street to be removed from redundant mains and tapped off the new single main. We plan to pursue a program for water service replacement under Act 120 which was signed into law by Governor Wolf in October 2018. Act 120 allows our replacement of damaged customer-side (owned) sewer laterals and lead water lines coincident with main replacement. Costs for distribution

work over the next ten years is estimated at more than fifteen million dollars \$15,000,000 including painting of distribution system storage tanks, but that number may change based on our evaluation as we assume ownership.

**Exhibit 3**

**If regulated by the Pennsylvania Public Utility Commission, provide (i) applicable current tariff rates and charges, (ii) expected Distribution System Improvement and Collection charges and (iii) all rate increases that are assumed in your Proposal over the next ten years.**

The below points are answers to the corresponding questions:

- (i.) Pursuant to Sec. 1329 of the Public Utility Code, the Company will adopt the existing rates of MABS.
- (ii.) Pursuant to the Company's current water tariff, the Distribution System Improvement Charge is capped at 7.5%.
- (iii.) The Company is regulated by the PAPUC. The Company's Proposal is representative of the Company's valuation of the MABS system as of the date of bid submission. The Company's future rate increase filing cadence is not dependent on an approval of this acquisition. The actual determination of rate base pursuant to Section 1329 and the timing of an approval of the application is at the discretion of the PAPUC. Future rate increases will depend on the apportionment of revenue deficiency related to the system among the acquired customers and the Company's current customers and will be determined by the PAPUC in future base rate cases. The Company's current Rate Zone 1 (Main Division) average residential bill is approximately \$66/month as a result of its most recent base rate case effective May 24, 2019. That case resulted in an approximate 10% increase in the residential metered rate and was the first base increase since June 8, 2012.

<b>Key Personnel</b>
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**Marc A. Lucca**

***President, Aqua Pennsylvania, Inc.***

Marc A. Lucca was named President of Aqua Pennsylvania effective October 1, 2016. Prior to his promotion, Lucca was Vice President of Network (Distribution) and has been with Aqua since 2007. Lucca brings more than 27 years of water and wastewater operations and management experience to this role and had previously worked in management positions for the Marina Coast Water District in Marina, California, the Santa Clara Water Valley District in San Jose, California; and American Water Work's corporate engineering department and its California subsidiary.

Lucca earned a Bachelor of Science Degree in Environmental Engineering Technology from Temple University. He holds a Master of Engineering Degree from The Pennsylvania State University and completed his MBA at Drexel University in 2015. He is a registered Professional Engineer in the Commonwealth of Pennsylvania.

(P): 610.645.1059

(E): MALucca@AquaAmerica.com

**Joseph G. Thurwanger, P.E.**

***Vice President, Engineering & Planning***

Joe Thurwanger has 40 years of engineering, planning & management experience in the water and wastewater industry. He is responsible for engineering and planning the execution of PA's \$300 million per year capital improvement program. He has held a variety of positions of increasing responsibility in his 28-year tenure at Aqua from hydraulics through project engineering to his current position.

Prior to joining Aqua, Mr. Thurwanger was associate engineer & divisional construction supervisor for South Jersey Gas Company, a natural gas transmission & distribution utility in Hammonton. He also worked as a consulting engineer for Yerkes Associates of West Chester performing land development & municipal engineering services for Chester County clients. Mr. Thurwanger also spent several years with Carroll Engineering of Warminster performing all levels of planning & hydraulic analyses for public & private water utilities.

Thurwanger earned a Bachelor of Science Degree in Civil Engineering technology from Temple University. He is a registered Professional Engineer in Pennsylvania, New Jersey, and Delaware. He has also presented and held a variety of leadership and advisory positions with the American Water Works Association and Water Research Foundation.

(P): 610.645.4204

(E): JGThurwanger@AquaAmerica.com

**Mike Fili**

***Vice President, Distribution***

Mike Fili has worked for Aqua Pennsylvania for over 30 years and has experience in all facets of water works operations. In 1988, he started with Aqua Pennsylvania (then known as Philadelphia Suburban Water Company) as a Construction Laborer and, over the years, has advanced to his current position as Vice President of Distribution. In this position, he oversees the Maintenance, Construction, Meter & Control Center Departments, consisting of 219 employees, including 6 direct reports.

(P): 610.645.4290

(E): MJF@AquaAmerica.com

**Curt R. Steffy**

***Vice President, Production***

Curt R. Steffy was named Vice President of Production, effective August 24, 2015. Steffy began his career in the water industry in 1980, working as a water treatment plant operator at a 3 MGD plant in Schuylkill County, PA. Steffy accepted a position with Aqua in 1982 as Microbiologist and has held numerous management positions since then. Some of the more recent positions held were Director of Production, Manager of Production, and Assistant Manager of Treatment and Quality Control.

Steffy is a graduate of Millersville State College and holds a bachelor's degree in Environmental Biology. Steffy is a Licensed PADEP Class A-E water operator with subclasses 1-14. He has been a board member on the PADEP State Board for Certification of Water and Wastewater System Operators since 2009. He has been an alternate board member for the PADEP Small Systems Technical Advisory Committee since 2014. Steffy received the PA AWWA Operator's Meritorious Service Award in 2009. He is an active member of PA AWWA and PA WWOAP.

(P): 610.645.1122

(E): CRSteffy@AquaAmerica.com

**Dr. Chris Crockett, P.E.**

***Chief Environmental Officer, Aqua America***

Dr. Crockett is responsible for overseeing water quality and environmental compliance for Aqua's 1,486 drinking water and 189 wastewater systems in eight states. He also manages Aqua's in-house water and wastewater laboratory as well as the company's water quality services and water resources engineering departments. Prior to joining Aqua, he spent more than 20 years at the Philadelphia Water Department, where he was most recently deputy commissioner for planning and environmental services.

A licensed professional engineer in Pennsylvania, Crockett earned his Bachelor of Science in civil engineering and his Master of Science and Ph.D. in environmental engineering from Drexel University.

Dr. Crockett has been involved in a variety of groundbreaking efforts from early warning systems to green infrastructure. Crockett is the winner 2019 George Warren Fuller Award by PA AWWA for distinguished service in the water supply field.

(P): 610.645.4207

(E): CSCrockett@AquaAmerica.com

**Colleen Arnold**

***Deputy Chief Operating Officer***

Colleen Arnold was named deputy chief operating officer (COO) for Aqua America in September 2015. As deputy COO, Arnold assists the company's COO in the management of regulated operations including network distribution, production, engineering water quality and environmental compliance throughout all eight states. Additionally, she directly manages the states of Virginia, New Jersey, and Indiana, as well as Aqua's national safety and asset management programs.

Arnold has more than 25 years of experience in environmental engineering, water quality and operations management. Arnold began her career as a consultant engineer with two top tier firms where she provided services to water and wastewater utilities in New York City, Philadelphia, and throughout the country.

She worked as water quality manager and assistant water director for a total of 8 years with the City of Wilmington (Delaware). Highlights of her Wilmington tenure include establishing an asset management program, implementing a work order management system, submittal and acceptance of an enhanced long-term control plan for the combined sewer program, and management of a \$40M energy performance contract with Honeywell.

Arnold has worked for Aqua for over 7 years, starting as manager of treatment and water quality at Aqua Pennsylvania. She moved to the service company in 2013 where she organized and oversaw Aqua's Compliance Assurance Program, a program which ensures compliance with environmental regulations, and permits for all Aqua operations. Again, she began in her current role as deputy COO in late 2015.

Arnold earned her B.S. in civil engineering from the University of Massachusetts and her M.S. in environmental engineering from Manhattan College, and her Executive MBA from Villanova in May 2019. Her professional memberships include over 25 years with the American Water Works Association, where she currently serves on the Partnership for Safe Water steering committee and the Technical & Educational Council. She is also a member of the Water Environment Federation. She is a board member for the Partnership for Delaware Estuary since 2016. She also serves on the Citizen's Advisory Committee for the City of Wilmington Public Works Utility division. Her honors include being the 1998 Thomas R. Camp Scholarship Winner; the 1993 Stearns & Wheeler Environmental Engineering & Science Award; membership in the Chi Epsilon Civil Engineering National Honor Society and the Tau Beta Pi Engineering National Honor Society;

and being named Outstanding Women Engineer of the Year 1992 by the Society of Women Engineers.

(P): 610.520.6421

(E): CMArnold@AquaAmerica.com

**Charles D. Hertz, PhD**  
***Director, Water Quality***

Charles D. Hertz, is Director of Water Quality at Aqua Pennsylvania, Inc. He has been with Aqua for 29 years where he directs the efforts of the water quality laboratory in Bryn Mawr. Over the years, he has been involved in many committees with the American Water Works Association (AWWA) and the Water Research Foundation on topics related to laboratory analysis or water quality. Chuck served on the Journal Editorial Board of the *Journal AWWA* and was recently appointed to a working group of the Science Advisory Board of New Jersey DEP.

Hertz received a B.S. degree from Elizabethtown College, and an M.S. and Ph.D. from Drexel University.

(P): 610.645.1145

(E): CDHertz@AquaAmerica.com

**Matt Miller, CHMM**  
***Director, Treatment***

Matt Miller has worked for Aqua Pennsylvania since 2015 and has over 18 years of experience in the water and wastewater field. Prior to joining Aqua, Matt worked for a large municipal water/wastewater utility in progressive roles from compliance, industrial pretreatment, water quality, and operations, to Assistant Director. In his current position at Aqua, he is responsible for operations and treatment, and directs a team of 36 employees, including 3 direct reports. Matt has a B.S. in Environmental and Hazardous Materials Management and a M.S. in Environmental Safety and Health Management from The University of Findlay. He is also a Certified Hazardous Materials Manager and has earned his Utility Management Certification from the National Rural Water Association.

(P): 610.645.1082

(E): MJMiller@AquaAmerica.com

**Steve Clark**  
***Director of Operations, Greater PA***

Steve Clark is Aqua's Director of Operations for the Greater Pennsylvania service area. Greater Pennsylvania includes 125 water and 17 wastewater systems in 27 counties across the commonwealth. Steve has worked for Aqua for the past 14 years. He has a B.S. degree in Mechanical Engineering from the Pennsylvania State University, holds a Class B Pennsylvania water operator's license and is an ASSE certified Backflow Prevention Program Administrator.

(P):570.647.0358  
(E): SEClark@AquaAmerica.com

**Mark J. Bubel, P.E.**  
***Project Engineer III***

Mark Bubel has been with Aqua since 2003 and is experienced in the design, permitting, evaluation, and operation of wastewater, water, and specialized industrial wastewater treatment systems and infrastructure. Bubel has the knowledge and experience to plan, design, and obtain permits for water and wastewater collection, treatment, distribution, and disposal systems. He is also experienced in the evaluation and design of conventional biological wastewater treatment processes, as well as biological nutrient removal processes and wastewater stabilization pond systems with spray irrigation, drip irrigation, stream discharge, and conventional subsurface modes of effluent disposal. Bubel is proficient in the design of wastewater pump stations, including complex pumping system analysis.

Bubel received his Master of Civil Engineering from Villanova University and his B.S. in Civil Engineering from Lehigh University. He is a registered Professional Engineer in the Commonwealth of Pennsylvania and in Delaware, Maryland, North Carolina and Florida.

(P): 610.645.1092  
(E): MJBubel@AquaAmerica.com

**Brennan Kelly, P.E.**  
***Project Engineer III***

Brennan Kelly has 27 years of engineering, planning & management experience in the water and wastewater industry. He is responsible for managing capital projects for Aqua Pennsylvania's water systems. Prior to joining Aqua, Mr. Kelly was corporate design engineer and Senior Operations Specialist with American Water in Voorhees, NJ where he worked on a variety of water capital projects and operational efficiencies across the country. He also worked as a consulting engineer for Whitman, Requardt & Associated performing design of wastewater and water projects for various municipal clients in MD.

Mr. Kelly earned a Bachelor of Science Degree in Mechanical Engineering from Villanova University; a Master of Environmental Engineering from Drexel University; and a Master of Business Administration from Villanova University. He is a registered Professional Engineer in Pennsylvania, Maryland, and California. He is also chair of the Water Loss Committee of the PA Section of AWWA.

(P): 610.645.4297  
(E): BTKelly@AquaAmerica.com

**James B. McGinley**

***Manger of Control Center Operations, Aqua Pennsylvania, Inc.***

Jim McGinley has been Manger of Control Center Operations since 2011. McGinley brings more than 29 years of water operations and management experience to this role. McGinley has held various positions at Aqua Pennsylvania such as Dispatcher, Control Technician and Superintendent of Distribution.

McGinley earned a Bachelor of Science Degree in Commerce and Engineering, Management Information Systems from Drexel University. He has held a Class E Pennsylvania water license since 1996.

(P): 610.645.1033

(E): JBMcGinley@AquaAmerica.com

***Operator*** - Aqua Pennsylvania, Inc.

***Primary Contact***

Krista Weeks

Manager, Business Development

Aqua Pennsylvania, Inc.

762 W. Lancaster Avenue, Bryn Mawr, PA 19010

(O) 610.645.1042

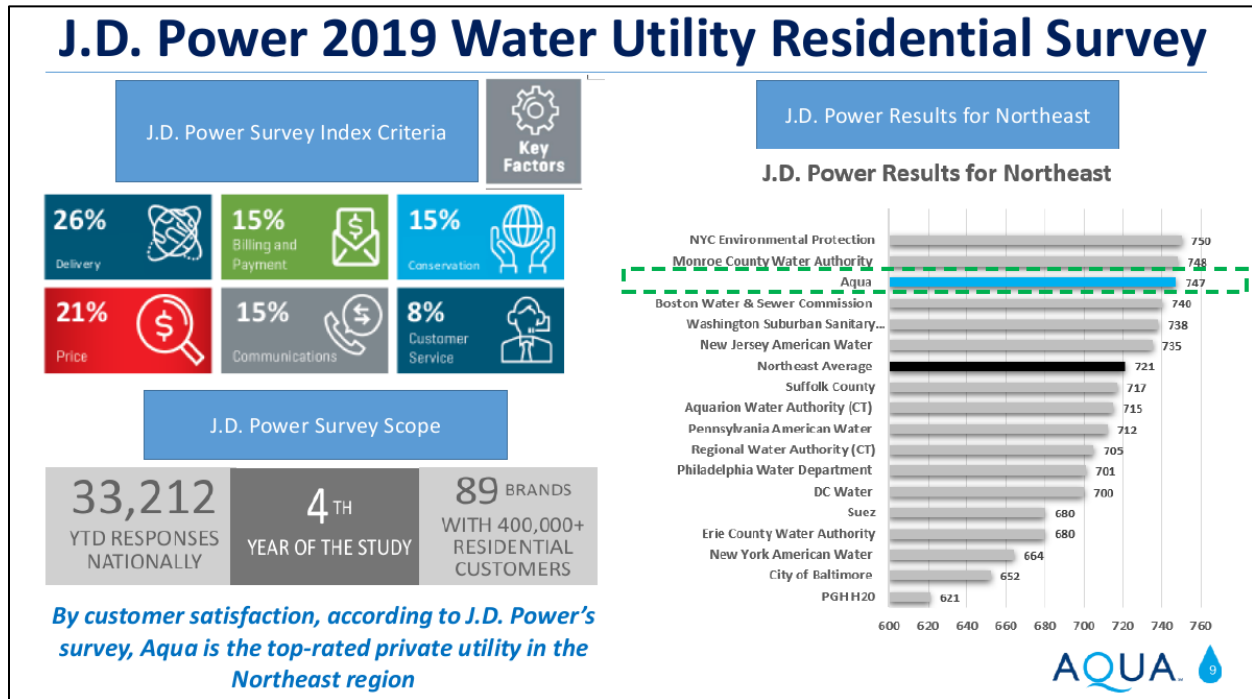
(C) 856.776.0058

**Customer Operations**

**Aqua Pennsylvania, Inc. (“Aqua”)** certifies that all rate implementation submitted to the PA PUC for approval meet regulatory standards and provides the resources to invest in the necessary capital maintenance and improvements while staying compliant with the federal and Pennsylvania laws.

Shortly before closing Aqua’s President will send welcome letters to our new customers explaining changes they may experience including billing, customer service contact information (customer hotline: 877-WTR-AQUA) and programs that are available such as our HELPING Hand program which is assistance for customers who may have financial trouble paying their water bill.

JD Power’s 2019 Water Utility Residential survey identified Aqua as providing outstanding customer service in its independent ranking of water utilities in the northeastern part of the United States. (See Figure 1 below.) The survey had nearly 40,000 responses nationwide including the following criteria: delivery, billing and payment, conservation, price, communications and customer service. According to the respondents Aqua continues to be the highest rated private utility in the northeast and ranked third among all utilities included in the survey.



**Figure 1 – JD Power 2019 Water Utility Survey**

In addition, Aqua offers a 24/7 response team to our customers including on-call employees and contractors, as well as convenient bill pay options through on-line and text, we

are also proud of our extensive data management that protects our customers' information. Our in-house cybersecurity team works with cybersecurity professionals including law enforcement organizations as we monitor the dark web to protect our operating information as well as our customer information.

We are proud of our capital investment as we have invested \$1.35B between the years 2014-2018, and \$285.1M for water capital improvements in the year 2019 alone. Additionally, Aqua plans to replace approximately 600 miles of pipe in Pennsylvania within the next five years.

Aqua is not partnering with any entity or organization in the submission of this Proposal.

<b>Comparable Systems</b>
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**Tobyhanna Township (Blakeslee) Wastewater, Tobyhanna Township, Monroe County, PA**

In April 2016 Aqua acquired the Blakeslee wastewater treatment system from Tobyhanna Township. The Blakeslee system provides wastewater collection and treatment to roughly 730 residential and commercial customers. Wastewater is collected and conveyed through 17 miles of pipe and four (4) pumping stations to the treatment plant which has a hydraulic capacity to process 0.3 MGD. Since acquiring the Blakeslee system in 2016, Aqua has invested \$880,000 in improvements to the collection system (televising, cleaning, and repairing pipe and manholes), metering and controls (SCADA and replacement of all billing meters), and pumping stations (general repair and equipment improvements).

**Treasure Lake Water & Wastewater, Sandy Township, Clearfield County, PA**

In 2013 Aqua acquired the Treasure Lake water & wastewater systems from Total Environmental Solutions Inc. The system serves 2,200 residential and commercial customers. Treasure Lake's water system is made up of 78 miles of distribution and transmission pipe which delivers water supplied by 6 groundwater sources. Treatment generally consists of greensand filtration, pH adjustment, corrosion control, aeration and disinfection. Aqua has invested \$24.4M to replace water mains, improve water availability and quality, and increase storage. The wastewater system includes 90 miles of pipe which conveys sewage through 7 pump stations to the 1 MGD treatment plant. Since 2013, Aqua has invested \$14M in the Treasure Lake sewer system, primarily in the construction of a new wastewater treatment plant, however investments have also been made to replace collection system piping and improve pumping stations.

**Superior Water Company, Montgomery County, PA**

In 2016 Aqua purchased the Superior Water Company (Superior) which was founded in 1990 to serve Douglass Township and New Hanover Township, Montgomery County. It has since taken over several small, poorly run and badly constructed water systems and continues to grow today under Aqua.

The system currently has 5 ground storage tanks and 14 wells in operation with approximately 38 miles of main of various size and a total of 3800 customers served, in seven Townships.

Under Aqua, Superior has been able to undertake several capital projects that were necessary but could not fund under its previous ownership. New wells at the Ivy Ridge pump station, arsenic treatment at 2 other existing well sites and a new 705,000 aboveground storage tank that will bring better fire protection when completed in 2020.

**Compliance**

**5-Year Compliance History (2015-2019)  
Aqua PA – Public Water Supply  
EPA, PADEP, and SRBC**

<b>Year</b>	<b>Public Water System</b>	<b>Nature of Violation</b>	<b>Agency</b>	<b>Penalty Paid</b>
2015	Waymart SCI Wayne County PA2640032	Over pumping of 2 wells resulting in NOVs and a COA	SRBC	\$6,000
2016	Beech Mountain Luzerne County PA2400114	Operating over 100,000 gpd threshold without a docket – self reported	SRBC	\$9,000
2016	Main System Chester County PA1460073	Failure to effectively operate and maintain drinking water distribution system	PADEP	\$48,901
2017	Main System Chester County PA1460073	Failure to notify PADEP of discharges to surface water due to water main breaks	PADEP	\$18,677
2018	Horsham Montgomery County PA1460033	Failure to respond to low chlorine alarm resulting in a boil water notice	PADEP	\$5,000
2019	Bensalem Bucks County PA1090078	Emergency release of water from a tank resulted in sediment washing into stream	PADEP	\$2,770

**Conflicts of Interest Disclosure**

Aqua hereby does not obtain any conflicts of interest or potential conflicts with prospective partners in the near future regarding the transaction with MABS.

### Proposed Transition Plan

Immediately following the signing of the asset purchase agreement, Aqua will schedule weekly conference calls with MABS and its representatives. Our experience tells that these calls are useful in gathering the information that we need to complete application to the PA PUC. During this time, we will focus on engineering asset lists, completing the valuations, collecting easements, identifying agreements and contracts that need to be assigned, assignment of operating permits such as PADEP permits and other documents that we collectively deem important for review and discussion. The time from signing of the asset purchase agreement to PA PUC approval is highly dependent on our collective ability to timely collect, complete and submit the application and its many attachments.

As we ready to submit the application, Aqua and MABS will each send a PA PUC-mandated notice to its customers, so they are aware of the transaction. During preparation of the PA PUC application, we will also reach out to all MABS employees including the union to arrange for on-boarding. Our experience tells us that employees may be excited and nervous about these types of transitions. As such, we will work closely with them to ensure they have full view of the changes they can expect. Finally, just prior to closing we will send a welcome letter to all MABS customers to alert them to changes they can expect such as billing and where to call for customer service as well as our HELPING HAND program discussed above. At this time we will also share with customers any change in billing frequency that may be of interest not only to residents, but also local businesses and commercial establishments. We fully expect to adopt existing rates upon closing.

As discussed above, MABS employees will continue to operate and maintain the water system but will have opportunities (at their choice) to expand their careers within Aqua PA or Aqua America. The MABS employees will report to our management team in our Roaring Creek Division which will have daily oversight responsibilities including safety, operations and budget. We are proud of our *One PA* philosophy which successfully establishes an active framework for knowledge sharing across our subject matter experts and operations staffs in the state, and ensures consistency in water quality, operations, safety and design, such as SCADA, electrical design standards and electrical safety. Employees may also participate in annual safety days and can volunteer to participate in state-wide committees on safety, uniform selection, tool committees, etc.

We will focus our near-term capital and operations on compliance with PADEP, USEPA and Susquehanna River Basin Commission including reduction of water loss in the distribution system which may include satellite technology to survey the smallest leaks, but whose persistence can drain even the most robust systems as well as safety improvements at plants and tanks. Leak detection will be of most importance to PADEP and the Susquehanna River Basin Commission. We also will install new radio frequency (RF) metering technology. Coincident with these activities, we will spend time evaluating operations as we begin ownership to ensure we maintain compliance with federal and state regulations and maintain the highest levels of customer service. Additionally, we will collect raw water and finished

water samples in accordance with state regulations with particular focus on lead and copper and a complete understanding of the raw water source so we can know its characteristics and if they present any changes in treatment. We will collect samples for and pay particular attention to sample results already collected for: Long-term Enhanced Surface Water Treatment Rule; iron and manganese which has drawn the attention of PADEP more recently; total organic carbon so we can know if there are disinfection byproducts of concern; and others.

It is worth noting that Aqua will operate the MABS water system consistent with the highest standards of safety and compliance during emergency operations. Our company performed exceptionally during critical weather emergencies like Superstorm Sandy, Hurricane Ike, and Hurricane Irene/Tropical Storm Lee and the many ice and snow storms that frequent our service territories.

Aqua has identified approximately \$12M of capital expenditures to be completed in the first 5 years of ownership. Aqua's plan includes customer meter replacements, distribution system leak audits and corresponding main repairs/replacement, plant SCADA improvements, safety improvements, and dam monitoring and stability improvements. Aqua's 10 -year capital plan includes an additional \$11M of improvements in years 6-10, primarily in main replacements for a total of about \$23M over the first 10-years.

Any rate adjustment requests that we make of the PA PUC will reflect our work to establish and maintain compliance with state standards while providing the appropriate level of system maintenance and capital improvements, and in the case of noncompliance provide adequate remedies for customers to protect them and provide for water service.

**Current Rate Tariff**

Please refer to the Company’s external website for a complete copy of its current water tariff. We have provided the line for you below. The Company’s tariff is delineated by Rate Zone, the largest of which is Rate Zone 1 (Main Division). Upon closing MABS will incorporated into the Company’s tariff as a separate supplement at their existing rates. Rates will not change until a subsequent base rate case. Please see the response to Exhibit 3 regarding assumptions.

<https://www.aquaamerica.com/our-states/pennsylvania.aspx>

**Rate History**

Please see figure-2 below that shows 5/8th Residential rate history for the past 15 years on a monthly bill assuming 3,000 gallons usage:

<b>Aqua Pennsylvania, Inc.</b>							
<b>Residential 5/8 inch rates history (Main Division - Rate Zone 1)</b>							
<b>2004 - Present</b>							
<u>Year</u>	<u>Class</u>	<u>Mtr Size</u>	<u>Cons.</u>	<u>DSIC Cap %</u>	<u>Avg. Bill w/DSIC</u>	<u>% Change</u>	
Aug 2004 - Jun 2006	Residential	5/8	3,000	5%	\$ 27.84	7.93%	
Jun 2006 - Jul 2008	Residential	5/8	3,000	5%	\$ 31.87	14.50%	
Jul 2008 - June 2010	Residential	5/8	3,000	7.50%	\$ 37.92	18.98%	
June 2010 - June 2012	Residential	5/8	3,000	7.50%	\$ 43.07	13.58%	
June 2012 - May 2019	Residential	5/8	3,000	7.50%	\$ 47.83	11.05%	
May 2019 - Present	Residential	5/8	3,000	7.50%	\$ 55.80	16.66%	
<b>CAGR 2004 TO</b>							
<b>2019</b>							<b>5.09%</b>

**Figure 2- Residential Rate History (3.000 gallons usage)**

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Costs/Benefits**

14. Provide a copy of the Buyer's offer to purchase the Seller's system and the Seller's response to that offer.

Response: Please see the response to SDR-13 for the Company's response to the Request For Bids. Please see the attachment to SDR-14 for Shenandoah Borough's ordinance approving the sale of the MABS system to the Company.

BOROUGH OF SHENANDOAH, PENNSYLVANIA  
ORDINANCE NO. 2020-3

AN ORDINANCE OF THE BOROUGH OF SHENANDOAH, SCHUYLKILL COUNTY, PENNSYLVANIA (THE "BOROUGH") AUTHORIZING AND APPROVING THE SALE OF ITS WATER ASSETS AND THE WATER ASSETS OF THE MUNICIPAL AUTHORITY OF THE BOROUGH OF SHENANDOAH ("MABS") TO AQUA PENNSYLVANIA ("AQUA"); AUTHORIZING AND APPROVING THE ASSET PURCHASE AGREEMENT BETWEEN THE BOROUGH AND AQUA SUBSTANTIALLY IN THE FORM PRESENTED AT THIS MEETING; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF THE ASSET PURCHASE AGREEMENT; ~~AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE~~ BOROUGH TO DO ALL THINGS NECESSARY TO CARRY OUT THE ORDINANCE AND THE SALE OF THE WATER ASSETS OF THE BOROUGH AND MABS TO AQUA ("THE SALE"); AUTHORIZING INCIDENTAL ACTIONS; RESCINDING INCONSISTENT ORDINANCES AND RESOLUTIONS; RECOGNIZING SEVERABILITY; AND STATING THE EFFECTIVE DATE.

WHEREAS, the Borough is governed by Pennsylvania's Borough Code (the "Code"); and

WHEREAS, MABS owns a significant portion of the water system, which includes approximately fifty-six (56) miles of 16" cast iron transmission and distribution pipes and water mains that produce, convey and distribute water within the Borough, four (4) reservoirs, two (2) pump houses, one (1) underground pump station, four (4) storage tanks and one (1) Filter Plant as well as various mechanisms and treatment equipment contained within the pump stations and Filter Plant that aid in providing water to residential, commercial and industrial customers (which, together with the property rights and facilities owned by the Borough are hereinafter referred to as the "Water System Assets"); and

WHEREAS, the Borough desires to enact this Ordinance to authorize and approve the sale of the Water System Assets (the "Sale"), the execution and delivery of the Asset Purchase Agreement, and the undertaking of all incidental action in connection therewith.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Borough of Shenandoah, Schuylkill County, Pennsylvania, and it is hereby enacted and ordained by the authority of the same as follows:

SECTION 1. The Sale of the Water System Assets to Aqua is hereby approved.

SECTION 2. The Borough Council President, Vice-President, and the Borough Supervisor and such other authorized officers of the Borough (each, a "Proper Officer") is hereby authorized, directed and empowered to execute and deliver the Asset Purchase Agreement. The Asset Purchase Agreement shall be substantially in the form presented to this meeting, which form is approved, together with such changes therein as shall be approved by the Proper Officer

executing the same after consultation with legal counsel to the Borough, with the execution thereof to be and demonstrate such Proper Officer's approval of the same.

**SECTION 3.** Any of the Proper Officers of the Borough are hereby authorized, directed and empowered to execute any and all agreements, consents, assignments, certificates, instruments, permits, licenses and other documents determined to be necessary or proper by such Proper Officer to effectuate the Sale and the transactions contemplated by the Asset Purchase Agreement.

**SECTION 4.** Any of the Proper Officers of the Borough is hereby authorized, directed and empowered on behalf of the Borough to execute any and all papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the provisions of this Ordinance.

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**SECTION 5.** All ordinances or resolutions or parts of ordinances or resolutions inconsistent herewith be and the same hereby are rescinded, cancelled and annulled.

**SECTION 6.** It is the desire of the Borough that MABS cooperate with the Borough in connection with all aspects of the sale. If MABS does cooperate with the Borough, the Asset Purchase Agreement shall incorporate such changes as are necessary to effectuate the Sale by both the Borough and MABS. If MABS does not cooperate, the Borough intends contemporaneously to: 1. terminate the existence of MABS, 2. require MABS to convey by appropriate instruments all of the Water System Assets it has any right or title to pursuant to Section 5622(a) of the Municipality Authorities Act, 3. assume all of MABS' obligations, 4. pay off or otherwise satisfy all debt and other obligations of MABS, required to be satisfied under applicable law, and 5. consummate the Sale with Aqua.

**SECTION 7.** In the case any one or more of the provisions of this Ordinance shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance and this Ordinance shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

[Remainder of Page Intentionally Left Blank]

SECTION 7. This Ordinance shall become effective on the earliest date permitted by law.

PASSED FINALLY IN COUNCIL: 11/25, 2020

By the following vote:

Yeas: 6

Nays: 1

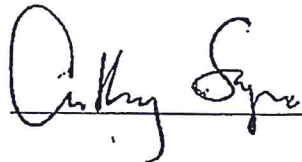
Absent:

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\_\_\_\_\_  
President

  
\_\_\_\_\_  
Vice-President

2020-3 ATTEST: I do hereby certify that the following is a true and correct copy of Ordinance No. as the same was enacted by the Borough of Shenandoah, Schuylkill County, Pennsylvania.

  
\_\_\_\_\_

**AQUA PENNSYLVANIA, INC.  
SHENANDOAH BOROUGH / MABS  
Section 1329 Application Standard Data Requests**

**Appraisals**

15. For each UVE in this case, please provide the following, if not already provided:

- a. A list of valuations of utility property performed by the UVE;
- b. A list of appraisals of utility property performed by the UVE
- c. A list of all dockets in which the UVE submitted testimony to a public utility commission related to the appraisal of utility property; and
- d. An electronic copy of or electronic link to testimony in which the UVE testified on public utility fair value acquisitions in the past two years.

Response:

- a. Please see Mr. D'Ascendis' Curriculum Vitae attached as Appendix C to the Valuation Report, included as Exhibit R to the Application.
- b. Please see Mr. Dylan D'Ascendis' response to a. above.
- c. Please see Mr. Dylan D'Ascendis' response to a. above.
- d. In the past two years, Mr. D'Ascendis submitted testimony in the below dockets, for which links have been provided:
  - i. City of York, PA  
A-2021-3024681  
<https://www.puc.pa.gov/docket/A-2021-3024681>
  - ii. Delaware County Regional Water Quality Control Authority  
A-2019-3015173  
<https://www.puc.pa.gov/docket/A-2019-3015173>

**AQUA PENNSYLVANIA, INC.  
SHENANDOAH BOROUGH / MABS  
Section 1329 Application Standard Data Requests**

**Appraisals**

15. For each UVE in this case, please provide the following, if not already provided:
- a. A list of valuations of utility property performed by the UVE;
  - b. A list of appraisals of utility property performed by the UVE
  - c. A list of all dockets in which the UVE submitted testimony to a public utility commission related to the appraisal of utility property; and
  - d. An electronic copy of or electronic link to testimony in which the UVE testified on public utility fair value acquisitions in the past two years.

Response:

- a. Please see Mr. Walker's Curriculum Vitae attached as Appendix A to Mr. Walker's Direct Testimony, included as Exhibit Z to the Application (Aqua Statement No. 6). Starred items represent dockets where Mr. Walker presented testimony related to the appraisal of utility property.
- b. Please see Mr. Walker's response to a. above.
- c. Please see Mr. Walker's response to a. above.
- d. In the past two years, Mr. Walker submitted testimony in the below dockets, for which links have been provided:
  - i. Delaware County Regional Water Quality Control Authority – A-2019-3015173  
<https://www.puc.pa.gov/docket/A-2019-3015173>
  - ii. Borough of Royersford – A-2020-3019634  
[http://www.puc.state.pa.us/about\\_puc/consolidated\\_case\\_view.aspx?Docket=A-2020-3019634](http://www.puc.state.pa.us/about_puc/consolidated_case_view.aspx?Docket=A-2020-3019634)
  - iii. Valley Township – A-2020-3019859  
[http://www.puc.state.pa.us/about\\_puc/consolidated\\_case\\_view.aspx?Docket=A-2020-3019859](http://www.puc.state.pa.us/about_puc/consolidated_case_view.aspx?Docket=A-2020-3019859)
  - iv. Valley Township – A-2020-3020178  
<https://www.puc.pa.gov/docket/A-2020-3020178>

- v. Upper Pottsgrove Township – A-2020-3021460  
<https://www.puc.pa.gov/docket/A-2020-3021460>
- vi. Lower Makefield Township – A-2021-3024267  
<https://www.puc.pa.gov/docket/A-2021-3024267>
- vii. East Whiteland Township – A-2021-3026132  
<https://www.puc.pa.gov/docket/A-2021-3026132>
- viii. Willistown Township – A-2021-3027268  
<https://www.puc.pa.gov/docket/A-2021-3027268>

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Appraisals**

16. Please explain each discount rate used in the appraisals, including explanations of the capital structure, cost of equity and cost of debt. State the basis for each input. Provide all sources, documentation, calculations and/or workpapers used in determining the inputs.

Response: Please see the Valuation Report of Dylan W. D'Ascendis (included as Exhibit R to the Application), Section VI, Part D at p. 8-9 for an explanation of the discount rate. Detailed information on the discount rate can also be found in Appendix G to the Valuation Report.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Appraisals**

16. Please explain each discount rate used in the appraisals, including explanations of the capital structure, cost of equity and cost of debt. State the basis for each input. Provide all sources, documentation, calculations and/or workpapers used in determining the inputs.

Response: Please see the Direct Testimony of Harold Walker III, included as Exhibit Z to the Application (Aqua Statement No. 6) at p. 20-21, Exhibit Q to the Application (Gannett Appraisal), and CONFIDENTIAL Electronic work paper files to the Application (Gannett electronic workpapers).

**AQUA PENNSYLVANIA, INC.  
SHENANDOAH BOROUGH / MABS  
Section 1329 Application Standard Data Requests**

**Appraisals**

17. Please explain whether the UVE used replacement cost or reproduction cost and why that methodology was chosen.

Response: ScottMadden used an original cost new (“OCN”) method to calculate the trended original cost (“TOC”) of the assets. The TOC was arrived at by using the Handy-Whitman Index which results in a current reproduction value. Please see the Valuation Report of Dylan W. D'Ascendis (included as Exhibit R to the Application), Section IV, Part B at p. 4-6 for an explanation of why this method was chosen.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Appraisals**

17. Please explain whether the UVE used replacement cost or reproduction cost and why that methodology was chosen.

Response: Gannett Fleming used the original cost new (OCN) to calculate the trended original cost (TOC) measures, or the reproduction cost of the depreciable assets by multiplying the OCN by specific cost indices. We converted reproduction cost new to replacement cost new (RCN) after factoring in obsolescence. We used the TOC method because the mandated use of the Engineering Assessment's original cost essentially dictates the use of TOC over the reproduction cost or the replacement cost methods. Please see the Direct Testimony of Harold Walker III, included as Z to the Application (Aqua Statement No. 6) at p. 17-18, for an explanation of why this method was chosen.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Appraisals**

18. Please provide a copy of the source for the purchase price and number of customers for each comparable acquisition used in the appraisals.

Response: Please see Appendix E to Mr. D'Ascendis' Valuation Report (included as Exhibit R to the Application) for the source documents supporting the purchase price and number of customers used in Mr. D'Ascendis' Market Approach.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Appraisals**

18. Please provide a copy of the source for the purchase price and number of customers for each comparable acquisition used in the appraisals.

Response: Please see pages 9 to 80 of Exhibit 23 (workpapers) from Exhibit Q to the Application (Gannett Appraisal) for the source for the purchase price and number of customers for each comparable acquisition used in the Gannett Appraisal.

**AQUA PENNSYLVANIA, INC.  
SHENANDOAH BOROUGH / MABS  
Section 1329 Application Standard Data Requests**

**Appraisals**

19. Have Buyer's and Seller's UVE corresponded with regard to their respective fair market value appraisals of the assets at issue in this case? If yes, provide the following information:
- a. Identify the nature and date(s) of correspondence;
  - b. Identify the type(s) of correspondence (i.e. written, verbal, etc); and,
  - c. Provide copies of any written correspondence exchanged between the UVEs

Response: No. The Buyer's and Seller's UVE did not correspond with regard to their respective fair market value appraisals of the assets at issue in this case.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Appraisals**

19. Have Buyer's and Seller's UVE corresponded with regard to their respective fair market value appraisals of the assets at issue in this case? If yes, provide the following information:
- a. Identify the nature and date(s) of correspondence;
  - b. Identify the type(s) of correspondence (i.e. written, verbal, etc); and,
  - c. Provide copies of any written correspondence exchanged between the UVEs

Response: No. The Buyer's and Seller's UVE did not correspond with regard to their respective fair market value appraisals of the assets at issue in this case.

Respondents: Stephen Clark  
Director of Greater Pennsylvania Operations of Aqua Pennsylvania, Inc.  
Matthew J. Marchisello  
Intermediate Project Engineer of Aqua Pennsylvania, Inc.  
Date: October 6, 2022

**AQUA PENNSYLVANIA, INC.  
SHENANDOAH BOROUGH / MABS  
Section 1329 Application Standard Data Requests**

**Miscellaneous**

20. Are there any outstanding compliance issues that the Seller’s system has pending with the PA Department of Environmental Protection. If yes, provide the following information:
- a. Identify the compliance issue(s);
  - b. Provide an estimated date of compliance;
  - c. Explain Buyer’s anticipated or actual plan for remediation;
  - d. Provide Buyer’s estimated costs for remediation; and,
  - e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

Response:

- a-d.
- 1. As stated in Aqua Statement No. 3, Direct Testimony of Stephen Clark, included as Exhibit W to the Application, Aqua understands there are lead service lines (“LSLs”) present in the System, but it is not currently known the total number of LSLs. Upon Closing Aqua will incorporate the System into its Customer-Owned Lead Service Line Replacement Program, to identify and replace LSLs in the system. Environmental Protection Agency regulations require a LSL inventory to be completed by October 2024 and the PUC’s LSL regulations require replacement of all LSLs within 25 years of the effective date of the PUC’s regulations. Costs will be dependent on the extent of LSLs throughout the System.
  - 2. MABS is currently addressing minor deficiencies associated with controls and alarms at the WTP and at certain dams and pump stations. All of these minor deficiencies will be addressed prior to Closing.

Respondents: Stephen Clark  
Director of Greater Pennsylvania Operations of Aqua Pennsylvania, Inc.  
Matthew J. Marchisello  
Intermediate Project Engineer of Aqua Pennsylvania, Inc.  
Date: October 6, 2022

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

3. See the confidential attachment to SDR-20 for a description of the corrective actions relating to MABS' dams, as described further in Aqua Statement No. 4, Direct Testimony of Matthew J. Marchisello, included as Exhibit X to the Application.
- e. Please see responses from utility valuation experts.

**AQUA PENNSYLVANIA, INC.**  
**SHENANDOAH BOROUGH / MABS**  
**Section 1329 Application Standard Data Requests**

**Miscellaneous**

20. Are there any outstanding compliance issues that the Seller's system has pending with the PA Department of Environmental Protection. If yes, provide the following information:
- a. Identify the compliance issue(s);
  - b. Provide an estimated date of compliance;
  - c. Explain Buyer's anticipated or actual plan for remediation;
  - d. Provide Buyer's estimated costs for remediation; and,
  - e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

Response:

- a.-d. Please see the response of Stephen Clark and Matthew J. Marchisello.
- e. As stated in ScottMadden's appraisal on p. 8 of Exhibit Q to the Application, the Borough estimated it would need to spend \$30 million over the next 25 years. ScottMadden assumes that those capital expenditures would be used to address any remediation orders of DEP, and is included in the ScottMadden Income Approach.

**AQUA PENNSYLVANIA WASTEWATER, INC.  
SHENANDOAH BOROUGH / MABS  
Section 1329 Application Standard Data Requests**

**Miscellaneous**

20. Are there any outstanding compliance issues that the Seller's system has pending with the PA Department of Environmental Protection. If yes, provide the following information:
- a. Identify the compliance issue(s);
  - b. Provide an estimated date of compliance;
  - c. Explain Buyer's anticipated or actual plan for remediation;
  - d. Provide Buyer's estimated costs for remediation; and,
  - e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

**Response:**

- a.-d. Please see the response of Stephen Clark and Matthew J. Marchisello.
- e. Gannett Fleming's appraisal did not factor in specific projected remediation cost. However, the income approach does factor in (deduct) estimated capital expenditures when calculating future net cash flows. Historical remediation cost is reflected in the cost approach to the extent they are included in the Engineers Assessment's inventory.

**AQUA PENNSYLVANIA WASTEWATER, INC.  
SHENANDOAH BOROUGH / MABS  
Section 1329 Application Standard Data Requests**

**Miscellaneous**

21. Are there any outstanding compliance issues that the Seller's system has pending with the US Environmental Protection Agency. If yes, provide the following information:
- a. Identify the compliance issue(s);
  - b. Provide an estimated date of compliance;
  - c. Explain Buyer's anticipated or actual plan for remediation;
  - d. Provide Buyer's estimated costs for remediation; and
  - e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

Response: Please see the responses and confidential attachment to SDR-20. The DEP holds primacy regulatory authority in Pennsylvania.