EXHIBIT Q

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September 7, 2022

Mr. Thomas F. Rafferty
Director, Business Development
Aqua Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Dear Mr. Rafferty,

ScottMadden, Inc. ("ScottMadden") performed a valuation of the City of Beaver Falls ("Beaver Falls") wastewater system at the request of Aqua Pennsylvania, Inc. ("Aqua") for the purposes of establishing a fair value in accordance with Public Utility Code (66 PA.C.S) – Valuation of Acquired Water and Wastewater Systems for ratemaking purposes. The resulting conclusion of value should not be used for any other purpose or by any other party for any other purpose. This valuation was conducted in accordance with the Statement on Standards for Valuation Services and the Uniform Standards of Professional Appraisal Practice. The estimates of value that result from a valuation engagement are expressed as conclusions of value.

ScottMadden was restricted or limited in the scope of our work or data available for analysis as follows:

- Financial statements for the year 2021 were not available; nor were projected capital expenditures as developed by Beaver Falls;
- Original costs were not available for all assets, as such, ScottMadden relied on estimated replacement costs as outlined in the Engineering Assessment of Wastewater System Assets, authored by Gannett Fleming, Inc. (the "Engineering Assessment") as the basis for estimating original costs;
- Although ScottMadden was able to develop similar consumption estimates as provided by Beaver Falls and Aqua, due to the reporting nature of the data, ScottMadden was not able to fully verify the figures provided by Beaver Falls and Aqua.

Based on our analysis, as described in this valuation report, the conclusion of value of Beaver Falls as of September 7, 2022 is $40,199,347. This conclusion of value is subject to the Statement of Assumptions and Limiting Conditions found in Appendix A and to the Valuation Analyst's Representation found in Appendix B. ScottMadden has no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.

ScottMadden has no financial interest or contemplated financial interest in the property that is the subject of this report.

Respectfully submitted,

Dylan W. D'Ascendis, CVA, CRRA
Partner
ScottMadden, Inc.

Matthew R. Howard, CRRA
Manager
ScottMadden, Inc.

Valuation Report

City of Beaver Falls Wastewater System

As of September 7, 2022

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I. INTRODUCTION AND PURPOSE

Dylan W. D'Ascendis, CVA, CRRA, Partner at ScottMadden, Inc. and Matthew R. Howard, CRRA, Manager at ScottMadden (full professional qualifications included in Appendix C to this report), have been retained by Aqua to value Beaver Falls' wastewater operations ("Subject Interest") in accordance with Public Utility Code ("66 PA.C.S.") – Valuation of Acquired Water and Wastewater Systems for Ratemaking Purposes as of September 7, 2022. The conclusions of value derived as a result of this engagement are valid only for the stated purpose as of the date of valuation. The valuation report does not reflect values of the Subject Interest under any other circumstances other than those described in this report; therefore, no other purpose is intended or should be inferred.

For consideration in this transaction is a 100% interest in Beaver Falls' wastewater operations, which means that the purchaser of the Subject Interest would be able to control the entity's operations going forward. The Subject Interest is not a marketable interest since it is not publicly traded, and it would be difficult to immediately turn the Subject Interest into cash.

ScottMadden has used fair market value as the standard of value for this engagement. The Internal Revenue Service's Revenue Ruling 59-60 recommends the use of fair market value for valuation of corporate stocks on which market quotations are either unavailable or of such scarcity that they do not reflect the fair market value. Fair market value is defined in Section 25.2512-1 of the U.S. Treasury Regulations (Gift Tax Regulations) as:

> The price at which property would change hands between a willing buyer and willing seller, neither being under any compulsion to buy or to sell, and both having reasonable knowledge of relevant facts.

The premise of value is an assumption regarding the most likely set of transactional circumstances that may be applicable to the subject valuation. In lay terms, this explains what is going to happen to the Subject Interest after the transaction. There are any number of variations of premise of value, but two general premises of value are Liquidation (the Subject Interest does not continue operating after the transaction) and Going Concern (the Subject Interest continues operating after the transaction). The premise of value applied in this valuation study is Going Concern as there is no indication that the Subject Interest would cease operations after the transaction.

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II. BACKGROUND AND OPERATIONS

The Subject Interest is the wastewater operations of Beaver Falls.

Beaver Falls' wastewater operations provide wastewater treatment, conveyance, and collection services to residents within the City of Beaver Falls, and wastewater treatment and conveyance services to residents outside the City of Beaver Falls, including customers from Big Beaver Borough, Eastvale Borough, North Sewickley Township, the Borough of Patterson Heights, Patterson Township, West Mayfield Borough, and White Township, as well as customers serviced by Dalton's Service Co. which provides sewer hauling services, (collectively, the "Joint Sewer Users").[1]

The existing wastewater system consists of a pump station and a wastewater treatment plant ("WWTP"), which provides treatment to approximately 3,351 service connections across nearly 36 miles of piping within the City of Beaver Falls, as well as to residents of the Joint Sewer Users as noted above. The WWTP was constructed during the years 1936 to 1938, and underwent upgrades in 1990, 1991, 1993, 1996, 1998, 2008 and 2011.

III. SUMMARY OF VALUATION APPROACHES

The valuation of the Subject Interest as a Going Concern considers several methods. Each method, at times, may appear more theoretically justified in its use than others. The soundness of a particular method is based on the specific circumstances of each case. ScottMadden is responsible for determining the reasonableness of each approach/method of valuation for Beaver Falls at this time. The commonly used methods of valuation can be grouped into one of three general approaches: The Cost Approach, the Market Approach, and the Income Approach.

A. Cost Approach

The Cost Approach is a valuation method that typically values the underlying assets of a company to derive their market value. Because this method only focuses on the company's underlying assets, it fails to reflect the past and projected profitability of the company, as well as the associated risks inherent in the company's operations. Typically, the analyst would start with the current replacement (or reproduction) cost new of the assets being valued, and then deduct for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence of those assets, to arrive at an indicated market value.

B. Market Approach

The Market Approach considers comparable transactions of similar utilities in the same general timeframe and general operational area as the company and other market-based data to establish a fair market value. Usually,

[1] See, Appendix D. Resident estimates are approximately 9,074 and 13,768 for the City of Beaver Falls and the Joint Sewer Users, respectively, based on 2020 population estimates from the United States Census Bureau.

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finding comparable transactions is difficult, if not impossible, since no two companies are identical, nor are they usually timely. In addition, details surrounding utility transactions, particularly private transactions, are incomplete at best. In spite of these challenges, an analyst may be able to pinpoint a relevant multiple of purchase price or transaction value and then apply that multiple to the Subject Interest to derive a value for that Interest. One can also look to the market data of publicly-traded companies comparable in risk to the Subject Interest for an indication of value.

C. Income Approach

The Income Approach provides an indication of value by discounting the expected or future cash flows of a company to a present value. The projected cash flows must account for additional investment and reflect the specific growth potential of the system being valued. The discount rate used to calculate the present value of the company must be derived from market data of similar risk companies. The discount rate must also take into account how the potential acquirer will finance the transaction (e.g. debt, equity, or a combination of debt and equity).

IV. APPLICATION OF THE COST APPROACH

A. Description of Facilities

The description of Beaver Falls' assets are described fully in the Engineering Assessment (attached as Appendix E to this report), and summarized below.

As mentioned above, Beaver Falls' wastewater operation is comprised of a pump station, a WWTP, and approximately 36 miles of piping covering 3,351 service connections. As noted above, while Beaver Falls does not own collection assets for the Joint Sewer Users, it does treat their wastewater.

i. Wastewater Treatment Plant

The Beaver Falls WWTP accepts wastewater from the City of Beaver Falls and the Joint Sewer Users as noted above. The Beaver Falls WWTP is comprised of the primary structures/processes as detailed in the previously mentioned Engineering Assessment: three primary settling tanks, two biological contact oxidation towers, five secondary settling tanks, two chlorine disinfection tanks, two anaerobic sludge digesters, one belt filter press, one grit separator, one grease separator, various piping, pumps, blowers and controls, and an onsite diesel fueled emergency power generator.

ii. Collection and Conveyance System

The Beaver Falls wastewater collection and conveyance system is composed of 60,318 linear feet of service laterals across 3,351 connections, 536 brick and 138 concrete manholes, approximately 1,400 linear feet of 8-inch ductile

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iron pipe ("DIP") that connects the pump station to the sewer system, and 36.1 miles of sewers, ranging in size from 8 inches to 24 inches in diameter, broken down as follows:

- 27.65 miles of 8-inch vitrified clay pipes ("VCP")
- 0.57 miles of 8-inch polyvinyl chloride pipes ("PVC")
- 0.97 miles of 8-inch cast iron pipes ("CIP")
- 0.76 miles of 10-inch VCP
- 0.27 miles of 12-inch VCP
- 1.09 miles of 12-inch PVC
- 0.80 miles of 15-inch VCP
- 0.32 miles of 15-inch PVC
- 0.17 miles of 18-inch Standard Dimensional Ratio ("SDR") 35 PVC
- 2.00 miles of 24-inch SDR 35 PVC

B. Calculation of Reproduction Cost New Less Depreciation

The first step in arriving at the fair market value of the assets of the Subject Interest using the Cost Approach derives the "Reproduction Cost New" for the assets that comprise Beaver Falls' wastewater operations. In order to arrive at the Reproduction Cost New for Beaver Falls' assets, ScottMadden began with the original cost of the assets provided by the Engineering Assessment. In certain instances, original costs were not available. In those instances, Gannett Fleming provided estimated probable replacement costs. ScottMadden then used the Handy-Whitman Index (the "Index") to determine the current reproduction value, or for assets which only a replacement cost was available, to determine an estimated original cost. The Index is prepared specifically for electric, gas, and water utilities, and is the only publication of its kind available to the public. The Index has been published continuously since 1924. The Index is comprised of historical index values for various accounts prescribed by the NARUC Uniform System of Accounts, as well as for construction, material, and labor, by geographic region of the United States. For assets not included in the Index (specifically laboratory equipment, office furniture, computer equipment, audio/video equipment, communication equipment, truck trailers, and storage equipment), ScottMadden used the Producer Pricing Index. ScottMadden also used the Consumer Pricing Index for various small tools owned by Beaver Falls.

The trended original cost method consists of the development of adjustment factors from the time when the asset was put into service to the current date. For example, an average main (NARUC account 331)[2] placed into service in 1985 with an original cost of $100,000 would be trended forward by the ratio of the index value at the current date divided by the index value at the time of installation. The index value of NARUC account 331 in July 2021 is 911.00, and the index value in 1985 when the assets were installed was 254.00, which means the ratio applied to

[2] Denoted as 361 in the Engineering Assessment.

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the original cost of the distribution main would be 3.59.[3] This would translate into a current cost for that main of $358,661.[4]

The next step in deriving the fair market value of the Subject Interest using the Cost Approach is to quantify the amount of physical deterioration, functional obsolescence, and economic obsolescence of the assets. Physical deterioration is caused by use, wear and tear, and the aging process. Functional obsolescence is caused by changes in design or construction to create efficiencies not present in the current asset. Economic obsolescence is a loss in value due to external factors not in the control of the entity such as economic conditions. The most common measure of physical deterioration is the reserve held for depreciation, which is based on the asset's remaining life versus its average useful life. Functional obsolescence is measured by comparing the subject asset to a replacement asset with current technology. The Engineering Assessment found no significant functional obsolescence for Beaver Fall's assets. Economic obsolescence is usually measured by market conditions, which have been supportive towards the water and wastewater industries in the recent past, as well as prospectively, so ScottMadden does not believe there is significant economic obsolescence present in Beaver Falls' assets. Since the only applicable measure of loss of value is physical deterioration, the useful lives for each asset were determined, and reserves for depreciation were calculated for each Beaver Falls asset if original costs were available. As mentioned previously, certain assets did not have original cost records, so ScottMadden relied upon the application of the index to the estimated replacement costs provided by the Engineering Assessment.

i. Indication of Value Using the Cost Approach

Using the Handy-Whitman, the Consumer Pricing, and Producers Pricing Indices to trend the original cost less depreciation of Beaver Fall's assets forward, ScottMadden arrived at the Reproduction Cost New minus depreciation value of $11,446,928.

As stated above, the value derived from the Cost Approach is based solely on the underlying assets of the Subject Interest, which means it does not take into account the expected cash flows of these assets. For Beaver Falls, this difference is significant. Since Beaver Falls does not own assets of the Joint Sewer Users but derives approximately half of its historical and expected revenues from them, the Cost Approach significantly understates Beaver Falls' fair market value.

Additionally, even though the Handy-Whitman Index takes into account the changes in the cost of various factors over time in different regions throughout the country, it cannot take into account intricacies such as terrain (e.g. mountains in Appalachia versus farmland in Pennsylvania) or changes in development and zoning since original

[3] 911.00 / 254.00 = 3.59.
[4] (911.00 / 254.00) x $100,000 = $358,661.

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installation. All else remaining equal, different terrains or changes in laws will translate into different timeframes to complete the project, which will directly affect costs.

V. APPLICATION OF THE MARKET APPROACH

A. Market Value of Invested Capital to Net Plant Multiple Method

The Market Approach is a valuation technique whereby the value of a company is estimated based on pricing relationships associated with market transactions involving similar companies, and/or market values of a similarly traded comparable risk group. One technique to derive a value using market data would be to apply a market value of invested capital to net plant ratio of a comparable risk group to the original cost less depreciation ("OCLD") value of the Beaver Fall's assets. As shown on page 2 of Schedule 2, market value of invested capital to net plant of the water utility proxy group used to derive the weighted average cost of capital ("WACC") in the Income Approach range from 1.3723x to 2.4940x net plant.

In calculating the Beaver Falls' OCLD, ScottMadden relied on the same data as discussed above in Section IV. As of October 21, 2021, the OCLD for Beaver Falls' assets was $5,003,844.[5] Applying the range of market value of invested capital to net plant ratios of 1.3723x to 2.4940x to the estimated OCLD results in an indicated range of values between $6,866,665 and $12,479,523 with an average value of $9,496,121 as shown on page 3 of Schedule 2. Again, since Beavers Falls' value assets do not reflect its value, this measure would significantly understate the indicated value of Beaver Falls.

B. Comparable Sales Method

ScottMadden also researched transactions involving companies who acquired 100% of a water or sewer interest since 2016. That research returned 107 results from around the country which are contained on pages 4-5 of Schedule 2.[6] A common ratio which can be used to determine the Beaver Fall's market value is transaction value per equivalent domestic unit ("EDU"). The purchase price per EDU ratios for the relevant transactions are also shown on pages 4-5 of Schedule 2. As shown on page 5 of Schedule 2, the nationwide average purchase price to EDU is 4.22x, while the Pennsylvania average purchase price to EDU is 6.63x.[7] Beaver Falls' EDUs were calculated by first finding the average annual residential consumption and then dividing the total annual consumption of the system by the average annual residential consumption. Given the approximate 9,392 EDUs served by Beaver Falls,[8] indicated values using this approach range from $39,667,839 to $62,260,398. In calculating the EDUs for Beaver Falls, ScottMadden relied on consumption data generated by Beaver Falls and

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5 As shown on Column [4] of page 2 of Schedule 1.

6 Transaction details are provided in Appendix F.

7 Multiple in thousands.

8 109,238,000 / 2,880 = 37,930; 356,245,793/ 37,930 = 9,392. Average residential consumption based on customers within the City of Beaver Falls.

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provided by Aqua. Due to the reporting nature of that data, ScottMadden was not able to fully confirm the consumption totals, although ScottMadden did produce figures that were similar to those provided by Aqua. As such, ScottMadden relied on the data provided by Aqua in calculating EDUs for Beaver Falls.

C. Indication of Value Using the Market Approach

As noted above, because Beaver Falls' underlying assets do not reflect the cash flows generated from the Joint Sewer Users, ScottMadden applied a weight of 10% to the market value of invested capital to net plant approach, and a weight of 90% to the comparable sales approach. Applying those weights results in an indicated value of $46,817,319 for Beaver Falls as shown on page 1 of Schedule 2.

VI. APPLICATION OF THE INCOME APPROACH

ScottMadden performed an independent study of the value of the income generated from service to its customers. The Income Approach employed by ScottMadden is based on the "highest and best use" assumption that the assets of Beaver Falls would be "maximally productive" or profitable if owned by similar entities.

ScottMadden has prepared a financial model to develop the indicated value of the Subject Interest. The underlying data was taken from Beaver Falls' financial books and records. Due to the limited purposes of these financial statements, they may be incomplete or contain departures from generally-accepted accounting principles. ScottMadden has not audited, reviewed, or compiled these statements and express no assurance of them. Additionally, as noted above, Beaver Falls does not have financial records past 2020.

A. Operating Revenue Assumptions

The vast majority of Beaver Falls' revenues are tied to fees for the collection, treatment and conveyance of wastewater for customers within Beaver Falls, and fees for treatment and conveyance of wastewater for customers of the Joint Sewer Users.[9] Further, revenues are dependent on two factors; population growth and rate increases. Upon review of U.S. census data for the period 2010 through 2020, ScottMadden has concluded that the Beaver Falls' and Joint Sewer Users' combined population growth will be approximately flat going forward as can be gleaned by US census data. As such, we do not reflect any increase or decrease in future revenues due to customer growth.

In regard to rate increases, as discussed in detail below, because the capital improvements identified by Aqua for the period 2023-2032, ScottMadden assumes the capital improvements identified by Aqua would need to be performed regardless of who owned the system. ScottMadden applied yearly rate increases of 10% every year from 2023 through 2027. The assumption of the 10% annual rate increases are based on the need to recover the capital improvement outlays outlined by Aqua, and listed in Schedule 3, page 5. Regarding the period beginning

[9] The Joint Sewer Users are billed on a wholesale basis.

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2028, on December 8, 2020, Beaver Falls passed an ordinance authorizing yearly increases of 3% for both sewer users within Beaver Falls and for the Joint Sewer Users, which ScottMadden applied starting in 2028 and for each year onwards.[10]

B. Operating Expense Assumptions

General operating expenses for Beaver Falls are primarily comprised of administrative, wage and benefit, maintenance, operational, contractual, utility, and various miscellaneous expenses. All expenses are assumed to increase at the projected level of the Consumer Price Index[11] ("CPI").

Regarding the Repairs and Maintenance expense, ScottMadden was informed that this expense would be comparable to the 2019 amount due to requirements as noted in Beaver Falls' corrective action plan ($246,620). That expense was increased by the projected CPI for the years 2021 through 2025, which is when the corrective action plan is scheduled to be completed. Starting in 2026, ScottMadden assumed the expense would be comparable to the 2020 level, grown at the projected CPI through 2026 ($216,457), and then grown at the projected CPI into perpetuity.

Regarding the Sewer Line Reimbursement expense, based on information from Beaver Falls', ScottMadden understood the expense to non-operational in nature and as such, did not reflect the ongoing operations of the Subject Interest. Given that, ScottMadden removed the expense from the operating results moving forward.

C. Future Capital Requirements Assumptions

As noted above, because Beaver Falls did not have an internal capital improvement plan, ScottMadden relied on needed capital improvements as outlined by Aqua. In assessing Aqua's capital plan, ScottMadden sought to only include projects that addressed issues of safety, compliance, and equipment failure. ScottMadden engaged Aqua in discussions to ensure only capital improvement items that fit those needs were included. Table 1 below presents those items, along with the estimated total spend for each item for the period 2023 through 2032:

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10 ScottMadden applied a 3% rate increase for the years 2021 and 2022 as consistent with the Beaver Falls Ordinance; see, Appendix G.

11 ScottMadden employed a CPI projection of 2.25% per year, based on the long-term CPI projection published by *Blue Chip Financial Forecasts*. *See, Blue Chip Financial Forecasts*, Vol. 40, No. 12, December 1, 2021 at 14; Appendix H, at 23.

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Table 1: Beaver Falls Capital Improvement Summary, 2023 - 2032

System Component	Description	Total Spend
Safety Measures	Miscellaneous	$75,000
Collection	MH Inspections/GIS Based Map Creation	$80,000
Collection	Temporary Metering Program	$100,000
Collection	CCTV Main Inspections	$375,000
Collection	MH Rehabilitation	$400,000
Collection	Prioritized Main Rehabilitation and Replacement	$2,040,000
Collection	New Customer Connections	$125,000
Collection	Existing Lateral Repairs	$500,000
Treatment	Replace Trickling Filter Tower #1	$250,000
Treatment	HVAC Upgrades in Headworks	$175,000
Treatment	Headwork Room Upgrades	$250,000
Treatment	Screen Replacement	$350,000
Treatment	Electrical Upgrades/Arc Flash Remediation	$1,750,000
Treatment	Convert from Cl Gas to Hypo	$300,000
Treatment	Replace Primary Clarifier Sludge Collector Gear Drives	$250,000
Treatment	SCADA System	$300,000
Treatment	Miscellaneous Repairs	$350,000
Transportation	Replace Dump Truck	$75,000
Safety Measures	PHASE II Site Assess	$100,000
Subtotal Before Contingency		$7,845,000
Contingency	10% of Above Items	$784,500
Total		$8,629,500

For the period 2022, ScottMadden relied on the median yearly level of capital improvements based on Aqua's projections ($569,250). For the period 2033, ScottMadden grew the median level of capital improvements by the projected CPI, which resulted in a 2033 capital improvement estimate of $727,109, which ScottMadden continued to grow by the projected CPI into perpetuity.

D. Discount Rate

After calculating the expected cash flows, an appropriate discount rate must be calculated in order to arrive at a value of the Subject Interest based on the Income Approach. The discount rate is the investor-required expected rate of return on the assets. An investor in any company needs to be compensated for the risk of that investment, and a higher level of risk equates to a higher required rate of return. The overall rate of return in this instance is defined by the WACC. ScottMadden has calculated a discount rate which relates to the traditional method of financing for publicly-traded water and wastewater companies, which uses an equal mix between debt and equity capital.

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For the common equity cost rate, ScottMadden applied the Discounted Cash Flow, Risk Premium and Capital Asset Pricing Models to a proxy group of publicly-traded water companies and a group of non-regulated companies comparable in total risk to the water utility group. Application of these cost of common equity models to these groups results in an indicated cost of common equity of 10.19% which is presented in Appendix H.

The representative capital structure is a hypothetical capital structure based on the range of capital structures for fiscal year 2020 of the publicly-traded proxy group companies used to derive the cost of common equity.[12] For the debt cost rate used in the WACC calculation, ScottMadden used the average Moody's A2 public utility bond rate as of November 30, 2021 for an investor-owned entity.[13] Table 2 below illustrates the assumed WACC of an investor-owned water utility.

Table 2: Assumed WACC

Type of Capital	Cost Rate	Ratio	Weighted Cost
Long-Term Debt	3.04%	50.00%	1.52%
Common Equity	10.19%	50.00%	5.10%
Total		**100.00%**	**6.62%**

E. Indicated Value Using the Income Approach

Inputting the estimated revenue, expense, and capital expenditure data into the model resulted in an indicated value of $39,970,803.

VII. CONCLUSION OF VALUE – SUBJECT INTEREST

No method of valuation will produce the exact value of a business. A valuation study cannot incorporate market conditions at the time of sale or predict a potential investor's desire, or lack thereof, to acquire the business. ScottMadden has determined the range of values of the Subject Interest based on the relative weighting of the three valuation methods. The weightings indicate the value placed on each appraisal method from the valuation expert.

In ScottMadden's opinion, the Income and Market Approaches should each receive 45% weight and the Cost Approach 10% weight. The reason for this is the Cost Approach does not accurately represent Beaver Falls' value as it cannot reflect the revenues from the Joint Sewer Users. In this instance, the value of Beaver Falls is not only reflected in its physical assets, but its flow volumes with the Joint Sewer Users. The indicated result based on the Cost Approach would remain the same regardless of whether Beaver Falls' assets continue to serve the Joint Sewer Users or not. In lieu of valuing Beaver Falls' contracts with the Joint Sewer Users as intangible assets,

[12] The range of equity ratios of the proxy group companies were from 40.05% to 59.28% at 2020 fiscal year end.
[13] Source of Information: Bloomberg Professional Services.

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ScottMadden has simply assigned less weight to the results of the Cost Approach. The ranges of values and relative weightings of the valuation approaches for each scenario are set forth in Table 3 below:

Table 3: Conclusion of Value for the Subject Interest

Valuation Approach	Indicated Value	Weight	Weighted Value
Cost	$11,446,928	10%	$1,144,693
Market	$46,817,319	45%	$21,067,793
Income	$39,970,803	45%	$17,986,861
Indicated Value		**100%**	**$40,199,347**

In addition to the purchase price, the parties should consider the value of additional items including, but not limited to, the following: any debt balance, any balance of materials and supplies, prepaid expenses, and outstanding customer accounts receivable at the date of closing.

VIII. CLOSURE

ScottMadden strived to consider all relevant information and data presented by Aqua and Beaver Falls. ScottMadden appreciates Aqua's and Beaver Falls' willingness to provide critical data necessary to complete the engagement. Again, ScottMadden has no financial interest or contemplated financial interest in the property that is the subject of this report.

Respectfully submitted,

Dylan W. D'Ascendis, CVA, CRRA
Partner
ScottMadden, Inc.

Matthew R. Howard
Manager
ScottMadden, Inc.

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APPENDIX A: STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation. All data relied upon by ScottMadden, Inc. was provided before September 7, 2022. All subsequently received data was not considered.

Financial statements and other related information provided by the Aqua, Beaver Falls, or either of their representatives, in the course of the engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods. Except as specifically noted herein, ScottMadden, Inc. has not audited, reviewed, or compiled the financial information provided and, accordingly, expresses no audit opinion or any form of assurance on this information.

Public information has been obtained from sources ScottMadden, Inc. believes to be reliable. However, ScottMadden makes no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information

ScottMadden, Inc. does not provide assurance on the achievability of the results forecasted because unexpected events and circumstances frequently occur; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

This report and the conclusion of value arrived at herein are for the exclusive use of Aqua for the sole and specific purposes as noted herein. They may not be used for any other purpose or by any other party for any purpose. Furthermore, the report and conclusion of value are not intended by ScottMadden, Inc., and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of ScottMadden, Inc. based on information furnished to it by the Aqua, Beaver Falls, and other sources.

Neither all nor any part of the contents of this report (especially the conclusion of value) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication without the prior written consent and approval of ScottMadden, Inc.

Future services regarding the subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of ScottMadden, Inc. unless previous arrangements have been made in writing.

ScottMadden, Inc. is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. ScottMadden, Inc. does not conduct or provide environmental assessments and has not performed one for the subject property.

No change of any item in this valuation report shall be made by anyone other than ScottMadden, Inc., and it will not have any responsibility for any such unauthorized change.

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ScottMadden has received input from the current management of Beaver Falls concerning the past, present, and prospective operating results of the Subject Interest.

Except as noted, ScottMadden, Inc. has relied on the representations of the Engineering Assessment concerning the value and useful condition of all equipment, real estate, and any other assets, except as specifically stated to the contrary in this report.

ScottMadden, Inc. has no financial interest or contemplated financial interest in the Company that is the subject of this report.

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APPENDIX B: VALUATION ANALYSTS' REPRESENTATIONS

The analyses, opinions, and conclusion of value included in the valuation report are subject to the specified assumptions and limiting conditions (see Appendix A), and they are the personal analyses, opinions, and conclusion of value of the valuation analysts.

The economic and market data included in the valuation report have been obtained from various printed or electronic reference sources that the valuation analyst believes to be reliable. The valuation analysts have not performed any corroborating procedures to substantiate that data.

The valuation engagement was performed in accordance with the American Institute of Certified Public Accountants Statement on Standards for Valuation Services and the Uniform Standards of Professional Appraisal Practice.

The parties for which the information and use of the valuation report is restricted are identified; the valuation report is not intended to be and should not be used by anyone other than such parties.

The analysts' compensation is fee-based and is not contingent upon the development or reporting of a predetermined value or direction of value that favors the cause of the Aqua, the amount of the estimate of value, or the attainment of a stipulated result.

The valuation analysts relied upon the representations of the Engineering Assessment for estimated reproduction costs and original costs of certain assets during the valuation engagement.

The valuation analysts have no obligation to update the report or the opinion of value for information that comes to their attention after the date of the report.

Signatures of the Analysts:

Dylan W. D'Ascendis, CVA, CRRA
Partner
ScottMadden, Inc.

Matthew R. Howard
Manager
ScottMadden, Inc.

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Summary

Dylan is an experienced consultant and a Certified Rate of Return Analyst (CRRA) and Certified Valuation Analyst (CVA). Dylan joined ScottMadden in 2016 and has become a leading expert witness with respect to cost of capital and capital structure. He has served as a consultant for investor-owned and municipal utilities and authorities for 13 years. Dylan has testified as an expert witness on over 100 occasions regarding rate of return, cost of service, rate design, and valuation before more than 30 regulatory jurisdictions in the United States and Canada, an American Arbitration Association panel, and the Superior Court of Rhode Island. He also maintains the benchmark index against which the Hennessy Gas Utility Mutual Fund performance is measured. Dylan holds a B.A. in economic history from the University of Pennsylvania and an M.B.A. with concentrations in finance and international business from Rutgers University.

Professional Qualifications & Memberships

- North Carolina Utility Commission Qualified Utility Valuation Expert
- Pennsylvania Public Utility Commission Registered Utility Valuation Expert
- Member of the Society of Utility and Regulatory Financial Analysts
- Member of the National Association of Certified Valuation Analysts

Areas of Specialization

- Utility Appraisals and Valuations
- Regulation and Rates
- Rate of Return
- Regulatory Strategy

Recent Expert Testimony Submission/Appearance

- Pennsylvania Public Utility Commission - Valuation
- Regulatory Commission of Alaska – Capital Structure
- Federal Energy Regulatory Commission – Rate of Return
- Public Utility Commission of Texas – Return on Equity
- Hawaii Public Utilities Commission – Cost of Service / Rate Design

Recent Assignments

- Sponsored valuation testimony for a large municipal water company in front of an American Arbitration Association Board to justify the reasonability of their lease payments to the City
- Co-authored a valuation report on behalf of a large investor-owned utility company in response to a new state regulation which allowed the appraised value of acquired assets into rate base
- Provided expert testimony on the cost of capital for ratemaking purposes before numerous state utility regulatory agencies

Recent Articles and Speeches

- Co-Author of: "Decoupling, Risk Impacts and the Cost of Capital", co-authored with Richard A. Michelfelder, Ph.D., Rutgers University and Pauline M. Ahern. The Electricity Journal, March, 2020
- Co-Author of: "Decoupling Impact and Public Utility Conservation Investment", co-authored with Richard A. Michelfelder, Ph.D., Rutgers University and Pauline M. Ahern. Energy Policy Journal, 130 (2019), 311-319
- "Establishing Alternative Proxy Groups", before the Society of Utility and Regulatory Financial Analysts: 51st Financial Forum, April 4, 2019, New Orleans, LA
- "Past is Prologue: Future Test Year", Presentation before the National Association of Water Companies 2017 Southeast Water Infrastructure Summit, May 2, 2017, Savannah, GA.
- Co-author of: "Comparative Evaluation of the Predictive Risk Premium Model™, the Discounted Cash Flow Model and the Capital Asset Pricing Model", co-authored with Richard A. Michelfelder, Ph.D., Rutgers University, Pauline M. Ahern, and Frank J. Hanley, The Electricity Journal, May, 2013.

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Sponsor	Date	Assets Valued	Description
Confidential	02/2022	Electric Distribution System	Co-authored valuation report for Internal purposes
Confidential	10/2021	Water Operations	Co-authored valuation report for Internal purposes
Confidential	10/2021	Water & Wastewater Operations	Co-authored valuation report for Internal purposes
City of York, PA	06/2021	Wastewater Operations	Co-authored Valuation Report, which will be a part of an Act 12 Filing
Aqua New Jersey, Inc.	05/2021	Confidential Water and Wastewater Operations in NJ	Authored Valuation Report for internal purposes
Aqua New Jersey, Inc.	05/2021	Confidential Water and Wastewater Operations in NJ	Authored Valuation Report for internal purposes
Aqua Ohio, Inc.	05/2021	Confidential Water Operations in OH	Authored Valuation Report for internal purposes
Aqua Pennsylvania, Inc.	04/2021	Confidential Wastewater Operations in PA	Authored Valuation Report for internal purposes
Aqua New Jersey, Inc.	04/2021	Confidential Wastewater Operations in NJ	Authored Valuation Report for internal purposes
Aqua Pennsylvania, Inc.	02/2021	Confidential Wastewater Operations in PA	Authored Valuation Report for internal purposes
Artesian Water Company, Inc.	01/2021	Wastewater Operations for Delaware City, DE	Authored valuation report for internal purposes
EPCOR Distribution and Transmission, Inc., Alberta Canada	12/2020	Fiber Optic Cable Assets	Fiber optic cable available for lease for Internal purposes
EPCOR Distribution and Transmission, Inc., Alberta Canada	12/2020	Duct Bank Assets	Duct banks available for lease for Internal purposes
Borough of Lewistown, PA	08/2020	Water Operations	Authored valuation report for internal purposes
Artesian Water Company, Inc.	06/2020	Wastewater Operations for Town of Frankford, DE	Authored valuation report for internal purposes
Foster Township, PA	04/2020	Water Operations	Authored valuation report for internal purposes
City of Erie, PA	04/2020	Water Operations	Authored valuation report for internal purposes
Delaware County Regional Water Quality Control Authority	02/2020	Wastewater Operations	Authored Valuation Report, which is part of an Act 12 Filing
Aqua North Carolina, Inc.	02/2020	Confidential Water Operations in NC	Authored Valuation Report for internal purposes
Aqua New Jersey, Inc.	02/2020	Confidential Water Operations in NJ	Authored Valuation Report for internal purposes
Aqua Ohio, Inc.	11/2019	Confidential Wastewater Operations in OH	Authored Valuation Report for internal purposes
Steelton Water Authority	06/2018	Water Operations	Authored Valuation Report, which is part of an Act 12 Filing
Sara Golvinveaux McGinnes Trust	04/2018	Electric Operations of Block Island Power Company	Authored Valuation Report for Superior Court Trial
Mahoning Township, PA	09/2017	Water and Sewer Assets	Authored Valuation Report, which is part of an Act 12 Filing
Atmos Energy Corporation	09/2016	Intrastate Natural Gas Pipeline	Authored Valuation for internal purposes.

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Sponsor	Date	Assets Valued	Description
Springfield Township, PA	08/2014	Water and Sewer Assets	Co-Authored Valuation Report, which was part of House Bill 1379 Filing (similar to PA Act 12)
Aqua Illinois, Inc.	07/2014	Village of Glenview, IL (North Maine Utilities) Sewer Assets	Co-Authored Valuation report for internal purposes
Erie City Water Authority, Erie, PA	12/2013	Water Assets	Sponsored Valuation Testimony in Arbitration Hearing
City of Allentown, PA	12/2012	Water and Sewer Assets	Assisted in the generation of Valuation Report

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Summary

Matthew is an experienced consultant and a Certified Rate of Return Analyst (CRRA). He has authored and co-authored valuation reports on several occasions and provided primary support on multiple occasions. In addition, he has extensive experience working across a variety of regulatory matters, having supported over 100 proceedings and filings. Mr. Howard earned a B.A. in psychology from the University of Colorado and an M.B.A. with honors, concentrating in finance, from Babson College. Mr. Howard also has experience managing funds for Babson College's endowment and conducting investment research at an investment advisory during a summer internship.

Areas of Specialization

- Return on Equity
- Valuation
- Capital structure
- Rates and regulation
- Business risk assessment
- Capital market assessment
- Financial modeling

Recent Assignments

- Maintains the benchmark index against which the Hennessy Gas Utility Mutual Fund performance is measured
- Co-authored valuation report on behalf of investor-owned utility for internal planning purposes
- Provides ongoing primary support across various Return on Equity proceedings

Sponsor	Date	Assets Valued	Description
CSWR-Texas Utility Operating Company, LLC	04/2022	North Orange Water & Sewer, LLC	Authored Valuation Report for Sale, Transfer, or Merger Filing in Texas.
Confidential	02/2022	Electric Distribution System	Co-authored valuation report for Internal purposes
Confidential	10/2021	Water Operations	Co-authored valuation report for Internal purposes
Confidential	10/2021	Water & Wastewater Operations	Co-authored valuation report for Internal purposes
City of York, PA	06/2021	Wastewater Operations	Co-authored Valuation Report, which will be a part of an Act 12 Filing
Aqua New Jersey, Inc.	05/2021	Confidential Water and Wastewater Operations in NJ	Co-authored Valuation Report for internal purposes
Aqua New Jersey, Inc.	05/2021	Confidential Water and Wastewater Operations in NJ	Co-authored Valuation Report for internal purposes
Aqua Ohio, Inc.	05/2021	Confidential Water Operations in OH	Co-authored Valuation Report for internal purposes
Aqua Pennsylvania, Inc.	04/2021	Confidential Wastewater Operations in PA	Co-authored Valuation Report for internal purposes
Aqua New Jersey, Inc.	04/2021	Confidential Wastewater Operations in NJ	Supported Valuation Report for internal purposes
Aqua Pennsylvania, Inc.	02/2021	Confidential Wastewater Operations in PA	Supported Valuation Report for internal purposes

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Sponsor	Date	Assets Valued	Description
Artesian Water Company, Inc.	01/2021	Wastewater Operations for Delaware City, DE	Co-authored valuation report for internal purposes
EPCOR Distribution and Transmission, Inc., Alberta Canada	12/2020	Fiber Optic Cable Assets	Co-authored valuation report for Internal purposes
EPCOR Distribution and Transmission, Inc., Alberta Canada	12/2020	Duct Bank Assets	Co-authored valuation report for Internal purposes
Borough of Lewistown, PA	08/2020	Water Operations	Supported valuation report for internal purposes
Artesian Water Company, Inc.	06/2020	Wastewater Operations for Town of Frankford, DE	Co-authored valuation report for internal purposes
Foster Township, PA	04/2020	Water Operations	Supported valuation report for internal purposes
Delaware County Regional Water Quality Control Authority	02/2020	Wastewater Operations	Supported Valuation Report, which will be a part of an Act 12 Filing
Aqua North Carolina, Inc.	02/2020	Confidential Water Operations in NC	Supported Valuation Report for internal purposes
Aqua New Jersey, Inc.	02/2020	Confidential Water Operations in NJ	Supported Valuation Report for internal purposes
Steelton Water Authority	06/2018	Water Operations	Supported Valuation Report, which will be a part of an Act 12 Filing

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Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
11/30/2021	4Q21

PAID
01/11/2022

Bill To
Big Beaver Borough Sewer Fund 114 Forest Drive Darlington, PA 16115

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
1/14/2022	NET 45

Quantity	Description	Rate	Amount
1,573	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/SEPTEMBER	4.28	6,732.44
2,074	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/OCTOBER	4.28	8,876.72
663	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NOVEMBER	4.28	2,837.64

Please make check payable to Joint Sewer Users

Total $18,446.80

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
8/31/2021	3Q21

PAID
09/29/2021

Bill To
Big Beaver Borough Sewer Fund 114 Forest Drive Darlington, PA 16115

Phone #	Fax #
724-843-7184	724-843-6757

Due Date	Terms
10/15/2021	NET 45

Quantity	Description	Rate	Amount
1,737	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JUNE	4.28	7,434.36
2,025	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JULY	4.28	8,667.00
675	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/AUGUST	4.28	2,889.00
		Total	$18,990.36

Please make check payable to Joint Sewer Users

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
5/31/2021	2Q21

PAID
06/21/2021

Bill To
Big Beaver Borough Sewer Fund 114 Forest Drive Darlington, PA 16115

Phone #	Fax #
724-843-7180	724-843-0787

Due Date	Terms
7/15/2021	NET 45

Quantity	Description	Rate	Amount
1,851	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MARCH	4.28	7,922.28
1,829	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/APRIL	4.28	7,828.12
904	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAY	4.28	3,869.12

Please make check payable to Joint Sewer Users

Total $19,619.52

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
2/28/2021	1Q21

PAID
03/22/2021

Bill To
Big Beaver Borough Sewer Fund 114 Forest Drive Darlington PA 16115

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
4/14/2021	NET 45

Quantity	Description	Rate	Amount
1,383	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/DECEMBER	4.16	5,753.28
2,778	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JANUARY	4.28	11,889.84
721	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/FEBRUARY	4.28	3,085.88
		Total	$20,729.00

Please make check payable to Joint Sewer Users

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
12/31/2021	DEC21

PAID
03/01/2022

Bill To
Dalton's Service Co 1230 Mercer Rd Ellwood City, PA 16117

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
1/30/2022	Net 30

Quantity	Description	Rate	Amount
508.8	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	2,177.66
15	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/QUALITY LIQUID FEED-WASTEWATER	4.28	64.20
2	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/CB MINING-WASTEWATER	4.28	8.56
4.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE-WASTEWATER	4.28	19.26
50.2	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN-LEACHATE	4.28	214.86
43.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	186.18
33.031	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NALCO-WASTEWATER	4.28	141.37
711.2	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL-LEACHATE	4.28	3,043.01

Please make check payable to Joint Sewer Users

Total $5,856.03

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
11/30/2021	NOV21

PAID
03/01/2022

Bill To
Dalton's Service Co 1230 Mercer Rd Ellwood City, PA 16117

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
12/30/2021	Net 30

Quantity	Description	Rate	Amount
515.1	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	2,204.63
12.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/CB MINING-WASTEWATER	4.28	53.50
2.2	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE-WASTEWATER	4.28	9.42
15	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN TRANSFER-LEACHATE	4.28	64.20
23.6	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN-LEACHATE	4.28	101.01
7.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/QUALITY LIQUID FEED-WASTEWATER	4.28	32.10
24	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	102.72
557.4	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL-LEACHATE	4.28	2,385.67

Please make check payable to Joint Sewer Users

Total $4,953.25

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
10/31/2021	OCT21

PAID
03/01/2022

Bill To
Dalton's Service Co 1230 Mercer Rd Ellwood City, PA 16117

Phone #	Fax #
724-848-7181	724-843-6787

Due Date	Terms
11/30/2021	Net 30

Quantity	Description	Rate	Amount
715.4	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	3,061.91
5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/CB MINING-WASTEWATER	4.28	21.40
2.7	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE-WASTEWATER	4.28	11.56
21	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN-LEACHATE	4.28	89.88
32.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	39.10
21	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/QUALITY LIQUID FEED-WASTEWATER	4.28	89.88
582.9	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL-LEACHATE	4.28	2,494.81

Please make check payable to Joint Sewer Users

Total $5,908.54

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
9/30/2021	SEPT21

PAID
10/27/2021

Bill To
Dalton s Service Co 1230 Mercer Rd Ellwood City, PA 16117

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
10/30/2021	Net 30

Quantity	Description	Rate	Amount
602.3	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	2,577.84
6.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/CB MINING-WASTEWATER	4.28	27.82
2.2	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE-WASTEWATER	4.28	9.42
17.4	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN-LEACHATE	4.28	74.47
9	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN TRANSFER-LEACHATE	4.28	38.52
48	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	205.44
12	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/QUALITY LIQUID FEED-WASTEWATER	4.28	51.36
706.6	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL-LEACHATE	4.28	3,023.83

Please make check payable to Joint Sewer Users

Total $6,008.69

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
8/31/2021	AUG21

PAID
10/07/2021

Bill To
Dalton's Service Co 1230 Mercer Rd Ellwood City, PA 16117

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
9/30/2021	Net 30

Quantity	Description	Rate	Amount
550.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	2,784.14
2.2	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/CB MINING-WASTEWATER	4.28	9.42
3.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE- WASTEWATER	4.28	14.98
41.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN-LEACHATE	4.28	177.62
42.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	181.90
687.6	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL-LEACHATE	4.28	2,942.93

Please make check payable to Joint Sewer Users

Total $6,110.99

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
7/31/2021	JULY21

PAID
10/07/2021

Bill To
Dalton's Service Co 1230 Mercer Rd Ellwood City, PA 16117

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
8/30/2021	Net 30

Quantity	Description	Rate	Amount
646.56	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	2,775.79
5.7	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE-WASTEWATER	4.28	24.40
25.7	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN-LEACHATE	4.28	110.00
7.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN TRANSFER STATION-LEACHATE	4.28	32.10
26	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	111.28
22.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/QUALITY LIQUID FEED-WASTEWATER	4.28	96.30
24.704	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NALCO-WASTEWATER	4.28	105.73
572.2	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL-LEACHATE	4.28	2,449.02

Please make check payable to Joint Sewer Users

Total $6,704.62

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
6/30/2021	JUNE21

PAID
10/07/2021

Bill To
Dalton's Service Co 1220 Mercer Rd Ellwood City, PA 16117

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
7/30/2021	Net 30

Quantity	Description	Rate	Amount
610.8	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	2,613.22
3	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/CB MINING-WASTEWATER	4.28	12.84
10.2	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE-WASTEWATER	4.28	43.66
51.6	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN-LEACHATE	4.28	220.85
51	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	218.28
6.287	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NALCO-WASTEWATER	4.28	26.91
698	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL-LEACHATE	4.28	2,987.44

Please make check payable to Joint Sewer Users

Total $6,124.20

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
5/31/2021	MAY21

PAID
07/12/2021

Bill To
Dalton's Service Co 1230 Mercer Rd Ellwood City, PA 16117

Phone #	Fax #
724-843-7184	724-843-6737

Due Date	Terms
6/30/2021	Net 30

Quantity	Description	Rate	Amount
715.3	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	3,061.48
7.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/6K ADDITIVES-WASTEWATER	4.28	32.10
19.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/CB MINING-WASTEWATER	4.28	83.46
7.4	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE-WASTEWATER	4.28	31.67
19.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN TRANSFER-WASTEWATER	4.28	83.46
46	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELK RUN-LEACHATE	4.28	196.88
1.2	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MINOTTE-WASTEWATER	4.28	5.14
26	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	111.28
39.777	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NALCO-WASTEWATER	4.28	170.25
913.1	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL LEACHATE	4.28	3,908.07

Please make check payable to Joint Sewer Users

Total $7,683.79

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
4/30/2021	APR21

PAID
07/12/2021

Bill To
Dalton's Service Co 1230 Mercer Rd Ellwood City, PA 16117

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
5/30/2021	Net 30

Quantity	Description	Rate	Amount
701.7	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	3,003.28
2.7	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE-WASTEWATER	4.28	11.56
54.2	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/EI KRUN-LEACHATE	4.28	231.98
1.4	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MINOTTE-WASTEWATER	4.28	5.99
4.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN TRANSFER STATION-LEACHATE	4.28	19.26
38	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	162.64
645.7	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL-LEACHATE	4.28	2,763.60

Please make check payable to Joint Sewer Users

Total $8,198.31

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
3/31/2021	MAR21

PAID
04/20/2021

Bill To
Dalton's Service Co 1230 Mercer Rd Ellwood City, PA 16117

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
4/30/2021	Net 30

Quantity	Description	Rate	Amount
736.005	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	3,150.30
2.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE-WASTEWATER	4.28	10.70
53.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN-LEACHATE	4.28	228.98
45.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	194.74
22.694	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NALCO-WASTEWATER	4.28	97.13
794.8	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL LEACHATE	4.28	3,401.74

Please make check payable to Join: Sewer Users

Total $7,083.65

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
2/28/2021	FEB21

PAID
04/07/2021

Bill To
Dalton's Service Co 1230 Mercer Rd Ellwood City PA 16117

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
3/30/2021	Net 30

Quantity	Description	Rate	Amount
859.4	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.28	3,678.33
4.1	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE WASTEWATER	4.28	17.55
47.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/ELKRUN-LEACHATE	4.28	203.30
17.809	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NALCO-WASTEWATER	4.28	76.22
58.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.28	250.38
765	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL LEACHATE	4.28	3,274.20

Please make check payable to Joint Sewer Users

Total $7,499.88

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
1/31/2021	JAN21

PAID
03/02/2021

Bill To
Dalton's Service Co 1230 Mercer Rd Ellwood City PA 16117

Phone #	Fax #
724-843-7181	724-843 6787

Due Date	Terms
3/2/2021	Net 30

Quantity	Description	Rate	Amount
751.3	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MUNICIPAL-WASTEWATER	4.16	3,125.41
3	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/CB MINING-WASTEWATER	4.16	12.48
3	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/PTC ALLIANCE-WASTEWATER	4.16	12.48
62.4	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/EI KRUN-LEACHATE	4.16	259.58
24.276	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NALCO-WASTEWATER	4.16	100.99
45.5	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/HONEYWELL-WASTEWATER	4.16	189.28
1,068	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAHONING LANDFILL-LEACHATE	4.16	4,442.88

Please make check payable to Joint Sewer Users

Total $8,143.10

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
11/30/2021	4Q21

PAID
01/12/2022

Bill To
Diane Izzo, Boro Secretary Eastvale Borough 510 2nd Ave Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
1/14/2022	NET 45

Quantity	Description	Rate	Amount
6	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/SEPTEMBER	4.28	25.68
10	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/OCTOBER	4.28	42.80
787	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NOVEMBER	4.28	3,368.36

Please make check payable to Joint Sewer Users

Total $3,436.84

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
8/31/2021	3Q21

PAID
10/05/2021

Bill To
Diane Izzo, Boro Secretary Eastvale Borough 510 2nd Ave Beaver Falls PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
10/15/2021	NET 45

Quantity	Description	Rate	Amount
0	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JUNE	4.28	0.00
0	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JULY	4.28	0.00
884	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/AUGUST	4.28	3,783.52

Please make check payable to Joint Sewer Users

Total $3,783.52

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
5/31/2021	2Q21

PAID
07/21/2021

Bill To

Diane Izzo, Boro Secretary
Eastvale Borough
510 2nd Ave
Beaver Falls PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
7/15/2021	NET 45

Quantity	Description	Rate	Amount
0	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MARCH	4.28	0.00
0	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/APRIL	4.28	0.00
807	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAY	4.28	3,453.96

Please make check payable to Joint Sewer Users

Total $3,453.96

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
2/28/2021	1Q2[illegible]

PAID
04/19/2021

Bill To
Diane Izzo, Boro Secretary Eastvale Borough 510 2nd Ave Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6987

Due Date	Terms
4/14/2021	NET 45

Quantity	Description	Rate	Amount
9	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/DECEMBER	4.16	37.44
0	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JANUARY	4.28	0.00
859	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/FEBRUARY	4.28	3,676.52

Please make check payable to Joint Sewer Users

Total $3,713.96

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
12/31/2021	DEC21

PAID
01/27/2022

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
1/30/2022	Net 30

Quantity	Description	Rate	Amount
2,603	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	11,140.84

Please make check payable to Joint Sewer Users

Total $11,140.84

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
11/30/2021	NOV21

PAID
01/03/2022

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
12/30/2021	Net 30

Quantity	Description	Rate	Amount
3,417	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	14,624.76

Please make check payable to Joint Sewer Users

Total $14,624.76

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
10/31/2021	OCT21

PAID
01/03/2022

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
11/30/2021	Net 30

Quantity	Description	Rate	Amount
2,775	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	11,877.00

Please make check payable to Joint Sewer Users

Total $11,877.00

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
9/30/2021	SEPT21

PAID
11/02/2021

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
10/30/2021	Net 30

Quantity	Description	Rate	Amount
3,438	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	14,714.64

Please make check payable to Joint Sewer Users

Total $14,714.64

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
8/31/2021	AUG21

PAID
10/04/2021

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-0787

Due Date	Terms
9/30/2021	Net 30

Quantity	Description	Rate	Amount
3,644	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	15,596.32

Please make check payable to Joint Sewer Users

Total $15,596.32

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
7/31/2021	JULY21

PAID
08/24/2021

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
8/30/2021	Net 30

Quantity	Description	Rate	Amount
3,315	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	14,188.20

Please make check payable to Joint Sewer Users

Total $14,188.20

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
6/30/2021	JUNE21

PAID
07/27/2021

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
7/30/2021	Net 30

Quantity	Description	Rate	Amount
4,075	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	17,441.00

Please make check payable to Joint Sewer Users

Total $17,441.00

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
5/31/2021	MAY21

PAID
06/17/2021

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
6/30/2021	Net 30

Quantity	Description	Rate	Amount
3,001	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	12,844.28

Please make check payable to Joint Sewer Users

Total $12,844.28

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
4/30/2021	APR21

PAID
06/01/2021

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
5/30/2021	Net 30

Quantity	Description	Rate	Amount
3,012	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	12,891.36

Please make check payable to Joint Sewer Users

Total $12,891.36

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
3/31/2021	MAR21

PAID
04/19/2021

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
4/30/2021	Net 30

Quantity	Description	Rate	Amount
2,803	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	11,996.84

Please make check payable to Joint Sewer Users

Total $11,996.84

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
2/28/2021	FEB21

PAID
03/10/2021

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
3/30/2021	Net 30

Quantity	Description	Rate	Amount
3,221	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	13,785.88

Please make check payable to Joint Sewer Users

Total $13,785.88

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
1/31/2021	JAN21

PAID
03/08/2021

Bill To
North Sewickley Twp Sewer Authority 893 Mercer Rd Beaver Falls PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
3/2/2021	Net 30

Quantity	Description	Rate	Amount
3,078	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE	4.28	13,173.84

Please make check payable to Joint Sewer Users

Total $13,173.84

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
11/30/2021	4Q21

PAID
01/27/2022

Bill To
Borough Secretary Borough of Patterson Heights 600 7th Avenue Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
1/14/2022	NET 45

Quantity	Description	Rate	Amount
12	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/SEPTEMBER	4.28	51.36
2,886	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/OCTOBER	4.28	12,352.08
11	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NOVEMBER	4.28	47.08

Please make check payable to Joint Sewer Users

Total $12,450.52

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
8/31/2021	3Q21

PAID
09/21/2021

Bill To
Borough Secretary Borough of Patterson Heights 600 7th Avenue Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
10/15/2021	NET 45

Quantity	Description	Rate	Amount
7	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JUNE	4.28	29.96
2,627	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JULY	4.28	11,243.56
9	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/AUGUST	4.28	38.52

Please make check payable to Joint Sewer Users

Total $11,312.04

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
5/31/2021	2Q21

PAID
06/29/2021

Bill To
Borough Secretary Borough of Patterson Heights 600 7th Avenue Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
7/15/2021	NET 45

Quantity	Description	Rate	Amount
13	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MARCH	4.28	55.64
2,528	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/APRIL	4.28	10,819.84
9	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAY	4.28	38.52

Please make check payable to Joint Sewer Users

Total $10,914.00

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
2/28/2021	1Q21

PAID
03/29/2021

Bill To
Borough Secretary Borough of Patterson Heights 600 7th Avenue Beaver Falls PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
4/14/2021	NET 45

Quantity	Description	Rate	Amount
4	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/DECEMBER	4.16	16.64
2,699	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JANUARY	4.28	11,551.72
6	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/FEBRUARY	4.28	25.68

Please make check payable to Joint Sewer Users

Total $11,594.04

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
11/30/2021	4Q21

PAID
01/12/2022

Bill To
Patterson Township 1600 19th Ave Beaver Falls PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
1/14/2022	NET 45

Quantity	Description	Rate	Amount
874	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/SEPTEMBER	4.28	3,740.72
13,054	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/OCTOBER	4.28	55,871.12
703	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NOVEMBER	4.28	3,008.84

Please make check payable to Joint Sewer Users

Total $62,620.68

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
8/31/2021	3Q21

PAID 10/21/2021

Bill To
Patterson Township 1600 19th Ave. Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
10/15/2021	NET 45

Quantity	Description	Rate	Amount
941	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JUNE	4.28	4,027.48
12,554	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JULY	4.28	53,731.12
755	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/AUGUST	4.28	3,231.40

Please make check payable to Joint Sewer Users

Total $60,990.00

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
5/31/2021	2Q21

PAID
06/17/2021

Bill To
Patterson Township 1600 19th Ave. Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
7/15/2021	NET 45

Quantity	Description	Rate	Amount
800	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MARCH	4.28	3,424.00
12,538	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/APRIL	4.28	53,663.64
835	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAY	4.28	3,573.80

Please make check payable to Joint Sewer Users

Total $60,660.44

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
2/28/2021	1Q21

PAID
03/22/2021

Bill To
Patterson Township 1600 19th Ave Beaver Falls PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
4/14/2021	NET 45

Quantity	Description	Rate	Amount
755	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/DECEMBER	4.33	3,268.60
12,848	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JANUARY	4.28	54,989.44
720	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/FEBRUARY	4.28	3,081.60

Please make check payable to Joint Sewer Users

Total $61,339.64

Invoice

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Date	Invoice #
11/30/2021	4Q21

PAID
01/12/2022

Bill To
Patricia Lansberry, Secty West Mayfield Borough 3700 W 9th St Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
1/14/2022	NET 45

Quantity	Description	Rate	Amount
650	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/SEPTEMBER	4.28	2,782.00
6,107	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/OCTOBER	4.28	26,137.96
753	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NOVEMBER	4.28	3,222.84

Please make check payable to Joint Sewer Users

Total $32,142.80

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
8/31/2021	3Q21

PAID 09/21/2021

Bill To
Patricia Lansberry, Secty West Mayfield Borough 3700 W 9th St. Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
10/15/2021	NET 45

Quantity	Description	Rate	Amount
358	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JUNE	4.28	1,523.68
5,284	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JULY	4.28	22,529.92
632	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/AUGUST	4.28	2,704.96

Please make check payable to Joint Sewer Users

Total $26,758.56

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
5/31/2021	2Q21

PAID
06/14/2021

Bill To
Patricia Lansberry Secty West Mayfield Borough 3700 W 9th St. Beaver Falls, PA 15010

Phone #	Fax #
724-843-7181	724-843-6787

Due Date	Terms
7/15/2021	NET 45

Quantity	Description	Rate	Amount
680	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MARCH	4.28	2,910.40
5,659	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/APRIL	4.28	24,220.52
490	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAY	4.28	2,097.20

Please make check payable to Joint Sewer Users

Total $29,228.12

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
2/28/2021	1Q21

PAID
03/15/2021

Bill To
Patricia Lansberry, Secty West Mayfield Borough 3700 W 9th St. Beaver Falls PA 15010

Phone #	Fax #
724-843-7184	724-843-6287

Due Date	Terms
4/14/2021	NET 45

Quantity	Description	Rate	Amount
369	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/DECEMBER	4.16	1,535.04
4,854	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JANUARY	4.28	20,775.12
631	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/FEBRUARY	4.28	2,700.68

Please make check payable to Joint Sewer Users

Total $25,010.84

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
11/30/2021	4Q21

PAID
01/12/2022

Bill To
White Township 2511 13th Ave Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
1/14/2022	NET 45

Quantity	Description	Rate	Amount
749	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/SEPTEMBER	4.28	3,205.72
4,351	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/OCTOBER	4.28	18,622.28
719	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/NOVEMBER	4.28	3,077.32

Please make check payable to Joint Sewer Users

Total $24,905.32

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
8/31/2021	3Q21

PAID
10/18/2021

Bill To
White Township 2511 13th Ave Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
10/15/2021	NET 45

Quantity	Description	Rate	Amount
696	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JUNE	4.28	2,978.88
4,317	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JULY	4.28	18,476.76
622	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/AUGUST	4.28	2,662.16

Please make check payable to Joint Sewer Users

Total $24,117.80

City of Beaver Falls

Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
5/31/2021	2Q21

PAID
07/14/2021

Bill To
White Township 2511 13th Ave Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
7/15/2021	NET 45

Quantity	Description	Rate	Amount
730	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MARCH	4.28	3,124.40
4,323	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/APRIL	4.28	18,502.44
685	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/MAY	4.28	2,931.80

Please make check payable to Joint Sewer Users

Total $24,558.64

City of Beaver Falls
Water Pollution Control Plant
715 15th St
Beaver Falls, PA 15010

Invoice

Date	Invoice #
2/28/2021	1Q21

PAID
04/19/2021

Bill To
White Township 2511 13th Ave Beaver Falls, PA 15010

Phone #	Fax #
724-843-7184	724-843-6787

Due Date	Terms
4/14/2021	NET 45

Quantity	Description	Rate	Amount
622	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/DECEMBER	4.16	2,587.52
4,317	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/JANUARY	4.28	18,476.76
712	SEWAGE CHARGE PER THOUSAND GALLONS OF WATER USAGE/FEBRUARY	4.28	3,047.36

Please make check payable to Joint Sewer Users

Total $24,111.64

City of Beaver Falls

Beaver County, Pennsylvania

ENGINEERS ASSESSMENT of WASTEWATER SYSTEM ASSETS

DRAFT #1 - November 24, 2021

DRAFT #2 – February 1, 2022

FINAL – June 9, 2022

GANNETT FLEMING

Pittsburgh, Pennsylvania

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Appendix A – Original Cost of Inventory/Assets

Appendix B – City of Beaver Falls Sewer Maps

1.0 Executive Summary

The City of Beaver Falls authorized Gannett Fleming, Inc. on November 5, 2021 to prepare an Act 12 Engineers Assessment Study for sale of its Wastewater System Assets to Aqua, PA. Pennsylvania Act 12 of 2016, amended Chapter 13 of the Pennsylvania Public Utility Code and the Final Implementation Order entered by the Public Utility Commission at Docket No. M-2016-2543193 (collectively, "Act 12") by adding section §1329 Valuation of acquired water and wastewater systems.

The Beaver Falls Wastewater System began initial installation in 1936-1938. The system components covered by this Study consists of gravity separate sanitary sewers and appurtenances within the City of Beaver Falls, one (1) sewage pump station in nearby Eastvale Borough, a sewage force main riding the SR0588 bridge over the Beaver River from Eastvale Borough to Beaver Falls, one (1) wastewater treatment plant (WWTP) and various plant equipment used to operate the WWTP.

An inventory of assets and a determination of original cost of installation as of 2021 is included in Appendix A. The Grand Total Original Cost, as shown on the summary of assets in Appendix A organized by the National Association of Regulatory Utility Commissioners System of Accounts for water and wastewater systems (NARUC account number) = $12,898,487.

A map of the City of Beaver Falls sewers and service area is contained in Appendix B. Photos are contained in the Report Section 5 – Condition Assessment.

2.0 List of Facilities:

Based on available records of construction and input from City staff, the following is a list of wastewater facilities:

2.1 Sanitary Sewers (See Appendix B):

- Total of 190,442 (36.1 miles) LF of PVC, VCP and CIP-Lined VCP ranging in size from 8-Inch to 24-inch diameter.
- Total of approximately 60,318 LF of service laterals from 3,351 connections.
- Total of 536 brick and 138 concrete manholes.
- Total of approximately 1,400 LF of 8-inch DIP force main connecting the Eastvale Pump Station to the City sewers.
- Total of six meter stations located at the City's boundary with adjacent municipalities along the western edge.

2.2 Eastvale Pump Station:

- Gorman-Rupp wet well mounted suction lift pumps installed over a new wet well connected to the original wet well/pump chamber.
- Prefabricated enclosure and packaged controls.
- Onsite emergency power generator (natural gas fueled).

2.3 Wastewater Treatment Plant:

- WWTP rated at 4.7 MGD Average Daily Flow (ADF) with primary settling tanks (3), biological contact oxidation towers (2), secondary settling tanks (5), chlorine disinfection tanks (2), anaerobic sludge digesters (2), belt filter press (1), grit separator (1), grease separator (1), various piping, pumps, blowers and controls. Dewatered sludge and process residuals are disposed at a regional landfill.
- Onsite emergency power generator (diesel fuel).
- Operating under NPDES Permit No. PA0026883, effective November 1, 2018 and expires October 31, 2023.

- Constructed under PADEP Part II Sewage Permit No. 0472402 as amended from time to time.

3.0 List of Projects:

Based on available records of construction and input from City staff, the following is a list of projects completed by the City:

3.1 Sanitary Sewers (See Appendix B):

- 1936-1938 Original VCP gravity sewers and brick manholes installed within the City of Beaver Falls. Sewers ranged in size from 8-inch to 15-inch diameter. Original sewer remaining in service include: 145,990 LF of 8-inch VCP; 4,000 LF of 10-inch VCP; 1,400 LF of 12-inch VCP; 4,200 LF of 15-inchVCP; and 5,100 LF of 8-inch Cured in Place (CIP) Lined VCP.
- 1990 Installed 1,800 LF of 8-inch PVC, 1,700 LF of 15-inch PVC and concrete manholes. The majority of this sewer replaced original sewers. The section from MH 60C to MH 245 eliminated a small pump station.
- 1991 Installed 4,800 LF of 12-inch PVC and concrete manholes to serve West Mayfield Borough and a portion of White Township.
- 1993 Installed 370 LF of 8-inch and 960 LF of 12-inch PVC and concrete manholes to replace original sewers.
- 1996 Replaced and upsized the East Trunk Sewer with 7,700 LF of 18-inch PVC, 11,607 LF of 24-inch PVC and concrete manholes.
- 1998 Replaced 815 LF of 8-inch VCP with 8-inch PVC and installed Cured-in-Place lining of 2,700 LF of 8-inch VCP sewer to rehabilitate and replace original sewers.
- 2008 Cured-in-Place lined 2,100 LF of 8-inch VCP sewer to rehabilitate original sewers.
- 2011 Cured-in-Place lined 300 LF of 8-inch VCP sewer to rehabilitate original sewers.

3.2 Eastvale Pump Station:

- 2006 Replacement of the original pump station along with a new force main riding the SR0588 bridge over the Beaver River.

3.3 Wastewater Treatment Plant:

- 1936-1938 Original plant consisting of Settling Tanks, Sludge Drying Beds and Anaerobic Digesters/Gas Control Building. Only the Anaerobic Digesters/Gas Control Building and a small portion of the Sludge Drying Beds from the original plant remain in service today.
- 1964 First major plant upgrade/expansion consisting of demolition of the original settling tanks and construction of the "Primary Treatment Plant" with installation of the Main Equipment Building, the Primary Settling Tanks 1-2-3 and the Outfall. All of these facilities remain in service today.
- 1974 Second major plant upgrade/expansion consisting of the construction of the "Secondary Treatment Plant" with installation of the Secondary Pump Station, Oxidation Tower #1, Final Settling Tanks 1-2, Chlorine Contact Tank, new Outfall connecting to the original outfall and the Garage (now known as the tool shop). All of these facilities remain in service today.
- 1996 Third major plant upgrade consisting of the expansion of the Secondary Plant with the installation of the Oxidation Tower #2, the Final Settling Tanks 3-4-5, the Grit Wash and Grease Separator Building, the Aerated Sludge Holding Tank, the Thickened Sludge Storage Tank, the Split Faced Block Garage/Belt Filter Press Building and upgrades to the Secondary Pump Station. All of these facilities remain in service today.
- 2010 Expansion of the Secondary Pump Station Wet Well. This facility remains in service today.
- 2010 Installed the three-bay Equipment Storage Building with Office. This facility remains in service today.

3.4 Future Plant:

- To our knowledge, there is no plant held for future use.

4.0 Cost Methodology

The Engineer met with representatives of the City of Beaver Falls, toured the WWTP and Eastvale Pump Station and retrieved various records of assets.

A list of inventory/assets was developed of the used and useful utility plant assets (including land and land rights) and any utility plant held for future use that is part of the System Assets. The assets were assigned an account number that conforms to the National Association of Regulatory Utility Commissioners (NARUC) System of Accounts for water and wastewater systems. The List of Inventory/Assets for the City of Beaver Falls wastewater system is shown in Appendix A.

The tables in Appendix A are organized to support the order of the List of Assets summary. Each table includes the following:

- The NARUC Account Number, Asset Description and year installed.
- Quantity, unit and unit price (if applicable) of each asset.
- Original Cost: Values in this column were derived from a found record of the cost at the time of installation.
- Replacement Value Today: If there was not a record of the Original Cost , the Replacement Value Today was derived from Gannett Fleming's opinion of probable cost based on our records from relevant and similar projects. The Replacement Value Today was then trended back to the year of installation using the ENR Construction Cost Index to determine an approximate Original Cost.

5.0 Condition Assessment

The Engineer met with representatives of the City of Beaver Falls, toured the WWTP and Eastvale Pump Station and assessed the condition of the assets. Conditions are noted in the section titles.

5.1 Sanitary Sewers Condition Assessment

Based on our facility tour, review of available documents and discussions with the operations staff, we offer the following condition assessments:

5.1.1 Gravity Sewers – Good Condition

The City has diligently pursued routine maintenance, repair, renewal and replacement of the collection system since 1990 as documented in section 3.1. Operations staff reports minimal I&I coming from the City sewers. Plant staff tracks boundary meter flow data and assigns that to the tributary municipalities, then compares that data to the total plant and assigns the difference to the City. The following table summarizes the flow per EDU for the tributary municipalities and the City for several months in 2021.

2021	Dec-20	JAN	FEB	MAR	APR	MAY	JUN	JUL
RAIN INCHES	2.97	1.64	2.23	2.71	2.88	4.41	3.23	4.56
EVPS	5,292,000	5,035,000	4,648,000	5,341,000	4,191,000	5,875,000	3,887,000	4,279,000
METER 1	6,314,000	5,354,000	4,193,000	5,526,000	3,801,000	4,666,000	2,297,000	7,909,000
METER 2	5,391,000	5,665,000	4,991,000	6,132,000	4,931,000	5,764,000	3,801,000	4,456,000
METER 3	3,763,000	3,407,000	3,917,000	6,690,000	3,742,000	4,363,000	3,367,000	3,779,000
METER 4	2,967,000	2,404,000	2,317,000	2,847,000	2,457,000	2,446,000	1,029,000	1,502,000
METER 5	2,421,000	2,015,000	2,533,000	3,085,000	1,936,000	2,237,000	1,586,000	2,388,000
METER 6	4,987,000	4,236,000	3,312,000	5,013,000	4,200,000	6,747,000	3,541,000	3,525,000
Trib Total Flow =	31,135,003	28,116,002	25,911,002	34,634,003	25,258,003	32,098,004	19,508,003	27,838,005
Trib EDUs (60 gpcd) =	2,732	2,732	2,732	2,732	2,732	2,732	2,732	2,732
Days/Mo =	31	31	28	31	30	31	30	31
Trib GPD/EDU =	368	332	339	409	308	379	238	329
BBMA	1,693,000	1,472,000	1,382,000	1,849,000	1,391,000	1,955,000	1,243,000	1,176,000
DALTON	1,411,600	1,957,476	1,752,309	1,655,059	1,448,200	1,795,277	1,430,887	1,332,854
VAL. WASTE	15,953	12,485	15,953	15,953	13,178	11,791	15,953	13,178
TOTAL	34,255,556	31,557,963	29,061,264	38,154,015	28,110,381	35,860,072	22,197,843	30,360,037
PLANT FLOW	65,290,000	67,540,000	57,940,000	73,750,000	57,910,000	80,280,000	47,660,000	53,410,000
CITY OF B.F.	31,034,444	35,982,037	28,878,736	35,595,985	29,799,619	44,419,928	25,462,157	23,049,963
City EDUs (60 gpcd) =	3,553	3,553	3,553	3,553	3,553	3,553	3,553	3,553
Days/Mo =	31	31	28	31	30	31	30	31
City GPD/EDU =	282	327	290	323	280	403	239	209

5.1.2 Service Sewers – Fair Condition

Per City Ordinance 4044, the customer is responsible for maintenance from their structure to the curb line and the City is responsible for maintenance from the curb line to the main. The City has occasionally assisted customers with issues, such as backwater preventers to stop basement backups.

5.1.3 Manholes – Fair Condition

Of the 674 manholes in the City, approximately 80% are brick and 20% are concrete. Operations staff reports minimal I&I from manholes, which indicates they are intact and structurally sound.

5.1.4 Meter Stations – Good Condition

The City owns and maintains six (6) boundary meters along the western edge of the City collection system. These meters measure flows contributed by the tributary municipalities. The meters are routinely visited and serviced as needed.

5.1.5 Force Main – Good Condition

The City owns and maintains the 8-inch force main from the Eastvale Pump Station, which rides the SR0588 Bridge over the Beaver River and discharges to MH 91. The force main was installed in 2006. There are no known or reported issues with the operation or integrity of the force main.

FIGURE 5.1-1: EASTVALE PUMP STATION FORCE MAIN RIDING THE SR0588 BRIDGE

5.2 Eastvale Pump Station Condition Assessment

Based on our facility tour, review of available documents and discussions with the operations staff, we offer the following condition assessments:

5.2.1 Wet Well – Fair Condition

The Eastvale pump station was upgraded in 2006. The wet well is the original wet well from circa 1993, was determined to be suitable for the expected life of the facility and was not replaced.

5.2.2 Pumps and Controls – Good Condition

New wet well mounted, suction lift pumps were installed with the 2006 upgrade. The City routinely checks the pump station and services the pumps as necessary.

5.2.3 Enclosure – Good Condition

During the 2006 upgrade, a new enclosure was provided as part of the Gorman-Rupp prepackaged pump station. All electrical and HVAC components are functioning properly.

5.2.5 Emergency Power – Good Condition

The emergency generator is natural gas powered. The City performs routine preventative maintenance to keep the generator functioning reliably.

5.2.6 Facility Photos

FIGURE 5.2-1: EASTVALE PUMP STATION VICINITY AND SECURITY FENCING

FIGURE 5.2-2: EASTVALE PUMP STATION SITE

FIGURE 5.2-3: EASTVALE PUMP STATION SUCTION LIFT PUMPS

FIGURE 5.2-4: EASTVALE PUMP STATION PUMP CONTROLS

FIGURE 5.2-5: EASTVALE PUMP STATION NATURAL GAS POWERED EMERGENCY GENERATOR

5.3 Wastewater Treatment Plant Condition Assessment

Based on our facility tour, review of available documents and discussions with the operations staff, we offer the following condition assessments:

5.3.1 Headworks-Preliminary Treatment – Fair Condition

The Headworks facility was constructed with the 1964 upgrade. The screening equipment is original, has been maintained and is serving its intended function. The raw sewage / primary settling pumps and electrical were replaced with the 1996 upgrade.

FIGURE 5.3 - 1: HEADWORKS-PRELIMINARY TREATMENT BUILDING

FIGURE 5.3 - 2: MANUAL BAR SCREEN

FIGURE 5.3 - 3: MECHANICAL BAR SCREEN

FIGURE 5.3 - 4: RAW SEWAGE PUMPS

5.3.2 Process Pumps and Blowers – Good Condition

The secondary pumps and the process air blowers were replaced with the 1996 upgrade and remain in service today.

FIGURE 5.3 - 5: SECONDARY/PRIMARY EFFLUENT PUMPS

FIGURE 5.3 - 6: PROCESS BLOWERS

5.3.3 Primary Settling – Fair Condition

The primary settling tanks were installed with the 1964 upgrade and remain in service today. While there is some evidence of minor seepage along the tank walls, the tanks appear to be providing the intended treatment.

FIGURE 5.3 - 7: PRIMARY SETTLING TANKS-TOP VIEW

FIGURE 5.3 - 8: PRIMARY SETTLING TANKS-SIDE VIEW

5.3.4 Secondary Aeration / Oxidation Towers – Good Condition

Oxidation Tower #1 with the brick façade was installed as part of the 1974 upgrade/expansion when the secondary treatment train was added and remains in service today. Oxidation Tower #2 with the bolted steel tank was installed as part of the 1996 expansion and remains in service today.

FIGURE 5.3 - 9: OXIDATION TOWER-TOP VIEW

5.3.5 Secondary Settling Tanks – Good Condition

Secondary settling tanks 1 and 2 were installed as part of the 1974 upgrade/expansion when the secondary treatment train was added and remain in service today. Secondary settling tanks 3-4-5 were installed as part of the 1996 expansion and remain in service today.

FIGURE 5.3 - 10: SECONDARY SETTLING TANKS AND OXIDATION TOWERS

5.3.6 Chlorine Disinfection System and Tanks – Good Condition

The chlorine disinfection system, chlorinator and chlorine contact tanks were installed as part of the 1974 upgrade/expansion and remain in service today.

FIGURE 5.3 - 11: CHLORINE SCALES

FIGURE 5.3 - 12: CHLORINATOR

FIGURE 5.3 - 13: CHLORINE CONTACT TANKS-TOP VIEW

5.3.7 Aerated Sludge Thickener – Good Condition

The aerated sludge thickening tank was installed as part of the 1996 upgrade/expansion and remains in service today.

FIGURE 5.3 - 14: SLUDGE THICKENING TANK

5.3.8 Thickened Sludge Holding Tank– Good Condition

The thickened sludge holding tank was installed as part of the 1996 upgrade/expansion and remains in service today. The air scrubber system shown in Figure 5.3-15 remains in service today.

FIGURE 5.3 - 15: THICKENED SLUDGE TANK AND AIR SCRIBBER - TOP VIEW

5.3.9 Sludge Dewatering Building and Belt Filter Press – Good Condition

The sludge dewatering building and belt filter press used for sludge dewatering were installed as part of the 1996 upgrade/expansion and remain in service today.

FIGURE 5.3 - 16: SLUDGE DEWATERING BUILDING AND SLUDGE CAKE ROLLOFF BOX

FIGURE 5.3 - 17: BELT FILTER PRESS

FIGURE 5.3 - 18: BELT FILTER PRESS

5.3.10 Residuals Handling, Grit Separator, Oil/Grease Separator – Good Condition

The residuals handling building, grit separator and oil & grease separator equipment were installed as part of the 1996 upgrade/expansion and remain in service today.

FIGURE 5.3 - 19: RESIDUALS HANDLING BUILDING

FIGURE 5.3 - 20: GRIT SEPARATOR EQUIPMENT

FIGURE 5.3 - 21: OIL & GREASE SEPARATOR

5.3.11 Anaerobic Digestion – Poor to Fair Condition

The anaerobic digesters, control building and sludge drying beds (4) were installed as part of the original plant constructed in 1936-1938. The digesters and control building remain in service today. Two of the sludge drying beds were demolished in 2010 to make room for the three-bay garage. Two of the sludge drying beds remain but are not necessarily used as part of normal plant operations. Operators report that the beds are only used to store excessive grit received after a heavy rain fall. They then use their front loader to scoop a little bit out at a time and put it in the roll off dumpster. Operators report they do not routinely use the beds for anything else and are not sure if they can draw sludge from the digesters into the bed. New gas meters and heat exchanger were installed as part of the 1996 upgrade.

FIGURE 5.3 - 22: ANAEROBIC DIGESTER – TOP VIEW - FLOATING COVER

FIGURE 5.3 - 23: ANAEROBIC DIGESTER TANKS - SIDE VIEW

FIGURE 5.3 - 24: DIGESTER BUILDING

FIGURE 5.3 - 25: DIGESTER WASTE GAS BURNER

FIGURE 5.3 - 26: REMAINING SLUDGE DRYING BED

FIGURE 5.3 - 27: ANAEROBIC DIGESTER PIPING AND EQUIPMENT

FIGURE 5.3 - 28: ANAEROBIC DIGESTER WASTE GAS METER

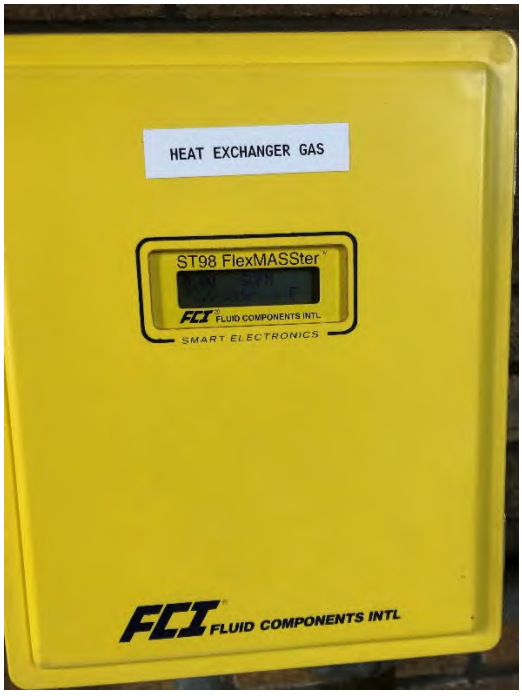


FIGURE 5.3 - 29: ANAEROBIC DIGESTER HEAT EXCHANGER GAS METER

5.3.12 Process and Inter-Unit Piping – Good Condition

Process piping was installed during the respective upgrades/expansions and remains in service. Likewise, inter-unit piping that runs between the facilities was installed during the respective upgrades/expansions and remains in service. Inter-unit piping is buried, could not be viewed so condition is assumed good based on discussions with operations staff.

FIGURE 5.3 - 30: SLUDGE TRANSFER PUMPS

FIGURE 5.3 - 31: PRIMARY TANK FEED PIPING

5.3.13 Laboratory Equipment – Good Condition

The onsite lab consist of commercial quality casework installed as part of the 1996 upgrade and is used primarily for process control.

FIGURE 5.3 - 32: LAB FUME HOOD

FIGURE 5.3 - 33: LAB CASEWORK AND FUME HOOD

5.3.14 Electrical & Instrumentation Facilities – Good Condition

Motor Control Centers, distribution panels, lighting panels, duct banks etc were installed as part of each plant upgrade/expansion to service buildings and equipment being installed with each project.

FIGURE 5.3 - 34: MOTOR CONTROL CENTERS

FIGURE 5.3 - 35: AUTOMATIC TRANSFER SWITCH

FIGURE 5.3 - 36: MOTOR CONTROL CENTER

FIGURE 5.3 - 37: EMERGENCY GENERATOR

FIGURE 5.3 - 38: PLANT FLOW METER

5.3.15 HVAC Facilities – Good Condition

Heating, ventilation and air conditioning systems are a combination of electric unit heaters, gas fired unit heaters, roof top AC units, portable AC units, window AC units and a combination heat/AC unit.

FIGURE 5.3 - 39: ELECTRIC UNIT HEATER-GRIT BUILDING

FIGURE 5.3 - 40: ELECTRIC UNIT HEATER OFFICE AREA

FIGURE 5.3 - 41: GAS FIRED UNIT HEATER GARAGE AREA

FIGURE 5.3 - 42: PORTABLE AC UNIT

FIGURE 5.3 - 43: ROOF TOP AC UNIT OFFICE AREA

FIGURE 5.3 - 44: COMBO HEAT-AC UNIT

5.3.16 Three Bay Garage – Good Condition

The three bay garage was installed in 2010 as a stand alone project. This building is used to store the various plant vehicle and equipment and includes a climate controlled office space for operations staff.

FIGURE 5.3 - 45: PEMB VEHICLE AND EQUIPMENT STORAGE BUILDING

FIGURE 5.3 - 46: OFFICE SPACE INSIDE THREE BAY GARAGE

FIGURE 5.3 - 47: WORK STATION IN THREE BAY GARAGE OFFICE SPACE

FIGURE 5.3 - 48: WORK STATION INSIDE GARAGE OFFICE SPACE

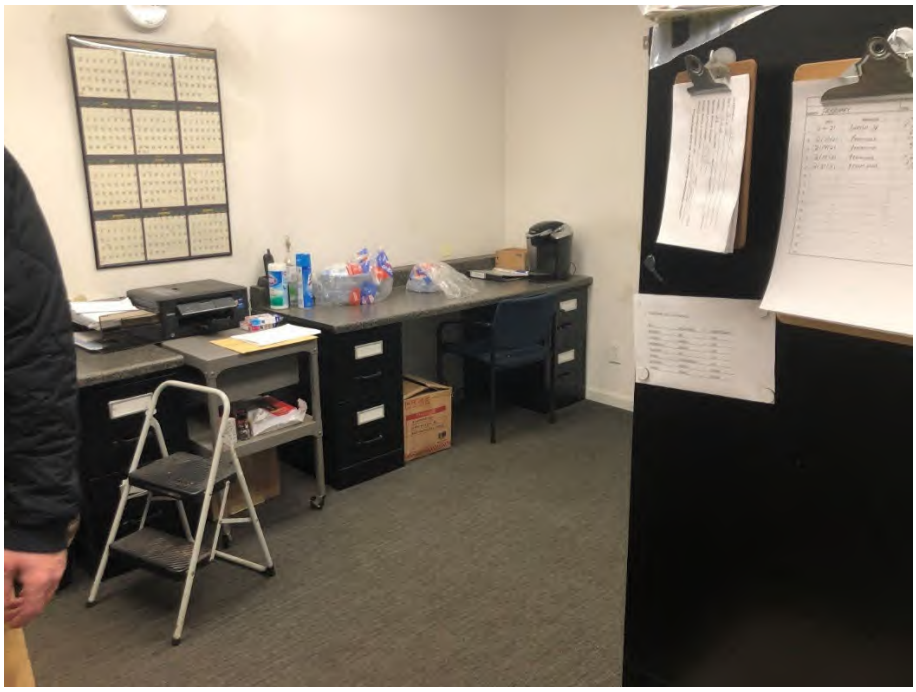


FIGURE 5.3 - 49: WORK STATION INSIDE GARAGE OFFICE SPACE

FIGURE 5.3 - 50: WORK STATION INSIDE GARAGE OFFICE SPACE

5.3.17 Maintenance Garage – Fair Condition

The maintenance garage was installed as part of the 1964 upgrade/expansion and is used to house various tools, welding equipment and machining equipment, all of which remain in service today.

FIGURE 5.3 - 51: MAINTENANCE GARAGE AND TOOL SHOP BUILDING

FIGURE 5.3 - 52: MAINTENANCE TOOLS

FIGURE 5.3 - 53: MAINTENANCE TOOLS

FIGURE 5.3 - 54: MAINTENANCE TOOLS

FIGURE 5.3 - 55: MAINTENANCE TOOLS

5.3.18 Vehicles and Garage Equipment – Good Condition

The following photos show equipment typically stored in the three-bay garage and available for use by the operations staff. This equipment is listed in Tables 8 and 10 of the List of Assets.

FIGURE 5.3 - 56: MOWERS AND BOBCAT SKID STEER

FIGURE 5.3 - 57: PORTABLE PUMP

FIGURE 5.3 - 58: BACKHOE

FIGURE 5.3 - 59: 1992 F350 1-TON DUMP

FIGURE 5.3 - 60: 2020 F250 4X4

FIGURE 5.3 - 61: 2014 F150 4X4

5.3.19 Miscellaneous Equipment and Tools

The following photos show equipment and tools stored in the three-bay garage and available for use by the operations staff. This equipment is listed in Table 10 of the List of Assets.

FIGURE 5.3 - 62: SHOP EQUIPMENT

FIGURE 5.3 - 63: SHOP EQUIPMENT AND TOOL CHEST

FIGURE 5.3 - 64: SHOP SUPPLIES

6.0 Engineering Support

The Engineer will respond to RFIs on this Study from the buyers and seller's UVE consultants as well as RFIs / questions from the PUC process reviews (BI&E, OCA, etc).

END OF REPORT

APPENDIX A

Original Cost of Inventory/Assets

City of Beaver Falls
Beaver, Pennsylvania

WASTEWATER SYSTEM
ORIGINAL COST OF INVENTORY/ASSETS

ORGANIZED BY ACCOUNT NUMBER

ACCOUNT	PROPERTY DESCRIPTION	REFERENCE TABLE	ORIGINAL COST	COMMENTS
353 - Land and Land Rights				
353.2	Land & ROW - Collection Sewers	4	$ 109.00	109 Easements at $1 each
353.3	Land & ROW - Pumping Station (Eastvale)	2	$ 1.00	1 Easement at $1 each
353.4	Land & ROW - Treatment Plant	1	$ 36,900.00	Several lots combined on same deeds
			$ 37,010.00	
354 - Structures and Improvements				
354.3	Structures & Imp. - Pumping Station (Eastvale)	2	$ 133,168.00	
354.4	Structures & Imp. - WWTP	1	$ 4,519,461.75	
			$ 4,652,629.75	
355 - Power Generation Equipment				
355.3	Power Gen. Equip. - Pumping Station	2	$ 4,972.78	
355.4	Power Gen. Equip. - WWTP	1	$ 87,502.00	
			$ 92,474.78	
360 - Collection Sewers - Force				
		3	**234,542.22**	
361 - Collection Sewers - Gravity				
		4	**$ 3,804,748.05**	
363 - Services to Customers				
		5	**$ 170,292.73**	
364 - Flow Measuring Devices				
		6	**$ 57,104.19**	
371 - Pumping Equipment				
371.3	Pumping Equip. - Pumping Station	2	$ 236,966.95	
371.4	Pumping Equip. - WWTP	1	$ 350,796.01	
371.4	Pumping Equip. - WWTP Raw Influent Pumping Station	1	$ 142,799.00	
			$ 730,561.96	
380 - Treatment and Disposal Equipment				
380.4	Treatment & Disp. - WWTP	1	**$ 1,928,800.48**	
381 - Plant Sewers				
381.4	Plant Sewers - WWTP	1	**$ 721,765.15**	

City of Beaver Falls
Beaver, Pennsylvania

WASTEWATER SYSTEM
ORIGINAL COST OF INVENTORY/ASSETS

ORGANIZED BY ACCOUNT NUMBER

ACCOUNT	PROPERTY DESCRIPTION	REFERENCE TABLE	ORIGINAL COST	COMMENTS
382 - Outfall Sewer Lines				
382.4	Outfall Sewer Lines - WWTP	1	$ 70,212.80	
389 - Other Plant and Misc Equipment				
389.4	Other Plant & Misc. Equip. - WWTP	1	$ 27,490.27	
390 - Office Furniture and Equipment				
390.7	Office Furniture & Equip. - General Plant	7	8,606.74	
391 - Transportation Equipment				
391.7	Transportation Equip. - General Plant	8	175,120.82	
392 - Stores Equipment				
392.7	Stores Equip. - General Plant	9	$ 14,999.28	
393 - Tools, Shop, and Garage Equipment				
393.7	Tools, Shop, & Garage Equip. - General Plant	10	104,839.62	
394 - Laboratory Equipment				
394	Laboratory Equip. - General Plant	11	$ 53,688.11	
395 - Power Operated Equipment				
395.7	Power Operated Equip. - General Plant	12	-	
396 - Communication Equipment				
396.7	Communication Equip. - General Plant	13	11,600.00	
397 - Miscellaneous Equipment				
397.7	Misc. Equip. - General Plant	14	2,000.00	

GRAND TOTAL ORIGINAL COST = $ 12,898,486.94
Check **$ 12,898,486.94**

(1) See Reference Tables for project cost break down and corresponding account numbers per pay item.

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
353.4	**Land & ROW - Treatment Plant**					
353.4	Parcel 01-001-0100.002	1930	1	EA		
353.4	Parcel 01-001-0100.003	1930	1	EA		
353.4	Parcel 01-001-0100.004 - DBV 865, pg 279	1964	1	EA	$ 10,800.00	
353.4	Parcel 01-001-0100.001- DBV 1005, pg 137	1973	1	EA	$ 26,100.00	
353.4	Parcel 01-001-0100.007- DBV 1005, pg 137	1973	1	EA		
353.4	Parcel 01-001-0111.000 - DBV 1005, pg 137	1973	1	EA		
353.4	Parcel 01-002-0100.001 - DBV 1005, pg 137	1973	1	EA		
353.4	Parcel 01-002-0101.000 - DBV 1005, pg 137	1973	1	EA		
				SUBTOTAL	**$ 36,900.00**	
			Subtotal	**Used**		
354.4	**Structures & Imp. - WWTP**					
354.4	Architect's plans and specifications	1974	1	LS	$ 150,878.66	
354.4	Legal	1974	1	LS	$ 10,000.00	
354.4	Adminstration	1974	1	LS	$ 3,000.00	
354.4	Indirect Costs	1974	1	LS	$ 8,000.00	
354.4	Site	1974	1	LS	$ 25,000.00	
354.4	Architect's plans and specifications	1996	1	LS	$ 487,083.25	
354.4	Legal	1996	1	LS	$ 26,460.48	
354.4	Permits	1996	1	LS	$ 20,500.00	
354.4	Land	1996	1	LS	$ 10,737.50	
354.4	Erosion Control	1996	1	LS	$ 5,800.00	
354.4	Landscaping/Final Grade	1996	1	LS	$ 14,600.00	
354.4	Paving/Subbase	1996	1	LS	$ 36,000.00	
354.4	Ongrade Slab/Sidewalk	1996	1	LS	$ 17,800.00	
354.4	Fences	1996	1	LS	$ 11,600.00	
354.4	Main Equipment Building Original Remaining in Service-Above Grade	1964	1	LS	$ 30,586.12	$ 391,800.00
354.4	Main Equipment Building Original Remaining in Service-Below Grade	1964	1	LS	$ 36,456.65	$ 467,000.00
354.4	Power Feed Mains	1964	1	LS	$ 7,416.24	$ 95,000.00
354.4	Grit Chamber Rebuild CO#1	1996	1	LS	$ 5,791.10	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
354.4	Grit Chamber Painting CO#1	1996	1	LS	$ 1,412.82	
354.4	Replace Roof Over Existing Bldg CO#3	1996	1	LS	$ 39,768.12	
354.4	Roof Improvements CO#5	1996	1	LS	$ 20,000.00	
354.4	Ex. Primary Settling Tank Mech Mods.	1996	1	LS	$ 11,000.00	
354.4	Primary Settling Tanks 1, 2,3 original Remaining in Service	1964	1	LS	$ 32,006.91	$ 410,000.00
354.4	Ex. Primary Settling Tank General Mods.	1996	1	LS	$ 20,000.00	
354.4	Electrical - Primary Settling Tanks	1996	1	LS	$ 5,020.00	
354.4	Ex Prim Eff Pump Station Gratings/Supports	1996	1	LS	$ 6,000.00	
354.4	Ex Pump Stations Grating & Supports	1996	1	LS	$ 1,000.00	
354.4	Expansion of existing Secondary Pump Station wetwell	2010	1	LS	$ 146,773.41	$ 200,000.00
354.4	Oxidation Tower 1 - Remaining in Service	1996	1	LS	$ 136,300.00	
354.4	Oxidation Tower 1 - Modification/EPDM	1996	1	LS	$ 12,095.00	
354.4	Oxidation Tower 1 -Brick/Mortar Work	1996	1	LS	$ 4,800.00	
354.4	Ex Ox Tower Stairs/Railings	1996	1	LS	$ 14,200.00	
354.4	Oxidation Tower 2 - Excavate	1996	1	LS	$ 5,600.00	
354.4	Oxidation Tower 2 - Reinforce Steel	1996	1	LS	$ 26,900.00	
354.4	Oxidation Tower 2 - Pipe Encase & Fottomg	1996	1	LS	$ 8,200.00	
354.4	Oxidation Tower 2 - Trough Pour	1996	1	LS	$ 7,600.00	
354.4	Oxidation Tower 2 - Sub-base	1996	1	LS	$ 6,300.00	
354.4	Oxidation Tower 2 - Base slab	1996	1	LS	$ 41,100.00	
354.4	Oxidation Tower 2 - Ring Wall	1996	1	LS	$ 16,600.00	
354.4	Oxidation Tower 2 - Beams	1996	1	LS	$ 12,600.00	
354.4	Oxidation Tower 2 - Vent Walls	1996	1	LS	$ 5,200.00	
354.4	Oxidation Tower 2 - Grout	1996	1	LS	$ 1,600.00	
354.4	Oxidation Tower 2 - Anchor bolts/Tank Plate	1996	1	LS	$ 4,600.00	
354.4	Oxidation Tower 2 - Stair System Piers/Excavate/Reinforce/Pour	1996	1	LS	$ 8,400.00	
354.4	New Ox Tower#2 Grating/frames/ Stairs/Railings	1996	1	LS	$ 17,500.00	
354.4	Ladders Ox Tower CO#3	1996	1	LS	$ 1,741.30	
354.4	Electrical - Oxidation Towers 1 and 2	1996	1	LS	$ 3,220.00	
354.4	Recirculation/Distribution Structure	1996	1	LS	$ 19,000.00	
354.4	Manhole "A"	1996	1	LS	$ 3,700.00	
354.4	Recirc/Dist STR. Grating & Supports	1996	1	LS	$ 4,800.00	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
354.4	Fin. Settling Tanks - Excavate	1996	1	LS	$ 9,600.00	
354.4	Fin. Settling Tanks - Gravel Base	1996	1	LS	$ 5,600.00	
354.4	Fin. Settling Tanks - Slab Reinforcement	1996	1	LS	$ 21,000.00	
354.4	Fin. Settling Tanks - Slab Form & Pour	1996	1	LS	$ 62,600.00	
354.4	Fin. Settling Tanks - Hoppers/Reinforcement	1996	1	LS	$ 13,000.00	
354.4	Fin. Settling Tanks - Hoppers/Form & Pour	1996	1	LS	$ 21,600.00	
354.4	Fin. Settling Tanks - Walls/Reinforcement	1996	1	LS	$ 24,000.00	
354.4	Fin. Settling Tanks - Walls/Form & Pour	1996	1	LS	$ 74,000.00	
354.4	Fin. Settling Tanks - Grout	1996	1	LS	$ 9,600.00	
354.4	Fin. Settling Tanks - Walkways/Form & Pour Embedded Items	1996	1	LS	$ 13,600.00	
354.4	Fin. Settling Tanks - Embedded Items	1996	1	LS	$ 3,600.00	
354.4	Fin. Settling Tanks - Offsite Dirt Handling - All	1996	1	LS	$ 22,000.00	
354.4	Final Sed Tanks-Grating/ Frames/Stairs/Railings	1996	1	LS	$ 34,000.00	
354.4	Ground Stabilization at Final Tanks CO#1	1996	1	LS	$ 10,343.30	
354.4	Electrical - Final Settling Tanks	1996	1	LS	$ 9,551.00	
354.4	Electrical - Settling Tank Lighting	1996	1	LS	$ 8,611.00	
354.4	Utility Water from Chlorine Tanks to Belt Press Bldg.	1996	1	LS	$ 13,400.00	
354.4	Electrical - Sampler	1996	1	LS	$ 9,465.00	
354.4	Grit Washer/ScumConcentrator/Stairs,Platforms, Railing	1996	1	LS	$ 4,200.00	
354.4	Electrical - Grit Washer	1996	1	LS	$ 2,265.00	
354.4	Aerated Sludge Holding Tank - Excavation	1996	1	LS	$ 17,600.00	
354.4	Aerated Sludge Holding Tank - Gravel Base	1996	1	LS	$ 9,900.00	
354.4	Aerated Sludge Holding Tank - Slab Reinforcement	1996	1	LS	$ 39,000.00	
354.4	Aerated Sludge Holding Tank - Slab Form & Pour	1996	1	LS	$ 49,600.00	
354.4	Aerated Sludge Holding Tank - Wall Reinforcement	1996	1	LS	$ 31,000.00	
354.4	Aerated Sludge Holding Tank - Wall Form & Pour	1996	1	LS	$ 77,000.00	
354.4	Aerated Sludge Holding Tank - Footer Drainage	1996	1	LS	$ 6,000.00	
354.4	Aerated Sludge Holding Tank - Grout	1996	1	LS	$ 11,000.00	
354.4	Thickened Sludge/Belt Press - Reinforcement	1996	1	LS	$ 12,900.00	
354.4	Thickened Sludge/Belt Press - Form & Pour	1996	1	LS	$ 36,800.00	
354.4	Thickened Sludge/Belt Press - Slab on Decking	1996	1	LS	$ 12,600.00	
354.4	Thickened Sludge/Belt Press - Excavation	1996	1	LS	$ 6,800.00	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
354.4	Thickened Sludge/Belt Press - Gravel Base	1996	1	LS	$ 2,800.00	
354.4	Thickened Sludge/Belt Press - Slab Reinforcement	1996	1	LS	$ 18,000.00	
354.4	Thickened Sludge/Belt Press - Form & Pour	1996	1	LS	$ 38,600.00	
354.4	Thickened Sludge/Belt Press - Sump/Reinforce/Pour	1996	1	LS	$ 3,100.00	
354.4	Thickened Sludge/Belt Press - Wall Reinforcement	1996	1	LS	$ 12,900.00	
354.4	Thickened Sludge/Belt Press - Wall Form & Pour	1996	1	LS	$ 22,000.00	
354.4	Anerobic Digesters 1 & 2 Original Remaining in Service	1936-1938	1	LS	$ 5,648.47	$ 300,105.00
354.4	Remove Sludge from Digestor #2 CO#3	1996	1	LS	$ 29,447.05	
354.4	Add Clean/Patch/Paint Interior Wall s of Digestor #2 CO#3	1996	1	LS	$ 7,746.40	
354.4	Sludge Drying Bed (one) Remaining in Service	1936-1938	1	LS	$ 2,823.25	$ 150,000.00
354.4	Digester Control Building Remaining in Service	1936-1938	1	LS	$ 2,992.64	$ 159,000.00
354.4	Belt Press Bldg - Doors & Windows	1996	1	LS	$ 21,265.00	
354.4	Belt Press Bldg- Access Hatch	1996	1	LS	$ 4,600.00	
354.4	Belt Press Bldg - Ceiling	1996	1	LS	$ 2,600.00	
354.4	Belt Press Bldg - HVAC & Gas Lines	1996	1	LS	$ 26,300.00	
354.4	Belt Press Bldg - Roof/Flr Drains and Plumbing	1996	1	LS	$ 19,400.00	
354.4	Belt Prss Bldg - Carpet Paint/Finishers	1996	1	LS	$ 12,000.00	
354.4	Belt Press Bldg - pipe encasement	1996	1	LS	$ 5,800.00	
354.4	Belt Press Bldg - Roof/Flash	1996	1	LS	$ 34,000.00	
354.4	Belt Press Bldg - Concrete Masonry Unit	1996	1	LS	$ 48,000.00	
354.4	Belt Press Bldg - Insulation	1996	1	LS	$ 4,000.00	
354.4	Belt Filter Press Bldg- Walkways/Railings/Support	1996	1	LS	$ 79,000.00	
354.4	Electrical - Belt Filter Press	1996	1	LS	$ 15,220.00	
354.4	Utility Water Booster System	1996	1	LS	$ 57,800.00	
354.4	Electrical - BFP/Garge, Misc.	1996	1	LS	$ 12,658.00	
354.4	Laboratory/Garage - Excavate & Pour	1996	1	LS	$ 6,600.00	
354.4	Laboratory/Garage - Slab Complete	1996	1	LS	$ 13,600.00	
354.4	Electrical - Lab Office	1996	1	LS	$ 4,177.00	
354.4	Electrical - Garage	1996	1	LS	$ 4,177.00	
354.4	Painting	1996	1	LS	$ 94,600.00	
354.4	Electrical Lighting	1996	1	LS	$ 7,703.00	
354.4	Electrical - Entrance Area Lighting	1996	1	LS	$ 6,931.00	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
354.4	Road Between Existing Bldg & Primary Tanks CO#3	1996	1	LS	$ 2,384.32	
354.4	Replace Existing Handrail CO#3	1996	1	LS	$ 36,563.98	
354.4	Additional Fence CO#5	1996	1	LS	$ 24,926.85	
354.4	Electrical - Panel MCP	1996	1	LS	$ 66,306.00	
354.4	Electrical - Blowers	1996	1	LS	$ 2,975.00	
354.4	Electrical - Breaker Panels - 2	1996	1	LS	$ 4,175.00	
354.4	Electrical - Transformers	1996	1	LS	$ 1,555.00	
354.4	Electrical - Panel DP-2	1996	1	LS	$ 66,306.00	
354.4	Electrical - Square D Breakers - 2	1996	1	LS	$ 3,998.00	
354.4	Electrical - Main Pump Building Misc.	1996	1	LS	$ 12,058.00	
354.4	Electrical - Panel DP-1	1996	1	LS	$ 66,306.00	
354.4	Electrical - Westinghouse Breaker	1996	1	LS	$ 1,999.00	
354.4	Electrical - Duct Banks	1996	1	LS	$ 11,369.00	
354.4	Electrical - ESP System	1996	1	LS	$ 24,710.00	
354.4	Electrical - Interlink RTU	1996	1	LS	$ 11,097.00	
354.4	Electrical Secondary Pump Station Power Feed Mains	2020	1	LS	$ 69,810.20	$ 73,000.00
354.4	Secondary Pump Station, Garage, Oxidation Tower, Final Settling Tanks 1 & 2 and Chlorine Contact Tanks 1 & 2 original to remain in service	1974	1	LS	$ 874,793.45	
354.4	Three-Bay Metal Vehicle and Equipment Storgae Building with Interior Office Space	2010	1	LS	$ 376,657.27	$ 513,250.00
			Subtotal	**SUBTOTAL**	**$ 4,519,461.75**	
355.4	**Power Gen. Equip. - WWTP**					
355.4	Electrical - Generator	1996	1	LS	$ 87,502.00	
			Subtotal	**SUBTOTAL**	**$ 87,502.00**	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
371.3	**Pumping Equip. - WWTP**					
371.3	Mission - Grit Pump	1996	1	EA	$ 10,700.00	
371.3	Electrical - Grit Pump	1996	1	LS	$ 1,910.00	
371.3	Flygt Model CT3300 Centrifugal Primary Effluent Pumps	1996	4	EA	$ 88,000.00	
371.3	Ex. Primary Eff. Pump Mods/Control Valve/Mtrs	1996	1	LS	$ 14,100.00	
371.3	Electrical - Primary Pumps	1996	1	LS	$ 7,641.00	
371.3	Install Sewage Sump Simplex system	1996	1	LS	$ 12,400.00	
371.3	Install Sewage Sump Duplex system Zoeller Model #282	1996	1	LS	$ 18,900.00	
371.3	Electrical - Sump Pumps	1996	1	LS	$ 1,430.00	
371.3	Digester Recirculation Pumps	1996	2	EA	$ 27,000.00	
371.3	Moyno Progressive Cavity Pump, 2000 Series, Model 1G090G1CDQAAA, #AS4702896A, 200GPM, 25', 235RPM, Single Stage, 8 X 8, 7.5HP AC Totally Enclosed Fan Cooled Motor, 1200RPM, Extreme Duty, Unit Base Steel, Complete with piping, connections, wiring and controls.	2020	1	LS	$ 6,694.13	$ 7,000.00
371.3	PIONEER Self-Priming Pump, Model SBHCP3F-0036DD, #2462, 4 X 4, 3HP with wiring, conrols, piping and connections	2020	1	LS	$ 2,868.91	$ 3,000.00
371.3	Yale 2-ton capacity spur geared chain hoist with 4 wheel trolley and rail	2020	1	LS	$ 860.67	$ 900.00
371.3	Moyno Progressive Cavity Primary Sludge Pumps, Model #IHII5GI, 15 HP	1996	2	EA	$ 32,000.00	
371.3	Electrical - Primary Sludge Pumps	1996	1	LS	$ 3,820.00	
371.3	Mission - 4" x 3" x 13" Secondary Sludge Pumps	1996	2	EA	$ 30,300.00	
371.3	Electrical - Secondary Pumps	1996	1	LS	$ 3,820.00	
371.3	Moyno Model #IHII5GICDQAAA - Gravity Belt Thickener Pumps	1996	2	EA	$ 15,600.00	
371.3	Moyno Model IG065GICDQAAA Thickened Sludge Pumps	1996	2	EA	$ 29,100.00	
371.3	Electrical - Sludge Pumps (4)	1996	1	LS	$ 11,902.00	
371.3	Monorail Crane With coffing electric chain hoist and crane rail	2020	1	LS	$ 1,912.61	$ 2,000.00
371.3	Monorail Crane, 2 ton capacity with Little Mule 2 Ton Capacity Electric Chain Hoist, 4 wheel trolley & 6' tank lift beam	2020	1	LS	$ 2,677.65	$ 2,800.00
371.3	Wright Safeway 2 Ton Capacity Spur Geared Chain Hoist on 4 Wheel Trolley, complete with Rail and Yale Electric Chain Hoist.	2020	1	LS	$ 3,251.43	$ 3,400.00
371.3	Flygt Submersible Sewage Pump, Model 3201.180-131011, 3201.180-0380	2020	1	LS	$ 23,907.60	$ 25,000.00
			Subtotal	**SUBTOTAL**	**$ 350,796.01**	
371.3	**Raw Sewage Pump Station**					

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
371.3	Flygt dry pit submersible pumps - Raw	1996	4	EA	$ 112,400.00	
371.3	Concrete Pump Supports Raw Sewage and Prime Sludge Pump	1996	1	LS	$ 3,900.00	
371.3	Core holes and install water seal for pumps	1996	1	LS	$ 3,600.00	
371.3	Chain Hoist filler Plates	1996	1	LS	$ 3,200.00	
371.3	Electrical - Pump Station Misc.	1996	1	LS	$ 12,058.00	
371.3	Electrical - Raw Sewage Pumps	1996	1	LS	$ 7,641.00	
			Subtotal	**SUBTOTAL**	**$ 142,799.00**	
380.4	**Treatment & Disp. - WWTP**					
380.4	**Preliminary Treatment Building**					
380.4	Fine Screen #1 Remaining in Service	1964	1	EA	$ 42,311.58	$ 542,000.00
380.4	Fine Screen #2 Remaining in Service	1964	1	EA	$ 42,311.58	$ 542,000.00
380.4	Install Self Cleaning Wiese-Flo Mechanical Bar Screen & Compactor	1996	1	LS	$ 56,000.00	
380.4	Install Auxiliary Auger for Bar Screen CO#3	1996	1	LS	$ 41,342.37	
380.4	Install Grit Chamber Equipment	1996	1	LS	$ 36,000.00	
380.4	Worthington Air Compressor	2020	1	LS	$ 430.34	$ 450.00
380.4	Manning Sampler, Model 6901-DC, #980213AA690102 with refrigerated cabinet base	2020	1	LS	$ 1,147.56	$ 1,200.00
380.4	Chlorine Gas Monitoring System - Siemens W&T Acute 35 with wiring and controls	2020	1	LS	$ 3,442.69	$ 3,600.00
380.4	Chlorination System - 2 chlorinators/regulators, 1-Halogen Valve System, 2 - Chlorinators and wiring and controls	2020	1	LS	$ 6,694.13	$ 7,000.00
380.4	Exhaust Fan, Thru-Wall, 1/3 HP complete with conduit and wiring	2020	1	LS	$ 143.45	$ 150.00
380.4	ROOTS Connerville Blower, Type FF-Size 610	2020	1	LS	$ 1,434.46	$ 1,500.00
380.4	**Primary Settling Tanks 1,2 & 3**		3	EA		
380.4	Install Weir/Troughs Ex Prim	1996	1	LS	$ 36,500.00	
380.4	**Oxidation Towers 1**					
380.4	Install Media EX tower	1974	1	LS	$ 155,974.50	
380.4	Rotary Distributors	1974	1	LS	$ 23,907.00	
380.4	Install Oxidation Tower Recycle Control Valve	1974	1	LS	$ 2,875.44	$ 17,067.49

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
380.4	**Oxidation Towers 2**					
380.4	Install Syn Media New Tower	1996	1	LS	$ 205,000.00	
380.4	Rotary Distributors	1996	1	LS	$ 65,400.00	
380.4	Install Oxidation Tower Recycle Control Valve	1996	1	LS	$ 8,000.00	
380.4	**Final Settling Tanks 1 and 2**					
380.4	Equipment for Final Settling Tanks 1 & 2	1974	1	LS	$ 92,435.00	
380.4	**Final Settling Tanks 3, 4 &5**					
380.4	Install Fiberglass Troughs/Weirs	1996	1	LS	$ 36,500.00	
380.4	Install Elec and Manual Telescoping Valves	1996	1	LS	$ 18,000.00	
380.4	Sluice Gates	1996	1	LS	$ 19,000.00	
380.4	Install Collectors Final Clarifiers piping	1996	1	LS	$ 120,000.00	
380.4	**Chlorine Contact Tanks 1 & 2 Remaining in Service**		2	EA		
380.4	1-ton cylinder/scale - Remaining in Service	1996	1	EA	$ 1,640.55	$ 3,500.00
380.4	150# cylinders and scale - Remaining in Service	1996	4	EA	$ 1,171.82	$ 2,500.00
380.4	**Anaerobic Digesters 1&2**		2	EA		
380.4	Install Digester Meters	1996	1	LS	$ 11,000.00	
380.4	Install Comp Heater & Heat Exchanger (Envirex)	1996	1	LS	$ 76,000.00	
380.4	Duo Deck Conversion	1996	1	LS	$ 110,000.00	
380.4	Install Digester Mixer	1996	1	LS	$ 48,000.00	
380.4	Polytron 2XP Digital Meter	1996	1	LS	$ 117.18	$ 250.00
380.4	Polysonic Hydra SX40 DFD Flowmeter, Digital Readout	1996	1	LS	$ 1,218.69	$ 2,600.00
380.4	Siemens Hydra Ranger 200 Flow meter, Digital Readout	1996	1	LS	$ 890.58	$ 1,900.00
380.4	Maxus Air Compressor, Model EX840100AJ, #10/16/06-00340, 3.2 HP, 60 Gallon Capacity Vertical Tank With Wiring and Controls	1996	1	LS	$ 257.80	$ 550.00
380.4	**Sludge Holding Tank**					
380.4	Sludge Holding Tank aeration system	1996	1	LS	$ 28,500.00	
380.4	Install Blower System	1996	1	LS	$ 33,600.00	
380.4	**Belt Filter Press Building**					
380.4	1.2 meter Roediger Belt Filter Press	1996	1	LS	$ 165,000.00	
380.4	Install Belt Filter Press Conveyors	1996	1	LS	$ 67,000.00	
380.4	Kent Taylor Mag Master Flow Meter, Digital Readout	1996			$ 374.98	$ 800.00
380.4	Install Polymer Feed & Chlorination Equipment	1996	1	LS	$ 63,800.00	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
380.4	Floor Drains - Grit Washer	1996	1	LS	$ 1,500.00	
380.4	Install Scum & Grease Floatation/Removal System	1996	1	LS	$ 47,600.00	
380.4	Install Grit Separation Classification System	1996	1	LS	$ 52,000.00	
380.4	Install Sewage Sump Simplex system	1996	1	LS	$ 12,400.00	
380.4	Install Sewage Sump Duplex system	1996	1	LS	$ 18,900.00	
380.4	Install Trickling Filter Tank	1996	1	LS	$ 89,000.00	
380.4	Install submersible Mixer	1996	1	LS	$ 20,000.00	
380.4	Install Odor Control Scrubber System	1996	1	LS	$ 28,500.00	
380.4	Scrubber at Sludge Storage Tank	1996	1	LS	$ 2,600.00	
380.4	Exhaust Hood CO#5	1996	1	LS	$ 1,843.84	
380.4	PFT Gas Burner	1996	1	EA	$ 1,124.95	$ 2,400.00
380.4	Equipment for Secondary Pumping Station	1974	1	LS	$ 29,910.00	
			Subtotal	**SUBTOTAL**	**$ 1,928,800.48**	
381.4	**Plant Sewers - WWTP**					
381.4	6" Thickened Sludge Line	1996	1	LS	$ 1,400.00	
381.4	24" DIP Oxidation Tower 2 FM	1996	1	LS	$ 33,500.00	
381.4	24" & 30" DIP Oxidation Tower Effluent	1996	1	LS	$ 37,100.00	
381.4	16" DIP Oxidation Tower Recirculation	1996	1	LS	$ 11,000.00	
381.4	24" DIP Overflow	1996	1	LS	$ 9,700.00	
381.4	24" DIP Final Sed. Tank 3,4&5 Effluent	1996	1	LS	$ 4,300.00	
381.4	30" DIP Final Sed. Tank Effluent	1996	1	LS	$ 26,000.00	
381.4	6" Scum Drain/Final Settling Tanks	1996	1	LS	$ 1,300.00	
381.4	6" DIP Primary Sludge to Sludge Holding Tank	1996	1	LS	$ 5,200.00	
381.4	6" DIP Primary Sludge from aerated S1 to digesters	1996	1	LS	$ 7,700.00	
381.4	6" DIP Primary Sludge Well Decant	1996	1	LS	$ 1,900.00	
381.4	6" DIP Primary Sludge Pump Suction	1996	1	LS	$ 2,600.00	
381.4	6" DIP Primary Sludge pump Discharge	1996	1	LS	$ 4,200.00	
381.4	6" DIP Secondary Sludge Discharge	1996	1	LS	$ 6,300.00	
381.4	8" DIP Secondary Sludge Suction	1996	1	LS	$ 8,300.00	
381.4	Ex. 8" DIP Tank Drain	1996	1	LS	$ 9,000.00	
381.4	8" DIP Tank Drain	1996	1	LS	$ 11,100.00	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
381.4	6" & 4" DIP Oxidation Tower FM drain	1996	1	LS	$ 3,400.00	
381.4	4" DIP Grit Slurry Discharge	1996	1	LS	$ 1,900.00	
381.4	8" DIP Utility Water Service	1996	1	LS	$ 3,300.00	
381.4	Scum Concentrator/Grit Washer Drains	1996	1	LS	$ 4,750.00	
381.4	Scum Concentrator frm existing line	1996	1	LS	$ 2,106.00	
381.4	8" PVC Storm Sewer	1996	1	LS	$ 4,400.00	
381.4	6" PVC Storm Sewer	1996	1	LS	$ 2,700.00	
381.4	4" , 3", 2" PVC Utility Water	1996	1	LS	$ 8,600.00	
381.4	2" PVC Potable Water	1996	1	LS	$ 1,500.00	
381.4	Scum Drain to Final Tank Drain	1996	1	LS	$ 2,000.00	
381.4	Belt Filter Press Feed Pump Suction	1996	1	LS	$ 7,700.00	
381.4	Belt Filter Press Feed Discharge	1996	1	LS	$ 6,000.00	
381.4	Belt Filter Press Filtrate	1996	1	LS	$ 3,100.00	
381.4	Thickened Sludge Pump suction	1996	1	LS	$ 1,450.00	
381.4	Drain, 6" DIP Primary Sludge tank drain & 10" DIP drain	1996	1	LS	$ 9,500.00	
381.4	Digester Sludge frm Ex to Belt Press Pumps	1996	1	LS	$ 3,700.00	
381.4	Grit Pump Suction/Discharge	1996	1	LS	$ 2,800.00	
381.4	Grit Washer Overflow	1996	1	LS	$ 1,600.00	
381.4	Scum Conc. Influent	1996	1	LS	$ 1,400.00	
381.4	Scum Conc. Drain	1996	1	LS	$ 1,200.00	
381.4	Scum Conc. Effluent	1996	1	LS	$ 1,200.00	
381.4	Replacement Drain	1996	1	LS	$ 1,600.00	
381.4	Secondary Sludge to Sludge Holding Tank	1996	1	LS	$ 2,200.00	
381.4	Primary Effluent Pump Suction	1996	1	LS	$ 9,100.00	
381.4	Primary Effluent Pump Discharge	1996	1	LS	$ 16,000.00	
381.4	Manhole A	1996	1	LS	$ 3,300.00	
381.4	Sludge Recirc Pumps Suction	1996	1	LS	$ 1,800.00	
381.4	Sludge Recirc Pumps Discharge	1996	1	LS	$ 2,900.00	
381.4	Thickened/Primary Sludge (Dwg 53)	1996	1	LS	$ 1,400.00	
381.4	Aerated Sludge Blowers Intakes	1996	1	LS	$ 7,300.00	
381.4	Aerated Sludge Blowers Discharge	1996	1	LS	$ 3,600.00	
381.4	16 yard Hydrants and Gate Valves	1996	1	LS	$ 19,800.00	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
381.4	27-inch VCP Plant Infl Sewer	1974	300	LF	$ 10,108.50	$ 60,000.00
381.4	24-inch DIP Primary Sedimentation Tank Effluent	1974	92	LF	$ 3,099.94	$ 18,400.00
381.4	18-inch DIP Oxidation Tower Force Main	1974	178	LF	$ 5,997.71	$ 35,600.00
381.4	24-inch DIP Oxidation Tower Effluent	1974	20	LF	$ 673.90	$ 4,000.00
381.4	24-inch DIP Overflow	1974	26	LF	$ 876.07	$ 5,200.00
381.4	24-inch DIP Final Sedimentation Tanks Effluent	1974	20	LF	$ 673.90	$ 4,000.00
381.4	24-inch DIP Chlorine Contact Tank Effluent	1974	266	LF	$ 8,962.87	$ 53,200.00
381.4	24-inch DIP Chlorine Contact Tank Effluent Overflow	1974	30	LF	$ 1,010.85	$ 6,000.00
381.4	6-inch DIP Primary Sludge Decant	1974	25	LF	$ 631.78	$ 3,750.00
381.4	8-inch DIP Secondary Sludge Suction	1974	8	LF	$ 202.17	$ 1,200.00
381.4	8-inch DIP Scum Suction	1974	56	LF	$ 1,415.19	$ 8,400.00
381.4	8-inch DIP Tank Drain	1974	88	LF	$ 2,223.87	$ 13,200.00
381.4	4-inch DIP Force Main Drain	1974	22	LF	$ 555.97	$ 3,300.00
381.4	8-inch DIP Digested Sludge Discharge	1974	195	LF	$ 4,927.89	$ 29,250.00
381.4	6-inch DIP Scum Discharge	1974	61	LF	$ 1,541.55	$ 9,150.00
381.4	2.5-inch PVC Chlorine Solution Discharge	1974	114	LF	$ 1,920.61	$ 11,400.00
381.4	10-inch DIP Sewer from Digester Building and Drying Beds	1936-1938	29	LF	$ 81.87	$ 4,350.00
381.4	8-inch DIP Sewer from Digester Building and Drying Beds	1936-1938	51	LF	$ 143.99	$ 7,650.00
381.4	8-inch DIP Digester Supernatant Drain	1936-1938	5	LF	$ 14.12	$ 750.00
381.4	4-inch DIP Sanitary Drain	1936-1938	7	LF	$ 19.76	$ 1,050.00
381.4	8-inch DIP Sludge Drying Bed Drain	1936-1938	73	LF	$ 206.10	$ 10,950.00
381.4	8-inch DIP Potable Water Main	1974	107	LF	$ 2,704.02	$ 16,050.00
381.4	6-inch Potable Water Main	1974	262	LF	$ 6,621.07	$ 39,300.00
381.4	4-inch Potable Water Main to Main Equipment Building	1974	110	LF	$ 2,779.84	$ 16,500.00
381.4	4-inch Potable Water Main to Primary Effluent Pump Station	1974	301	LF	$ 7,606.65	$ 45,150.00
381.4	24-inch DIP Plant Bypass	1974	45	LF	$ 1,516.27	$ 9,000.00
381.4	24-inch Primary Tank Bypass	1974	26	LF	$ 876.07	$ 5,200.00
381.4	24-inch Abandoned Plant Effluent	1974	19	LF	$ 640.20	$ 3,800.00
381.4	24-inch DIP Plant/Primary Tank Bypass	1974	67	LF	$ 2,257.56	$ 13,400.00
381.4	24-inch Storm Sewer Line	1974	42	LF	$ 1,238.29	$ 7,350.00
381.4	18-inch Storm Sewer Line	1974	18	LF	$ 454.88	$ 2,700.00
381.4	8-inch Storm Sewer Line	1974	25	LF	$ 421.19	$ 2,500.00

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
381.4	**Plug Valves**					
381.4	Raw Sewage Pump Suction	1996	1	LS	$ 4,500.00	
381.4	Raw Pump Sewage Discharge	1996	1	LS	$ 3,500.00	
381.4	Primary Sludge Pump	1996	1	LS	$ 2,700.00	
381.4	Primary Sludge Pump Header	1996	1	LS	$ 1,500.00	
381.4	Primary Sludge Pump Drain	1996	1	LS	$ 2,200.00	
381.4	Primary Sludge Pump Holding Tank	1996	1	LS	$ 2,400.00	
381.4	Primary/Secondary Sludge Connection	1996	1	LS	$ 1,700.00	
381.4	Grit Pump (6")	1996	1	LS	$ 1,500.00	
381.4	Grit Pump (3")	1996	1	LS	$ 1,200.00	
381.4	Scum/Ex Concentrator Feed	1996	1	LS	$ 2,800.00	
381.4	Scum/Drain	1996	1	LS	$ 1,600.00	
381.4	Scum Cone/Influent	1996	1	LS	$ 1,500.00	
381.4	Scum Cone/Drain	1996	1	LS	$ 1,200.00	
381.4	Secondary Sludge Pump	1996	1	LS	$ 2,800.00	
381.4	Secondary Sludge/Header	1996	1	LS	$ 1,600.00	
381.4	Secondary Sludge/Line	1996	1	LS	$ 2,200.00	
381.4	Effluent Pump/Suction	1996	1	LS	$ 12,000.00	
381.4	Effluent Pump/Discharge	1996	1	LS	$ 8,000.00	
381.4	Oxidation Twr Force Mn	1996	1	LS	$ 9,000.00	
381.4	Ox Twr Force Main Drain	1996	1	LS	$ 2,200.00	
381.4	Final Tank Drain-off	1996	1	LS	$ 8,500.00	
381.4	Utility Water	1996	1	LS	$ 1,500.00	
381.4	Belt Press Pumps	1996	1	LS	$ 3,700.00	
381.4	Belt Press Feed Header	1996	1	LS	$ 2,600.00	
381.4	Heat Exchanger Sludge Recirc	1996	1	LS	$ 3,500.00	
381.4	Overflow Supernatent at Digester	1996	1	LS	$ 12,000.00	
381.4	Digested Sludge (8")	1996	1	LS	$ 2,100.00	
381.4	Digested Sludge (6")	1996	1	LS	$ 1,800.00	
381.4	Pumping Station: 14-inch DIP eccentric plug valve	1974	1	EA	$ 842.37	$ 5,000.00
381.4	**Check Valves**					
381.4	Raw Sewage Pump Discharge	1996	1	LS	$ 4,700.00	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
381.4	Primary Sludge Pump Discharge	1996	1	LS	$ 2,300.00	
381.4	Secondary Sludge Pumps	1996	1	LS	$ 2,300.00	
381.4	Primary Effluent Pumps	1996	1	LS	$ 12,000.00	
381.4	Belt Press Pumps	1996	1	LS	$ 2,300.00	
381.4	Thickened Sludge Pumps	1996	1	LS	$ 2,300.00	
381.4	Recirculated Pumps	1996	1	LS	$ 1,900.00	
381.4	Air Cushioned Check Valves	1974	1	LS	$ 2,228.00	
381.4	**Air Check Valves**					
381.4	Blower Discharges	1996	1	LS	$ 2,500.00	
381.4	**Mud Valves**					
381.4	Final Tank Scum Box	1996	1	LS	$ 2,000.00	
381.4	Chlorine Tank Drains	1996	1	LS	$ 3,500.00	
381.4	Utility Water	1996	1	LS	$ 2,000.00	
381.4	Aeration Sludge Hldg Tank	1996	1	LS	$ 4,500.00	
381.4	**Butterfly Valves**					
381.4	Ox Twr Recycle Line	1996	1	LS	$ 6,200.00	
381.4	**Hydrostatic PRV's**					
381.4	Final Tanks	1996	1	LS	$ 2,800.00	
381.4	**Gate Valves**					
381.4	Final Tank Drains	1996	1	LS	$ 3,300.00	
381.4	Sludge Drain-Off From Final Tanks	1996	1	LS	$ 4,200.00	
	Pumping Station- Gate Valve	1974	1	EA	$ 842.37	$ 5,000.00
381.4	**Butterfly Air Line Valves**					
381.4	Blower Intakes	1996	1	LS	$ 2,100.00	
381.4	Blower Discharge	1996	1	LS	$ 1,400.00	
381.4	Air Header at Sludge Tank	1996	1	LS	$ 1,500.00	
381.4	Reinsulate pipe at Digester Control Bldg CO#1	1996	1	LS	$ 4,092.50	
381.4	Gas Line CO#2	1996	1	LS	$ 6,367.59	
381.4	Water Line CO#2	1996	1	LS	$ 5,827.66	
381.4	Decant Line CO#2	1996	1	LS	$ 1,940.27	
381.4	Replace 24" Pipe From Primary Tanks CO#3	1996	1	LS	$ 11,429.52	
381.4	Piping to Provide Water for Mech Screen CO#3	1996	1	LS	$ 9,544.15	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
381.4	Sampler Valves CO#5	1996	1	LS	$ 8,933.43	
381.4	Pumping Station: 20-inch DIP	1974	11	LF	$ 148.26	$ 880.00
381.4	Pumping Station: 18-inch C.I.	1974	3	LF	$ 37.91	$ 225.00
381.4	Pumping Station: 14-inch DIP	1974	2	LF	$ 23.59	$ 140.00
381.4	Control Building: 4-inch sludge feed line	1974	1	LF	$ 8.42	$ 50.00
381.4	Primary Sedimentation Tank: 2.5-inch chlorine feed line	1974	67	LF	$ 282.20	$ 1,675.00
381.4	Chlorine Contact Tank: 8-inch DIP drain	1974	18	LF	$ 303.25	$ 1,800.00
381.4	Secondary Pump Station Process Piping, Chlorine Tanks, Final Settling Tanks 1 & 2, Oxidation Tower No. 1 Exterior Piping	1974	1	LS	$ 71,673.00	
381.4	Sluice Gates	1974	1	LS	$ 21,995.00	
381.4	Misc. Sewage Treatment Plant Equipment	1974	1	LS	$ 13,335.00	
			Subtotal	**SUBTOTAL**	**$ 721,765.15**	
382.4	**Outfall Sewer Lines - WWTP**					
382.4	24-inch DIP	1936-38	827	LF	$ 70,212.80	$ 149,794.51
			Subtotal	**SUBTOTAL**	**$ 70,212.80**	
389.4	**Other Plant & Misc. Equip. - WWTP**					
389.4	Asbestos Abatement	1996	1	LS	$ 12,490.27	
389.4	Asbestos Abatement	2021	1	LS	$ 15,000.00	
			Subtotal	**SUBTOTAL**	**$ 27,490.27**	

Column Total = Column Totals = $ 7,885,727.46

TABLE 2 - PUMPING STATION

NARUC Account	Description	Year	Quantity	Unit	Unit Price	Original Cost	Replacement Value Today
353.3	**Land & ROW**						
353.3	Land & ROW - Pumping Station		1	EA	$ 1.00	$ 1.00	
354.3	**Structures & Imp. - Pumping Station**						
354.3	Trash Basket and Hoist Assembly	2006	1	LS	$ 6,468.00	$ 6,468.00	
354.3	12-inch Drain in front of PS	2006	1	LS	$ 6,125.00	$ 6,125.00	
354.3	Pump Station Pit Conversion	2006	1	LS	$ 4,500.00	$ 4,500.00	
354.3	Sandblasting/Painting of Pump Station Wet Well	2006	1	LS	$ 18,200.00	$ 18,200.00	
354.3	16" SDR 35 PVC	2006	10	LF	$ 300.00	$ 3,000.00	
354.3	16" SDR 35 PVC 45° elbow	2006	1	EA	$ 650.00	$ 650.00	
354.3	1" Copper Tube	2006	100	LF	$ 17.00	$ 1,700.00	
354.3	Water Service Connection	2006	1	LS	$ 1,000.00	$ 1,000.00	
354.3	Yard Hydrants, Lockable	2006	1	EA	$ 375.00	$ 375.00	
354.3	Natural Gas Service	2006	1	LS	$ 1,000.00	$ 1,000.00	
354.3	1-1/2 " Gas Line	2006	100	LF	$ 25.00	$ 2,500.00	
354.3	Fencing	2006	150	LF	$ 75.00	$ 11,250.00	
354.3	Site Preparation	2006	1	LS	$ 5,000.00	$ 5,000.00	
354.3	Bituminous Pavement/Driveway Restoration	2006	60	LF	$ 55.00	$ 3,300.00	
354.3	Final Seeding, grading, mulching	2006	1	LS	$ 2,500.00	$ 2,500.00	
354.3	Portable Bypass Pump System	2006	1	LS	$ 42,000.00	$ 42,000.00	
354.3	Bypass pumping	2006	60	Days	$ 325.00	$ 19,500.00	
354.3	Erosion and Sedimentation Control	2006	1	LS	$ 4,100.00	$ 4,100.00	
				Subtotal		**$ 133,168.00**	**$ -**
355.3	**Power Gen. Equip. - Pumping Station**						
355.3	Kohler Generator 7KW with transfer switch	2020	1	EA		$ 4,972.78	$ 5,200.00
				Subtotal		**$ 4,972.78**	

TABLE 2 - PUMPING STATION

NARUC Account	Description	Year	Quantity	Unit	Unit Price	Original Cost	Replacement Value Today
371.3	**Pumping Equip. - Pumping Station**						
371.3	Gorman Rupp Package Pump Unt consisting of 2-self priming pumps, model T6A3s-B/WWS, #1355279, 15 Hp, belt dirven, backup natural gas engine, 4 cylinder with cntrols, related piping and 1 control panel model D4-11174, JPP No. GR-8103-1, #06-990-AR4	2006	1	LS		$ 221,670.00	
371.3	Electrical Service	2006	1	LS		$ 12,000.00	
371.3	Hach Sigma 950 rain gauge/controller monitor with wiring	2006	1	LS		$ 1,680.80	$ 2,600.00
371.3	Mission RTU Unit	2006	1	EA		$ 1,292.92	$ 2,000.00
371.3	Stainless Steel Davit Crane	2006	1	EA		$ 323.23	$ 500.00
				Subtotal		**$ 236,966.95**	
					Column Total =	**$375,108.73**	

TABLE 3 - Collection Sewers - Force

NARUC Account	Description	Year	Quantity	Unit	Unit Price	Original Cost	Replacement Value Today
360	8" Ductile Iron Pipe	2006	600	LF	$ 44.00	$ 26,400.00	
360	8" DIP 90 Degree Long Radius Bends	2006	2	EA	$ 500.00	$ 1,000.00	
360	8" DIP 45 Degree Bends	2006	4	EA	$ 480.00	$ 1,920.00	
360	8" DIP 22.5 Degree Bends	2006	2	EA	$ 490.00	$ 980.00	
360	8" DIP 11.25 Degree Bends	2006	2	EA	$ 490.00	$ 980.00	
360	8" DI Pipe (with mc-urethane primer)	2006	800	LF	$ 130.00	$ 104,000.00	
360	8"x 6" DIP Tee (with mc-urethane primer)	2006	1	EA	$ 1,500.00	$ 1,500.00	
360	8"x 8" Cross Fittings (with mc-urethane primer)	2006	2	EA	$ 1,750.00	$ 3,500.00	
360	Concrete Pedestals	2006	2	EA	$ 2,800.00	$ 5,600.00	
360	Manhole Connection	2006	1	EA	$ 1,000.00	$ 1,000.00	
360	Expansion Joints	2006	2	EA	$ 3,500.00	$ 7,000.00	
360	Pipe Guide Hangers	2006	150	EA	$ 175.00	$ 26,250.00	
360	Pipe Insulation Assembly	2006	40	LF	$ 50.00	$ 2,000.00	
360	Painting DIP	2006	1	LS	$ 37,000.00	$ 37,000.00	
360	Air/Vacuum Breaker Valves	2006	3	EA	$ 2,600.00	$ 7,800.00	
360	Additional Cost for Deep Bury for Force Main	2006	1	LS		$ 7,612.22	
					Column Total =	**$ 234,542.22**	

TABLE 4 - Collection Sewers - Gravity

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Original Cost	Replacement Value Today
353.2	Land & ROW: Parcel 10010100006	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 10010101000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 10020200000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 10030203000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 10030303000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20020102000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20020105000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20020713000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20020800000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030101000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030200000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030313000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030314000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030315000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030317000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030318000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030416000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030417000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030419000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20030431000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20050107000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20060200000	1936-38	1	EA	$ 1.00	$ 1.00	

TABLE 4 - Collection Sewers - Gravity

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Original Cost	Replacement Value Today
353.2	Land & ROW: Parcel 20060300000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20060301000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20060302000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20060303000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20060305000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20060600000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20060700000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20060702000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20060902000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 20060923000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 40020600000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 40030104000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 40030109000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 40040103000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 50010100001	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 05001010000E	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 50040200000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 50040308000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 50040400000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 50040604000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 50050100002	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 50050200000	1936-38	1	EA	$ 1.00	$ 1.00	

TABLE 4 - Collection Sewers - Gravity

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Original Cost	Replacement Value Today
353.2	Land & ROW: Parcel 50050314000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 05006010000E	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 60020301000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 60030702000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 60050100000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 06005040000E	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 60060901000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 60061402000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 60061901000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 60070601000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 60070602000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70010202000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70010300000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70021510001	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70021510002	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70021600000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70021610000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70022000000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70022002000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70022100001	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70022101000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70022102000	1936-38	1	EA	$ 1.00	$ 1.00	

TABLE 4 - Collection Sewers - Gravity

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Original Cost	Replacement Value Today
353.2	Land & ROW: Parcel 70022102001	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70022102002	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70022102003	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 07002220000E	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030101000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030101001	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030103000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030105000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030108000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030112000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030115000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030123000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030124000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030125000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030126000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030137000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030138000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030250000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030251000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030252000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030253000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030254000	1936-38	1	EA	$ 1.00	$ 1.00	

TABLE 4 - Collection Sewers - Gravity

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Original Cost	Replacement Value Today
353.2	Land & ROW: Parcel 70030255000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030256000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030257000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030258000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030259000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030260000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030261000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70030262000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70041400000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70041900000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70042000000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70042009000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 07004230000E	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70050200000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70050201000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70050203000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70050208000	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70050209001	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70050209002	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70050209003	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 70050500000	1936-38	1	EA	$ 1.00	$ 1.00	
					Subtotal	**$ 109.00**	

TABLE 4 - Collection Sewers - Gravity

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Original Cost	Replacement Value Today
361	8-inch VCP Sewer	1936-38	145,990	LF	$ 165.00	$ 453,382.71	$ 24,088,350.00
361	8-inch PVC Sewer	1990	1,800	LF	$ 165.00	$ 117,215.56	$ 297,000.00
361	8-inch PVC Sewer	1993	370	LF	$ 165.00	$ 26,528.18	$ 61,050.00
361	8-inch PVC Sewer	1998	815	LF	$ 165.00	$ 66,396.83	$ 134,475.00
361	8-inch CIP Sewer	1998	2,700	LF	$ 165.00	$ 219,964.95	$ 445,500.00
361	8-inch CIP Sewer	2008	2,100	LF	$ 165.00	$ 240,153.18	$ 346,500.00
361	8-inch CIP Sewer	2011	300	LF	$ 165.00	$ 37,445.24	$ 49,500.00
361	10-inch VCP Sewer	1936-38	4,000	LF	$ 180.00	$ 13,551.59	$ 720,000.00
361	12-inch VCP Sewer	1936-38	1,400	LF	$ 195.00	$ 5,138.31	$ 273,000.00
361	12-inch PVC Sewer	1991	4,800	LF	$ 195.00	$ 377,447.37	$ 936,000.00
361	12-inch PVC Sewer	1993	960	LF	$ 195.00	$ 81,344.40	$ 187,200.00
361	15-inch VCP Sewer	1936-38	4,200	LF	$ 225.00	$ 17,786.47	$ 945,000.00
361	15-inch PVC Sewer	1990	1,700	LF	$ 225.00	$ 150,959.43	$ 382,500.00
361	18-inch SDR 35 PVC Sewer	1996	7,700	LF		$ 638,937.00	
361	24-inch SDR 35 PVC Sewer	1996	11,607	LF		$ 1,036,038.00	
361	Brick Manholes	1936-38	536	EA	$ 5,100.00	$ 51,450.89	$ 2,733,600.00
361	Concrete Manholes	1936-38	138	EA	$ 5,100.00	$ 13,246.68	$ 703,800.00
361	Project Development	1996	1	LS		$ 257,761.25	
					Subtotal	**$ 3,804,748.05**	
			190,442		**Column Total =**	**$ 3,804,857.05**	

TABLE 5 - Service to Customers

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Original Cost	Replacement Value Today
363	6-inch Sanitary Service Laterals	1936-38	60,318	LF	$ 150.00	$ 170,292.73	$ 9,047,700.00
				Column Total =		**$ 170,292.73**	

TABLE 6 - Flow Measuring Device

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
364.3	Chart Recorder for Flow Meters (Secondary PS)	2012	1	EA	$ 2,738.00	
364.3	Healy-Ruff Co. Depthin feet indicator, #45279-1 with steel tape unit	2020	1	EA	$ 95.63	$ 100.00
364.3	Endress+Hauser Flow Rate Meter	2020	1	EA	$ 2,868.91	$ 3,000.00
364.3	Analog Level Meter with Tape	2020	1	EA	$ 95.63	$ 100.00
364.3	Seimens Sitrans LUT400 Flow Meter Digital Readout	2020	1	EA	$ 4,494.63	$ 4,700.00
364.3	Echo Flow Hunter II flow and level indicator with Transducer and Wiring	2020	1	EA	$ 2,486.39	$ 2,600.00
364.4	Electrical Flow Meter	1996	1	LS	$ 1,555.00	
364.4	Electrical Flow Meters - 2	1996	1	LS	$ 10,070.00	
364.4	Electrical Level Transmitter	1996	1	LS	$ 4,315.00	
364.4	Electrical Flow Meters - 2	1996	1	LS	$ 10,070.00	
364.4	Electrical Level Transmitter	1998	1	LS	$ 4,315.00	
364.4	Eastvale PS Flow Meters and Chart Recorder	2006	1	LS	$ 14,000.00	
				Column Total =	**$ 57,104.19**	

TABLE 7 - Office Equipment

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
390.7	Office Furniture and fixtures - workstations	2020	1	LS	$ 2,390.76	$ 2,500.00
390.7	Computers, laptops, printers, etc.	2020	1	LS	$ 4,781.52	$ 5,000.00
390.7	Miscellaneous EDP Equipment, computers, printers	2020	1	LS	$ 1,434.46	$ 1,500.00
				Column Total =	**$ 8,606.74**	

TABLE 8 - Transportation Equipment

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
391.7	Ford F250 4x4 Truck, 1,466 miles.	2020	EA	1	$ 42,707.00	
391.7	Ford F150 4x4 Truck, VIN NO. 1FTMF1EM4EKG07810, 36,779 Miles	2014	EA	1	$ 25,656.00	
391.7	Ford F350 1-ton Dump Truck YEAR 1992, VIN No. 1FDKF37GXNNA08298, 90,687Miles, Manual Transmission	1992	EA	1	$ 29,103.64	$ 70,000.00
391.7	Case Backhoe/Loader Model 580 SUPER L EXTEND-A-HOE, #JJG0195825, 5,828 Hrs, 4 X 4	1998	EA	1	$ 49,374.85	$ 100,000.00
391.7	Bobcat Skid Steer Loader, Model 553 C Series, #513012370, 864 Hrs.	1999	EA	1	$ 20,213.66	$ 40,000.00
391.7	Car Mate Trailer VIN NO. 5A3Y510S12L003959, 5 X 10, 13" Sidewalls	2002	EA	1	$ 3,217.22	$ 5,900.00
391.7	Mansfield Flatbed Trailer, VIN NO. 1M9BU142X6M620139, 6 X 10 Diamond Plate Deck, Tandem Axle	2006	EA	1	$ 4,848.45	$ 7,500.00
			Column Total =		**$ 175,120.82**	

TABLE 9 - Stores Equipment

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
392.7	Misc	1996	1	LS	$ 2,343.64	$ 5,000.00
392.7	Chlorine Scales	1996	2	LS	$ 7,030.91	$ 15,000.00
392.6	Lockers	1996	3	LS	$ 937.45	$ 2,000.00
392.8	Shelving	1996	4	LS	$ 2,343.64	$ 5,000.00
392.9	Storage bins	1996	5	LS	$ 2,343.64	$ 5,000.00
				Column Total =	**$ 14,999.28**	

TABLE 10 - Tools, Shop and Garage Equipment

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
393.7	Gorman-Rupp Trailer Mounted Pump	2020	1	EA	$ 17,213.47	$ 18,000.00
393.7	Cub Cadet Zero Turn Mower	2020	1	EA	$ 4,781.52	$ 5,000.00
393.7	Lawn Tractor, Toro Wheel Horse Model 73542, #000000111, Hydrostatic, 1071 HRS	2020	1	EA	$ 10,136.82	$ 10,600.00
393.7	Capital Equipment TP300 Industrial Trash Pump, 3", Gas 208 CC Engine	2020	1	EA	$ 1,912.61	$ 2,000.00
	Industrial Plus Industrial Trash Pump, 3", 8HP, Gas Fired	2020	1	EA	$ 1,912.61	$ 2,000.00
393.7	Drill Press DELTA ModelL 17-900, #8810	2020	1	EA	$ 1,434.46	$ 1,500.00
393.7	Miller MIG Welder, Multimatic 220	2020	1	EA	$ 2,868.91	$ 3,000.00
393.7	Lincoln Welder, Gas Fired	2020	1	EA	$ 1,147.56	$ 1,200.00
393.7	Capital Equipment PW3000 Industrial Pressure Washer	2020	1	EA	$ 956.30	$ 1,000.00
393.7	Stihl TS800 Cutoff Saw with 16-inch wheel	2020	1	EA	$ 1,625.72	$ 1,700.00
393.7	Toro CCR3650 Snow blower 6Hp	2020	1	EA	$ 1,625.72	$ 1,700.00
393.7	I-R Air Compressor, Gas Fired T10 Series	2020	1	EA	$ 669.41	$ 700.00
393.7	Capital Equipment 7500D Portable Generator, Diesel Fired, 10 Hrs	2020	1	EA	$ 2,103.87	$ 2,200.00
393.7	I-R Portable Air Compressor, Gas Fired, T10 SERIES	2020	1	EA	$ 286.89	$ 300.00
393.7	Porter Cable Portable Air Compressor, Jet Stream Series, Model CPL55GH810, 55HP Gas Engine, 8 Gallon Tank	2020	1	EA	$ 812.86	$ 850.00
393.7	BOSCH Brute Electric Demolition Jackhammer with hand truck and tooling	2020	1	EA	$ 908.49	$ 950.00
393.7	HONDA Portable Generator, 8HP, 4000 Watt	2020	1	EA	$ 1,625.72	$ 1,700.00
393.7	Ridgid KOLLMANN K1500 Sectional Sewer Cleaning Machine	2020	1	EA	$ 2,486.39	$ 2,600.00

TABLE 10 - Tools, Shop and Garage Equipment

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
393.7	WEN Construction Zone Series Plate Compactor, 212 CC Gas Engine	2020	1	EA	$ 669.41	$ 700.00
393.7	I-R Air Compressor, Model TS5, #NAR10524662, 5HP, Vertical Tank With Wiring, Control and Hose Reel	2020	1	EA	$ 1,912.61	$ 2,000.00
393.7	Shop Crane	2020	1	EA	$ 239.08	$ 250.00
393.7	VENTUR Electric Truck Bed	2020	1	EA	$ 286.89	$ 300.00
393.7	Rotary Automotive Lift, Model DP10AN100BBL, #NEP11E0057, 10,000# Capacity with Wiring and Controls	2020	1	EA	$ 3,538.33	$ 3,700.00
393.7	Western Snowplow Model ProPlow$60390, 8' with mount	2020	1	EA	$ 3,442.69	$ 3,600.00
393.7	Minor Equipment - shelves, fire ext., time clock, vacuum, floor machine, valet, spare motors, lockers, fans, etc.	2020	1	LS	$ 4,781.52	$ 5,000.00
393.7	Minor Equipment	2020	1	LS	$ 114.76	$ 120.00
393.7	Fairbanks Morse, No. 27 Platform Scale, Twin Beams, 4 x 5 Platform with Mettler Toledo Digital Readout	2020	1	LS	$ 1,147.56	$ 1,200.00
393.7	Minor Equipment consisting of fire extinguisher and shelving	2020	1	LS	$ 382.52	$ 400.00
393.7	Minor Equipment - Fire extinguisher , ladder, etc.	2020	1	LS	$ 143.45	$ 150.00
393.7	Minor Equipment - Trucks, chairs, Fire extinguisher , etc.	2020	1	LS	$ 248.64	$ 260.00
393.7	Minor Equipment	2020	1	LS	$ 114.76	$ 120.00
393.7	Minor Equipment yard tools, cabinets, vacuum, shelf/Cabinet, respirators	2020	1	LS	$ 1,530.09	$ 1,600.00
393.7	Confined Space Set complete with tripod and lift	2020	1	LS	$ 1,912.61	$ 2,000.00

TABLE 10 - Tools, Shop and Garage Equipment

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
393.7	Kellogg-America Air Compressor, single stage, 5HP with vertical 60 gallong capacity Tank, complete with piping, connectins, wiring and controls	2020	1	LS	$ 765.04	$ 800.00
393.7	Continental Shop Press Model HV100, #10776, 30 ton capacity, hydraulic	2020	1	LS	$ 478.15	$ 500.00
393.7	Minor equipment consisting of hand tools, power tools, jack, racks, fire extinguisher, etc.	2020	1	LS	$ 2,773.28	$ 2,900.00
393.7	Rigid 535 Pipe Threader with tooling	2020	1	LS	$ 2,295.13	$ 2,400.00
393.7	Steel shop table, 8 x 5 with Jib Crane, Vise and Pipe Vise	2020	1	LS	$ 765.04	$ 800.00
393.7	Proto tool chest, 4x2x5 1/2 with hand tools	2020	1	LS	$ 6,694.13	$ 7,000.00
393.7	Lincoln Idealarc 250 Welder	2020	1	LS	$ 765.04	$ 800.00
393.7	Jet Drill Press Model JDP-20MF, #14046692	2020	1	LS	$ 812.86	$ 850.00
393.7	Jet Horizontal Band Saw, Model HBS-916W, #414468	2020	1	LS	$ 2,773.28	$ 2,900.00
393.7	Minor Equipment - Fire extinguisher , fan, pump, etc.	2020	1	LS	$ 286.89	$ 300.00
393.7	Minor Equipment - Desk, Chair, File, Bookcase, Vaccum, Fire extinguisher , air conditioner, etc.	2020	1	LS	$ 1,721.35	$ 1,800.00
393.7	Minor equipment consisting of ladder, yard tools and fire extinguisher, etc.	2020	1	LS	$ 172.13	$ 180.00
393.7	Minor equipment consisting of life ring, floatation Devicefor Primary Settling Tanks	2020	1	LS	$ 573.78	$ 600.00
393.7	Minor equipment consisting of life ring, floatation Device ffor Final Settling Tanks 1 & 2	2020	1	LS	$ 382.52	$ 400.00
393.7	Minor equipment consisting of life ring, floatation Device for Final Settling Tanks 3, 4 and 5	2020	1	LS	$ 573.78	$ 600.00
393.7	Minor equipment consisting of life ring, floatation Device for chlorine tanks	2020	1	LS	$ 382.52	$ 400.00

TABLE 10 - Tools, Shop and Garage Equipment

						Replacement
NARUC					Original	Value
Account	Description	Year	Quantity	Unit	Cost	Today
393.7	Minor equipment consisting of battery chargers. Drum pumps, airless painter, counters, sprayers, ladders, pressure washer, space heaters, air compressor, hand and power tools, hand trucks, fire extinguishers, shop lights, jacks, refrigerators, chain saw, leaf blowers, string trimmers, utility cart, sandblaster, yard tools, files credenza, chairs, vacuum, safety cabinets	2020	1	LS	$ 7,650.43	$ 8,000.00
				Column Total =	**$ 104,839.62**	

TABLE 11 - Laboratory Equipment

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
394	Orio Ph/ RDO/DO meter	1996	1	LS	$ 1,171.82	$ 2,500.00
394	Glassware	1996	1	LS	$ 937.45	$ 2,000.00
394	Refrigerator	1996	1	LS	$ 468.73	$ 1,000.00
394	Manning effluent composite sampler	2021	1	LS	$ 6,581.00	$ 6,581.00
394	Process Control Equipment	1996	1	LS	$ 4,687.27	$ 10,000.00
394	Lab Equip & Furniture	1996	1	LS	$ 39,841.83	$ 85,000.00
				Column Total =	**$ 53,688.11**	

TABLE 12 - Power Operated Equipment

						Replacement
NARUC					Original	Value
Account	Description	Year	Quantity	Unit	Cost	Today
395.7	See Table 10					
			Column Total =		$ -	

TABLE 13 - Communication Equipment

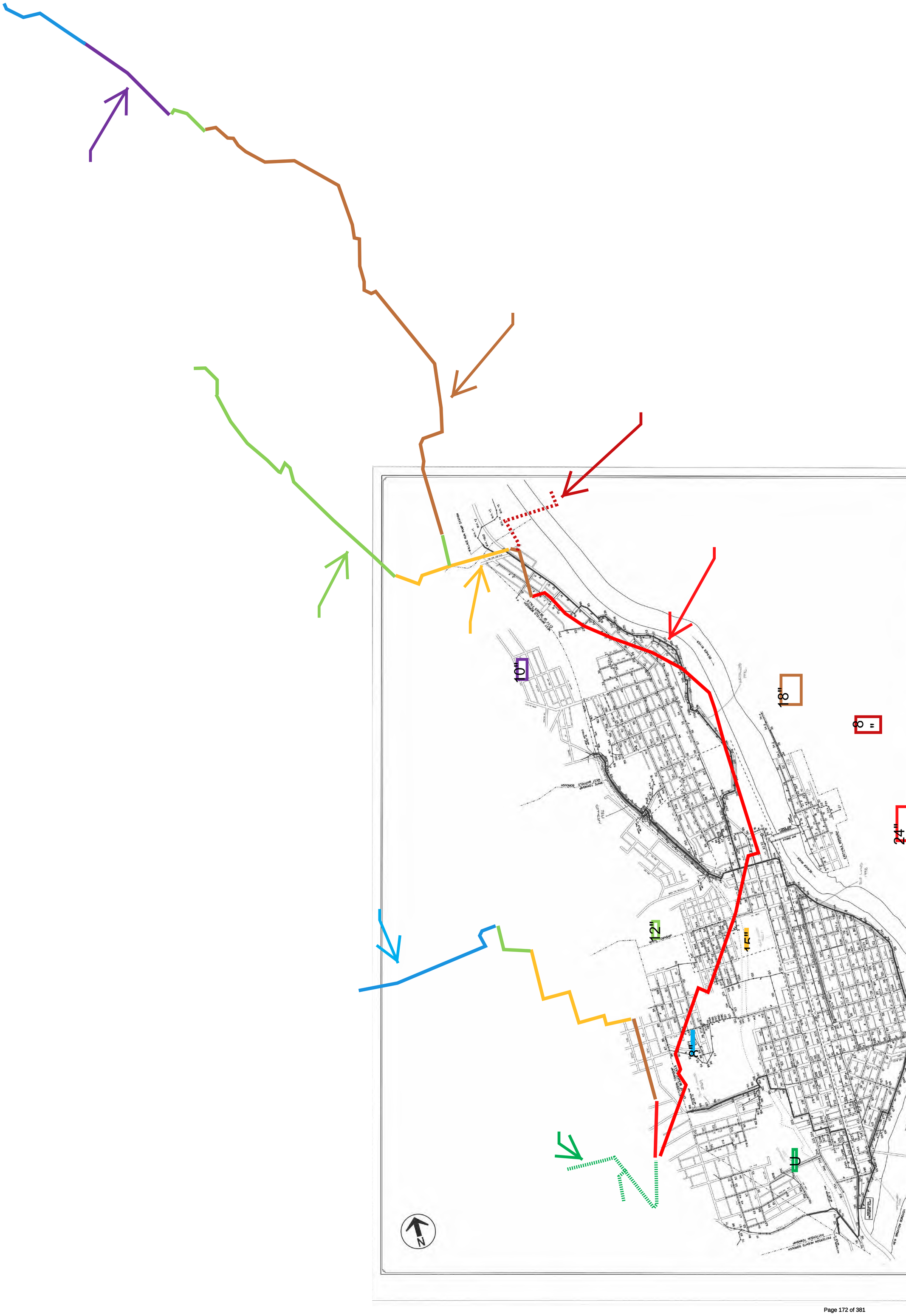
NARUC Account	Description	Year	Quantity	Unit	Unit Cost	Original Cost	Replacement Value Today
396.7	iPhone XR's	2021	2	EA	$ 500.00	$ 1,000.00	
396.7	iPads (4G)	2021	5	EA	$ 400.00	$ 2,000.00	
396.7	NEC Master Telephone System With PA, Amplifier and phones	2020	1	LS	$ 8,600.00	$ 8,600.00	
				Column Total =		**$ 11,600.00**	

TABLE 14 - Misc. Equipment

						Replacement
NARUC					Original	Value
Account	Description	Year	Quantity	Unit	Cost	Today
397.9	Surveillance System - 4-cameras, 2-monitor, 1-controller	2020	1	LS	$ 1,400.00	
397.9	DVR Recorder	2018	2	LS	$ 600.00	
				Column Total =	$ 2,000.00	

APPENDIX B

Appendix B – City of Beaver Falls Sewer Maps


10"
18"
8"
24"
12"
15"
8"
8"
N

BUILD ON THE WORLD'S BROADEST RANGE OF SINGLE COUNTRY ETF... EXPLORE > iShares by BLACKROCK +

Business (Http://Www.Philly.Com/Business)

Aqua America buys Gilbertsville's Superior Water Co. for $16.8M

Updated: JANUARY 6, 2016 — 1:08 AM EST

by **Andrew Maykuth**, Staff Writer @Maykuth (http://twitter.com/@Maykuth) | amaykuth@phillynews.com (mailto:amaykuth@phillynews.com)

Aqua America Inc., of Bryn Mawr, has acquired a private Montgomery County water utility that serves a growing part of Southeastern Pennsylvania.

Aqua's Pennsylvania subsidiary bought Superior Water Co. Inc. in Gilbertsville for $16.8 million in stock Monday. Superior's five water systems serve 3,868 customers in Berks, Chester, and Montgomery Counties.

The Pennsylvania Public Utility Commission, which approved the merger Sept. 17, said the ownership change will be transparent to Superior's customers, who will continue to receive service under the same rates and terms.

The agreement provides for Superior to be operated as Aqua's subsidiary. The companies said the merger would provide economies of scale that would multiply as Superior is folded into Aqua.

Last year, North Coventry Water Authority, whose Chester County territory adjoins Superior's Suburbia water system, protested, then dropped its opposition of the merger. North Coventry said state environmental regulators had found "persistent" water-quality violations in Suburbia's system.

Aqua spokeswoman Donna Alston said there are no longer problems. "Currently, all of the Superior water systems are compliant with state environmental regulations," she said.

Aqua serves three million people in eight states, including 420,000 connections representing a population of 1.4 million in 31 Pennsylvania counties. Last year, it acquired 16 systems that added 10,588 connections to its base.

amaykuth@phillynews.com (mailto:amaykuth@phillynews.com)

215-854-2947 @maykuth

Read more by **Andrew Maykuth**

Published: January 5, 2016 — 5:44 PM EST | **Updated:** January 6, 2016 — 1:08 AM EST

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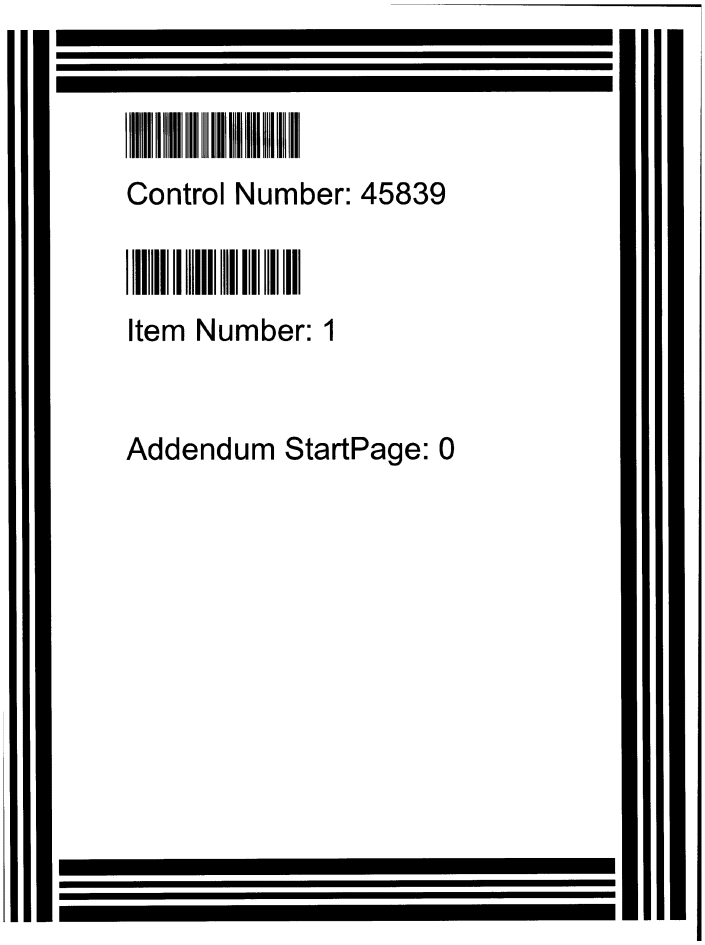

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Chapter 13.251 of the Texas Water Code

Docket Number: 45839

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

RECEIVED
2016 APR 11 AM 10:36
PUBLIC UTILITY COMMISSION FILING CLERK

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System
1700 N. Congress Ave, Room B40
Austin, Texas 78701

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Part C – Purchaser or Transferee Information 3
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Part A – General Information

*RN# [ ] *CN# [ ] * (PRIOR TCEQ ID numbers)

1. Proposed action of application (check all the boxes that apply):
   - [ ] Sale of [X] All [ ] Portion of the [X] Water system(s) under CCN No.: 13125
   - [X] Acquisition [ ] Sewer system(s) under CCN No.:
   - [ ] Lease/Rental

   [X] Transfer of [X] All [ ] Portion of the [X] Certificated water service area – CCN No.: 13125
   [ ] Certificated sewer service area – CCN No.:

   If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

   N/A

   and to:
   - [ ] Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN
   - [X] Amend the transferee's CCN No.: 13118
   - [ ] Merge or consolidate public utilities
   - [ ] Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: 9/1/2016
   (Must be at least 120 days after proper notice is provided)

Part B – Current Service Provider or Seller Information

☞ **Questions 3 through 5 apply to the transferor (current service provider or seller)**

3. For the current CCN holder or service provider please indicate:
   A. Name: Security State Bank and Trust
   (Individual, Corporation or Other Legal Entity)
   who is a(n):of [ ] Individual [X] Corporation [ ] WSC [ ] HOA or POA [ ] Other [ ]

   B. Utility Name (if different than above):
   Address: 607 N. Main Street, Boerne, Texas 78006-1621 Telephone: (AC) (830) 249-9292

   C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.
   Name: Bret W. Fenner Title: Engineer
   Address: 913 Hyde Park DR., Round Rock, TX 78665 Telephone: (AC) (512) 264-9124

Fax: (512) 692-1967 Email: bretfenner@yahoo.com

4. About the last rate increase for the system or facilities being transferred:
   A. What was the effective date of the last rate increase? 6/10/2011

   B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?
   [ ] No [X] Yes- Application/Docket Number: TCEQ Docket No. 36937-S Date June 6, 2011

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
(Utility does not have any customer deposits)			

Part C – Purchaser or Transferee Information

☞ **Questions 6 through 16 refer to the transferee or purchaser.**

6. For the person or entity acquiring the facilities and/or CCN:
   Applicant: Bandera East Utility, LP.
   (Individual, Corporation, or Other Legal Entity)
   Utility Name:
   (If different than above)
   Utility Address: P.O. Box 2501, Boerne, TX 78006
   Fax: Email: Telephone (AC): (830) 537-5755
   CCN Numbers held prior to the filing of this application: 13118

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:
   - [ ] Individual
   - [ ] Home or Property Owners Association
   - [ ] Partnership; attach copy of partnership agreement
   - [X] Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas: 801792893
   - [ ] Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water Sewer Service Corporation); provide charter number:

- [ ] Municipally-owned utility
- [ ] District (MUD, SUD, WCID, etc.)
- [ ] County
- [ ] Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:		Email	
Address			
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual*, provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	John Mark Matkin	Telephone (AC):	(830) 537-5755
Address:	P.O. Box 2501, Boerne TX 78006		
Position:	President	Ownership % (if applicable):	100.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

– Attach additional sheet(s) if necessary –

☞ **Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from: (See Attached Account Status)

Texas Comptroller of Public Accounts
P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Bret W. Fenner, P.E.	Title:	Engineer
Address:	913 Hyde Park DR., Round Rock, TX 78665	Telephone (AC):	(512) 264-9124
Fax #	(512) 692-1967	Email	bretfenner@yahoo.com
Relationship to the applicant:	None		

☞ **IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY**

11. Please respond to each of the following questions. Attach additional sheets if necessary.

A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

The applicant will manage and operate this utility along with other utilities it operates in the region. The applicant is a local company which owns and operates a number of water and wastewater systems in the region. The applicant will maintain this utility in compliance with the rules and regulations of the TCEQ, as well as federal and local laws, rules and regulations.

B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? [ ] Yes [X] No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and PUC and ensure continuous and adequate service.

The utility has the financial capability to make improvements from cash flow generated from its operation and ownership of both water and sewer utilities in the local region.

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

There will be an impact on the quality of utility service, as the applicant has an other operatiions located in the region and will be able to response quickly to emergencies.

E. How will the transaction serve the public interest?

The applicant will maintain this utility in compliance with the rules and regulations of the PUC, TCEQ, as well as federal and local laws, rules and regulations.

12. Please describe the nature of the proposed transaction:

The purpose of this transaction is for Bandera East Utility, LP to purchase the water assets of the Latigo Ranch Subdivision (PWS No. 0100096) and to transfer this water service area to to Bandera East Utility, LP. CCN service area. (See attached Commercial Contract Between the Parties)

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

A.
- Total Purchase Price: $ 80,000.00
- Total Original Cost (as recorded on books of seller or merging entity): $ 80,000.00
- Accumulated Depreciation as of the proposed effective date of the transaction: $ 0.00
- Contributions in Aid of Construction:
  - Specific surcharges approved by TCEQ or PUC: $ 0.00
  - Revenues from explicit customer agreements: $ 0.00
  - Developer Contributions (please explain):

None

  - Other Contributions (please explain):

None

Total Contributions in Aid of Construction $ 0.00

- Net Book Value: $ 80,000.00

☞ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: N/A Date:

☞ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application. [attach additional sheet(s) if necessary]:

This application is only for the purchase and transfer of the existing water service area. No additional service area is being requested.

C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	$ 80,000.00
Plant Acquisition Adjustment:	$ 0.00
Extraordinary Loss on Purchase:	$ 0.00
Accumulated Depreciation of Plant:	$ 0.00
Cash:	$ 0.00
Notes Payable:	$ 0.00
Mortgage Payable:	$ 0.00
Others (please list):	N/A

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: JM Date: 3/23/2016

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

[X] All the customers will be charged the same rates as they were charged before the transaction.
[ ] Some [ ] All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

No change in the rates charged customers will results from this transaction.

[ ] Applicant is an IOU and intends to file with the commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

[ ] Other. Please explain:

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

(See Attached List)

16. Financial, Managerial and Technical information for the acquiring entity.

Part D – Historical Financial Information

HISTORICAL BALANCE SHEETS	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
TOTAL						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS						

See Attached Financial Statements

HISTORICAL INCOME STATEMENT	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

See Attached Financial Statements

HISTORICAL EXPENSE DETAIL	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

See Attached Financial Statements

Part E – Projected Information

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

See Attached Financial Statements

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps						
New Taps Per Year			See Attached Financial Statements			
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

PROJECTED EXPENSE DETAIL

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense			See Attached Financial Statements			
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income						
Depreciation (If Funded)						
Loan Proceeds			See Attached Financial Statements			
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
Total Uses						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt						
SERVICE (CADS)						
Net Income (Loss)						
Depreciation, or Reserve Interest						
Total						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest						
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

Part F – TCEQ Public Water or Sewer System Information

☞ Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number: 1 6 3 0 0 4 5

Date of last inspection: November 3, 2008

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q -
-Name of Permitee:
-Date of application to transfer Discharge Permit submitted:
-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ or PUC standards? ☐ Yes ☒ No. If yes, please explain:

B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
None		

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:
Water Sewer

☞ Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? [ ] Yes [X] No
[ ] Water [ ] Sewer Purchased on a [ ] Regular [ ] Seasonal [ ] Emergency Basis

- Source: [ ] % of total supply: 0.00%

21. List the number of existing connections to be effected by this transaction.

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	
20	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
	Total Water Connections:	20		Total Sewer Connections	0

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? [ ] Yes [X] No
If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
Stan Scott	C - Ground water	WG0007965

24. Attach the following maps with each copy of the application: (See Attached Maps)
a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
2. A map showing only the proposed area by:
i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
iii. following verifiable natural and man-made landmarks, or
iv. a copy of recorded plat map with metes and bounds.
3. A written description of the proposed service area.

BUSINESS WIRE

Illinois American Water Acquires Village of Ransom Water System

Acquisition will add about 170 new water customers in Streator District

April 26, 2016 03:24 PM Eastern Daylight Time

RANSOM, Ill.--(BUSINESS WIRE)--Illinois American Water President Bruce Hauk, today announced the Company's acquisition of the Village of Ransom water system. The purchase of the system adds approximately 170 customers to the Company's customer base in the Streator District and serves a population of nearly 370 residents.

The Village of Ransom Board voted in favor of the sale on Sept. 9, 2015 and the Illinois Commerce Commission (ICC) approved the sale for $175,000 on Feb. 24, 2016. Today, Illinois American Water acquired the water system.

"We look forward to investing in the Village of Ransom and ensuring customers have access to quality water service," said Hauk. "We are excited to join and contribute to the Ransom community."

Acting Village of Ransom President Matt Hauser is also enthusiastic in his support of the acquisition. He said, "We are looking forward to Illinois American Water joining our community and helping us meet our water needs. Their knowledge and ability to provide reliable water service to our residents is an investment in our public health and economic future."

Currently the drinking water in Ransom has exceedingly high levels of Radium. Bottled water will continue to be distributed at Village Hall until the Village of Ransom is connected to Illinois American Water's Streator District water distribution system. This investment of approximately $2 million to install 10 miles of water main will ensure quality drinking water that meets all EPA requirements. Barring no unforeseen circumstances, this project is expected to be completed by the end of 2016.

Additional information will be provided to customers in an Illinois American Water welcome packet in the mail. This packet will include information about online account management, billing and more. Typical water service customers use between 4,500 and 6,000 gallons of water per month. A Village of Ransom customer using 5,000 gallons a month will pay approximately $45 for water service. This is a decrease of about $8 a month.

The appraisal process used for the Ransom water system was conducted under the supervision of the Illinois Commerce Commission (ICC) and established as part of the Illinois Water Systems Viability Act. According to Hauk, this new law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility. He said, "Previous law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a small system, public or private. Because of this, systems were deprived of receiving adequate value for their system."

The Ransom water system will be incorporated into the company's Streator District, which currently serves residents in Streator, Kangley, Reading, Dana, Long Point and Ancona.

About Illinois American Water

Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.2 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. American Water is the largest and most geographically diverse publicly traded U.S. water and wastewater utility company. Marking its 130th anniversary this year, the company employs 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting www.amwater.com.

Contacts
Illinois American Water
Karen Cotton
External Affairs Manager
309-566-4126

POCONO RECORD

Tobyhanna sewer system sale

By David Pierce
Pocono Record Writer
Posted Apr 30, 2016 at 11:58 AM
Updated Apr 30, 2016 at 11:58 AM

Aqua America buys municipal operation for $5.5 million

Tobyhanna Township is about to get out of the sewage collection and treatment business through a $5.5 million sale of its system to Aqua America.

Tobyhanna Township supervisors unanimously approved sale of the Blakeslee treatment plant, sewer lines and pump station in February. Aqua — which has operated the system for the past 18 months under a management contract with the township — will receive all future revenue generated from about 800 residential and commercial customers.

The dormant Tobyhanna Township Sewer Authority has scheduled a 2016 reorganizational meeting and vote Monday to ratify the assets purchase agreement by Aqua Pennsylvania Wastewater, Inc. This will be the sewer authority's first, and presumably last, meeting of the year. The authority met once last year, Tobyhanna Township Manager Phyllis Haase said.

The sale also requires regulatory approval from the Pennsylvania Public Utility Commission before becoming final.

The township has held public hearings and discussions on possible sale of the plant for at least the past 18 months, Haase said. One other private company investigated possible purchase of the system, but Aqua was the only company to make an offer, according to minutes of a February supervisors' meeting posted on the township website.

An outside company performed a financial analysis for the township, to determine the sewage system's value.

The sale will relieve the township of a financial burden, Haase said. Tobyhanna has an outstanding $4.2 million note on the system, in addition to costs related to reconstruction of a treatment building.

"We still have a note on the plant," Haase said. "It's not like we're walking away with $5.5 million."

Even with ownership of the system, Aqua America will still have to meet provisions of the township's Act 537 plan, which sets regulations for how and where sewage is collected and treated. The 537 plan also is subject to approval by the state Department of Environmental Protection.

Customers shouldn't notice any changes in the quality of service due to the sale, Aqua America spokeswoman Gretchen Toner said.

"We don't plan any changes to the staff, and the rates will stay the same upon acquisition," Toner said. "Any future rate changes would be part of a broader Aqua rate request and set and approved by the state Public Utility Commission."

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A Berkshire Hathaway Company

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Pennsylvania American Water Signs Agreement to Acquire New Cumberland Wastewater System

May 05, 2016 11:03 AM Eastern Daylight Time

HERSHEY, Pa.--(BUSINESS WIRE)--Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced today that it has signed an agreement to acquire the wastewater assets of the Borough of New Cumberland in Cumberland County. The total value of the transaction is approximately $23 million.

Pennsylvania American Water and the Borough will seek approval of the acquisition from the Pennsylvania Public Utility Commission and other necessary approvals from the Pennsylvania Department of Environmental Protection. The signing of the purchase agreement is the culmination of negotiations between Pennsylvania American Water and Borough officials since the Borough Council unanimously voted in March to accept the company's proposal. The Borough initially issued a request for bids in January 2016, for the potential acquisition of its wastewater system.

"Our company and our employees have been the water service provider for this community for many, many years, and we are excited for the opportunity to be the future provider of wastewater service to our New Cumberland customers," said Pennsylvania American Water President Kathy L. Pape. "We look forward to providing the technical expertise and financial resources needed to ensure the system meets all the environmental compliance challenges it will face in the future."

The New Cumberland wastewater system serves approximately 3,100 customers.

Pape said long-term rate stability is one of the most important benefits for wastewater customers, who faced significant rate increases if the Borough continued to operate the system. Under the purchase agreement, Pennsylvania American Water will not change wastewater rates any earlier than January 1, 2018, with a maximum 2.5 percent increase in both 2018 and 2019. The company's rates are regulated by the Public Utility Commission and future rate changes would have to be reviewed and approved by the PUC.

Pennsylvania American Water's purchase of the sewer system will enable the Borough to eliminate all debt, which is approximately $16 million, by retiring outstanding bonds within the next three years.

Pennsylvania American Water has also committed to invest $2 million in wastewater and/or water improvements within New Cumberland over the next five years. The company will partner with the Borough to identify areas where aging wastewater and water facilities can be replaced in conjunction with street and sidewalk improvements.

Pape said upon closing the acquisition that "we look forward to welcoming the Borough's five wastewater employees to the Pennsylvania American Water team." All active employees will be offered jobs, subject to standard pre-employment screening.

The company expects to close the transaction by the end of 2016, pending regulatory approvals.

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in Pennsylvania, providing high-quality and reliable water and/or wastewater services to approximately 2.3 million people. Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. Marking its 130th anniversary this year, the company employs more than 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found at www.amwater.com.

Contacts
Pennsylvania American Water
Terry Maenza
T: 610-670-7789 ext. 1009
M: 610-849-6484
terry.maenza@amwater.com

Tweets by @paamwater

PA American Water
@paamwater
UPDATE: Work along Green Ridge Street has been postponed. Our contractor will be onsite beginning Monday, June 5... fb.me/102G2mYOu
2h

PA American Water
@paamwater
We're a day early for a #TBT, but a customer in Wilkes-Barre shared this water bill from January 1922 from the... fb.me/1n6DB6SmQ
21h

PA American Water
@paamwater
SCRANTON: Traffic restrictions will be in place along Green Ridge Street beginning tomorrow as contractors begin... fb.me/1AQsgtXmi
30 May

#Hashtags

#NewCumberland #acquisition #wastewater

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PCOR Water USA ompletes Willow alley Water ompany cquisition

Marketwired May 9, 2016

PHOENIX, ARIZONA--(Marketwired - May 9, 2016) - EPCOR Water (USA) Inc. (EPCOR USA), a wholly owned subsidiary of EPCOR Utilities Inc. (EPCOR), has completed the previously announced acquisition of Willow Valley Water Company (Willow Valley).

"Willow Valley complements our existing regional footprint in northwestern Arizona and is a natural step as we continue to expand our business," said Joe Gysel, President of EPCOR USA. "We believe that our focus on customer service and operational excellence will benefit the customers of Willow Valley, now and in the future."

Through its Arizona subsidiary EPCOR Water Arizona Inc., EPCOR USA acquired substantially all of the assets and operations of Willow Valley Water Company for approximately US$2.27 million. The acquisition has received regulatory approval from the Arizona Corporation Commission.

Willow Valley provides water service to approximately 1,600 customer connections in the Bullhead City area, a service territory approximately 10 miles south of EPCOR USA's Mohave and North Mohave water districts.

With the acquisition of Willow Valley, EPCOR USA now provides water service to more than 21,000 connections in Mohave County. EPCOR USA also provides wastewater service to approximately 1,560 connections in Fort Mohave.

Willow Valley is the company's sixth acquisition since entering the United States. In 2011, the company acquired Chaparral City Water Company, followed by the 2012 acquisition of American Water's Arizona and New Mexico assets and operations. In 2013, EPCOR USA acquired North Mohave Valley Corporation in Arizona and Thunder Mountain Water Company in New Mexico, as well as the existing agreements and master-planning responsibilities to provide wastewater and recycled water services to a 7,000-acre development corridor in Glendale, Arizona.

Today, EPCOR USA is the largest, private regulated water utility in Arizona and New Mexico, providing water and wastewater service to

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Symbol	Last Price	Change	% Ch
ALE ALLETE, Inc.	73.26	-0.13	-0.1
AQN Algonquin Power & Utilities Corp.	10.46	0.13	1.2
AGR Avangrid, Inc.	45.63	0.20	0.4
YHOO Yahoo! Inc.	50.63	0.31	0.6
DUK Duke Energy Corporation	85.72	0.04	0.0
AEP American Electric Power Company, Inc.	72.06	0.28	0.3
EMA.TO Emera Incorporated	48.63	0.45	0.9

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meaning of Canadian securities laws as it relates to anticipated financial performance, events or strategies. When used in this context, words such as "will", "anticipate", "believe", "plan", "intend", "target" and "expect" or similar words suggest future outcomes. The purpose of forward-looking information is to provide investors with management's assessment of future plans and possible outcomes and may not be appropriate for other purposes. Forward-looking information in this news release includes expectations regarding the timing of regulatory approval of the acquisition.

These statements are based on the assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate. Readers are cautioned not to place undue reliance on forward-looking statements as actual results could differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Except as required by law, EPCOR disclaims any intention and assumes no obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason.

About EPCOR Water USA

EPCOR USA is an indirect, wholly owned subsidiary of EPCOR Utilities Inc. Headquartered in Phoenix, Arizona, EPCOR USA's wholly owned subsidiaries build, own and operate water and wastewater treatment facilities and infrastructure in the southwestern United States. EPCOR USA is the parent company of EPCOR Water Arizona Inc.

About EPCOR Utilities Inc.

EPCOR's wholly owned subsidiaries build, own and operate electrical transmission and distribution networks, water and wastewater treatment facilities and infrastructure in Canada and the United States. The Company's subsidiaries also provide electricity and water services and products to residential and commercial customers. EPCOR, headquartered in Edmonton, is an Alberta top 70 employer. EPCOR's website address is www.epcor.com.

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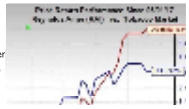

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Control Number: 46077

Item Number: 1

Addendum StartPage: 0

Application for Sale, Transfer, or Merger of a Retail Public Utility
Pursuant to Chapter 13.251 of the Texas Water Code

Docket Number: 46077

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with:

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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PUBLIC UTILITY COMMISSION FILING CLERK

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System
1700 N. Congress Ave, Room B40
Austin, Texas 78701

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Part A – General Information

*RN# Williamson County RN101217701 *CN# Aqua Texas CN604062463 Brushy Bend CN600646574 *

1. Proposed action of application (check all the boxes that apply):
[X] Sale of [ ] All [X] Portion [ ] of the [X] Water system(s) under CCN No.: 11773
[ ] Acquisition [ ] Sewer system(s) under CCN No.:
[ ] Lease/Rental

[X] Transfer of [ ] All [X] Portion of the [X] Certificated water service area – CCN No.: 11773
[ ] Certificated sewer service area – CCN No.:

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

Brushy Bend Park Subdivision

and to:
[X] Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN
[ ] Amend the transferee's CCN No.: Aqua Texas requests a new SW Region water CCN number be issued for this transaction.
[ ] Merge or consolidate public utilities
[X] Cancel CCN of the transferor (seller): Cancellation of CCN 11773 requested in transfer area only.

2. Proposed effective date of this transaction: To be determined after approval.
(Must be at least 120 days after proper notice is provided)

Part B – Current Service Provider or Seller Information

☞ **Questions 3 through 5 apply to the transferor (current service provider or seller)**

3. For the current CCN holder or service provider please indicate:
A. Name: Brushy Creek Municipal Utility District
(Individual, Corporation or Other Legal Entity)
who is a(n):of [ ] Individual [ ] Corporation [ ] WSC [ ] HOA or POA [X] Other Municipal Utility District

B. Utility Name (if different than above):
Address: 16318 Great Oaks Drive, Round Rock, Texas 78681 Telephone: (AC) (512) 255-7871

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.
Name: Anthony S. Corbett Title: Attorney
Address: 8500 Bluffstone Cove, B-104, Austin, TX 78759 Telephone: (AC) (512) 717-4552

Fax: (512) 453-0865 Email: tcorbett@freemanandcorbett.com

4. About the last rate increase for the system or facilities being transferred:
   A. What was the effective date of the last rate increase? 6/11/2015
   B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?
[X] No [ ] Yes- Application/Docket Number: Date

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
All deposits held by Brushy Creek MUD, if any, will be refunded prior to closing. Applicants request a waiver of production for this item.			

Part C – Purchaser or Transferee Information

☞ **Questions 6 through 16 refer to the transferee or purchaser.**

6. For the person or entity acquiring the facilities and/or CCN:
Applicant: Aqua Texas, Inc.
(Individual, Corporation, or Other Legal Entity)
Utility Name:
(If different than above)
Utility Address: 1106 Clayton Lane, Ste. 400W, Austin, Texas 78723
Fax: (512) 990-4410 Email: Telephone (AC): (512) 990-4400
CCN Numbers held prior to the filing of this application: Aqua Texas holds multiple water and sewer CCNs but is requesting that a new SW Region water CCN number be issued for this transcation.

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:
[ ] Individual
[ ] Home or Property Owners Association
[ ] Partnership; attach copy of partnership agreement
[X] Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas: 32014405503
[ ] Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water Sewer Service Corporation); provide charter number:

[ ] Municipally-owned utility
[ ] District (MUD, SUD, WCID, etc.)
[ ] County
[ ] Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:	Not applicable.	Email	
Address			
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual*, provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	Please see Attachment 1.	Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%
•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%
•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%
•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%
•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%
•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

- Attach additional sheet(s) if necessary –

☞ **Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Please see Attachment 2.

Texas Comptroller of Public Accounts
P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Geoffrey P. Kirshbaum	Title:	Attorney
Address:	810 West 10th Street, Austin, Texas 78701	Telephone (AC):	(512) 474-9100
Fax #	(512) 474-9888	Email	gkirshbaum@terrillwaldrop.com
Relationship to the applicant:	Attorney for Aqua Texas		

☞ **IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY**

11. Please respond to each of the following questions. Attach additional sheets if necessary.
A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

Aqua Texas is a subsidiary of Aqua America, Inc., one of the largest publicly traded water utilities in America. Aqua Texas currently operates more than 375 water systems in Texas. Aqua Texas has the financial ability to make all necessary repairs and improvements to the Brushy Bend Park (a/k/a Williamson County) water system to keep it in full compliance with all TCEQ and PUC regulations. Aqua Texas' experienced operators are thoroughly knowledgeable about water operations, as well as the requirements for continuous and adequate service.

B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? [X] Yes [ ] No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

Aqua Texas, Inc. and its affiliates ("Aqua") own and operate hundreds of water and wastewater systems throughout Texas. In addition to implementing action items under an extensive Agreed Compliance Order inherited in 2003 from Aqua predecessors, Aqua has diligently worked to implement other needed improvements for systems it has acquired over the years. The documentation potentially responsive to this application item is significant due to the large number of facilities, condition upon acquisition for certain systems, and changes experienced in source water quality over the years. Providing such documentation is impractical, but it is publicly available. Aqua respectfully requests waiver of production of such records with this application, but is willing to work with Staff to address specific concerns or questions as they relate to enforcement actions.

C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and PUC and ensure continuous and adequate service.

Aqua has the financial ability through customer collections and infusions of capital from lenders, as well as capital contributions from its parent Aqua America, Inc., to make any required improvements necessary to meet TCEQ and PUC minimum requirements for continuous and adequate service.

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

The quality of service will remain at a high level due to the experienced operators employed by Aqua. The quality of service will meet or exceed current levels. Aqua will deal promptly with any service issues which may arise.

E. How will the transaction serve the public interest?

Aqua owns several water systems near Brushy Bend Park (a/k/a Williamson County) water system to be acquired in the proposed transaction which are located outside the boundaries of Brushy Creek Municipal Utility District ("Seller" or "District"). This transaction is in the public interest because it will allow the District to focus its service on customers within its boundaries while still allowing for regional service by Aqua to transferred customers connected to the Brushy Bend Park water system. Further, the water rate tariff Aqua is proposing apply to Brushy Bend Park customers if the proposed transaction is approved would keep base rates (i.e., monthly minimum and gallonage charges) the same as Seller's outside-District base rates immediately following the transfer per current Commission policy. Miscellaneous fees will be different in certain instances (in part because the District is a political subdivision with authority to charge certain types of fees that investor-owned utilities cannot), but are not proposed higher than current District charges. Transferred customers will benefit from economies of scale provided by Aqua's larger customer base located throughout its Southwest Region.

12. Please describe the nature of the proposed transaction:

Aqua will acquire the Brushy Bend Park water system (PWS ID No. 2460050) assets owned by Brushy Creek Municipal Utility District ("Seller" or "District"). These assets are located outside the District's boundaries. For further details, please see a copy of the purchase agreement included in Attachment 3.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

A.
- Total Purchase Price: $50,000.00, plus closing costs*
- Total Original Cost (as recorded on books of seller or merging entity): $535,665.00**
- Accumulated Depreciation as of the proposed effective date of the transaction: $384,578.00**
- Contributions in Aid of Construction:
  - Specific surcharges approved by TCEQ or PUC: $0.00***
  - Revenues from explicit customer agreements: $0.00***
  - Developer Contributions (please explain): $0.00***
  - Other Contributions (please explain): $0.00***

Total Contributions in Aid of Construction $0.00***

- Net Book Value: $151,087.00

* Please see "Assets Purchase Agreement" inlcuded in Attachment 3 ("APA"). The purchase price of $50,000 was agreed upon as consideration for the proposed transaction in Section 1.3. Aqua Texas may also be required to pay closing costs to complete the transaction.

** The proposed transaction is not allowed to close without PUC approval. Therefore, the "proposed effective date of the transaction" is not yet determined. Further, the values Aqua Texas is providing in this application section for Total Original Cost, Accumulated Depreciation, and Net Book Value are estimates developed using trending. Seller is not an investor-owned utility required to track asset values according to NARUC and Commission rule requirements. Seller was unable to provide such asset values to Aqua Texas per its books in the manner specified by those requirements which do not apply to Texas political subdivisions and there is good cause for Aqua Texas to use the trended values to book this acquisition since historic records to verify original cost of the assets are unavailable. No adjustment to the trended original cost values is justified. If the proposed transaction is approved, Aqua Texas will need to book the assets using trended original cost values less accumulated depreciation finally determined after closing.

*** See Attachment 10 Disclosure Statement regarding contributions. Brushy Creek Municipal Utility District has not recorded any contribution amounts on its books for the Brushy Bend Park water system assets proposed for transfer. All customer deposits, if any, will be refunded prior to closing and will not be received by Aqua Texas.

☞ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: Not applicable. Date:

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.

This transaction strictly involves an asset sale/acquisition/transfer between Brushy Creek Municipal Utility District and Aqua Texas, Inc. This is not a stock purchase transaction. Legal ownership and responsibility for the Brushy Bend Park (a/k/a Williamson County) water system assets will be transferred to Aqua which will become the certificated retail public water utility for Brushy Bend Park water system customers in place of the District. Other District assets will remain owned and operated by the District. Day-to-day utility operations for transferred customers will remain the same or improve under Aqua's experienced management and operations personnel. Aqua plans to purchase water on a wholesale basis from Brushy Creek Municipal Utility District if the transaction is approved, but a master meter is already in place for distribution of water to Brushy Bend Park. The retail water rate tariff Buyer proposes apply to Brushy Bend Park customers if the proposed transaction is approved would keep base rates (*i.e.*, monthly minimum and gallonage charges) the same as the Seller's outside-District base rates currently charged to Brushy Bend Park customers immediately following the transfer per current Commission policy. Miscellaneous fees will be different in certain instances (in part because the District is a political subdivision with authority to charge certain types of fees that investor-owned utilities cannot), but are not proposed higher than current District charges. Aqua is requesting that its Southwest Region service policies apply going forward for Commission rule compliance and consistency with its Southwest Region water service elsewhere. Aqua plans to operate the Brushy Bend Park water system as part of its Southwest Region, but has no plans at this time to file a Southwest Region water rate case that would affect Brushy Bend Park customers.

C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	$535,665.00*
Plant Acquisition Adjustment:	$101,087.00 (negative acquisition adjustment)*
Extraordinary Loss on Purchase:	N/A
Accumulated Depreciation of Plant:	$384,578.00*
Cash:	N/A
Notes Payable:	N/A
Mortgage Payable:	N/A
Others (please list):	Net Book Value: $151,087.00*

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: [initials] Date: 6/15/2016

for Aqua Texas, Inc.

* The proposed transaction is not allowed to close without PUC approval. Therefore, the "proposed effective date of the transaction" is not yet determined and the values provided in this application section should not be considered final. Further, the values Aqua is providing in this application section for Utility Plant in Service (i.e., Total Original Cost), Plant Acquisition Adjustment, Accumulated Depreciation of Plant, and Net Book Value are estimates developed using trending and the agreed upon purchase price of $50,000.00 (Aqua notes there may also be additional closing costs). Seller is not an investor-owned utility required to track asset values according to NARUC and Commission rule requirements. Seller was unable to provide such asset values to Aqua per its books in the manner specified by those requirements and there is good cause for Aqua to use the trended values to book this acquisition since historic records to verify original cost of the assets are unavailable. No adjustment to the trended original cost values is justified. If the proposed transaction is approved, Aqua will need to book the assets using trended original cost values less accumulated depreciation finally determined after closing.

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

[X] All the customers will be charged the same rates as they were charged before the transaction.
[ ] Some [ ] All customers will be charged different rates than they were charged before the transaction.

*SEE ATTACHMENT 4, Proposed Aqua Texas, Inc. d/b/a Aqua Texas "Water Utility Tariff for Southwest Region – Brushy Bend Park Only," showing that base rates for Brushy Bend Park water customers will remain the same immediately following the transfer while certain miscellaneous fees and service policies are different as required to conform to Commission rules for investor owned utilities and Aqua's previously approved Southwest Region service policies. No miscellaneous fee included in the proposed tariff currently charged by Seller will be higher as a result of the transfer.

If rates are changing, please explain:

Not applicable.

Applicant is an IOU and intends to file with the commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

Not applicable.

Other. Please explain:

Not applicable.

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

Please see Attachment 5. Aqua respectfully requests that Commission staff specifically identify any additional entities for which notice is requested if the notice is otherwise approved.

16. Financial, Managerial, and Technical Information for the acquiring entity

Waiver of production requested except for documents included in Attachment 6.

Part F – TCEQ Public Water or Sewer System Information

☞ Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number: 2460050

Date of last inspection: February 10, 2016 See Attachment 7.

B. For Wastewater Systems: Not applicable.

-TCEQ Discharge Permit Number: W Q - -Name of Permitee: -Date of application to transfer Discharge Permit submitted: -Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ or PUC standards? [ ] Yes [X] No. If yes, please explain:

B. Is there a moratorium on new connections? [ ] Yes [X] No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
Not applicable.		

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? [ ] Yes [X] No

If yes, indicate the number of customers within the city limits or district boundaries:
Water Sewer

☞ Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? [X] Yes [ ] No
[X] Water [ ] Sewer Purchased on a [X] Regular [ ] Seasonal [ ] Emergency Basis

- Source: % of total supply: 75.00%

BRA-Lake Sillhouse Hollow. Immediately following the transfer, Aqua will purchase 100% of its total supply for the system from Brushy Creek MUD. However, Aqua will reserve the right to acquire secondary sources at its discretion.

21.

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	
204	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
3	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
	Total Water Connections:		207	Total Sewer Connections	

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? [ ] Yes [X] No
If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
See Attachment 8.		

24. Attach the following maps with each copy of the application:
a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
2. A map showing only the proposed area by:
i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
iii. following verifiable natural and man-made landmarks, or
iv. a copy of recorded plat map with metes and bounds.
3. A written description of the proposed service area.

See Attachment 9.

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF AQUA INDIANA, INC. ("AQUA INDIANA") FOR (1) APPROVAL OF THE SALE AND TRANSFER TO AQUA INDIANA OF WASTEWATER UTILITY ASSETS IN CRAWFORD COUNTY, INDIANA USED BY JUSTIN LEWIS AND/OR WHITE OAK SEWAGE TREATMENT, LLC PURSUANT TO AN ASSET PURCHASE AGREEMENT; (2) APPROVAL OF CERTAIN ACCOUNTING AND OTHER RELIEF RELATED TO THE ACQUISITION OF THOSE ASSETS; (3) ISSUANCE TO AQUA INDIANA OF A CERTIFICATE OF TERRITORIAL AUTHORITY ENCOMPASSING RURAL AREAS IN LIBERTY TOWNSHIP IN CRAWFORD COUNTY; AND (4) CONSENTING TO CRAWFORD COUNTY GRANTING AQUA INDIANA LICENSES, PERMITS OR FRANCHISES FOR THE USE OF COUNTY-OWNED PROPERTY	) CAUSE NO. 44811) APPROVED: JAN 04 2017

ORDER OF THE COMMISSION

Presiding Officers:
Jenny F. Huston, Commissioner
Loraine L. Seyfried, Chief Administrative Law Judge

On July 1, 2016, Aqua Indiana, Inc. ("Aqua Indiana") filed its Verified Petition requesting the Indiana Utility Regulatory Commission ("Commission") approve, along with other associated relief, an Asset Purchase Agreement providing for the sale and transfer of certain plant, property, and assets currently used by Mr. Justin Lewis and/or White Oak Sewage Treatment, LLC (collectively, "White Oak") to provide wastewater utility service in Crawford County, Indiana and issue to Aqua Indiana a certificate of territorial authority ("CTA") to provide wastewater utility service within a certain area of Crawford County, Indiana.

On August 23, 2016, Aqua Indiana filed its case-in-chief. On November 1, 2016, a Stipulation and Settlement Agreement entered into by and between Aqua Indiana and the Indiana Office of Utility Consumer Counselor ("OUCC") was filed with the Commission. Aqua Indiana and the OUCC filed testimony in support of the Stipulation and Settlement Agreement on November 10, 2016 and November 14, 2016, respectively.

On November 18, 2016, the Presiding Officers issued a docket entry requesting information relating to Ind. Code § 8-1-2-84(e). Aqua Indiana filed its response to the docket entry on November 21, 2016.

The Commission conducted an evidentiary hearing at 9:45 a.m. on November 29, 2016

in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Aqua Indiana and the OUCC participated at the hearing and both parties' evidence was admitted into the record without objection. No members of the general public appeared or sought to testify at the hearing.

Based upon the applicable law and the evidence presented, the Commission finds:

1. Notice and Jurisdiction. Due, legal, and timely notice of the hearings held in this Cause was published by the Commission. Aqua Indiana and White Oak are each a "public utility" as defined in Ind. Code § 8-1-2-1. The Commission has jurisdiction over the sale and purchase of utility assets and associated ratemaking treatment in accordance with Ind. Code §§ 8-1-2-42, 83-84 and the provision of wastewater service in rural areas under Ind. Code § 8-1-2-89. Therefore, the Commission has jurisdiction over Aqua Indiana and White Oak as well as the subject matter of this proceeding.

2. Background on Aqua Indiana and White Oak. Aqua Indiana is an Indiana for-profit corporation providing water utility service to approximately 881 customers and wastewater utility services to approximately 20,772 customers in Indiana. Aqua Indiana also supports the regulated wastewater utility operations of South Haven Sewer Works, Inc. and will continue to do so until it is merged into Aqua Indiana as permitted by the Commission's April 29, 2015 Order in Cause No. 44533. Upon implementing that merger, Aqua Indiana will directly provide wastewater utility service to approximately 4,049 additional wastewater utility customers.

White Oak is an Indiana limited liability company. Mr. Justin Lewis is the President and sole member of White Oak. White Oak provides wastewater utility service to approximately 48 residential and four commercial customers in Liberty Township of Crawford County, Indiana. The area served by White Oak generally is located along State Road 66 approximately four miles south of the Town of Marengo, Indiana.

3. Relief Requested. In its Verified Petition, Aqua Indiana seeks Commission approval of the sale and transfer to Aqua Indiana of the plant and property currently used by White Oak to provide wastewater utility service ("White Oak System"). The sale and transfer would be made pursuant to an Asset Purchase Agreement entered into by and between White Oak and Aqua Indiana ("Purchase Agreement").

In connection with the sale and transfer of the White Oak System, Aqua Indiana also requests that the Commission approve: (i) the manner in which Aqua Indiana will record the plant, property, and other assets acquired from White Oak on its books and records; (ii) approve the rates and charges, as well as the rules and regulations, that Aqua Indiana will apply to customers, subject to such changes as the Commission may approve in the future; and (iii) approve the consolidated depreciation rate to be used by Aqua Indiana for the plant, property, and assets that it may use to serve present and future customers.

Aqua Indiana also requests that the Commission grant it a CTA to provide wastewater utility service within the area that White Oak historically has served and certain areas contiguous to that area ("Proposed CTA Area"), which consists of approximately 800 acres.

Finally, Aqua Indiana requests the Commission determine, in accordance with Ind. Code § 36-2-2-23, that public convenience and necessity require Aqua Indiana to provide wastewater utility service within the Proposed CTA Area and consent to Crawford County, Indiana granting Aqua Indiana licenses, permits, or franchises for the use of county-owned property to provide wastewater utility service.

The relief sought in this Cause has been approved by Aqua Indiana's Board of Directors as reflected in resolutions appearing as Attachment D to Petitioner's Exhibit 1.

4. Aqua Indiana's Direct Evidence.

A. Acquisition of White Oak System. Mr. Bruns described the origin and contents of the Purchase Agreement. He stated that Mr. Justin Lewis approached Aqua Indiana in early 2015 and inquired into whether it was interested in acquiring the White Oak System on a non-competitive basis. He noted Mr. Lewis' approach was prompted by recommendations from the Indiana Department of Environmental Management ("IDEM") and the Commission. Consequently, after completing some preliminary due diligence, Aqua Indiana entered into negotiations with Mr. Lewis that led to the execution of the Purchase Agreement.

Mr. Bruns stated that the assets to be purchased are described in Section 1 and Schedule 1.1 of the Purchase Agreement. The consideration for the purchase is $10,000. Section 2 of the Purchase Agreement provides that the closing of the transaction will occur on or before 45 days after receipt of all final regulatory approvals. The closing is subject to certain conditions described in the Purchase Agreement, which include: (i) White Oak providing Aqua Indiana with certain information; (ii) Aqua Indiana's satisfactory completion of its due diligence; (iii) the performance of a satisfactory environmental assessment and surveys; (iv) verification of White Oak's title to the assets being transferred; (v) the transfer of certain permits; (vi) receipt of certain consents and approvals, including without limitation the approval of the Commission; and (vii) the lack of any prohibitions to consummation of the matters covered by the Purchase Agreement.

Mr. Bruns testified that, like the rest of the Purchase Agreement, the $10,000 purchase price resulted from arms-length negotiation between White Oak and Aqua Indiana. He expressed his view that the proposed purchase price is significantly less than the value of the White Oak System.

Mr. Bruns testified Aqua Indiana will operate the White Oak System as part of its Floyd County Division where Aqua Indiana presently provides wastewater utility services to approximately 696 customers. He explained Aqua Indiana has a total work force of five individuals available to directly support its operations in Floyd County: two are administrative personnel who handle accounting, personnel, payroll, and management functions; two are on the wastewater staff responsible for the direct operation and maintenance of treatment plants, lift stations, and collection systems; and the other individual provides customer service. He also noted that Aqua Indiana has access to other Aqua America business units to support its operations and uses outside contractors in connection with its operations. In addition, like all

facilities in Indiana operated by Aqua Indiana, funding for improvements to its system in Floyd County would come from Aqua Indiana's corporate parent, Aqua America, and the same would be true in connection with its operation of the White Oak System. Mr. Bruns sponsored Aqua America's 2015 Annual Report with financial statements in Attachment E to Petitioner's Exhibit 1.

Mr. Bruns explained that the White Oak System will be operated by Aqua Indiana with the same resources and in essentially the same way as Aqua Indiana's existing systems in Floyd County are operated. He noted that this will deviate in some respects from the way the White Oak System is currently operated by White Oak. However, Mr. Bruns expressed his opinion that the operational and customer service differences will be beneficial to White Oak's customers.

Mr. Bruns testified the treatment plant that is part of the White Oak System is in need of painting and an overhaul of its mechanical and treatment equipment. Further, the driveway leading up to the treatment plant is in need of a culvert, along with some added stone. In addition to making these improvements, Mr. Bruns testified that subsequent to closing on the acquisition, the White Oak System's collection piping will be thoroughly inspected and cleaned with corrective repairs made where needed to both sewer mains and manholes.

With respect to rates, Mr. Bruns testified Aqua Indiana intends to apply to present and future customers within the Proposed CTA Area the same rates and charges as are currently charged and collected by White Oak, which currently are flat monthly rates of $45.00 and $50.00 for residential and commercial customers, respectively. Mr. Bruns also stated that the rules and regulations for service that Aqua Indiana would apply to customers of the White Oak System will be the same as are currently applied to customers of Aqua Indiana's Floyd County Division, unless and until the Commission has approved other rules and regulations to be applied.

Mr. Bruns testified that Aqua Indiana is not aware of any rate or rates that White Oak has used to depreciate the plant, property, and assets comprising the White Oak System. Aqua Indiana proposes to apply a consolidated depreciation rate of 2.5% to depreciable plant and property that it acquires as part of the transaction and that it may add in the future.

Mr. Bruns also testified that Aqua Indiana understands that White Oak has not maintained books and records that comply with the Commission's requirements or that would allow Aqua Indiana to record the White Oak System on its books and records at values reflecting historical or original costs. In light of this, Mr. Bruns explained that Aqua Indiana proposes to record the acquisition of the White Oak System at an original cost reflecting the purchase price and associated costs allocated among appropriate utility plant in service accounts. In addition, if Aqua Indiana determines after it acquires and commences operation of the White Oak System that there exists a more appropriate basis to record the White Oak System than as described above, Aqua Indiana will submit such for Commission review and approval in the first general rate case it initiates, which it anticipates will not occur for more than three years. Mr. Bruns also explained the accounting entries Aqua Indiana anticipates making to record the acquisition of the White Oak System.

Mr. Bruns expressed his belief that if the Commission approves the transfer, Aqua Indiana will have the lawful authority to operate the White Oak System. In addition, he stated Aqua Indiana has the managerial, technical, and financial resources necessary to properly operate the White Oak System and provide adequate and reliable service to present and future customers. He noted Aqua Indiana has a record of handling successful utility operations in Floyd County and elsewhere in Indiana. Mr. Bruns testified that the Purchase Agreement and the acquisition provided for by it will serve public convenience and necessity and are in the public interest.

B. Proposed CTA. Mr. Bruns testified that Aqua Indiana understands that, even though White Oak did not apply for or receive a CTA to provide service within Crawford County, Indiana law requires Aqua Indiana to do so if it acquires the White Oak System. He stated that Aqua Indiana considered it appropriate to proactively define the area where it was in the best position to provide wastewater utility service for the foreseeable future. Accordingly, Mr. Bruns explained that in addition to the area historically served by White Oak, the Proposed CTA Area also encompasses a nearby church and a subdivision of 20 residences that currently utilize septic systems, as well as a nearby high school and the Crawford County Fairgrounds that have expressed interest in receiving service.

Mr. Bruns testified that defining the Proposed CTA Area to also include those additional areas would allow Aqua Indiana to plan for growth and make sure that its service elsewhere is not compromised when growth actually occurs. It should also provide potential customers with a known source of service and provide assurance to Crawford County's officials concerning the availability and source of needed services. Mr. Bruns stated that Aqua Indiana thought it prudent to generally square off the boundaries and/or utilize existing roadways and section lines to configure the Proposed CTA Area to eliminate uncertainty and confusion about the extent of Aqua Indiana's authority and obligation to provide service.

Mr. Bruns stated that the collection facilities needed to serve within the area that historically has been served by White Oak are in place. For areas outside of that which White Oak has historically provided service, Mr. Bruns stated the extension of collection facilities to new customers would most likely involve developers or customers installing the new collection facilities and contributing them to Aqua Indiana, or Aqua Indiana itself extending its collection system pursuant to its main extension rules. Mr. Bruns observed that wastewater generated within the Proposed CTA Area will be handled by the Class I, 0.025 MGD extended aeration facility that is part of the White Oak System. Mr. Bruns testified that White Oak presently has an effective National Pollutant Discharge Elimination System ("NPDES") permit for its treatment plant, but will need to obtain IDEM approval to expand its treatment facilities if more than 40 equivalent dwelling units of additional flow were to be received. Mr. Bruns stated that Aqua Indiana is committed to making the necessary expansion.

Mr. Bruns also testified that he inquired at the Indiana Department of Natural Resources ("DNR") about needed approvals in connection with past requests for new or expanded CTAs and was directed to DNR's regulations concerning permits needed for construction in and crossing of flood zones and streams. He testified there are no such projects currently planned within the Proposed CTA Area, but if any arise, the needed permits or approvals will be obtained.

Mr. Bruns stated that, to his knowledge, no other utility or entity has plans to provide wastewater utility service within the Proposed CTA Area, nor do any utilities or other entities have facilities in the vicinity capable of providing service.

Mr. Bruns expressed his opinion that Aqua Indiana's Floyd County Division will be able to handle service within the Proposed CTA Area for the foreseeable future. He stated that as growth occurs in the Proposed CTA Area, Aqua Indiana will make the capital additions to the facilities and secure the additional staff resources that may be needed to continue to provide adequate and reliable service. In addition, Aqua Indiana will be able to rely on the significant financial and other resources of Aqua America to support its expansion and provision of service within the Proposed CTA Area.

Mr. Bruns expressed the view that appropriate development of the Proposed CTA Area depends on having adequate sanitary facilities available and a central wastewater utility service will support the future growth and development of the Proposed CTA Area. He stated a central wastewater utility service will also provide relief for any existing residents with failing septic systems, which pose a health risk to residents and the general public.

C. Commission's Consent. Mr. Bruns testified that Aqua Indiana intends to use county-owned property, including without limitation highway rights-of-way, in connection with operating a wastewater utility system within the Proposed CTA Area. Because public convenience and necessity require such service, Aqua Indiana is requesting the Commission to make such a determination and consent to Crawford County granting Aqua Indiana licenses, permits, or franchises for the use of county-owned property. Mr. Bruns indicated his testimony provides adequate support for such a determination and consent.

5. Settlement Agreement. The Stipulation and Settlement Agreement ("Settlement Agreement") entered into by Aqua Indiana and the OUCC provides that the parties agree, subject to the certain conditions, approval of the proposed sale and transfer of the White Oak System and the other relief requested by Aqua Indiana will serve the public interest and public convenience and necessity. Specifically, the parties request the Commission to issue an Order:

(i) Finding the relief requested by Aqua Indiana in this Cause will serve the public interest and public convenience and necessity;

(ii) Approving the sale and transfer of the White Oak System to Aqua Indiana pursuant to the Purchase Agreement;

(iii) Approving the Purchase Agreement and the terms and conditions set forth therein to the extent necessary to authorize the transfer;

(iv) Granting Aqua Indiana a certificate of territorial authority to provide wastewater utility service within the Proposed CTA Area described in Attachment D to Petitioner's Exhibit 1;

(v) Approving Aqua Indiana's application to customers within the Proposed CTA Area of the same rates and charges as are currently applied by White Oak to its customers within Crawford County, Indiana, subject to such changes as the Commission may approve in the future;

(vi) Approving Aqua Indiana's application to customers within the Proposed CTA Area of the rules and regulations as are currently applied by Aqua Indiana to customers within its Floyd County Division, subject to such changes as the Commission may approve in the future;

(vii) Approving Aqua Indiana's recording the acquisition of the White Oak System at an original cost reflecting the purchase price and incidental expenses it paid, as well as other acquisition costs it incurred, as part of the transaction, with such costs and expenses being allocated among appropriate utility plant in service accounts and with such adjustments as may be necessary to reflect their acquisition by Aqua Indiana;

(viii) Approving Aqua Indiana's use of a depreciation rate of 2.5% for plant, property and assets acquired from White Oak and as may be used to serve present and future customers within the Proposed CTA Area; and

(ix) Consenting to Crawford County, Indiana granting Aqua Indiana licenses, permits or franchises for the use of county-owned property to provide wastewater utility service.

As noted above, Aqua Indiana and the OUCC agree that granting the above-described relief should be subject to the following conditions:

(i) The actual incidental expenses and other acquisition costs reflected in the amounts recorded by Aqua Indiana shall not exceed $35,000.

(ii) Petitioner shall amortize contributions in aid of construction ("CIAC") as an offset to its depreciation expense and shall use for such purpose a composite rate of 2.5% or such other rate or rates as the Commission shall direct.

(iii) Aqua Indiana should notify the customers previously served by White Oak regarding electronic access to the new rules and regulations that will be applicable to their wastewater utility service.

(iv) Prior to the closing on the acquisition, Aqua Indiana should confirm that White Oak does not possess any deposits made by its customers. If any such deposits are identified, Aqua Indiana shall cause White Oak to return them to the customers involved or deliver them to Aqua Indiana to be handled and returned as appropriate.

(v) In the event Aqua Indiana determines after it acquires and commences operation of the White Oak System that there exists a more appropriate basis to record on its books and records the acquired plant, property, and assets than as described above, subject to any defenses, Aqua Indiana shall submit such for Commission review and approval in the

first general rate case it initiates, which Aqua anticipates will not occur more than three years from the date it closes on the acquisition and commences operation of the acquired plant, property, and assets.

(vi) Within 12 months of closing, Aqua Indiana will provide to the OUCC a complete list by the National Association of Regulatory Utility Commissioners ("NARUC") account of utility plant being acquired. At that time, Aqua Indiana will also provide to the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Aqua Indiana deems it is appropriate to record. Aqua Indiana shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category (legal fees, etc.).

The Settlement Agreement entered into by Aqua Indiana and the OUCC also contains typical provisions governing its scope and approval.

6. Evidence in Support of Settlement Agreement.

A. Aqua Indiana's Evidence. Mr. Bruns testified the Settlement Agreement was the product of negotiations with the OUCC after Aqua Indiana filed its case-in-chief. Mr. Bruns then summarized the Settlement Agreement. He stated the parties agreed the Commission should essentially grant the relief sought by Aqua Indiana in its Verified Petition.

Mr. Bruns also testified regarding the conditions that Aqua Indiana and the OUCC agreed to that were not included in Aqua Indiana's Verified Petition. The first condition he described relates to Aqua Indiana's recording on its books and records of the acquisition of the White Oak System, in that Paragraph 2(A) of the Settlement Agreement caps the amount of actual incidental expenses and other acquisition costs reflected in the amounts recorded by Aqua Indiana at $35,000. Mr. Bruns also described the Settlement Agreement's provisions regarding Aqua Indiana's recordation on its books and records of the plant, property, and assets to be acquired as part of the transaction.

Mr. Bruns also testified that the parties agreed Aqua Indiana should use a depreciation rate of 2.5% for plant, property, and assets acquired from White Oak and as may be used to serve present and future customers within the Proposed CTA Area. He said that Aqua Indiana would also amortize CIAC as an offset to its depreciation expense and use for such purpose a composite rate of 2.5% or such other rate or rates as the Commission shall direct.

The next provision of the Settlement Agreement Mr. Bruns addressed was the requirement that Aqua Indiana notify the customers previously served by White Oak regarding electronic access to the new rules and regulations that will be applicable to their wastewater utility service. He also explained that, prior to the closing on the acquisition, Aqua Indiana will confirm that White Oak does not possess any deposits made by its customers, and that if any such deposits are identified, Aqua Indiana shall cause White Oak to return them to the customers involved or deliver them to Aqua Indiana to be handled and returned as appropriate.

Mr. Bruns concluded by expressing his opinion that the Settlement Agreement represents

a reasonable resolution of the issues in this proceeding and should be approved by the Commission as consistent with the public interest. He testified the Settlement Agreement results in benefits to the parties and customers as a result of the conditions reflected in Paragraph 2.

Finally, in response to a November 18, 2016 docket entry, Mr. Bruns confirmed that the amount Aqua Indiana will pay for the acquisition of the White Oak System is not in excess of 5% of the book cost to Aqua Indiana of all property, plant, or business owned by it at the time of filing its Verified Petition.

B. OUCC's Evidence. Margaret A. Stull, Senior Utility Analyst in the OUCC's Water/Wastewater Division, testified in support of the Settlement Agreement. Ms. Stull described the review and analysis she performed of Aqua Indiana's requested relief and the terms of the Settlement Agreement. She explained that the parties agreed Aqua Indiana should be authorized to consummate the acquisition of certain White Oak wastewater utility assets, and that the relief otherwise requested by Aqua Indiana should be granted, subject to the conditions set forth in the Settlement Agreement.

Ms. Stull testified that the OUCC agreed that Aqua Indiana should be permitted to book an amount equal to the purchase price ($10,000) plus the actual incidental expenses and other acquisition costs not to exceed $35,000.

Next, Ms. Stull explained how certain agreed terms in the Settlement Agreement are in the public interest. First, Aqua Indiana agreed to notify the customers previously served by White Oak as to where they may access the rules and regulations that will now apply to Aqua Indiana's service. She testified it is important that customers understand new rules will apply and how to access those rules. Additionally, to promote maintenance of a positive rate base and encourage continued prudent investment, Aqua Indiana agreed that it will amortize CIAC as an offset to its depreciation expense and shall use for such purpose a composite rate of 2.5% or such other rate or rates as the Commission shall direct.

Ms. Stull also testified that, in order to avoid misunderstanding and promote appropriate accounting of deposits, Aqua Indiana will confirm that White Oak does not possess any deposits made by its customers. If such deposits are identified, Aqua Indiana will cause White Oak to return the deposits to the customers or deliver them to Aqua Indiana for appropriate handling and return.

The parties also agreed that if Aqua Indiana later determines that there is a more appropriate basis to record the acquired plant, property, and assets than that set forth in the Settlement Agreement, Aqua Indiana may submit such basis for Commission review and approval in the first general rate case affecting the assets. Ms. Stull explained that because such application would be subject to any defenses, the appropriateness of such proposed method will be ensured.

Ms. Stull also testified that Aqua Indiana agreed that within 12 months of closing, Aqua Indiana will provide to the OUCC, by NARUC account, a complete list of utility plant and accumulated depreciation being acquired as of the date of the purchase. Additionally, Ms. Stull

explained that, to promote transparency and more efficient regulatory proceedings, Aqua Indiana will provide an opening balance sheet for the division and the total amount of transactions costs incurred by cost category.

Finally, Ms. Stull testified the Settlement Agreement, which is supported by the evidence, represents a fair, reasonable, and just resolution of the issues in this Cause. She stated that the OUCC believes the settlement is in the public interest.

7. Commission Discussion and Findings. Settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coalition of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coalition*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition of Ind., Inc. v. Public Service Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of Indiana Code ch. 8-1-2, and that such agreement serves the public interest.

A. Proposed Acquisition. The evidence demonstrates that the Purchase Agreement, including the agreed purchase price, was the result of arms-length negotiations. Moreover, undisputed testimony indicates that the purchase price is less than the actual value of the White Oak System. The evidence also shows that the amount the parties agreed Aqua Indiana would pay for the acquisition of the White Oak property, plant, or business ($10,000) is not an amount in excess of 5% of the book cost to Aqua Indiana of all property, plant, or business owned by it at the time of filing its petition in this Cause (in excess of $100,000,000). Therefore, the shareholder approval provision of Ind. Code § 8-1-2-84(c) is not applicable to this Cause.

The evidence shows that Aqua Indiana is an experienced utility operator and possesses the facilities, personnel, and other resources needed to provide adequate and reliable wastewater utility service to its current customers and those served by the White Oak System. Aqua Indiana also will be able to rely on Aqua America to support its provision of service to the current customers of the White Oak System.

Based on the evidence presented, we find Aqua Indiana's proposal to apply to present and future customers within the Proposed CTA Area the same rates and charges as are applied by White Oak, which are lower than those currently charged by Aqua Indiana in the Floyd County Division, is reasonable and should be approved. Similarly, we find Aqua Indiana's proposal to

apply to customers of the White Oak System the same rules and regulations for service as are currently applied to Aqua Indiana's customers is reasonable and should be approved. However, as agreed to in the Settlement Agreement, Aqua Indiana shall notify the customers previously served by White Oak regarding electronic access to the new rules and regulations that will be applicable to their wastewater utility service.

We also find it reasonable that Aqua Indiana record the acquisition of the White Oak System at an original cost reflecting the purchase price and the actual incidental expenses and other acquisition costs, with such costs and expenses limited to $35,000 and allocated among appropriate utility plant in service accounts. White Oak apparently has not maintained books and records in a manner that would allow any other course of action. Nevertheless, we also find it reasonable that, in the event Aqua Indiana determines after it acquires and commences operation of the White Oak System that there exists a more appropriate basis to record on its books and records the White Oak System, Aqua Indiana will submit such for Commission review and approval in the first general rate case it initiates. In this regard, the parties have agreed that, within 12 months of closing, Aqua Indiana will provide to the OUCC a complete list by NARUC account of utility plant being acquired. At that time, Aqua Indiana will also provide to the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Aqua Indiana deems it is appropriate to record. Aqua Indiana shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category. We find this is a reasonable matter for the parties to have agreed to and should promote transparency and more efficient regulatory proceedings.

As we noted above, Aqua Indiana will assume ownership of and operate the White Oak System without any increase in rates and charges to White Oak's customers. Consequently, residential and commercial customers in the Proposed CTA Area will pay a flat rate of $45 and $50, respectively. Although this provides an immediate benefit to White Oak's customers, Aqua Indiana's existing customers should also eventually benefit from Aqua Indiana's ability to spread its fixed costs over a larger customer base and otherwise take advantage of economies of scale in connection with providing service to them. We find, therefore, that the acquisition and operation of the White Oak System by Aqua Indiana on the terms described in the Purchase Agreement is supported by public convenience and necessity, is in the public interest, and should be approved. Prior to the closing on its sale of the White Oak System, Aqua Indiana shall confirm that White Oak does not possess any deposits made by its customers. If any such deposits are identified, Aqua Indiana shall cause White Oak to return them to the customers involved or deliver them to Aqua Indiana to be handled and returned as appropriate. Upon closing the acquisition transaction with White Oak, Aqua Indiana will notify the Commission and the OUCC within 14 days.

B. Proposed CTA. Pursuant to Ind. Code § 8-1-2-89(e), the Commission must review the evidence and determine whether Aqua Indiana has established the following:

(i) Lawful power and authority to apply for said certificate and to operate said proposed service;
(ii) Financial ability to install, commence, and maintain said proposed service; and
(iii) Public convenience and necessity require the rendering of this proposed service by it in the Proposed CTA Area.

As indicated above in our discussion of the proposed acquisition, the evidence presented demonstrates that Aqua Indiana has the managerial, technical, and financial ability to provide wastewater service to the White Oak customers. Moreover, the evidence presented supports the conclusion that those abilities extend to Aqua Indiana's proposed service within the Proposed CTA Area. Consequently, we find Aqua Indiana possesses the technical, managerial and financial ability to provide service to the Proposed CTA Area.

Additionally, and with respect to Aqua Indiana's lawful authority to operate the White Oak System, 170 IAC 8.5-3-1 requires an existing wastewater utility seeking an additional or expanded CTA to submit certain exhibits in support of its request. Based on our review, we find that Aqua Indiana has provided the necessary exhibits relevant to its request and demonstrated that it has the lawful authority to apply for the CTA and render wastewater service in the Proposed CTA Area. Specifically, Aqua Indiana provided a legal description for the Proposed CTA Area as well as a detailed map utilizing U.S. Geological Survey facets showing its location and other required data. White Oak presently has an effective NPDES permit issued by IDEM and no other approvals from either IDEM or DNR are required at this time in connection with the provision of service to the Proposed CTA Area. However, Aqua Indiana expressed its willingness to obtain any IDEM or DNR permits and approvals that may be required in the future for specific projects necessary to provide service to the Proposed CTA Area.

In addition, Aqua Indiana intends to serve the Proposed CTA Area, at least initially, with existing infrastructure and provided basic information concerning those facilities. Although the evidence indicates the White Oak System treatment plant is in need of painting and other repairs, Aqua Indiana intends to make the improvements, including inspection and cleaning of collection piping after closing on the acquisition.

Attachment I to Petitioner's Exhibit 1 contains copies of letters that Aqua Indiana sent by certified mail to several utilities and municipalities in the vicinity of the Proposed CTA Area notifying them of the initiation of this proceeding and its request for authority to serve the Proposed CTA Area. Petitioner's exhibit also included the acknowledgments it received to those notice letters. There is no dispute that most of the Proposed CTA Area is presently served by White Oak and outside of White Oak's current service area there does not appear to be the any other supplier interested in serving the area. Further, Aqua Indiana has presented evidence showing that its service will benefit the Proposed CTA Area by making it more attractive for development and as a source of service in the event of failing septic systems.

We also note that Aqua Indiana's request for approval to provide service in the Proposed CTA Area meets our preference that utilities bordering upon previously developed areas extend CTAs in a symmetric way that allows for the option of service and avoids isolated unserved areas. Aqua Indiana has demonstrated that its interest in serving the Proposed CTA Area is not focused solely on the area currently served by White Oak. The Proposed CTA Area encompasses territory adjacent to the White Oak service area and does not create isolated unserved areas. Consequently, granting Aqua Indiana's request that it be authorized to serve areas contiguous to the area currently served by White Oak is reasonable, and thus, will serve public convenience and necessity and the public interest.

C. Commission Consent. Ind. Code § 36-2-2-23 requires the consent of the Commission prior to the grant by a board of county commissioners of a permit to a utility to use county property (generally roads, easements, right-of-ways, and the like) in rendering utility service. Accordingly, the finding by the Commission herein that the public convenience and necessity require the issuance of the requested CTA to Aqua Indiana should be deemed the consent of the Commission to the Board of Commissioners of Crawford County issuing to Aqua Indiana a license, permit, or franchise for the use of county property in rendering wastewater utility service within the Proposed CTA Area in accordance with applicable Indiana law.

8. Conclusions Regarding Settlement Agreement. Based on our discussion above and our review of the evidence presented, we find that the Settlement Agreement is reasonable, supported by the evidence, and in the public interest. Therefore, we approve the Settlement Agreement consistent with our findings above. Further, the parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 WL 34880849, at *7-8 (IURC March 19, 1997).

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Settlement Agreement, a copy of which is attached and incorporated by reference into this Order, is approved.

2. The sale and transfer of the White Oak System to Aqua Indiana and the Purchase Agreement are in the public interest, serve the public convenience and necessity, and are approved.

3. Aqua Indiana is granted a certificate of territorial authority to provide wastewater utility service within the Proposed CTA Area described in Attachment D to Petitioner's Exhibit 1.

4. Aqua Indiana is authorized to apply to customers within the Proposed CTA Area the same rates and charges as are currently applied by White Oak.

5. Upon closing the transaction with White Oak, Aqua Indiana shall file an updated tariff with the Commission's Water/Wastewater Division a new schedule of rates and charges for its White Oak operation. Upon its approval, the tariff will be effective as of its filing date.

6. Aqua Indiana is authorized to apply to customers within the Proposed CTA Area the rules and regulations as are currently applied by Aqua Indiana to customers within its Floyd County Division.

7. Aqua Indiana is authorized to record the acquisition of the White Oak System at an original cost reflecting the purchase price and incidental expenses it paid, as well as other acquisition costs it incurred, as part of the transaction, with such costs and expenses being allocated among appropriate utility plant in service accounts and with such adjustments as may be necessary to reflect their acquisition by Aqua Indiana, but which amount shall not exceed $35,000.

8. Aqua Indiana is authorized to use of a depreciation rate of 2.5% for plant, property, and assets acquired from White Oak and as may be used to serve present and future customers within the Proposed CTA Area.

9. Consent to Crawford County, Indiana granting Aqua Indiana licenses, permits, or franchises for the use of county-owned property is granted.

10. This Order shall be effective on and after the date of its approval.

HUSTON, FREEMAN, WEBER, AND ZIEGNER CONCUR:

APPROVED: JAN 04 2017

I hereby certify that the above is a true and correct copy of the Order as approved.

Mary M. Becerra
Mary M. Becerra
Secretary of the Commission

FILED
NOVEMBER 1, 2016
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF AQUA INDIANA, INC. ("AQUA INDIANA") FOR (1) APPROVAL OF THE SALE AND TRANSFER TO AQUA INDIANA OF WASTEWATER UTILITY ASSETS IN CRAWFORD COUNTY, INDIANA USED BY JUSTIN LEWIS AND/OR WHITE OAK SEWAGE TREATMENT, LLC PURSUANT TO AN ASSET PURCHASE AGREEMENT; (2) APPROVAL OF CERTAIN ACCOUNTING AND OTHER RELIEF RELATED TO THE ACQUISITION OF THOSE ASSETS; (3) ISSUANCE TO AQUA INDIANA OF A CERTIFICATE OF TERRITORIAL AUTHORITY ENCOMPASSING RURAL AREAS IN LIBERTY TOWNSHIP IN CRAWFORD COUNTY; AND (4) CONSENTING TO CRAWFORD COUNTY GRANTING AQUA INDIANA LICENSES, PERMITS OR FRANCHISES FOR THE USE OF COUNTY-OWNED PROPERTY.	**CAUSE NO. 44811**

OFFICIAL EXHIBITS

IURC JOINT EXHIBIT No. 1
11-28-16 DATE REPORTER

STIPULATION AND SETTLEMENT AGREEMENT

On July 1, 2016, Aqua Indiana, Inc. ("Aqua Indiana" or "Petitioner") filed its Verified Petition seeking to have the Commission approve the sale and transfer to Aqua Indiana of the plant and property currently used by Mr. Justin Lewis and/or White Oak Sewage Treatment, LLC (collectively, "White Oak") in Crawford County, Indiana to provide wastewater utility service. The sale and transfer of the plant and property currently used by White Oak (the "White Oak System") would be made pursuant to an Asset Purchase Agreement between White Oak and Aqua Indiana that appears as Attachment C to Petitioner's Exhibit 1 (the "Purchase Agreement"). In connection with the sale and transfer of the White Oak System, Aqua Indiana also requests that the Commission (i) approve the manner in which Aqua Indiana will record the plant, property and other assets acquired from White Oak on its books and records; (ii) approve the rates and charges, as well as the rules

Joint Exhibit 1

and regulations, that Aqua Indiana will apply to customers, subject to such changes as the Commission may approve in the future; and (iii) approve the depreciation rate to be used by Aqua Indiana for the plant, property and assets that it may use to serve present and future customers.

Aqua Indiana also requests that the Commission grant it a CTA to provide wastewater utility service within the area which White Oak historically has served and certain areas contiguous to that area (the "Proposed CTA Area"). A legal description and map of the Proposed CTA Area appears as part of Attachment F to Petitioner's Exhibit 1. Finally, Aqua Indiana is seeking to have the Commission determine, in accordance with Ind. Code § 36-2-2-23, that public convenience and necessity require Aqua Indiana to provide wastewater utility service within the Proposed CTA Area and consent to Crawford County, Indiana granting Aqua Indiana licenses, permits or franchises for the use of county-owned property to provide wastewater utility service.

The Indiana Office of Utility Consumer Counselor ("OUCC") reviewed the Petitioner's filed testimony and exhibits, met with representatives of Petitioner and requested additional information from Petitioner through both formal and informal discovery. Petitioner and the OUCC (individually, a "Settling Party" and collectively, the "Settling Parties") engaged in settlement negotiations. As a result of those negotiations, the Settling Parties reached an agreement with respect to all the issues between them before the Commission, including without limitation as follows:

1. **Granting Requested Relief**. The Settling Parties agree that, subject to the provisions of Paragraph 2 below, approval of the relief requested by Aqua Indiana in this

Cause will serve the public interest and public convenience and necessity and, accordingly, the Commission should issue a Final Order in this Cause:

A. Finding that the relief requested by Aqua Indiana in this Cause will serve the public interest and public convenience and necessity;

B. Approving the sale and transfer of the White Oak System to Aqua Indiana pursuant to the Purchase Agreement;

C. Approving the Purchase Agreement and the terms and conditions set forth therein to the extent necessary to authorize the transfer;

D. Granting Aqua Indiana a certificate of territorial authority to provide wastewater utility service within the Proposed CTA Area described in Attachment D to Petitioner's Exhibit 1;

E. Approving Aqua Indiana's application to customers within the Proposed CTA Area of the same rates and charges as are currently applied by White Oak to its customers within Crawford County, Indiana, subject to such changes as the Commission may approve in the future;

F. Approving Aqua Indiana's application to customers within the Proposed CTA Area of the rules and regulations as are currently applied by Aqua Indiana to customers within its Floyd County Division, subject to such changes as the Commission may approve in the future;

G. Approving Aqua Indiana's recording the acquisition of the White Oak System at an original cost reflecting the purchase price and incidental expenses it paid, as well as other acquisition costs it incurred, as part of the transaction, with such costs and expenses

being allocated among appropriate utility plant in service accounts and with such adjustments as may be necessary to reflect their acquisition by Aqua Indiana;

H. Approving Aqua Indiana's use of a depreciation rate of 2.5% for plant, property and assets acquired from White Oak and as may be used to serve present and future customers within the Proposed CTA Area; and

I. Consenting to Crawford County, Indiana granting Aqua Indiana licenses, permits or franchises for the use of county-owned property to provide wastewater utility service.

2. **Other Agreements**.

A. For purposes of Paragraph 1F above, the actual incidental expenses and other acquisition costs reflected in the amounts recorded by Aqua Indiana shall not exceed $35,000.

B. Petitioner shall amortize contributions in aid of construction ("CIAC") as an offset to its depreciation expense and shall use for such purpose a composite rate of 2.5% or such other rate or rates as the Commission shall direct.

C. Aqua Indiana should notify the customers previously served by White Oak regarding electronic access to the new rules and regulations that will be applicable to their wastewater utility service.

D. Prior to the closing on the acquisition, Aqua Indiana should confirm that White Oak does not possess any deposits made by its customers. If any such deposits are identified, Aqua Indiana shall cause White Oak to return them to the customers involved or deliver them to Aqua Indiana to be handled and returned as appropriate.

E. In the event Aqua Indiana determines after it acquires and commences operation of the White Oak System that there exists a more appropriate basis to record on its books and records the acquired plant, property and assets than as described in Paragraph 1F above, subject to any defenses, Aqua Indiana shall submit such for Commission review and approval in the first general rate case it initiates, which Aqua anticipates will not occur more than three years from the date it closes on the acquisition and commences operation of the acquired plant, property and assets.

F. Within 12 months of closing, Aqua Indiana will provide to the OUCC a complete list by NARUC account of utility plant being acquired. At that time, Aqua Indiana will also provide to the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Aqua Indiana deems it is appropriate to record. Aqua Indiana shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category (legal fees, etc.).

3. **Scope and Approval**

A. Neither the making of this Settlement Agreement nor any of its provisions, including without limitation any provisions contained in exhibits to this Settlement Agreement, shall constitute in any respect an admission by any Settling Party in this or any other litigation or proceeding. This Settlement Agreement is solely the result of compromise in the settlement process and, except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Settling Parties may take with respect to any or all of the issues resolved herein in any future regulatory or other proceedings.

B. Neither the making of this Settlement Agreement, nor the provisions thereof, nor the entry by the Commission of a Final Order approving this Settlement Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein. This Settlement Agreement shall not constitute nor be cited as precedent by any person or deemed an admission by any Settling Party in any other proceeding except as necessary to enforce its terms before the Commission, or any tribunal of competent jurisdiction.

C. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients, and their successors and assigns, who will be bound thereby, subject to the agreement of the Settling Parties on the provisions contained herein and in the attached exhibits.

D. The communications and discussions during the negotiations and conferences have been conducted based on the explicit understanding that said communications and discussions are or relate to offers of settlement and therefore are privileged. All prior drafts of this Settlement Agreement and any settlement proposals and counterproposals also are or relate to offers of settlement and are privileged.

E. The Settling Parties shall offer supplemental testimony supporting the Commission's approval of this Settlement Agreement and will request that the Commission issue a Final Order incorporating the agreed proposed language of the Settling Parties and accepting and approving the same in accordance with its terms without any modification. Such supportive testimony will be agreed-upon by the Settling Parties and offered into evidence without objection by any Settling Party and the Settling Parties hereby waive cross-examination of each other's witnesses.

F. This Settlement Agreement is conditioned upon and subject to Commission acceptance and approval of its terms in their entirety, without any change or condition that is unacceptable to any Settling Party. The Settling Parties will support this Settlement Agreement before the Commission and request that the Commission accept and approve the Settlement Agreement. This Settlement Agreement is a complete, interrelated package and is not severable, and shall be accepted or rejected in its entirety without modification or further condition(s) that may be unacceptable to any Settling Party. The Settling Parties propose to submit this Settlement Agreement and evidence conditionally, and if the Commission fails to approve this Settlement Agreement in its entirety without any change or imposes condition(s) unacceptable to any adversely affected Settling Party, the Settlement Agreement and supporting evidence may be withdrawn and the Commission will continue to proceed to a decision in the affected proceeding, without regard to the filing of this Settlement Agreement.

G. The Settling Parties will work together to prepare an agreed upon proposed order to be submitted in this Cause. The Settling Parties will request Commission acceptance and approval of this Settlement Agreement in its entirety, without any change or condition that is unacceptable to any party to this Settlement Agreement. The Settling Parties will request that the Commission issue a Final Order promptly accepting and approving this Settlement Agreement in accordance with its terms.

H. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of any Final Order entered by the Commission approving the Settlement Agreement in its entirety without changes or condition(s) unacceptable to any Settling Party (or related orders to the extent such orders are specifically and exclusively implementing the provisions

hereof) and shall not oppose this Settlement Agreement in the event of any appeal or a request for rehearing, reconsideration or a stay by any person not a party hereto.

AGREED and **ACCEPTED** this 3rd day of October, 2016.

AQUA INDIANA, INC.

By: Philip B. McKiernan
Its: Attorney

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

By: Daniel M. Le Vay
Its: Deputy Consumer Counselor

Control Number: 46127

Item Number: 1

Addendum StartPage: 0

46127

Westwood

Utility

Corp.

CCN-12126

STM

RECEIVED
2016 JUL -5 AM 11:57
PUBLIC UTILITY COMMISSION
FILING CLERK

Application for Sale, Transfer, or Merger of a Retail Public Utility
Pursuant to Chapter 13.251 of the Texas Water Code

RECEIVED
2016 JUL -5 AM 11:59
PUBLIC UTILITY COMMISSION
FILING CLERK

Docket Number: 46127

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System
1700 N. Congress Ave, Room B40
Austin, Texas 78701

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Part A – General Information

*RN# 102684248 *CN# 600642045 * (PRIOR TCEQ ID numbers)

1. Proposed action of application (check all the boxes that apply):
[X] Sale of [X] All [ ] Portion of the [X] Water system(s) under CCN No.: 12126
[ ] Acquisition [ ] Sewer system(s) under CCN No.: N/A
[ ] Lease/Rental

[X] Transfer of [X] All [ ] Portion of the [X] Certificated water service area – CCN No.: 12126
[ ] Certificated sewer service area – CCN No.: N/A

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

N/A

and to:
[ ] Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN
[X] Amend the transferee's CCN No.:
[ ] Merge or consolidate public utilities
[X] Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: 11/21/2016
(Must be at least 120 days after proper notice is provided)

Part B – Current Service Provider or Seller Information

☞ **Questions 3 through 5 apply to the transferor (current service provider or seller)**

3. For the current CCN holder or service provider please indicate:
A. Name: Westwood Utility Corporation.
(Individual, Corporation or Other Legal Entity)
who is a(n):of [ ] Individual [X] Corporation [ ] WSC [ ] HOA or POA [ ] Other

B. Utility Name (if different than above):
Address: P. O. Box 671, Fairfield, TX 76850 Telephone: (AC) (903) 389-2105

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.
Name: Mark Zeppa- 4833 Spicewood Springs Rd. Title: Attorney
Address: Suite 202, Austin,TX 78759 Telephone: (AC) (512) 346-4011

Fax: (512) 346-6847 Email: jj@zeppalaw.com

4. About the last rate increase for the system or facilities being transferred:
A. What was the effective date of the last rate increase? 11/27/2008

B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?
[ ] No [X] Yes- Application/Docket Number: 36158-R Date 9/9/08

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
List will be attached to back of document			

Part C – Purchaser or Transferee Information

☞ **Questions 6 through 16 refer to the transferee or purchaser.**

6. For the person or entity acquiring the facilities and/or CCN:
Applicant: City of Fairfield
(Individual, Corporation, or Other Legal Entity)
Utility Name: City of Fairfield
(If different than above)
Utility Address: 222 South Mount St., Fairfield, TX 75840

Fax: (903) 389-8327 Email: jeff.looney@fairfieldtexas.net Telephone (AC): (903) 389-2633

CCN Numbers held prior to the filing of this application: 11183 – (CN#600671242)(PWS 0810001)

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:
[ ] Individual
[ ] Home or Property Owners Association
[ ] Partnership; attach copy of partnership agreement
[ ] Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas:
[ ] Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water Sewer Service Corporation); provide charter number:

[X]	Municipally-owned utility
[ ]	District (MUD, SUD, WCID, etc.)
[ ]	County
[ ]	Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:		Email	
Address			
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual*, provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	Mayor Roy W. Hill	Telephone (AC):	(903) 389-2633
Address:	222 South Mount St.		
Position:	Mayor	Ownership % (if applicable):	0.00%

•Name:	City Administrator: Jeff Looney	Telephone (AC):	(903) 389-2633
Address:	222 South Mount St.		
Position:	City Administrator	Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

– Attach additional sheet(s) if necessary –

☞ **Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Texas Comptroller of Public Accounts
P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Jeff Looney	Title:	City Administrator
Address:	222 South Mount Street, Fairfield, TX 75840	Telephone (AC):	(903) 389-2633
Fax #	(903) 389-6327	Email	jeff.looney@fairfieldtexas.net
Relationship to the applicant:	Employee: Administrator of the City of Fairfield		

☞ **IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY**

11. Please respond to each of the following questions. Attach additional sheets if necessary.

A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

The applicant (The City of Fairfield) has a fully licensed staff managing the Municipal Water Department, which operates under the rules and regulations of TCEQ.

B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? [ ] Yes [X] No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and PUC and ensure continuous and adequate service.

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

No changes, however: (3) City water dept. staff live on this system. Any problems should be realized and addressed quickly. Service should be maintained at the same high level to which customers are accustomed.

E. How will the transaction serve the public interest?

The greatest benefit to the public is the assurance of faithful, continuous, quality water and exceptional service into the future being provided by a financially stable Municipality.

12. Please describe the nature of the proposed transaction:

The Alford's would like to sell to the most responsible buyer. They have concluded the entity which could guarantee long term stability and quality, for their customers would be the City of Fairfield. They have agreed to owner finance the debt to make the transaction more convenient for the City.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

A.
- Total Purchase Price: $ 3,000,000.00
- Total Original Cost (as recorded on books of seller or merging entity):
- Accumulated Depreciation as of the proposed effective date of the transaction:
- Contributions in Aid of Construction:
  - Specific surcharges approved by TCEQ or PUC: $ 0.00
  - Revenues from explicit customer agreements: $ 0.00
  - Developer Contributions (please explain):
  - Other Contributions (please explain):

Total Contributions in Aid of Construction

- Net Book Value:

☞ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: Date:

☞ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application. [attach additional sheet(s) if necessary]:

C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	
Plant Acquisition Adjustment:	
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	
Cash:	
Notes Payable:	
Mortgage Payable:	
Others (please list):	

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: Mayor Date: 6/20/2016

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

[X] All the customers will be charged the same rates as they were charged before the transaction.
[ ] Some All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

N/A

☐ Applicant is an IOU and intends to file with the commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

N/A

☐ Other. Please explain:

N/A

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

Pleasant Grove WSC
Thompson Water
Clay Hill WSC
Kirvin WSC

16. Financial, Managerial and Technical information for the acquiring entity.

[redacted]

[redacted]

Purchaser's financial information attached to the back of the application:
City of Fairfield-Annual Financial Reports-2012-2015

Part F – TCEQ Public Water or Sewer System Information

☞ Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number: 0 8 1 0 0 2 4

Date of last inspection: 12/08/2015

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q ☐☐☐☐☐ - ☐☐☐
-Name of Permitee:
-Date of application to transfer Discharge Permit submitted:
-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ or PUC standards? ☒ Yes ☐ No. If yes, please explain:

"Hayter Engineering" (Mike Tibbets) has been hired to provide the engineering plans for submission and approval of two previously installed booster pumps.

B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
Engineering plans for previously installed booster pumps submitted for approval	7/30/2016	$ 3,000.00

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:
Water Sewer

☞ Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☒ No
☐ Water ☐ Sewer Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency Basis

- Source: % of total supply: 0.00%

21. List the number of existing connections to be effected by this transaction.

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	
420	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
	Total Water Connections:			Total Sewer Connections	

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☐ Yes ☒ No
If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
Clyde E Woods	A	WO0028141
Albert Gallegos	C	WG0010675
Rebecca Boyd	C	WG0012295
Shane A Reves	C	WG0014478

24. Attach the following maps with each copy of the application:
a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
   1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
   2. A map showing only the proposed area by:
      i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
      ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
      iii. following verifiable natural and man-made landmarks, or
      iv. a copy of recorded plat map with metes and bounds.
   3. A written description of the proposed service area.

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF AQUA INDIANA, INC. ("AQUA INDIANA") FOR (1) APPROVAL OF THE SALE AND TRANSFER TO AQUA INDIANA OF WATER UTILITY ASSETS IN ST. JOSEPH COUNTY, INDIANA USED BY WEDGEWOOD PARK WATER COMPANY, INC. PURSUANT TO AN ASSET PURCHASE AGREEMENT; (2) APPROVAL OF CERTAIN ACCOUNTING AND OTHER RELIEF RELATED TO THE ACQUISITION OF THOSE ASSETS; AND (3) CONSENTING TO ST. JOSEPH COUNTY GRANTING AQUA INDIANA LICENSES, PERMITS OR FRANCHISES FOR THE USE OF COUNTY-OWNED PROPERTY.	CAUSE NO. 44814 APPROVED: DEC 28 2016

ORDER OF THE COMMISSION

Presiding Officers:
James D. Ruston, Commissioner
David E. Veleta, Senior Administrative Law Judge

On July 11, 2016, Aqua Indiana, Inc. ("Petitioner") filed its petition with the Indiana Utility Regulatory Commission ("Commission") in this matter. On August 23, 2016, Petitioner filed the direct testimony and exhibits of Thomas M. Bruns, President of Aqua Indiana.

On October 26, 2016, the Indiana Office of Utility Consumer Counselor ("OUCC") filed a notice of intent not to file testimony in this proceeding. On November 1, 2016, the Parties filed a settlement agreement with the Commission. Petitioner and the OUCC filed testimony in support of the Stipulation and Settlement Agreement on November 10, 2016 and November 14, 2016, respectively. On November 17, 2016, the Presiding Officers issued a docket entry requesting information relating to Petitioner's capacity to provide fire protection services. Petitioner filed its response to the docket entry on November 18, 2016. An additional docket entry was issued by the Presiding Officers on November 18, 2016 requesting information relating to Ind. Code § 8-1-2-84(c). Petitioner filed its response to the docket entry on November 21, 2016.

The Commission held [illegible] hearing in this Cause on November 28, 2016 in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Petitioner and the OUCC appeared and participated at the hearing.

Based on the applicable law and the evidence presented, the Commission finds:

1. **Notice and Jurisdiction.** Notice of the hearing in this Cause was given and published as the Commission is required by law. Petitioner is a public utility as defined by Ind. Code § 8-1-2-1(a). Under Ind. Code § 8-1-2-84, the Commission has jurisdiction over the transfer of utility property. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this proceeding.

2. **Background.** Petitioner is an Indiana for-profit corporation providing water utility service to approximately 551 customers and wastewater utility services to approximately 20,772 customers in Indiana. Petitioner also supports the regulated wastewater utility operations of South Haven Sewer Works, Inc. ("South Haven") and will continue to do so until South Haven is merged into Petitioner as permitted by the Commission's April 29, 2015 Order in Cause No. 44533. Upon implementation that merger, Petitioner will directly provide water utility service to approximately 4,019 additional wastewater utility customers.

Wedgewood Park Water Company, Inc. ("Wedgewood Park") is an Indiana for-profit corporation providing water utility service to approximately 211 residential customers and five commercial customers in a subdivision near the Indiana-Michigan state line in St. Joseph County, Indiana. Wedgewood Park's distribution system consists of approximately [illegible] of [illegible] and six-inch cast iron mains, with 15 hydrants. Wedgewood Park's system is interconnected with the water system operated by Niles, Michigan Charter Township, which supplies under a long-term supply contract the water distributed by Wedgewood Park. The circumstances that led up to Wedgewood Park undertaking for its water supply are described in the Commissioner's November 6, 2013 Order in Cause No. 44389.

3. **Relief Requested.** Petitioner seeks to have the Commission approve the sale and transfer to Petitioner of the water utility plant, property and assets currently used by Wedgewood Park to provide water utility service. The water utility plant, property, and assets that Petitioner will acquire (the "Wedgewood Park System") are described in an Asset Purchase Agreement entered by and between Wedgewood Park and Petitioner (the "Purchase Agreement").

In connection with the sale and transfer of the Wedgewood Park System, Petitioner also requests that the Commission (1) approve of Petitioner charging and collecting from present and future customers of the Wedgewood Park System the same rates and charges as Wedgewood Park currently charges customers, subject to such changes as the Commission may approve in the future; (2) approve of Petitioner applying to present and future customers of the Wedgewood Park System those rules and regulations as Petitioner currently applies to customers, unless and until the Commission has approved other rules and regulations to be applied in such circumstances; (3) approve of Petitioner recording the acquisition of the Wedgewood Park System on its books and records in the same way it is shown as closing on Wedgewood Park's books and records, with such adjustments as may be necessary to reflect their acquisition by Petitioner; and (4) approve of Petitioner utilizing Wedgewood Park's depreciation rates, net plant, property, and assets comprising the Wedgewood Park System and used to serve present and future customers.

Petitioner is also requesting that the Commission determine, in accordance with Ind. Code § 36-2-2-23, that public convenience and necessity requires Petitioner to provide water utility service within the county and consent to St. Joseph County granting Petitioner licenses, permits, or franchises for the use of county-owned property to provide water utility services.

4. **Petitioner's Evidence.** Mr. Bruns described the origin and contents of the Purchase Agreement. According to Mr. Bruns, Mr. Dennis Jusko, Wedgewood Park's President, approached Petitioner in late 2015 to express Wedgewood Park's interest in acquiring the Wedgewood Park System. After completing some preliminary due diligence, Petitioner entered into negotiations with Mr. Jusko that led to the execution of the Purchase Agreement.

Mr. Bruns stated that the Purchase Agreement provides for Petitioner's purchase of the Wedgewood Park System, which is described in Section 1 and Schedule 1.1 of the Purchase Agreement. Under Section 1.3 of the Purchase Agreement, the consideration for the purchase is $210,000. Section 2 of the Purchase Agreement provides that the closing of the transaction will occur within 45 days after receipt of all final regulatory approvals. The closing is subject to certain conditions that are described in the Purchase Agreement and include Wedgewood Park providing Petitioner with certain information; Petitioner's satisfactory completion of its due diligence; verification of Wedgewood Park's title to the assets being transferred; the transfer of certain permits; receipt of certain consents and approvals, including without limitation the approval of the Commission; and the lack of any prohibitions to consummation of the matters covered by the Purchase Agreement. Mr. Bruns testified that, like the rest of the Purchase Agreement, the purchase price resulted from arms-length negotiation between Wedgewood Park and Petitioner.

Mr. Bruns explained that the Wedgewood Park System will be operated by Petitioner with the assistance of a qualified and experienced contract operator with oversight provided by personnel at Petitioner's affiliate, South Haven. Mr. Bruns noted that this will deviate in some respects from the way the Wedgewood Park System is currently operated by Wedgewood Park. However, Mr. Bruns was of the opinion that the operational and customer service differences will be beneficial to Wedgewood Park's customers. Mr. Bruns also testified that, after the acquisition of the Wedgewood Park System, it will be thoroughly inspected with corrective repairs made where needed and that Petitioner presently intends to replace all manual read residential meters with Radio Read meters. According to Mr. Bruns, like all facilities in Indiana operated by Petitioner, funding for improvements to the Wedgewood Park System would come from Petitioner's corporate parent, Aqua America.

As testified to by Mr. Bruns, Petitioner intends to apply to present and future customers the same rates and charges as are currently charged and collected by Wedgewood Park. Mr. Bruns also stated that the customers of the Wedgewood Park System will be subject to the same rules and regulations as Petitioner currently applies to its other water utility customers in Indiana, unless and until the Commission has approved other rules and regulations to be applied.

Mr. Bruns testified that Petitioner intends to record the plant, property, and assets acquired from Wedgewood Park on its books and records in the same way they are shown at closing on Wedgewood Park's books and records, with such adjustments as may be necessary to reflect their acquisition by Petitioner. Petitioner anticipates that based on information currently available it will make the following accounting entries to record the acquisition of the Wedgewood Park System:

	Debit	Credit
Utility Plant in Service (Utility Assets $236,815 + Organization Costs estimated at $20,000)	$256,815	
Accumulated Depreciation		($74,408)
CIAC		($4,437)
Utility Plant Acquisition Adjustment (Purchase Price $210,000 less Net Book Value of Utility Assets $157,970)	$52,030	
Cash (Purchase Price $210,000 + Organization Cost $20,000)		($230,000)

The actual entries Petitioner will make should reflect information as of the date of the closing of the acquisition. Further, Mr. Bruns testified that Petitioner is not seeking to recover all or any portion of an acquisition adjustment in this Cause. He stated that any such relief would be reflected in a future rate case, if at all. Additionally, Mr. Bruns testified that Petitioner proposes to utilize Wedgewood Park's depreciation rate or rates for plant, property, and assets comprising the Wedgewood Park System and used to serve present and future customers.

Mr. Bruns explained that, assuming the Commission approves the transfer of the Wedgewood Park System, he believed Petitioner will have the authority needed to lawfully own and operate the Wedgewood Park System. He also testified that Petitioner has the managerial, technical, and financial resources necessary to properly operate the Wedgewood Park System and provide adequate and reliable service to present and future customers. According to Mr. Bruns, Petitioner has a record of handling successful utility operations in Indiana. In his view, implementation of the Purchase Agreement will benefit the customers served by the Wedgewood Park System through, among other ways, access to the technical, financial, and customer service capabilities of Petitioner. Mr. Bruns testified that the Purchase Agreement and the acquisition provided for by it will serve public convenience and necessity and are in the public interest.

Finally, Mr. Bruns testified that Petitioner intends to use county-owned property, including without limitation highway rights-of-way, in connection with operating the Wedgewood Park System. According to Mr. Bruns, public convenience and necessity require such service and Petitioner is requesting the Commission to make such a determination and consent to St. Joseph County granting Petitioner licenses, permits, or franchises for the use of county-owned property.

5. **Settlement Agreement.** The Stipulation and Settlement Agreement ("Settlement Agreement") entered into by Petitioner and the OUCC is attached hereto and incorporated herein by reference. The Settlement Agreement provides that Petitioner and the OUCC agree that, subject to

certain conditions described in the Settlement Agreement, approval of the proposed sale and transfer of the Wedgewood Park System and the other relief requested by Petitioner will serve the public interest and public convenience and necessity. Specifically, the parties request the Commission to issue a Final Order in this Cause: (i) Finding that the relief requested by Petitioner in this Cause will serve the public interest and public convenience and necessity; (ii) Approving the sale and transfer of the Wedgewood Park System to Petitioner pursuant to the Purchase Agreement; (iii) Approving the Purchase Agreement and the terms and conditions set forth therein to the extent necessary to authorize the transfer; (iv) Approving Petitioner's application to present and future customers within the Wedgewood Park System of the same rates and charges as are currently applied by Wedgewood Park to its customers within St. Joseph County, Indiana, subject to such changes as the Commission may approve in the future; (v) Approving Petitioner's application to customers within the Wedgewood Park System of the rules and regulations as are currently applied by Petitioner to its customers, subject to such changes as the Commission may approve in the future; (vi) Approving of Petitioner recording the acquisition of the Wedgewood Park System on its books and records in the same way it is shown at closing on Wedgewood Park's books and records, with such adjustments as may be necessary to reflect their acquisition by Petitioner; (vii) Approving Petitioner use of Wedgewood Park's current depreciation rate(s) for plant, property, and assets comprising the Wedgewood Park System and such other property as may be used to serve present and future customers, subject to such changes as the Commission may approve in the future; and (viii) Consenting to St. Joseph County, Indiana granting Petitioner licenses, permits or franchises for the use of county-owned property to provide water utility service.

As noted above, Petitioner and the OUCC agree that granting the above-described relief should be subject to certain conditions set forth in the Settlement Agreement; namely: (i) incidental expenses and other acquisition costs reflected in the amounts recorded by Petitioner as part of the acquisition of the Wedgewood Park System shall not exceed $20,000; (ii) Petitioner shall amortize contributions in aid of construction ("CIAC") as an offset to its depreciation expense (i.e. for ratemaking purposes) and shall use for such purpose Wedgewood Park's current depreciation rate(s) or such other rate or rates as the Commission shall direct; (iii) Petitioner should notify the customers previously served by Wedgewood Park regarding electronic access to the new rules and regulations that will be applicable to their water utility service; (iv) Prior to the closing on the acquisition, Petitioner should confirm that Wedgewood Park does not possess any deposits made by its customers. If any such deposits are identified, Petitioner shall cause Wedgewood Park to return them to the customers involved or deliver them to Petitioner to be handled and returned as appropriate; (v) Within 12 months of closing, Petitioner will provide to the OUCC a complete list by NARUC account of utility plant being acquired. At that time, Petitioner will also provide to the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Petitioner deems it is appropriate to record. Petitioner shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category (legal fees, etc.); (vi) Within 12 months of closing, Petitioner will replace all customer meters with new radio frequency ("RF") meters. Thereafter, relying on one year of data Aqua will reassess water loss calculations and formulate a plan, if appropriate, to mitigate any continuing excessive water loss.

6. **Evidence in Support of Settlement Agreement.** Mr. Bruns provided testimony in

support of the Settlement Agreement. Mr. Bruns described the events that led to the execution of the Settlement Agreement, including the proposals, discovery, and negotiations. Mr. Bruns then summarized the Settlement Agreement. Mr. Bruns testified that, in the Settlement Agreement, the parties agreed that the Commission should essentially grant the relief sought by Petitioner in its Verified Petition, including, among other things, approval of the sale and transfer of the Wedgewood Park System to Petitioner pursuant to the Purchase Agreement, and consenting to St. Joseph County, Indiana granting Petitioner the licenses, permits, or franchises for the use of county-owned property to provide wastewater utility service.

Mr. Bruns also testified regarding the conditions that Petitioner and the OUCC agreed to that were not included in Petitioner's Verified Petition. The first condition that Mr. Bruns described relates to Petitioner's recording on its books and records of the acquisition of the Wedgewood Park System, in that Paragraph 2(A) of the Settlement Agreement caps the amount of actual incidental expenses and other acquisition costs reflected as transaction costs in the amounts recorded by Petitioner at $20,000.

Mr. Bruns next testified that Petitioner has agreed to provide the OUCC a complete list of utility plant being acquired and set forth by NARUC account any accumulated depreciation it determines appropriate to record as of the date of the purchase, within 12 months of closing. Mr. Bruns noted that Petitioner also agreed to provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category (such as legal fees).

Mr. Bruns then testified about the parties' agreement that Petitioner should use Wedgewood Park's current depreciation rate(s) for plant, property, and assets comprising the Wedgewood Park System and such other property as may be used to serve present and future customers. However, Petitioner also agreed to amortize contributions in aid of construction as an offset to its depreciation expense and shall use for such purpose Wedgewood Park's current depreciation rate(s) or such other rate or rates as the Commission shall direct.

The next provision of the Settlement Agreement that Mr. Bruns addressed was its provision that requires Petitioner to notify the customers previously served by Wedgewood Park regarding electronic access to the new rules and regulations that will be applicable to their wastewater utility service. Additionally, prior to the closing on the acquisition, Mr. Bruns explained that Petitioner agreed to confirm that Wedgewood Park does not possess any deposits made by its customers, and that if any such deposits are identified, Petitioner shall cause Wedgewood Park to return them to the customers involved or deliver them to Petitioner to be handled and returned as appropriate.

Mr. Bruns completed his testimony with his observation that, in his opinion, the Settlement Agreement should be approved by the Commission because it is consistent with the public interest, each party will receive benefits, and the customers will receive additional benefits as set forth in the Settlement Agreement.

Margaret A. Stull, Senior Utility Analyst in the OUCC's Water/Wastewater Division, testified in support of the Settlement Agreement. After reviewing the relief Petitioner requested in this Cause,

Ms. Stull described the key terms of the Settlement Agreement. Ms. Stull explained that the Settlement Agreement authorizes Petitioner to consummate the acquisition of certain Wedgewood Park water utility assets, and that the relief otherwise requested by Petitioner should be granted, subject to the conditions set forth in the Settlement Agreement.

Ms. Stull testified that the OUCC agreed that Petitioner should be permitted to book an amount equal to the purchase price ($210,000) plus actually incurred transaction costs not to exceed $20,000.

Next, Ms. Stull explained that the Settlement Agreement contained various terms that are in the public interest. First, the Settlement Agreement provided that Petitioner should notify the customers previously served by Wedgewood Park as to where they may access the rules and regulations that will now apply to Petitioner's service. Additionally, to promote maintenance of a positive rate base and encourage continued prudent investment, Petitioner agreed that it will amortize CIAC as an offset to its depreciation expense and shall use for such purpose Wedgewood Park's current depreciation rate of 1.7% or such other rate or rates as the Commission shall direct.

Ms. Stull also testified that, in order to avoid misunderstanding and promote appropriate accounting of deposits, Petitioner will confirm that Wedgewood Park does not possess any deposits made by its customers. If such deposits are identified, Petitioner will cause Wedgewood Park to return the deposits to the customers or deliver them to Petitioner for appropriate handling and return.

Ms. Stull also testified that Petitioner agreed to provide the OUCC a complete list by NARUC account of utility plant and accumulated depreciation, being acquired as of the date of the purchase within 12 months of closing. Additionally, Ms. Stull explained that, to promote transparency and more efficient regulatory proceedings, the Settlement Agreement provides that Petitioner shall provide an opening balance sheet for the division and the total amount of transactions costs incurred by cost category.

Ms. Stull completed her testimony by asking that the Commission approve the Settlement Agreement, which is supported by the evidence, contains fair and reasonable terms and conditions, and is a just resolution of the issues in this Cause. The OUCC believes the settlement is in the public interest.

7. **Discussion and Findings.** Settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coalition of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coalition*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition of Ind., Inc. v. Public Service Co. of Ind., Inc.*, 582

N.E.2d 330, 331 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of Indiana Code ch. 8-1-2, and that such agreement serves the public interest.

The Purchase Agreement is part of the record of this Cause and the evidence contains additional testimony describing its approval, terms and the acquisition contemplated by it. The evidence also shows that the Purchase Agreement and the purchase price provided for in it was the result of arms-length negotiations. The evidence indicated that the amount the parties agreed Petitioner would pay for the acquisition of the Wedgewood Park property, plant, or business ($210,000) is not an amount in excess of 5% of the book cost to Petitioner of all property, plant, or business owned by it at the time of filing its petition in this Cause (in excess of $100,000,000). Therefore, the shareholder approval provision of Ind. Code § 8-1-2-84(c) is not applicable to this Cause.

Further, the evidence shows that Petitioner has the legal, managerial, technical, and financial ability to provide water service. Petitioner is an experienced utility operator committed to providing adequate and reliable service and has a reasonable plan to operate the Wedgewood Park System with a qualified operator under its direct supervision. Also, upon acquiring the Wedgewood Park System, Petitioner intends to inspect the system and make such improvements as may be necessary. Further, Petitioner has agreed to replace all customer meters with new RF meters within 12 months of closing on the acquisition and, thereafter, reassess water loss calculations relying on one year of data and formulate a plan, if appropriate, to mitigate any continuing excessive water loss. In this regard, Petitioner also will be able to rely on Aqua America to support its provision of service to the current customers of the Wedgewood Park System.

Petitioner's proposal to apply to present and future customers the same rates and charges as are applied by Wedgewood Park is reasonable and should be approved. Similarly, Petitioner's proposal to apply to customers of the Wedgewood Park System the same rules and regulations for service as are currently applied to Petitioner's customers is reasonable and should be approved. However, Petitioner should notify the customers previously served by Wedgewood Park regarding electronic access to the new rules and regulations that will be applicable to their water utility service.

There is no dispute concerning Petitioner's proposal to utilize the same depreciation rate as currently used by Wedgewood Park, which as Ms. Stull testified is 1.7%. However, the parties have further agreed that Petitioner will amortize CIAC as an offset to depreciation expense using Wedgewood Park's current depreciation rate(s) or such other rate or rates as the Commission shall direct. Since it is agreed to by the parties, this is a reasonable agreement that might contribute toward Petitioner's rates for services to customers remaining reasonable.

Further, Petitioner's proposal to record the acquisition of the Wedgewood Park System in the same manner as shown on Wedgewood Park's books and records is reasonable. In this regard, the parties have agreed that, within 12 months of closing, Petitioner shall provide to the OUCC a complete list by NARUC account of utility plant being acquired. At that time, Petitioner shall also provide to

the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Petitioner deems it is appropriate to record. Petitioner shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category with the amount of any incidental expenses and other acquisition-related costs limited to $20,000. Again, this is a reasonable matter for the parties to have agreed to and, as Ms. Stull testified, should promote transparency and more efficient regulatory proceedings.

The evidence shows that Petitioner's acquisition and operation of the Wedgewood Park System by Petitioner is supported by public convenience and necessity, is in the public interest, and should be approved. As reflected in the Stipulation and Settlement Agreement, however, Petitioner should notify the Commission and the OUCC within 14 days of Wedgewood Park's assets being transferred to it. Also, prior to the closing on its sale of the Wedgewood Park System, Petitioner should confirm that Wedgewood Park does not possess any deposits made by its customers. If any such deposits are identified, Petitioner shall cause Wedgewood Park to return them to the customers involved or deliver them to Petitioner to be handled and returned as appropriate.

Finally, Ind. Code § 36-2-2-23 requires the consent of the Commission prior to the grant by a board of county commissioners of a permit to a utility to use county property (generally roads, easements, right-of-ways, and the like) in rendering utility service. In this regard, since the Commission found above that public convenience and necessity require Petitioner's service to the customers of the Wedgewood Park System, it should grant its consent to the Board of Commissioners of St. Joseph County issuing to Petitioner a license, permit, or franchise for the use of county property in rendering water utility service in accordance with applicable Indiana law.

Based on the review of the evidence presented and above discussion, we find that the Settlement Agreement is reasonable, supported by the evidence and in the public interest. Therefore, we approve the Settlement Agreement consistent with our findings above. Further, the Parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 Ind. PUC LEXIS 459, at *19-22 (IURC March 19, 1997).

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The sale and transfer to Petitioner of the Wedgewood Park System pursuant to the Purchase Agreement is approved.

2. The Purchase Agreement and the terms and conditions set forth therein to the extent necessary to authorize the transfer are approved.

3. Petitioner shall charge and collect from present and future customers of the Wedgewood Park System the same rates and charges as Wedgewood Park currently charges water utility customers, subject to such changes as the Commission may approve in the future. Petitioner

shall file a tariff by the date the transactions closes.

4. Petitioner shall apply to present and future customers of the Wedgewood Park System those rules and regulations as Petitioner currently applies to water utility customers, unless and until the Commission has approved other rules and regulations to be applied to such customers.

5. Petitioner shall record the acquisition of the Wedgewood Park System on its books and records in the same way it is shown at closing on Wedgewood Park's books and records, with such adjustments as may be necessary to reflect their acquisition by Petitioner and the requirements of this Order.

6. Petitioner shall utilize in the manner described in this Order Wedgewood Park's depreciation rate of 1.7% for plant, property, and assets comprising the Wedgewood Park System and used to serve present and future customers.

7. Petitioner shall comply fully with the conditions identified in Paragraph 2 of the Stipulation and Settlement Agreement and discussed in Finding No. 7 above.

8. The Commission hereby consents to St. Joseph County, Indiana granting Petitioner licenses, permits, or franchises for the use of county-owned property.

9. This Order shall be effective on and after the date of its approval.

STEPHAN, FREEMAN, HUSTON, AND WEBER CONCUR; ZIEGNER ABSENT:

APPROVED: DEC 28 2016

I hereby certify that the above is a true and correct copy of the Order as approved.

Mary M. Becerra
Mary M. Becerra
Secretary of the Commission

FILED
NOVEMBER 1, 2016
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF AQUA INDIANA, INC. ("AQUA INDIANA") FOR (1) APPROVAL OF THE SALE AND TRANSFER TO AQUA INDIANA OF WATER UTILITY ASSETS IN ST. JOSEPH COUNTY, INDIANA USED BY WEDGEWOOD PARK WATER COMPANY, INC. PURSUANT TO AN ASSET PURCHASE AGREEMENT; (2) APPROVAL OF CERTAIN ACCOUNTING AND OTHER RELIEF RELATED TO THE ACQUISITION OF THOSE ASSETS; AND (3) CONSENTING TO ST. JOSEPH COUNTY GRANTING AQUA INDIANA LICENSES, PERMITS OR FRANCHISES FOR THE USE OF COUNTY-OWNED PROPERTY.	)	**CAUSE NO. 44814**

STIPULATION AND SETTLEMENT AGREEMENT

On July 11, 2016, Aqua Indiana, Inc. ("Aqua Indiana" or "Petitioner") filed its Verified Petition seeking to have the Commission approve the sale and transfer to Aqua Indiana of the plant and property currently used by Wedgewood Park Water Company, Inc. ("Wedgewood Park") in St. Joseph County, Indiana to provide water utility service. The sale and transfer of the plant and property currently used by Wedgewood Park (the "Wedgewood Park System") would be made pursuant to an Asset Purchase Agreement between Wedgewood Park and Aqua Indiana that appears as Attachment C to Petitioner's Exhibit 1 (the "Purchase Agreement"). In connection with the sale and transfer of the Wedgewood Park System, Aqua Indiana also requests that the Commission (i) approve the manner in which Aqua Indiana will record the plant, property and other assets acquired from Wedgewood Park on its books and records; (ii) approve the rates and charges, as well as the rules and regulations, that Aqua Indiana will apply to customers, subject to such changes as the Commission may approve in the future; and (iii) approve the depreciation rate to be used by Aqua Indiana for the plant, property and assets that it may use to serve present and future customers. Finally, Aqua Indiana is seeking to have the Commission determine, in accordance with Ind. Code § 36-2-2-23, that public convenience and necessity require Aqua Indiana to provide water utility service to present and future customers of the Wedgewood Park System and consent to St. Joseph County, Indiana granting Aqua Indiana licenses, permits or franchises for the use of county-owned property to provide water utility service.

The Indiana Office of Utility Consumer Counselor ("OUCC") reviewed the Petitioner's filed testimony and exhibits, met with representatives of Petitioner and requested additional information from Petitioner through both formal and informal discovery. Petitioner and the OUCC (individually, a "Settling Party" and collectively, the "Settling Parties") engaged in settlement negotiations. As a result of those negotiations, the Settling Parties reached an agreement with respect to all the issues between them before the Commission, including without limitation as follows:

1. **Granting Requested Relief**. The Settling Parties agree that, subject to the provisions of Paragraph 2 below, approval of the relief requested by Aqua Indiana in this Cause will serve the public interest and public convenience and necessity and, accordingly, the Commission should issue a Final Order in this Cause:

A. Finding that the relief requested by Aqua Indiana in this Cause will serve the public interest and public convenience and necessity;

B. Approving the sale and transfer of the Wedgewood Park System to Aqua Indiana pursuant to the Purchase Agreement;

C. Approving the Purchase Agreement and the terms and conditions set forth therein to the extent to authorize the sale and transfer of the system;

D. Approving Aqua Indiana's application to present and future customers within the Wedgewood Park System of the same rates and charges as are currently applied by Wedgewood Park to its customers within St. Joseph County, Indiana, subject to such changes as the Commission may approve in the future;

E. Approving Aqua Indiana's application to customers within the Wedgewood Park System of the rules and regulations as are currently applied by Aqua Indiana to its customers, subject to such changes as the Commission may approve in the future;

F. Approving of Aqua Indiana recording the acquisition of the Wedgewood Park System on its books and records in the same way it is shown at closing on Wedgewood Park's books and records, with such adjustments as may be necessary to reflect their acquisition by Aqua Indiana;

G. Approving Aqua Indiana use of Wedgewood Park's current depreciation rate(s) for plant, property and assets comprising the Wedgewood Park System and such other property as may be used to serve present and future customers, subject to such changes as the Commission may approve in the future; and

H. Consenting to St. Joseph County, Indiana granting Aqua Indiana licenses, permits or franchises for the use of county-owned property to provide water utility service.

2. **Other Agreements**.

A. For purposes of Paragraph 1F above, incidental expenses and other acquisition costs reflected in the amounts recorded by Aqua Indiana as part of the acquisition of the Wedgewood Park System shall not exceed $20,000.

B. Petitioner shall amortize contributions in aid of construction ("CIAC") as an offset to its depreciation expense (i.e. for ratemaking purposes) and shall use for such purpose Wedgewood Park's current depreciation rate(s) or such other rate or rates as the Commission shall direct.

C. Aqua Indiana should notify the customers previously served by Wedgewood Park regarding electronic access to the new rules and regulations that will be applicable to their water utility service.

D. Prior to the closing on the acquisition, Aqua Indiana should confirm that Wedgewood Park does not possess any deposits made by its customers. If any such deposits are identified, Aqua Indiana shall cause Wedgewood Park to return them to the customers involved or deliver them to Aqua Indiana to be handled and returned as appropriate.

E. Within 12 months of closing, Aqua Indiana will provide to the OUCC a complete list by NARUC account of utility plant being acquired. At that time, Aqua Indiana will also provide to the OUCC the value of accumulated depreciation, if any, by NARUC account as of the date of closing, which amount Aqua Indiana deems it is appropriate to record. Aqua Indiana shall also provide to the OUCC an unaudited opening balance sheet for this division and the total amount of transaction costs incurred by cost category (legal fees, etc.).

F. Within 12 months of closing, Aqua Indiana will replace all customer meters with new radio frequency ("RF") meters. Thereafter, relying on one year of data Aqua will reassess water loss calculations and formulate a plan, if appropriate, to mitigate any continuing, excessive water loss.

3. **Scope and Approval**

A. Neither the making of this Settlement Agreement nor any of its provisions, including without limitation any provisions contained in exhibits to this Settlement Agreement, shall constitute in any respect an admission by any Settling Party in this or any other litigation or proceeding. This Settlement Agreement is solely the result of compromise in the settlement process and, except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Settling Parties may take with respect to any or all of the issues resolved herein in any future regulatory or other proceedings.

B. Neither the making of this Settlement Agreement, nor the provisions thereof, nor the entry by the Commission of a Final Order approving this Settlement Agreement, shall establish any principles or legal precedent applicable to Commission proceedings other than those resolved herein. This Settlement Agreement shall not constitute nor be cited as precedent by any person or deemed an admission by any Settling Party in any other proceeding except as necessary to enforce its terms before the Commission, or any tribunal of competent jurisdiction.

C. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients, and their successors and assigns, who will be bound thereby, subject to the agreement of the Settling Parties on the provisions contained herein and in the attached exhibits.

D. The communications and discussions during the negotiations and conferences have been conducted based on the explicit understanding that said communications and discussions are or relate to offers of settlement and therefore are privileged. All prior drafts

of this Settlement Agreement and any settlement proposals and counterproposals also are or relate to offers of settlement and are privileged.

E. The Settling Parties shall offer supplemental testimony supporting the Commission's approval of this Settlement Agreement and will request that the Commission issue a Final Order incorporating the agreed proposed language of the Settling Parties and accepting and approving the same in accordance with its terms without any modification. Such supportive testimony will be agreed-upon by the Settling Parties and offered into evidence without objection by any Settling Party and the Settling Parties hereby waive cross-examination of each other's witnesses.

F. This Settlement Agreement is conditioned upon and subject to Commission acceptance and approval of its terms in their entirety, without any change or condition that is unacceptable to any Settling Party. The Settling Parties will support this Settlement Agreement before the Commission and request that the Commission accept and approve the Settlement Agreement. This Settlement Agreement is a complete, interrelated package and is not severable, and shall be accepted or rejected in its entirety without modification or further condition(s) that may be unacceptable to any Settling Party. The Settling Parties propose to submit this Settlement Agreement and evidence conditionally, and if the Commission fails to approve this Settlement Agreement in its entirety without any change or imposes condition(s) unacceptable to any adversely affected Settling Party, the Settlement Agreement and supporting evidence may be withdrawn and the Commission will continue to proceed to a decision in the affected proceeding, without regard to the filing of this Settlement Agreement.

G. The Settling Parties will work together to prepare an agreed upon proposed

order to be submitted in this Cause. The Settling Parties will request Commission acceptance and approval of this Settlement Agreement in its entirety, without any change or condition that is unacceptable to any party to this Settlement Agreement. The Settling Parties will request that the Commission issue a Final Order promptly accepting and approving this Settlement Agreement in accordance with its terms.

H. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of any Final Order entered by the Commission approving the Settlement Agreement in its entirety without changes or condition(s) unacceptable to any Settling Party (or related orders to the extent such orders are specifically and exclusively implementing the provisions hereof) and shall not oppose this Settlement Agreement in the event of any appeal or a request for rehearing, reconsideration or a stay by any person not a party hereto.

AGREED and **ACCEPTED** this 31st day of October, 2016.

AQUA INDIANA, INC.

By: Philip B. McKenna

Its: Attorney

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

By: Daniel M. Le Vay

Its: Deputy Consumer Counselor

1/9/2020 Exhibit

EX-99.2 3 exhibit992.htm EXHIBIT 99.2 - ACQUISITION FACT SHEET

Exhibit 99.2

https://www.sec.gov/Archives/edgar/data/1410636/000141063617000029/exhibit992.htm 2/2

PRESS RELEASE

PENNSYLVANIA AMERICAN WATER

FOR IMMEDIATE RELEASE

CONTACT: Susan Turcmanovich
Pennsylvania American Water
T: 570-351-0120
Pager: 888-441-2138
susan.turcmanovich@amwater.com

PENNSYLVANIA AMERICAN WATER CLOSES ACQUISITION OF SCRANTON WASTEWATER SYSTEM

Transaction ranks among largest wastewater acquisition in company history

SCRANTON, Pa. (December 29, 2016) – Pennsylvania American Water, a wholly owned subsidiary of American Water, announced today that it has completed the acquisition of the wastewater system assets of the Scranton Sewer Authority (SSA). The purchase price is approximately $195 million.

The newly acquired system provides wastewater service to approximately 31,000 customers in Scranton and Dunmore. Pennsylvania American Water already provides water service to residents and businesses in both communities. The transaction represents one of American Water's largest wastewater acquisitions in the parent company's history.

"This acquisition marks a significant milestone for our company and our employees, based on the size and scope of this wastewater operation and the environmental challenges facing the system," said Pennsylvania American Water President Kathy L. Pape. "We bring both the technical expertise and financial resources to meet these challenges and provide a long-term wastewater solution, while establishing a plan to maintain reasonable rates for the customers."

The transaction's closing follows a lengthy regulatory approval process by the U.S. Environmental Protection Agency (EPA), Pennsylvania Department of Environmental Protection (DEP), the U.S. Department of Justice, and the Pennsylvania Public Utility Commission (PUC). The wastewater system is under an EPA Consent Decree that mandates significant upgrades, totaling an estimated $140 million, to bring the system into environmental compliance. As the system's owner, Pennsylvania American Water will continue the projects started by the SSA and assume the SSA's obligations under the Consent Decree.

As part of the PUC's approval of the purchase, Pennsylvania American Water agreed to adopt the existing wastewater rates for customers served by the SSA system, although such rates will now be billed on a monthly rather than bi-monthly basis. The PUC regulates the company's rates, rules and regulations of service, so any future rate change will need to be reviewed and approved by the PUC.

"Our employees have been providing water service for a long time for the Scranton and Dunmore communities, and we are very pleased to now be the wastewater provider as well," said Pape. "We are also excited to welcome the SSA employees to the Pennsylvania American Water team."

All of the approximately 80 SSA workers who operate the wastewater system have been offered employment. The employees are represented by the Teamsters Union, Local 229, who voted on Dec. 2, to ratify a new contract offered by Pennsylvania American Water. The employees gain immediate access to the training,

development and career opportunities in any of the operations of Pennsylvania American Water or its parent company.

Pennsylvania American Water's purchase of the sewer system enables SSA to pay off its existing debt.

Under the purchase agreement, Pennsylvania American Water also committed to bring 100 new jobs to Scranton by 2020. "As we continue to invest in the region and expand our operations, these will be important jobs to support not only Pennsylvania but the growth of our national footprint," said American Water Chief Operating Officer Walter Lynch. "We expect the new jobs to generate a very positive economic impact for the Greater Scranton Area."

This acquisition adds to the company's series of large municipal wastewater transactions. In December 2015, Pennsylvania American Water acquired the wastewater assets of Fairview Township, York County. On October 31, 2016, the company purchased the wastewater assets of the Borough of New Cumberland in Cumberland County. In September 2016, Pennsylvania American Water executed an agreement to acquire the wastewater system assets of the Municipal Authority of the City of McKeesport, Allegheny County, which is currently pending regulatory approvals. Pennsylvania American Water now operates wastewater systems in Adams, Beaver, Butler, Chester, Clarion, Cumberland, Lackawanna, Monroe, Northumberland, Pike, Washington and York counties.

Pennsylvania American Water, a wholly owned subsidiary of American Water (NYSE: AWK), is the largest water utility in Pennsylvania, providing high-quality and reliable water and/or wastewater services to approximately 2.3 million people. Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. Marking its 130th anniversary this year, the company employs more than 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found at www.amwater.com.

Cautionary Statement Concerning Forward-Looking Statements
Certain statements in this press release are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to, among other things, anticipated capital investments, the ability of Pennsylvania American Water to comply with the Consent Decree, and the ability to achieve certain benefits, synergies and goals relating to the transaction and the acquired operations. These statements are based on the current expectations of management of Pennsylvania American Water. There are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements, including with respect to (1) the occurrence of the benefits and synergies expected or predicted to occur as a result of the acquisition; (2) unexpected costs, liabilities or delays associated with the integration of the acquired business; (3) regulatory, legislative, local or municipal actions affecting the water and wastewater industries, which could adversely affect Pennsylvania American Water; (4) Pennsylvania American Water's ongoing compliance with the Consent Decree; and (5) other economic, business and other factors. Forward-looking statements are not guarantees or assurances of future performance or results, and Pennsylvania American Water and its affiliates do not undertake any duty to update any forward-looking statement.

# # #

02/27/2017

CLINTON, CONNECTICUT, Feb. 27, 2017 (GLOBE NEWSWIRE) -- Connecticut Water Service, Inc. (NASDAQ: CTWS) (CTWS) announced today that it has completed the acquisition of the Heritage Village Water Company (HVWC). Shareholders of HVWC exchanged their stock for CTWS stock in a transaction with an enterprise value of $20.7 million. HVWC serves approximately 4,700 water customers in the Connecticut communities of Middlebury, Oxford and Southbury and approximately 3,000 wastewater customers in the Town of Southbury, Connecticut. HVWC owns and operates the only wastewater system regulated by the Connecticut Public Utilities Regulatory Authority (PURA).

According to Eric W. Thornburg, CTWS's Chairman, President and Chief Executive Officer, HVWC will operate as a subsidiary of CTWS, which is among the nation's fastest growing water utility companies. He states, "Customers will benefit by being part of larger, regional company, which has a size and presence that provides for operational efficiencies, purchasing power and other economies of scale." Mr. Thornburg further states, "CTWS subsidiaries, including The Connecticut Water (Connecticut Water) and The Maine Water Company (Maine Water) have long histories of delivering world-class satisfaction to customers and being good stewards of the natural resources entrusted to us and we are eager to demonstrate our commitment to HVWC customers."

Mr. Thornburg thanked Keith Sorensen, the former president of HVWC, for his efforts that contributed to a smooth transition for customers and employees with the completion of this transaction. PURA approved the acquisition on December 5, 2016, and the closing was completed on February 27, 2017.

HVWC retains its current name, a local office, and its employees were invited to continue their employment under CTWS ownership. HVWC is a sister company to Connecticut Water and Maine Water. The merger will not affect the rates or service for any of those water company customers. As part of CTWS, HVWC will now be able to offer its customers a website, online bill payment, and timely emergency notification via phone and e-mail. Customers will receive information in the mail on these and other enhancements.

As called for under the previously announced agreement, the acquisition was executed through a stock-for-stock merger transaction valued at approximately $16.1 million. Holders of HVWC common stock received shares of CTWS common stock in a tax-free exchange. In addition, Connecticut Water will assume approximately $4.6 million in debt of HVWC. The transaction reflected a total enterprise value of approximately $20.7 million.

Since January 2012, CTWS has grown its customer base by more than 43%, or more than 39,000 customers, primarily through large acquisitions in Maine in 2012 and HVWC in 2017. In addition, CTWS previously announced on October 12, 2016, an agreement to acquire the Avon Water Company that serves 4,800 customers in the Connecticut towns of Avon, Farmington, and Simsbury. A PURA decision on the acquisition is expected this April with a closing to follow within the second quarter.

CTWS is one of the ten largest U.S.-based publicly-traded water utilities, and is listed on the NASDAQ Global Select Market under the ticker symbol CTWS. Including the HVWC acquisition, CTWS, through its regulated utility subsidiaries in Connecticut and Maine, serves more than 129,000 water customers, or nearly 440,000 people in 79 communities across Connecticut and Maine, and more than 3,000 wastewater customers in Southbury, Connecticut.

News Media Contact:

Daniel J. Meaney, APR
Director of Corporate Communications
(860) 664-6016
dmeaney@ctwater.com

ConnecticutWater

Source: Connecticut Water Service, Inc.

Section 1: 10-K (AWK - 12.31.2017 10-K)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2017
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____
Commission file: number 001-34028

AMERICAN WATER WORKS COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware	**51-0063696**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1025 Laurel Oak Road, Voorhees, NJ	**08043**
(Address of principal executive offices)	**(Zip Code)**

(856) 346-8200
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common stock, par value $0.01 per share	**New York Stock Exchange, Inc.**

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.☐

provides water service to approximately 11,000 customers in Monmouth County, New Jersey; and the

- aim for top quartile targets for drinking water quality and being an industry leader in system resiliency and environmental stewardship. We intend to continue to make needed infrastructure investments while implementing operational efficiency improvements to help keep customer rates affordable.

- Safety—Safety is both a strategy and a value at American Water. We put safety first in everything that we do.
  - In 2017, we:
    - finished the year with fewer employee injuries than the prior year and exceeded our targeted results for our Occupational Safety and Health Administration recordable incident rate and our Days Away Restricted or Transferred rate; and
    - strengthened our safety culture as measured by employee responses to safety-related questions in the Company's culture survey, and scored 13 points above "High Performing Companies" in the category of safety, as measured by CEB, Inc. Our safety council, consisting of management and labor employees from across the Company, continued its mission of developing and implementing recommendations to reinforce the Company's commitment to safety.
  - Looking forward, we will:
    - strive toward zero workplace injuries;
    - focus on requiring that the contractors that perform work for the Company are approved in accordance with the Contractor Safety Qualification Practice and are held to the same standards as our employees; and
    - continue our focus on "near miss reporting," to promote continuous learning and corrective action regarding potential safety hazards.

- People—We are building a diverse, fully-engaged, high performance workforce and culture and creating an environment where our people feel valued, included and accountable.
  - In 2017, we continued to demonstrate our commitment to employees by expanding training and development across the Company, with the vast majority of our employees completing at least 20 hours of training during 2017. We also added new Respect and Diversity training to strengthen our values-based culture.
  - Looking forward, we will continue to:
    - improve the diversity of our overall employee population, reflective of our customers and communities;
    - implement a strategic workforce plan which will address the changing requirements of our business and our jobs, and how we will fill those critical positions throughout the Company to promote continuity and help us to meet future operational needs; and
    - dedicate ourselves to personal development through effective training and development plans.

- Growth—We expect to continue to grow our businesses, with the significant majority of our growth to be achieved in our Regulated Businesses through: (i) continued investment in infrastructure to provide safe, clean, reliable and affordable water and wastewater services to our customers; and (ii) regulated acquisitions to expand our services to new customers. We also expect to continue to grow our Market-Based Businesses, which leverage our core water and wastewater competencies.
  - In 2017, we invested $1.7 billion, a record level of annual investment since the Company went public in 2008, and $200 million more than 2016, which had previously been a record year for investment. Our 2017 investment included:
    - $1.4 billion, of which the majority was in our Regulated Businesses for infrastructure replacements and improvements; and
    - $210 million to fund acquisitions in our Regulated Businesses, which added approximately 40,000 water and wastewater customers, including bulk customers, highlighted by the:
      - April acquisition of $ in the form of shares

WATERENGINEERS, INC.
WATER & WASTEWATER TREATMENT CONSULTANTS
17230 HUFFMEISTER ROAD, SUITE A~CYPRESS, TEXAS 77429-1643
TEL: 281-373-0500 FAX: 281-373-1113

47086

April 19, 2017

Public Utility Commission of Texas
Central Records
1701 N. Congress, Suite 8-100
Austin, TX 78701

RECEIVED
2017 APR 20 AM 11:52
PUBLIC UTILITY COMMISSION
FILING CLERK

Re: Application for a Sale, Transfer or Merger of a Retail Public Utility
Water Certificate of Convenience and Necessity No. 12154
Seller – Oak Hollow Utility Company, Inc.
Buyer – Utilities Investment Company, Inc.
in Grimes County, Texas

Dear Public Utility Commission of Texas:

Please find enclosed an original and seven (7) copies of an Application for a Sale, Transfer or Merger of a Retail Public Utility to address the sale of the Oak Hollow Water System by Oak Hollow Utility Company, Inc. to Utilities Investment Company, Inc., as well as two copies of CONFIDENTIAL material. Also enclosed are two (2) CD's containing digital map data and one (1) CD containing an electronic copy of the application in .pdf format.

We appreciate your earliest review and issuance of a letter indicating administrative completeness. Please feel free to email me at syoung@waterengineers.com or call at 281-373-0500 if you have any questions regarding the information contained in this submittal.

Thank you for your assistance in this review process.

Sincerely,
WATERENGINEERS, INC.

Shelley Young, P.E.
Project Engineer

Encl. – 1 original and 7 copies of STM application
2 envelopes containing CONFIDENTIAL information
2 CD's containing digital map data
1 CD containing an electronic copy of the STM Application

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

No changes in the quality of service are anticipated.

E. How will the transaction serve the public interest?

The current utility owner wishes to exit this segment of the utility business. The applicant is well qualified to own and operate the system affording the current customers a seamless transition.

12. Please describe the nature of the proposed transaction:

Applicant proposes to purchase the water system for $897,000. Applicant will pay $200,000 down from cash reserves and the seller will owner finance the remaining $697,000 at 6% over 10 years. See Attachment C for purchase agreement.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

A.
- Total Purchase Price: $ 897,000.00
- Total Original Cost (as recorded on books of seller or merging entity): $1821,837.00
- Accumulated Depreciation as of the proposed effective date of the transaction:
- Contributions in Aid of Construction:
  - Specific surcharges approved by TCEQ or PUC: $ 0.00
  - Revenues from explicit customer agreements: $ 0.00
  - Developer Contributions (please explain):

0

  - Other Contributions (please explain):

0

Total Contributions in Aid of Construction $ 0.00

- Net Book Value: $ 191,081.00

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Docket No._____

NOTICE TO CURRENT CUSTOMERS, NEIGHBORING SYSTEMS AND CITIES

OAK HOLLOW UTILITY COMPANY, INC.'S
NOTICE OF INTENT TO SEE FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 12154
TO
UTILITIES INVESTMENT COMPANY, INC.
IN WALLER COUNTY, TEXAS

To:_____ Date Notice Mailed:_____

Oak Hollow Utility Co., Inc., 1330 Blue Bell, Houston, Texas 77038, has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer water CCN No. 12154 in Waller County to Utilities Investment Company, Inc., P.O. Box 279, New Waverly, Texas 77358-0279.

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision:

Oak Hollow Subdivision

The area subject to this transaction is located approximately 4 miles southwest of downtown Magnolia, Texas in Waller County and is **generally** bounded on the north by FM 1488; on the east by the Waller County/Montgomery County line; on the south by Pine Valley Drive; and on the west by Rice Road.

The total area being requested includes approximately 1050.5 acres and 690 current customers.

This transaction will have the following effect on the current customer's rates and services: There will be no change in rates or services.

Affected persons may file written protests and/or request within 30 days of this notice. To request a hearing, you must

(1) state your name, mailing address, and daytime telephone number;

(2) state the applicant's name, application number or another recognizable reference to this application;

(3) include the statement, "I/we request a public hearing";

(4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and

(5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

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Business Wire

[redacted]

Missouri American Water Announces Acquisition of Village of Wardsville Water and Wastewater Systems

May 23, 2017 10:28 AM Eastern Daylight Time

WARDSVILLE, Mo.--(BUSINESS WIRE)--Missouri American Water completed its acquisition of the Wardsville water and wastewater systems today, adding approximately 475 water and approximately 406 wastewater customers to its more than 460,000 statewide customers. The purchase price for both the water and wastewater system is $2.75 million.

Customers in Wardsville, located just south of Jefferson City, will have their meters changed beginning today and should receive their first invoice from Missouri American Water the week of June 26. Water and wastewater rates in the city are set by the Missouri Public Service Commission and will not change upon completion of the deal.

"This is an exciting day, both for the residents of Wardsville as well as Missouri American Water," said Brent Haas, operations manager for Missouri American Water's Jefferson City district, which Wardsville will be joining. "Wardsville residents can look forward to clean, safe drinking water, effective wastewater treatment and efficient system operation. Missouri American Water brings expertise to the water and wastewater industries that is unparalleled, and by joining our large customer base, we will be able to manage costs in Wardsville on an ongoing basis to help keep rates low."

Missouri American Water

Missouri American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.5 million people.

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly-traded water and wastewater utility company. The company employs more than 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting www.amwater.com.

Contacts
Missouri American Water
Brian Russell
Communications Manager
T - 314-996-2239
C - 314-825-3578
Brian.Russell@amwater.com

Aqua Pennsylvania to Welcome New Garden Township as First Municipal Acquisition Using Fair Market Valuation Legislation

June 14, 2017 01:21 PM Eastern Daylight Time

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aqua America, Inc. (NYSE: WTR) today announced its largest subsidiary, Aqua Pennsylvania, received approval from the Pennsylvania Public Utility Commission to purchase the wastewater assets of New Garden Township, serving approximately 2,100 customer connections in southeast Pennsylvania's Chester County.

Aqua's application was the first that the PUC has considered since the state enacted Act 12, commonly referred to as fair market valuation legislation.

"We're proud that Aqua is the first to have an acquisition approved by the PUC under this new legislation," said Aqua America CEO Christopher Franklin.

The new law allows companies like Aqua to pay a fair market amount for municipal water and wastewater systems, benefitting local governments, customers, and the environment. Prior to FMV legislation, utilities were often limited to including only the original depreciated cost into their rate base, which became a regulatory barrier to a sale. Now, Aqua and other regulated utilities can leverage compliance expertise, purchasing power and operational efficiencies to benefit local systems' infrastructure and service.

"This purchase is all part of Aqua's efforts to do our part to strengthen wastewater infrastructure for communities in the states we serve, which means improved service and environmental stewardship for generations to come," Franklin said.

With the new legislation, Aqua is focused on balancing fair price for systems, making important infrastructure improvements and ensuring reasonable rates for its service. Aqua paid $29.5 million for the New Garden system.

"We're thrilled to welcome New Garden Township residential and business customers to the Aqua family, and look forward to providing them the highest level of service and value," Franklin said. "We hope more communities take advantage of the benefits this new legislation can bring."

According to Franklin, Aqua expects to grow its customer base 1.5 to 2 percent in 2017.

About Aqua America

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com for more information, or follow Aqua on Facebook at facebook.com/MyAquaAmerica and on Twitter at @MyAquaAmerica.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to grow its customer base 1.5 to 2.0 percent in 2017, and the ability of the company to acquire additional wastewater systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions, the successful integration of the customers and the facility, the ability to improve customer service and environmental stewardship, the success of the company's growth efforts including its ability to utilize Act 12, and other factors discussed in our Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation — and expressly disclaims any such obligation — to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRF

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8-K 1 ctwsform8-k2017x07x06.htm CTWS FORM 8-K 07-06-2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): July 6, 2017 (July 1, 2017)

Commission File Number 0-8084

Connecticut Water Service, Inc.
(Exact name of registrant as specified in its charter)

Connecticut	06-0739839
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
93 West Main Street, Clinton, CT	06413
(Address of principal executive office)	(Zip Code)

(860) 669-8636
(Registrant's telephone number, including area code)

Not Applicable
(Former name, address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events

Completion of Acquisition of The Avon Water Company

As previously reported, on October 12, 2016, Connecticut Water Service, Inc. ("CTWS" or "Connecticut Water") announced that it had reached an agreement to acquire The Avon Water Company ("AWC"), pending a vote of AWC shareholders, approval by the Connecticut Public Utilities Regulatory Authority ("PURA") and the Maine Public Utilities Commission ("MPUC") and the satisfaction of other various closing conditions, pursuant to the terms of that certain Agreement and Plan of Merger dated October 11, 2016 as amended on March 29, 2017 between and among AWC, the Company, and WC-A I, Inc., the Company's wholly-owned Connecticut subsidiary (the "Merger Agreement"). AWC serves approximately 4,800 customers in the Farmington Valley communities of Avon, Farmington, and Simsbury, Connecticut.

On February 10, 2017, Connecticut Water received regulatory approval from MPUC and on April 12, 2017, Connecticut Water received regulatory approval from the PURA to proceed with the transaction, The shareholders of AWC voted to approve the acquisition at a special meeting of AWC's shareholders held on June 16, 2017.

Effective July 1, 2017, Connecticut Water completed the acquisition of AWC by completing the merger of Connecticut Water's wholly-owned subsidiary WC-A I, Inc. with and into AWC, with AWC as the surviving corporation, pursuant to the terms of the Merger Agreement and Connecticut corporate law. Upon the effective time of the Merger, the holders of AWC's 122,289 issued and outstanding shares of common stock became entitled to receive the following merger consideration for each share of AWC common stock held: (i) a cash payment of $50.11; and (ii) a stock consideration component, consisting of 3.97 shares of the common stock of Connecticut Water, without par value. The exchange will be commenced promptly by the issuance of a letter of transmittal and related materials by Connecticut Water's exchange agent to the former shareholders of AWC.

The transaction was completed through a stock-for-stock exchange where AWC shareholders received Connecticut Water stock valued at approximately $27.9 million, in a tax-free exchange, and a cash payment of $6.1 million for a total payment to shareholders of $34.0 million. The transaction reflects a total enterprise value of approximately $40.1 million, with the $34.0 million paid to shareholders and the assumption by CTWS of approximately $6.1 million of debt of AWC.

News Release

On July 5, 2017, Connecticut Water issued a press release describing the completion of its acquisition of AWC. A copy of the press release dated July 5, 2017 is filed herewith as Exhibit 99.1 and is hereby incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

The following document is filed herewith as an exhibit hereto:

(d) Exhibits

99.1 Connecticut Water press release regarding the completion of Connecticut Water's acquisition of The Avon Water Company, dated July 5, 2017, is filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Connecticut Water Service, Inc.
(Registrant)

Date: July 6, 2017

By: /s/ David C. Benoit

David C. Benoit
Senior Vice President – Finance and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Connecticut Water press release regarding the completion of Connecticut Water's acquisition of The Avon Water Company, dated July 5, 2017, is filed herewith.

WaterWorld

ILLINOIS AMERICAN WATER ANNOUNCES ACQUISITION; CELEBRATES SAFETY MILESTONES

September 19, 2017

ILLINOIS, SEPT 19, 2017 -- Illinois American Water President Bruce Hauk recently announced the company's acquisition of the Piasa Township Sanitary District. The purchase of the system adds approximately 120 customers to the company's customer base in the Alton District.

In a public referendum on April 4, 2017, residents of Piasa Township Sanitary District voted in favor of dissolving the sewer district, and supported a sale of the wastewater system to Illinois American Water. The Illinois Commerce Commission (ICC) approved the sale for $60,000 on Aug. 25, 2017.

"We are excited to serve these customers and to help decrease one of their household bills. Through this acquisition, we will expand our existing footprint and ensure local residents have access to a long-term, reliable and affordable wastewater service for years to come," said Karen Cooper, senior manager of field operations and production.

Additionally, the utility's Cairo and Pekin Districts celebrated multiple years of safety.

According to Michael Brown, Operations Superintendent, the Cairo District has gone 18 years without experiencing any lost-time accidents. The Pekin District has gone over 7 years without experiencing any lost-time accidents.

He said, "The work we do is complex. This is why our safety program is a top priority. We want our employees to go home in the same condition they arrived at work, if not better. We are proud of our continued years of excellence in safety."

The Cairo District conducts both classroom and hands-on training on a regular basis. Cairo District employees also participate in facility and job site audits at every job site to ensure

compliance with established workplace safety practices.

Brown said, "Safety is a daily focus. We continuously evaluate and remove hazards to prevent injury."

Cord Crisler, Operations Superintendent with the Pekin district, said, "Safety is on our minds every minute of every day. There is nothing more important than ensuring our employees go home in the same condition they arrived at work, if not better. We owe that to our coworkers and their families. There is no room for shortcuts when it comes to safety."

Illinois American Water conducts both classroom and hands-on training on a regular basis. Employees also participate in facility and job site audits to ensure compliance with established workplace safety practices.

About Illinois American Water

Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. More information can be found by visiting www.amwater.com.

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Indiana American Water Acquires Georgetown Water System in Southern Indiana

Dateline City:
GREENWOOD, Ind.

Sale will result in lower rates for Georgetown residents

GREENWOOD, Ind.--(BUSINESS WIRE (http://www.businesswire.com))--Indiana American Water President Deborah Dewey today announced the company's acquisition of Georgetown Water, a municipal water utility located in southern Indiana. The purchase of the system adds approximately 1,300 customers to the company's customer base, which represents a population of approximately 3,500 residents.

"The acquisition of this system will provide Georgetown customers with lower rates and access to operations and capital management water professionals and a number of customer service options and payment methods," said Dewey. "Indiana American Water already provides water to several nearby communities and to the Town of Georgetown through a wholesale contract, so this is a good fit for us and a continuation of our efforts to expand our presence across Indiana."

"In a time when communities are looking for new and innovative ways to deal with challenges they're facing and hold the bottom-line on expenses, this acquisition is a great solution for the utility and its customers," Dewey continued.

Georgetown Town Council President Everett Pullen is also enthusiastic in his support of the acquisition. "Our community was struggling to address pressing local infrastructure needs," said Pullen. "This acquisition will help us to address these concerns while also lowering customers' water rates. We appreciate the experience, knowledge and resources that Indiana American Water brings to the table and look forward to working with them."

The acquisition of the Georgetown system for approximately $6.4 million was approved by the Indiana Utility Regulatory Commission in October and closed by Indiana American Water and the Town of Georgetown on Wednesday, Nov. 15, 2017. The Georgetown system will be incorporated into the company's Southern Indiana district, which currently serves approximately 100,000 residents.

About Indiana American Water

Indiana American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 1.3 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly-traded water and wastewater utility company. The company employs more than 6,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting www.amwater.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.amwater.com&esheet=51718349&newsitemid=20171117005701&lan=en-US&anchor=www.amwater.com&index=1&md5=94d2572c502f12d0f12dd7c12bbbf7e7).

Language:
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Joe Loughmiller, 317-885-2434
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Ticker Slug:
Ticker:
AWK
Exchange:
NYSE
@inamwater

Indiana American Water today announced it has acquired Georgetown Water in southern Indiana.

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- Check your account balance
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EVERSOURCE

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2017

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	I.R.S. Employer Identification No.
1-5324	**EVERSOURCE ENERGY** (a Massachusetts voluntary association) 300 Cadwell Drive Springfield, Massachusetts 01104 Telephone: (800) 286-5000	04-2147929
0-00404	**THE CONNECTICUT LIGHT AND POWER COMPANY** (a Connecticut corporation) 107 Selden Street Berlin, Connecticut 06037-1616 Telephone: (800) 286-5000	06-0303850
1-02301	**NSTAR ELECTRIC COMPANY** (a Massachusetts corporation) 800 Boylston Street Boston, Massachusetts 02199 Telephone: (800) 286-5000	04-1278810
1-6392	**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE** (a New Hampshire corporation) Energy Park 780 North Commercial Street Manchester, New Hampshire 03101-1134 Telephone: (800) 286-5000	02-0181050

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of Each Class	Name of Each Exchange on Which Registered
Eversource Energy	Common Shares, $5.00 par value	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act:

Registrant	Title of Each Class

The PURA requires that Yankee Gas meet the needs of its firm customers under all weather conditions. Specifically, Yankee Gas must structure its supply portfolio to meet firm customer needs under a design day scenario (defined as the coldest day in 30 years) and under a design year scenario (defined as the average of the four coldest years in the last 30 years). Yankee Gas' on-system stored LNG and underground storage supplies help to meet consumption needs during the coldest days of winter. Yankee Gas obtains its interstate capacity from the three interstate pipelines that directly serve Connecticut: the Algonquin, Tennessee and Iroquois Pipelines, which connect to other upstream pipelines that transport gas from major gas producing regions, including the Gulf Coast, Mid-continent, Canadian regions and Appalachian Shale supplies.

Based on information currently available regarding projected growth in demand and estimates of availability of future supplies of pipeline natural gas, NSTAR Gas and Yankee Gas each believes that participation in planned and anticipated pipeline and storage expansion projects will be required in order for it to meet current and future sales growth opportunities.

WATER BUSINESS

Eversource Water Ventures, Inc., a Connecticut corporation, through its wholly-owned subsidiary, Eversource Aquarion Holdings, Inc. (Aquarion), operates regulated water utilities in Connecticut (Aquarion Water Company of Connecticut, or "AWC-CT"), Massachusetts (Aquarion Water Company of Massachusetts, or "AWC -MA") and New Hampshire (Aquarion Water Company of New Hampshire, or "AWC-NH"). These regulated companies provide water services to approximately 226,000 residential, commercial, industrial, municipal and fire protection and other customers, in 59 towns and cities in Connecticut, Massachusetts and New Hampshire. As of December 31, 2017, approximately 87 percent of Aquarion's customers were based in Connecticut.

For the period from December 4, 2017, the date Aquarion was acquired by Eversource, through December 31, 2017, water franchise retail revenues based on categories of customers for residential, commercial, municipal and fire protection, industrial and other totaled $9.9 million, $2.3 million, $2.5 million, $0.2 million and $1.0 million, respectively.

Rates

Aquarion's water utilities are subject to regulation by the PURA, the DPU and the NHPUC in Connecticut, Massachusetts and New Hampshire, respectively. These regulatory agencies, have jurisdiction over, among other things, rates, certain dispositions of property and plant, mergers and consolidations, issuances of long-term securities, standards of service and construction and operation of facilities.

Aquarion's general rate structure consists of various rate and service classifications covering residential, commercial, industrial, and municipal and fire protection services.

The rates established by the PURA, DPU and NHPUC are comprised of the following:

- A base rate, which is comprised of fixed charges based on meter/fire connection sizes, as well as volumetric charges based on the amount of water sold. Together these charges are designed to recover the full cost of service resulting from a general rate proceeding.
- A revenue adjustment mechanism ("RAM") that reconciles earned revenues, with certain allowed adjustments, on an annual basis, to the revenue requirement approved by the PURA in AWC-CT's last rate case (2013), which is an annual amount of $178.0 million.
- The water infrastructure conservation adjustment ("WICA") charge, which is applied between rate case proceedings and seeks recovery of allowed costs associated with WICA-eligible capital projects placed in-service. The WICA is updated semiannually in Connecticut and annually in New Hampshire.
- Treatment plant surcharges, which are a series of three surcharges in Massachusetts (one fixed and two volumetric in nature) that are designed to recover certain operating costs and the costs of the lease of the treatment plant located in Hingham. These surcharges are applicable only to customers in Hingham, Hull and Cohasset.

Sources and Availability of Water Supply

Our water utilities obtain their water supplies from owned surface water sources (reservoirs) and groundwater supplies (wells) with a total supply yield of approximately 131 million gallons per day, as well as water purchased from other water suppliers. Approximately 98 percent of our annual production is self-supplied and processed at 10 surface water treatment plants and numerous well stations, which are all located in Connecticut, Massachusetts, and New Hampshire.

The capacities of Aquarion's sources of supply, and water treatment, pumping and distribution facilities, are considered sufficient to meet the present requirements of Aquarion's customers under normal conditions. On occasion, drought declarations are issued for portions of Aquarion's service territories in response to extended periods of dry weather conditions.

OFFSHORE WIND PROJECT

Bay State Wind is a proposed offshore wind project being jointly developed by Eversource and Denmark-based Orsted. Bay State Wind will be located in a 300-square-mile area approximately 25 miles off the coast of Massachusetts that has the ultimate potential to generate more than 2,000 MW of clean, renewable energy. Eversource and Orsted each hold a 50 percent ownership interest in Bay State Wind.

For more information regarding the clean energy legislation, see "Regulatory Developments and Rate Matters – Massachusetts – Massachusetts RFPs" in the accompanying Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

- In 2017, we paid cash dividends on common shares of $602.1 million, compared with $564.5 million in 2016. On February 7, 2018, our Board of Trustees approved a common share dividend of $0.505 per share, payable on March 30, 2018 to shareholders of record as of March 6, 2018. The 2018 dividend represents an increase of 6.3 percent over the dividend paid in December 2017, and is the equivalent to dividends on common shares of approximately $640 million on an annual basis.
- We project to make capital expenditures of $10.8 billion from 2018 through 2021, of which we expect $5.7 billion to be in our electric and natural gas distribution segments, $4.1 billion to be in our electric transmission segment and $0.4 billion to be in our water utility business. We also project to invest $0.5 billion in information technology and facilities upgrades and enhancements. These projections do not include any expected investments related to Bay State Wind.

Strategic Items:

- On January 25, 2018, Northern Pass was selected from the 46 proposals submitted as the winning bidder in the Massachusetts clean energy request for proposal ("RFP"), which successfully positioned Northern Pass to provide a firm delivery of hydropower to Massachusetts. Northern Pass is Eversource's planned 1,090 MW HVDC transmission line from the Quebec-New Hampshire border to Franklin, New Hampshire and an associated alternating current radial transmission line between Franklin and Deerfield, New Hampshire. On February 1, 2018, the New Hampshire Site Evaluation Committee ("NHSEC") voted to deny Northern Pass' siting application. We intend to seek reconsideration of the NHSEC's decision and to review all options for moving this critical clean energy project forward. As of December 31, 2017, we have approximately $277 million in capitalized costs associated with Northern Pass.
- On December 20, 2017, Bay State Wind submitted two proposals, one for 400 MW and the other for 800 MW, in response to the Massachusetts clean energy RFP.
- On December 4, 2017, Eversource completed the acquisition of Aquarion (formerly Macquarie Utilities Inc.) from Macquarie Infrastructure Partners for $1.675 billion, consisting of approximately $880 million in cash and $795 million of assumed debt. As a result, Aquarion became a wholly-owned subsidiary of Eversource.

Legislative, Regulatory, Policy and Other Items:

- On November 30, 2017, the DPU issued its decision in the NSTAR Electric distribution rate case, which approved an annual distribution rate increase of $37 million, with rates effective February 1, 2018. As a result of this decision, we recognized an aggregate $44.1 million pre-tax benefit to earnings in 2017. On January 3, 2018, NSTAR Electric filed a motion to reflect a revenue requirement reduction of $56 million due to the decrease in the federal corporate income tax rate, as part of the "Tax Cuts and Jobs Act", resulting in an annual net decrease in rates of $19 million.
- On January 11, 2018, CL&P filed a distribution rate case settlement agreement for approval with PURA, which included, among other things, rate increases of $97.1 million, $32.7 million and $24.7 million, effective May 1, 2018, 2019, and 2020, respectively, an authorized regulatory ROE of 9.25 percent, and 53 percent common equity in CL&P's capital structure. The rate increases associated with the settlement agreement will be reduced by the impact of the decrease in the federal corporate income tax rate, as part of the "Tax Cuts and Jobs Act", which we currently estimate to average approximately $45 million to $50 million per year.
- On December 22, 2017, the "Tax Cuts and Jobs Act" (the "Act") became law, which amended existing federal tax rules and included numerous provisions that impacted corporations. In particular, the Act reduced the federal corporate income tax rate from 35 percent to 21 percent effective January 1, 2018. As of December 31, 2017, we estimated approximately $2.9 billion of provisional regulated excess ADIT liabilities that we expect to benefit our customers in future periods. The ultimate amount and timing of when certain income tax benefits resulting from the Act benefit our customers will vary by jurisdiction.
- On January 10, 2018, PSNH completed the sale of its thermal generation facilities. In accordance with the Purchase and Sale Agreement, the original purchase price of $175 million was adjusted to reflect working capital adjustments, closing date adjustments and proration of taxes and fees prior to closing, totaling $40.9 million, resulting in net proceeds of $134.1 million. We are targeting for PSNH to complete the sale of its hydroelectric generation facilities by the end of the first quarter of 2018.

Overview

Consolidated: Below is a summary of our earnings by business, which also reconciles the non-GAAP financial measure of EPS by business to the most directly comparable GAAP measure of diluted EPS, for the years ended December 31, 2017, 2016 and 2015. Also included in the summary for the year ended December 31, 2015, is a reconciliation of the non-GAAP financial measure of consolidated non-GAAP earnings to the most directly comparable GAAP measure of consolidated Net Income Attributable to Common Shareholders.

47888

THE JONES LAW FIRM
1703 WEST AVENUE
AUSTIN, TEXAS 78701
(512) 391-9292
TELECOPIER: (866) 511-5961

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PUBLIC UTILITY COMMISSION
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December 20, 2017

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

Re: Application for Sale, Transfer, or Merger of a Retail Public Utility

Seller: Deer Creek Ranch Water Co., LLC (CCN # 11241)
Purchaser/Applicant: SJWTX, Inc., d/b/a Canyon Lake Water Service Company (CCN #10692)

Dear Ladies and Gentlemen:

Please find enclosed seven copies (including the original) of the following application:

SJWTX Inc.'s Application for Sale, Transfer, or Merger of a Retail Public Utility (Selling Utility: Deer Creek Ranch Water Co., LLC)

**CD with projectable digital data of service area ATTACHED to Original Application*

Upon your receipt and initial review of the Application, if additional information is requested please contact Gregory Klipp at The Jones Law Firm (contact information provided herein).

Sincerely,

Gregory Michael Klipp
The Jones Law Firm,
Attorney at Law
gklipp@txcounselor.com
Direct: 512-651-5401

Application for Sale, Transfer, or Merger of a Retail Public Utility
Pursuant to Chapter 13.251 of the Texas Water Code

Docket Number: 47888
(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System
1700 N. Congress Ave, Room B40
Austin, Texas 78701

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Part A – General Information

*RN# 100822527, 105394894, 109254888 *CN# 600703797 * (PRIOR TCEQ ID numbers)

1. Proposed action of application (check all the boxes that apply):
   - [X] Sale of [X] All [ ] Portion of the [X] Water system(s) under CCN No.: 11241
   - [X] Acquisition [ ] Sewer system(s) under CCN No.:
   - [ ] Lease/Rental
   - [X] Transfer of [X] All [ ] Portion of the [X] Certificated water service area – CCN No.: 11241
   - [ ] Certificated sewer service area – CCN No.:

   If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

   N/A

   and to:
   - [ ] Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN
   - [X] Amend the transferee's CCN No.: 10692
   - [ ] Merge or consolidate public utilities
   - [X] Cancel CCN of the transferor (seller) 11241

2. Proposed effective date of this transaction: Between 120 and 220 days after proper notice.
   (Must be at least 120 days after proper notice is provided)

Part B – Current Service Provider or Seller Information

☞ **Questions 3 through 5 apply to the transferor (current service provider or seller)**

3. For the current CCN holder or service provider please indicate:
   A. Name: Deer Creek Ranch Water Co , LLC
   (Individual, Corporation or Other Legal Entity)
   who is a(n):of [ ] Individual [ ] Corporation [ ] WSC [ ] HOA or POA [X] Other LLC

   B. Utility Name (if different than above): same as above
   Address: P.O. Box 436, Dripping Springs, Texas 78620 Telephone: (AC) (512) 535-1661

   C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.
   Name: Randall B Wilburn Title: Attorney for Seller
   Address: 7000 N MoPac Expwy, Suite 200 Telephone: (AC) (512) 535-1661
   Austin, Texas 78731

4. About the last rate increase for the system or facilities being transferred:
   A. What was the effective date of the last rate increase? 10/1/2016

   B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?
   [ ] No [X] Yes- Application/Docket Number: 46497 Date 10/31/2016

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
SEE EXHIBIT A			
NOTE: All deposits, including interest, shall be returned to customers by Seller concurrently with the Closing of this transaction.			

Part C – Purchaser or Transferee Information

☞ **Questions 6 through 16 refer to the transferee or purchaser.**

6. For the person or entity acquiring the facilities and/or CCN:
   Applicant: SJWTX, Inc., a Texas corporation d/b/a Canyon Lake Water Service Company
   (Individual, Corporation, or Other Legal Entity)
   Utility Name: Canyon Lake Water Service Company
   (If different than above)
   Utility Address: 1399 Sattler Road, New Braunfels, Texas 78132

   Fax: (830) 964-2779 Email: tom hodge@clwsc com Telephone (AC): (830) 964-2166

   CCN Numbers held prior to the filing of this application: 10692

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:
   - [ ] Individual
   - [ ] Home or Property Owners Association
   - [ ] Partnership; attach copy of partnership agreement
   - [X] Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas: Charter # 0800542934
   - [ ] Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water Sewer Service Corporation); provide charter number:

- [ ] Municipally-owned utility
- [ ] District (MUD, SUD, WCID, etc.)
- [ ] County
- [ ] Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:	N/A	Email	
Address			
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual*, provide the following information regarding the officers of partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	Eric W Thornburg	Telephone (AC):	(830) 964-2166
Address:	110 W Taylor St., San Jose, CA 95110		
Position:	Chief Executive Officer	Ownership % (if applicable):	0.00%
•Name:	Thomas Hodge	Telephone (AC):	(830) 964-2166
Address:	1399 Sattler Rd., New Braunfels, Texas 78132		
Position:	President	Ownership % (if applicable):	0.00%
•Name:	James P Lynch	Telephone (AC):	(830) 964-2166
Address:	110 W Taylor St , San Jose, CA 95110		
Position:	Chief Financial Officer and Treasurer	Ownership % (if applicable):	0 00%
•Name:	Suzy Papazian	Telephone (AC):	(830) 964-2166
Address:	110 W. Taylor St., San Jose, CA 95110		
Position:	Corporate Secretary	Ownership % (if applicable):	0 00%
•Name:	Palle L Jenson	Telephone (AC):	(830) 964-2166
Address:	110 W. Taylor St , San Jose, CA 95110		
Position:	Senior V P. of Regulatory Affairs	Ownership % (if applicable):	0.00%
•Name:	Larry Bittle	Telephone (AC):	(830) 964-2166
Address:	1399 Sattler Rd , New Braunfels, Texas 78132		
Position:	General Manager	Ownership % (if applicable):	0 00%

- Attach additional sheet(s) if necessary –

☞ **Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

SEE EXHIBIT B

Texas Comptroller of Public Accounts
P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Gregory M. Klipp	Title:	Attorney at Law
Address:	1703 West Ave , Austin, Texas 78701	Telephone (AC):	(512) 651-5401
Fax #	(866) 511-5961	Email	gklipp@thejoneslawfirm.com
Relationship to the applicant:	Attorney for Applicant (Purchaser)		

☞ **IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY**

11. Please respond to each of the following questions. Attach additional sheets if necessary.
   A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

   SEE EXHIBIT C

   B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? [ ] Yes [X] No

   If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

   N/A

   C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and PUC and ensure continuous and adequate service.

   SEE EXHIBIT C

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

SEE EXHIBIT C

E. How will the transaction serve the public interest?

SEE EXHIBIT C

12. Please describe the nature of the proposed transaction:

SEE EXHIBIT D

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

A.
- Total Purchase Price: $ 2,700,000.00
- Total Original Cost (as recorded on books of seller or merging entity): $ 2,626,473.00
- Accumulated Depreciation as of the proposed effective date of the transaction: $ 746,612.00
- Contributions in Aid of Construction:
  - Specific surcharges approved by TCEQ or PUC:
  - Revenues from explicit customer agreements:
  - Developer Contributions (please explain):

$480,411.00. Developer cost for Vistancia subdivision water system, net of accumulated amortization.

  - Other Contributions (please explain):

$264,000.00. Customer tap fees, net accumulated amortization.

Total Contributions in Aid of Construction $ 744,411.00

- Net Book Value: $ 1,135,450.00

If rates are changing, please explain:

N/A

☐ Applicant is an IOU and intends to file with the commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

N/A

☐ Other. Please explain:

N/A

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

Monarch Utilities I, LP (CCN 12983)
Belvedere Municipal Utility District
Travis County Municipal Utility District 16

16. Financial, Managerial and Technical information for the acquiring entity.

The PUCT is familiar with Applicant's financial, managerial and technical information as Applicant has recently submitted to the PUCT similar information for the following matters:
(1) PUCT Docket No. 46413 (Applicant's Waste Water CCN Amendment Application for the Vintage Oaks Subdivision);
(2) PUCT Docket No. 46899 (Applicant's Water CCN Amendment Application for the Meyer Ranch Subdivision);
(3) Applicant's 2015 Annual Report filed to the PUCT, filing number 45185-209;
(4) Applicant's 2016 Annual Report (filed on or about November 29-30th), no filing number assigned yet.

☞ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: N/A Date:

☞ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.
[attach additional sheet(s) if necessary]:

N/A; for additional information please see Asset Purchase Agreement attached hereto in Exhibit D-2.

C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	$ 2,626,473.00
Plant Acquisition Adjustment:	$ 1,564,550.00
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	$ 746,612.00
Cash:	$ 2,700,000.00
Notes Payable:	
Mortgage Payable:	
Others (please list):	CIAC, net of amortization $774,411.00

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: [illegible] Date: Dec 15, 2017

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

☒ All the customers will be charged the same rates as they were charged before the transaction.
☐ Some ☐ All customers will be charged different rates than they were charged before the transaction.

Part F – TCEQ Public Water or Sewer System Information

☞ Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number: 2 2 7 0 0 4 9

Date of last inspection: August 22, 2016

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q [ ][ ][ ][ ]-[ ][ ][ ]
-Name of Permitee:
-Date of application to transfer Discharge Permit submitted:
-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ or PUC standards? ☒ Yes ☐ No. If yes, please explain:

SEE EXHIBIT E

B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
SEE EXHIBIT E		

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:
Water Sewer

☞ Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? [X] Yes [ ] No
[X] Water [ ] Sewer Purchased on a [X] Regular [ ] Seasonal [ ] Emergency Basis

- Source: Lower Colorado River Authority % of total supply: 100.00%

Note, this statement only applies to the water system being purchased.

21. List the number of existing connections to be effected by this transaction.

Water				Sewer	
0	-Non Metered	0	-2"meter	-Residential Connection	
756	-5/8" or 3/4" meter	0	-3" meter	-Commercial Connection	
0	-1" meter	0	-4" meter	-Industrial Connection	
0	-1 1/2" meter	0	-Other	-Other	
Total Water Connections:		756		Total Sewer Connections	

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? [ ] Yes [X] No
If yes, please explain what steps are being taken to address the capacity issues:

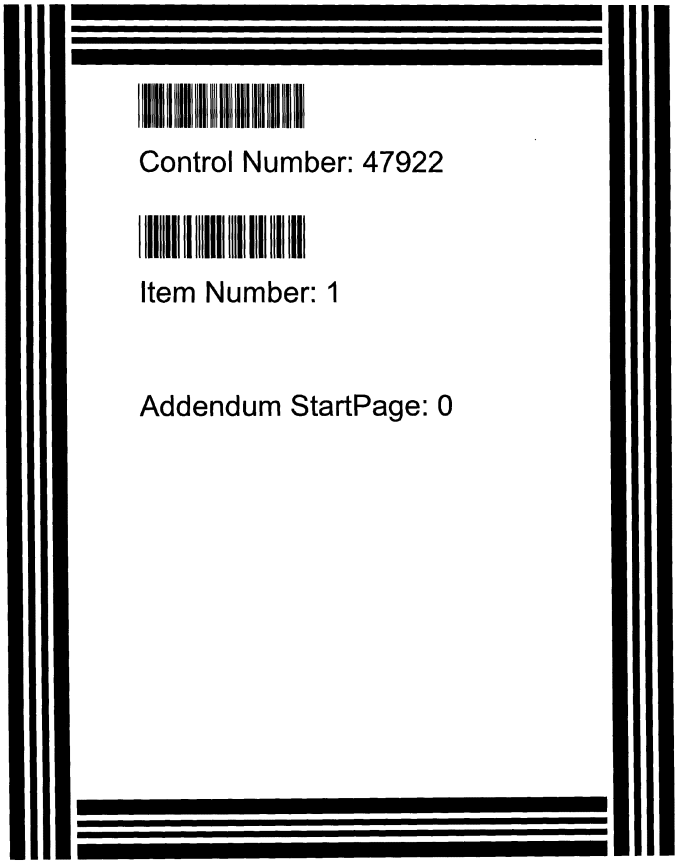
N/A

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
SEE EXHIBIT F		

24. Attach the following maps with each copy of the application:
a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
2. A map showing only the proposed area by:
i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
iii. following verifiable natural and man-made landmarks, or
iv. a copy of recorded plat map with metes and bounds.
3. A written description of the proposed service area.

MAPS RESPONSIVE TO QUESTION 24 ARE ATTTACHED IN EXHIBIT G.



ORIGINAL

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Chapter 13.251 of the Texas Water Code

RECEIVED
2018 JAN -3 PM 3:42
PUBLIC UTILITY COMMISSION
FILING CLERK

Docket Number: 47922

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System
1700 N. Congress Ave, Room B40
Austin, Texas 78701

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Part C – Purchaser or Transferee Information 3
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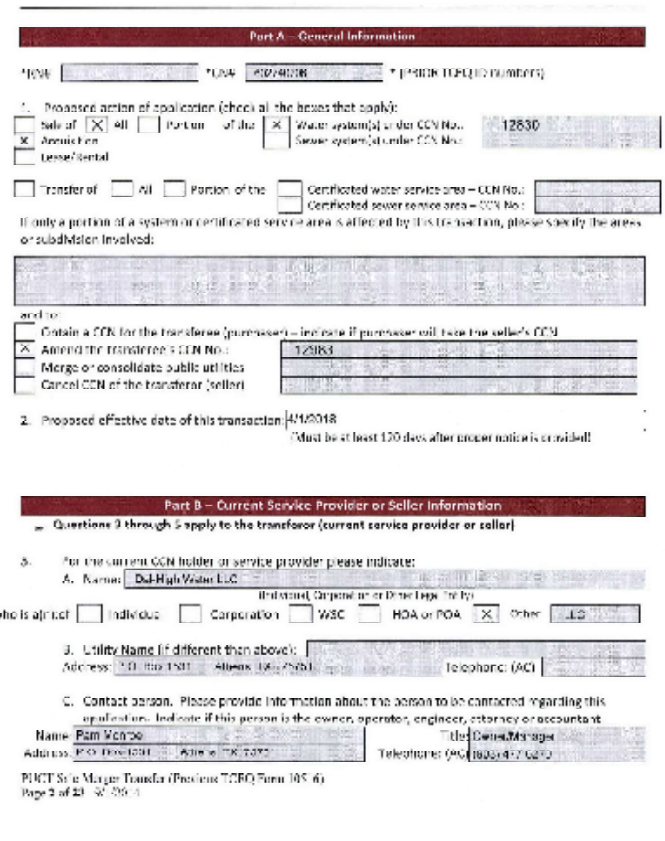
Part G – Oaths and Notices 18


Part A – General Information

*UWN: *DUNS: 832748198 * (ENTER REQUIRED NUMBERS)

1. Proposed action of application (check all the boxes that apply):
Sale of [X] All [ ] Portion of the [X] Water system[s] under CCN No.: 12630
[X] Amendment Sewer system[s] under CCN No.:
[ ] Lease/Rental

[ ] Transfer of [ ] All [ ] Portion of the [ ] Certificated water service area – CCN No.:
[ ] Certificated sewer service area – CCN No.:

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

and to:
[ ] Obtain a CCN for the transferee (purchaser) – Investor if purchaser will keep the seller's CCN
[X] Amend the transferee's CCN No.: 12583
[ ] Merge or consolidate public utilities
[ ] Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: 4/1/2018
(Must be at least 120 days after proper notice is provided)

Part B – Current Service Provider or Seller Information

Questions 3 through 5 apply to the transferor (current service provider or seller)

5. For the current CCN holder or service provider please indicate:
A. Name: Del High Water LLC
(Indicate Corporation or Home Rule Entity by)
who is a/an/of: [ ] Individual [ ] Corporation [ ] WSC [ ] HOA or POA [X] Other: LLC

B. Utility Name (if different than above):
Address: [redacted] Telephone: (AC) [redacted]

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant
Name: Pam Vance Title: Owner/Manager
Address: [redacted] Telephone: (AC) [redacted]

Fax: Email:

4. About the last rate increase for the system or facilities being transferred:
   A. What was the effective date of the last rate increase? 9/1/1993
   B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?
   [ ] No [X] Yes- Application/Docket Number: unknown Date 9/1/1993

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
see list in Appendix A			

Part C – Purchaser or Transferee Information

☞ **Questions 6 through 16 refer to the transferee or purchaser.**

6. For the person or entity acquiring the facilities and/or CCN:
   Applicant: Monarch Utilities I, L.P.
   (Individual, Corporation, or Other Legal Entity)
   Utility Name:
   (if different than above)
   Utility Address: 12353 Reed Road, Sugar Land, TX 77478
   Fax: (281) 207-5040 Email: gfreitag@swwc.com Telephone (AC): (281) 207-5800
   CCN Numbers held prior to the filing of this application: 12983

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:
   [ ] Individual
   [ ] Home or Property Owners Association
   [ ] Partnership; attach copy of partnership agreement
   [ ] Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas:
   [ ] Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water Sewer Service Corporation); provide charter number:

[ ] Municipally-owned utility
[ ] District (MUD, SUD, WCID, etc.)
[ ] County
[x] Other (please explain): Limited Partnership: Monarch Utilities I, L.P. Texas SOS File Number 0800034797

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:		Email	
Address			
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual*, provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	Charles W. Profilet, Jr.	Telephone (AC):	(281) 207-5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	President, Director	Ownership % (if applicable):	0.00%
•Name:	Christopher Schilling	Telephone (AC):	(281) 207-5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	Director	Ownership % (if applicable):	0.00%
•Name:	Kirk Michael	Telephone (AC):	(281) 207-5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	Chief Financial Officer, Treasurer	Ownership % (if applicable):	0.00%
•Name:	William K. Dix	Telephone (AC):	(281) 207-5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	Secretary, Director	Ownership % (if applicable):	0.00%
•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%
•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

- Attach additional sheet(s) if necessary –

☞ **Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from: See Appendix B

Texas Comptroller of Public Accounts
P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	George Freitag, P.E.	Title:	Regulatory Manager
Address:	1620 Grand Avenue Pkwy #140, Pflugerville, TX 78660	Telephone (AC):	(512) 219-2288
Fax #	(512) 252-8782	Email	gfreitag@swwc.com
Relationship to the applicant:	Employee		

☞ **IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY**

11. Please respond to each of the following questions. Attach additional sheets if necessary.
   A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

Monarch Utilities I, L.P. is the second largest IOU in Texas and has the financial resources and operating structure to continue to provide quality service to the customers of Dal-High. Monarch currently has other water and wastewater systems and a regional operations office near this system. In addition to experienced, licensed operators, Monarch's management staff includes engineers, accountants, environmental safety and health staff, and experienced customer service agents.

   B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? [X] Yes [ ] No

   If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

There have been enforcement actions by TCEQ against Monarch in the past. The company typically achieves compliance with the various orders by working with TCEQ to execute compliance agreements that allow it make the necessary improvements over a realistic time frame. See Appendix C for a summary of current agreements.

   C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and PUC and ensure continuous and adequate service.

Monarch has adequate capitalization and will use a variety of sources for funding including investors' equity, line of credit, and internally generated funds.

   D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

This application is to acquire the assets and customers of a small, single owner water system. Customers will be charged at the same rates currently charged under the approved Dal High tariff. Operation and maintenance will be improved as the system will be a part of Monarch's area wide operations. Monarch's management staff includes engineers, accountants, environmental safety and health staff, and experienced customer service agents. Customers will now be able to access accounts on line and have new options to pay bills electronically or by phone.

   E. How will the transaction serve the public interest?

Dal-High is a small standalone system. Monarch is a full-scale utility that emphasizes providing public water service that meets or exceeds all regulatory requirements. Operation and maintenance of the facilities will be improved as daily operations will be assumed by the nearby regional operations office. Customer service will be provided by Monarch's central customer service center.

12. Please describe the nature of the proposed transaction:

This is an asset purchase. The assets will be combined with the assets of Monarch Utilities I, L.P. on the books. Customer service will be provided out of Monarch's central facilities.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

   A.
   - Total Purchase Price: $ 55,200.00
   - Total Original Cost (as recorded on books of seller or merging entity): $ 99,947.00
   - Accumulated Depreciation as of the proposed effective date of the transaction: $ 58,405.00
   - Contributions in Aid of Construction:
     - Specific surcharges approved by TCEQ or PUC: $ 0.00
     - Revenues from explicit customer agreements: $ 0.00
     - Developer Contributions (please explain):
     - Other Contributions (please explain):

   Total Contributions in Aid of Construction $ 0.00

   - Net Book Value: $ 44,862.00

☞ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: no records available Date: 9/1/1993

☞ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.
[attach additional sheet(s) if necessary]:

No change in the CCN area is requested. The service area boundaries will remain exactly as they are currently mapped. This application is to acquire the assets of a single, 46 customer system in Henderson County. All accounting data will be consolidated into Monarch's statewide operations. Daily operations will be assumed by the nearby regional operations office, and customer service will be provided by the central customer service center.

C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	$ 99,947.00
Plant Acquisition Adjustment:	
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	$ 58,405.00
Cash:	
Notes Payable:	
Mortgage Payable:	
Others (please list):	

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: GHF Date: 01/03/2018
for Monarch Utilities I, L.P.

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

[X] All the customers will be charged the same rates as they were charged before the transaction.
[ ] Some [ ] All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

[X] Applicant is an IOU and intends to file with the commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

Monarch intends to file a rate change request but the newly acquired customers under the customer wide charges and fees on its standard tariff. At some point in the future Monarch will file a consolidated rate application.

[ ] Other. Please explain:

15. List all neighboring water and/or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

See Appendix D

16. Financial, Managerial and Technical Information for the acquiring entity.

Monarch is the second largest IOU in Texas and has been successfully operating for many years. The addition of the 46 connections of the eWLG system to its approximately 24,000 current active water customers will not significantly change the overall financial structure. In lieu of Historical Financial Worksheets (since consistent financial statements for Monarch Utilities I, L.P. are available on Appendix E under CONFIDENTIAL TAB), demonstrate the adequacy of the company's financial, managerial, and technical capacity to acquire the system and provide quality service to the customers.

Part D – Historical Financial Information

HISTORICAL BALANCE SHEETS	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories		See Appendix E				
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
TOTAL						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS						

HISTORICAL INCOME STATEMENT	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps		See Appendix E				
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

HISTORICAL EXPENSE DETAIL	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense			See Appendix E			
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

Part E – Projected Information

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other			See Appendix E			
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter			See Appendix E			
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

PROJECTED EXPENSE DETAIL

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense		See Appendix E				
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income						
Depreciation (If Funded)						
Loan Proceeds		See Appendix E				
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
Total Uses						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt						
SERVICE (CADS)						
Net Income (Loss)						
Depreciation, or Reserve Interest						
Total						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest						
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

Part F – TCEQ Public Water or Sewer System Information

☛ Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number: 1 0 7 0 1 5 9

Date of last inspection: 11/16/2016

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q -
-Name of Permitee: n/a
-Date of application to transfer Discharge Permit submitted:
-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ or PUC standards? ☐ Yes ☒ No. If yes, please explain:

B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:
Water Sewer

☛ Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☒ No
☐ Water ☐ Sewer Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency Basis

- Source: % of total supply: 0.00%

21. List the number of existing connections to be effected by this transaction.

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	
46	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
	Total Water Connections:	46		Total Sewer Connections	

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☐ Yes ☒ No
If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
Kirk Kebodeaux	A W, A WW, CSI, BFP	WO0001283 WW0015397, BP0014182
Jesse Donelson	C GW, B SW, C WW	WG0008785, WS0008821, WW0032205
Donald Herriage	A W, A WW, CSI	WO0017031, WW0027707, CI0002377
John Salmans, Jr.	C GW, C WW, CSI	WG0007135, WW0031962, CI0010016

24. Attach the following maps with each copy of the application: See Appendix F
a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
   1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
   2. A map showing only the proposed area by:
      i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
      ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
      iii. following verifiable natural and man-made landmarks, or
      iv. a copy of recorded plat map with metes and bounds.
   3. A written description of the proposed service area.

Kentucky American Water Acquires Water Assets of Eastern Rockcastle Water Association in Livingston

February 28, 2018 04:11 PM Eastern Standard Time

LEXINGTON, Ky.--(BUSINESS WIRE)--Kentucky American Water announced today that it has acquired the water assets of Eastern Rockcastle Water Association in Livingston, Ky. in Rockcastle County. The transaction, completed today, adds approximately 610 water customers in Rockcastle and Jackson counties to the Kentucky American Water system. The acquisition of the system expands the company's total service area to portions of 14 Kentucky counties.

"We are pleased to welcome Eastern Rockcastle Water Association customers to Kentucky American Water," said Nick Rowe, president of Kentucky American Water. "Our company will bring to the community 24-hour customer service for water service emergencies, unique water system expertise, and additional capital resources for water infrastructure investment. We look forward to providing excellent service to these new customers and being an active corporate citizen in the community."

"The Eastern Rockcastle Water Association board is pleased to announce the sale of the water system to Kentucky American Water," said Russell Barron, president of Eastern Rockcastle Water Association. "This was a decision we took seriously. We are confident that the system will be in great hands with Kentucky American Water, and that our customers will benefit by receiving great service."

About Kentucky American Water

Kentucky American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately half a million people.

About American Water

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 6,900 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

Contacts

Kentucky American Water
Susan Lancho, External Affairs Manager
859-268-6332
susan.lancho@amwater.com

Tweets by @kyamwater

KY American Water
@kyamwater

Heads up! There are several things we put down our pipes each day that can clog things up. Watch to learn what to think twice about.

47m

KY American Water
@kyamwater

We love this story AND this event! Join us on Saturday!
https://twitter.com/FCPSKY/status/1221779967308181505

Jan 27, 2020

KY American Water
@kyamwater

We love sponsoring this event and are looking forward to another year of awesome projects!
https://twitter.com/FCPSKY/status/1220391233891205120

State approves sale of Eastern Rockcastle Water Association

By WKYT News Staff | Posted: Fri 10:03 AM, Jan 19, 2018

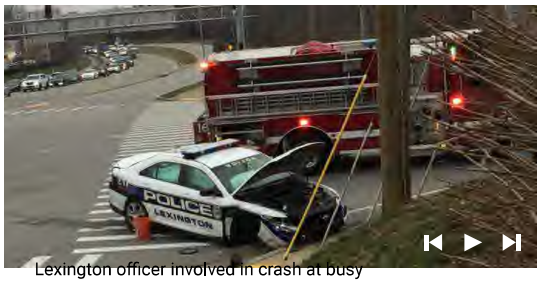
LEXINGTON, Ky. (WKYT) - Members of the Eastern Rockcastle Water Association will soon get their water through Kentucky American Water Company.

The Kentucky Public Service Commission approved the sale of the Eastern Rockcastle Water Association to the PSC on Friday. The PSC says it believes the sale will benefit Eastern Rockcastle's customers because KAWC has more resources to make system improvements.

KAWC will pay $770,000 as part of the deal. It will keep Eastern Rockcastle's water rates in place after the sale is complete. The Eastern Rockcastle Water Association will issue final bills that include credits for customer deposits. KAWC does not require customer deposits.

Two Eastern Rockcastle customers objected to the sale, saying it was not conducted according to state law. The PSC reviewed those arguments and says it found everything was done properly.

The Eastern Rockcastle Water Association is owned by and serves more than 600 customers. KAWC serves 131,000 customers in 11 Kentucky counties, including Fayette County.



Lexington officer involved in crash at busy intersection READ MORE »

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ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF INDIANA-AMERICAN WATER COMPANY, INC. ("INDIANA AMERICAN") AND THE TOWN OF SHERIDAN, INDIANA ("SHERIDAN") FOR APPROVAL AND AUTHORIZATION OF: (A) THE ACQUISITION BY INDIANA AMERICAN OF SHERIDAN'S WATER UTILITY PROPERTY (THE "SHERIDAN WATER SYSTEM") AND OF SHERIDAN'S SEWER UTILITY PROPERTY (THE "SHERIDAN SEWER SYSTEM") (COLLECTIVELY THE "SHERIDAN SYSTEMS") IN HAMILTON COUNTY, INDIANA IN ACCORDANCE WITH A PURCHASE AGREEMENT THEREFOR; (B) APPROVAL OF ACCOUNTING AND RATE BASE TREATMENT; (C) APPROVAL OF THE RATES AND CHARGES TO BE APPLIED TO THE SHERIDAN WATER AND SEWER SYSTEMS AFTER CLOSING; (D) APPROVAL OF APPLICATION OF INDIANA AMERICAN'S MUNCIE SEWER RULES AND REGULATIONS TO THE SHERIDAN WASTEWATER SYSTEM, WITH CHANGES TO ALLOW ENFORCEMENT OF AN INDUSTRIAL PRETREATMENT PROGRAM ("IPP") AMONG OTHERS; (E) APPLICATION OF INDIANA AMERICAN'S DEPRECIATION ACCRUAL RATES TO SUCH ACQUIRED PROPERTIES; AND (F) THE SUBJECTION OF THE ACQUIRED PROPERTIES TO THE LIEN OF INDIANA AMERICAN'S MORTGAGE INDENTURE.	**CAUSE NO. 45050** **APPROVED: SEP 12 2018**

Presiding Officers:
Sarah E. Freeman, Commissioner
Lora L. Manion, Administrative Law Judge

On February 16, 2018, Joint Petitioners Indiana-American Water Company, Inc. ("Indiana American" or the "Company") and the Town of Sheridan, Indiana ("Sheridan") filed their *Joint Petition* with the Indiana Utility Regulatory Commission ("Commission") in this matter.

On April 5, 2018, the Commission issued a docket entry vacating the prehearing conference and requesting Joint Petitioners and the Office of Utility Consumer Counselor ("OUCC") to file an agreed procedural schedule. On April 6, 2018, the parties filed a *Stipulation as to Procedural Matters*, and on April 11, 2018, the Commission issued a docket entry establishing the procedural schedule in this Cause.

On April 13, 2018, Joint Petitioners filed the prepared testimony and exhibits of Mr. Matthew Prine, Director of Community and Government Affairs for Indiana American; Mr.

Gregory Roach, Senior Manager, Revenue Analytics for American Water Works Service Company; Mr. David Kinkead, President of the Sheridan Town Council; and Mr. Stacy Hoffman, Director of Engineering for Indiana American. The filings constitute Joint Petitioners' case-in-chief.

On June 29, 2018, the OUCC filed the prepared testimony and exhibits of Mr. Carl N. Seals, Utility Analyst, and Ms. Margaret A. Stull, Chief Technical Adviser, constituting the OUCC's case-in-chief.

On July 12, 2018, Joint Petitioners advised in a filing that Joint Petitioners reached an agreement in principle with the OUCC with respect to all issues in this Cause. Joint Petitioners requested a modification to the schedule in light of their preparation of a settlement, and the request was granted by the Presiding Officers in a docket entry on July 13, 2018. On July 20, 2018, Joint Petitioners and the OUCC (the "Settling Parties") jointly filed a Stipulation and Settlement Agreement ("Settlement") along with testimony in support thereof, which Settlement presented the Settling Parties' proposed resolution of all issues raised between them in this proceeding. The Settlement was supported by testimony from Mr. Roach, on behalf of Indiana American, and Mr. Scott Bell, Director of the Water and Wastewater Division of the OUCC.

On July 26, 2018, the Presiding Officers in a docket entry requested additional information from Indiana American, and on July 31, 2018, Indiana American filed a response.

A settlement hearing in this Cause was held commencing at 9:30 am on August 1, 2018, in Room 222, PNC Center, 101 W. Washington Street, Indianapolis, Indiana. The Settling Parties' prefiled evidence, including the Settlement and the pre-settlement and settlement testimony in support thereof, was admitted into the record.

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Based upon the applicable law and evidence, the Commission now finds:

1. Notice and Jurisdiction. Notice of the evidentiary hearing was given as required by law. Indiana American is a public utility as defined in Ind. Code § 8-1-2-1 and, as such, is subject to the Commission's jurisdiction. The Sheridan Water System and the Sheridan Wastewater System are municipally owned utilities as defined in Ind. Code § 8-1-2-1(h). Under Ind. Code ch. 8-1-30.3 and Ind. Code § 8-1.5-2-6.1 the Commission has jurisdiction over Indiana American's proposed purchase of a municipally owned utility; therefore, the Commission has jurisdiction over Joint Petitioners and the subject matter of this proceeding.

2. Joint Petitioners' Characteristics. Indiana American is an Indiana corporation engaged in the provision of water utility service to the public in and around numerous communities throughout Indiana for residential, commercial, industrial, public authority, sale for resale, and public and private fire protection purposes. Indiana American provides residential, commercial, industrial, and municipal water utility service, including sale for resale, and public and private fire service to approximately 302,000 customers in Indiana. Indiana American also provides wastewater utility service in Wabash and Delaware Counties.

Sheridan is a municipality located in Hamilton County, Indiana. Sheridan owns and operates a water distribution system ("Water System") serving approximately 1,261 individually metered customers and a wastewater treatment plant and collection system ("Wastewater System") serving approximately 1,233 customers (together, the "Sheridan Systems"). Sheridan's storm water system is excluded from the Sheridan Systems that Indiana American seeks to acquire. Sheridan withdrew from the jurisdiction of the Commission for purposes of its water rates, charges, and financing in December 1988. The Sheridan Systems are in the vicinity of Indiana American's existing Noblesville operation in Hamilton County.

3. Relief Requested by Joint Petitioners. Joint Petitioners filed their Joint Petition pursuant to Ind. Code §§ 8-1-30.3-5 ("Section 30.3-5") and 8-1.5-2-6.1 ("Section 6.1"). Joint Petitioners request approval and authorization of: (A) the acquisition by Indiana American of Sheridan's Water System and Wastewater System in Hamilton County, Indiana in accordance with their Asset Purchase Agreement ("APA"); (B) accounting and rate base treatment; (C) rates and charges to be applied to the Sheridan Systems after closing of Indiana American's acquisition; (D) application of Indiana American's Muncie wastewater rules and regulations to the Sheridan Sewer System, with modifications, including enforcement of an industrial pretreatment program ("IPP"); (E) application of Indiana American's depreciation accrual rates approved by the Commission in Cause No. 44992 on May 30, 2018; and (F) the subjection of the acquired properties to the lien of Indiana American's mortgage indenture.

4. Pre-Settlement Testimony.

A. Joint Petitioners' Pre-Settlement Case-in-Chief. Joint Petitioners presented direct testimony from Mr. Matthew Prine, Director of Community and Government Affairs for Indiana American; Mr. Gregory Roach, Senior Manager, Revenue Analytics for American Water Works Service Company; Mr. David Kinkead, President of the Sheridan Town

Council; and Mr. Stacy S. Hoffman, Director of Engineering for Indiana American. Mr. Prine provided the APA as Jt. Pet. Ex. 1, Attach. MP-2.

(i). Ind. Code ch. 8-1-30.3 and § 8-1.5-2-6.1. Mr. Prine testified that during the 2015 legislative session of the Indiana General Assembly, a new chapter was established (Ind. Code § 8-1-30.3, referred to herein as "Chapter 30.3") providing that a public water or wastewater utility that acquires the utility property of a "distressed utility" (as defined in Ind. Code § 8-1-30.3-2) may petition the Commission to include the "cost differential" (as defined in Ind. Code § 8-1-30.3-1) associated with the acquisition as part of its rate base. The new law established certain circumstances under which this ratemaking treatment is required. During the 2016 legislative session, a new section (Ind. Code § 8-1.5-2-6.1) of the law governing municipal utilities was adopted and Chapter 30.3 was amended, both with respect to the sale or disposition of non-surplus municipal utility property. Mr. Prine testified that the new laws encourage the consideration of regionalization as a strategy in addressing Indiana's ongoing infrastructure needs.

Mr. Prine testified that in November 2016, the Indiana Finance Authority ("IFA") issued its report on water utility infrastructure needs throughout Indiana. The IFA Report discussed the need for regionalization. Mr. Prine quoted from the IFA Report as follows:

> [L]arger systems improve the economic performance for customers. In spite of this, new small systems continue to be formed instead of combining assets with existing utilities where value could be added. With larger size and capacity, regional utilities add efficiencies while being more reliable and sustainable than individual community water systems.

Jt. Pet. Ex. 1, Attach. MP-3, at 8.

Mr. Prine also testified that the IFA Report emphasizes the need for (i) prioritization of replacement of aging or failing water mains; and (ii) development of a schedule of asset management that organizes the construction needed to maintain and extend the life of a utility system. *Id.* at 7. Mr. Prine further testified that Sheridan Systems face some of the same challenges discussed in the IFA Report.

Mr. Prine testified Ind. Code § 8-1-30.3-6 ("Section 30.3-6") enumerates a list of conditions that, if any one of these conditions is found by the Commission to exist, would satisfy the distressed requirement. Section 30.3-6 is as follows:

> For purposes of section 5(c)(2) of this chapter, a distressed utility is not furnishing or maintaining adequate, efficient, safe, and reasonable service and facilities if the commission finds one (1) or more of the following:
> (1) The distressed utility violated one (1) or more state or federal statutory or regulatory requirements in a manner that the commission determines affects the safety, adequacy, efficiency, or reasonableness of its services or facilities.
> (2) The distressed utility has inadequate financial, managerial, or technical ability or expertise.

(3) The distressed utility fails to provide water in sufficient amounts, that is palatable, or at adequate volume or pressure.
(4) The distressed utility, due to necessary improvements to its plant or distribution or collection system or operations, is unable to furnish and maintain adequate service to its customers at rates equal to or less than those of the acquiring utility company.
(5) The distressed utility:
(A) is municipally owned utility property of a municipally owned utility that serves fewer than five thousand (5,000) customers; and
(B) is being sold under IC 8-1.5-2-6.1.
(6) Any other facts that the commission determines demonstrate the distressed utility's inability to furnish or maintain adequate, efficient, safe, or reasonable service or facilities.

Ind. Code § 8-1-30.3-6.

Mr. Prine testified Sheridan Systems meet the requirements of Section 30.3-6(5). They are municipally owned, serve fewer than 5,000 customers, and are being sold pursuant to Section 6.1. Therefore, Sheridan Systems qualify as distressed. Mr. Prine testified while it is not necessary to satisfy a second condition, Sheridan Systems also satisfy Section 30.3-6(4). Due to necessary improvements to the plant or distribution or collection system or operations, Sheridan Systems are unable to furnish and maintain adequate service to customers at rates equal to or less than those of Indiana American. Mr. Prine also confirmed that Sheridan and Indiana American are not affiliated and share no common ownership interests.

Mr. Prine testified about the statutory process for a municipality to sell its water or wastewater utility. Mr. Prine explained a municipality must direct the appointment of three appraisers to appraise the value. The purchase price is deemed to be reasonable if it does not exceed the statutory appraised value. Upon return of the appraisal, the municipality must hold a public hearing on the proposed acquisition. If the municipality decides to sell, it must adopt an ordinance approving the proposed acquisition. For an ordinance adopted pursuant to this process after March 28, 2016, Commission approval is required under Section 6.1. The standard for approval is whether the sale according to the proposed terms and conditions is in the public interest. If the Commission makes the required findings set forth in Section 30.3-5(c), then Section 6.1 directs that the proposed sale according to the proposed terms and conditions is in the public interest.

Mr. Prine testified that the proposed purchase price for Sheridan Systems is $10,750,000, with $6,200,000 of that purchase price allocated to the Water System and $4,550,000 to the Wastewater System. While Sheridan's appointed appraisers determined the appraised value of Sheridan Systems to be $12,637,000, Mr. Prine testified to produce lower utility rates for customers, Sheridan Town Council determined to sell Sheridan Systems for less than the full appraised value set forth in the appraisal. Jt. Pet. Ex. 3, Attach. DK 2. Therefore, the purchase price does not exceed the appraised value of Sheridan System. Mr. Prine testified that the original cost rate base for Sheridan Systems would be $10,950,000, assuming $200,000 of

incidental expenses and other costs of acquisition. Mr. Prine further testified that Sheridan Systems are used and useful in providing water and wastewater service to customers.

(ii). Proposed Acquisition and Asset Purchase Agreement. David Kinkead, President of Sheridan Town Council, testified regarding the proposed acquisition of Sheridan Systems by Indiana American. Mr. Kinkead provided an overview of the Wastewater System and its history of environmental regulatory issues. Mr. Kinkead testified selling the Wastewater System would allow a company with greater expertise to take over investment, operation, and maintenance. The sale would also enable Sheridan to invest in elimination of the storm water source of the notices of violations ("NOVs"). Mr. Kinkead stated the Water System is aged and in need of certain infrastructure improvements. Sheridan commissioned a rate study from O.W. Krohn and Associates to assist with its decision process. The result of that study made it clear the costs to Sheridan's citizens would be much greater just to address the deferred maintenance and bring the Sheridan Systems up to standards, not including future improvements, than a transfer to a private entity subject to Commission review.

Mr. Kinkead testified regarding the chronology of events. In September 2016, Sheridan Town Council approved the issuance of a Request for Proposals ("RFP"). Indiana American was the successful bidder. Indiana American provided Sheridan with a proposed purchase agreement.

On February 27, 2017, Sheridan Town Council voted to appoint official appraisers of Sheridan Systems. The appraisers were: (1) Judith M. Cleland, P.E., an Indiana Registered Professional Engineer; (2) Thomas T. Nitza, P.E., an Indiana Registered Professional Engineer; and (3) Joseph C. Traynor, MRICS, GAA, an Indiana Certified General Appraiser. Jt. Pet. Ex. 3, Attach. DK-2, at 2. In early June 2017, Sheridan received the Return of Appraisement certifying the appraisal. Jt. Pet. Ex. 3, Attach. DK-2.

On July 26, 2017, the public hearing required by statute was held, as indicated in Sheridan's Ordinance No. 2017-8. Jt. Pet. 3, Attach. DK-3, at 2. On July 31, 2017, Sheridan enacted that Ordinance, and it recites the following: "Whereas, pursuant to Ind. Code § 8-1.5-2-6(e), the Town Council has determined that the sale price for the [Sheridan Systems] shall be less than full appraised value so as to result in lower utility rates to be charged to the customers of the [Sheridan Systems]." Jt. Pet. Ex. 3, Attach. DK-3, at 2-3.

Mr. Kinkead further testified that Sheridan followed the statutory process necessary to sell Sheridan Systems and conducted negotiations with Indiana American which resulted in the APA being finalized and signed on January 17, 2018. He testified that the negotiations leading up to the execution of the APA were conducted at arm's length.

Mr. Kinkead testified regarding communications with Sheridan's customers about the sale. He explained that Mr. Prine and other officials from Indiana American attended Sheridan's Town Council meetings to provide customers the opportunity to get answers directly from Indiana American. He further testified Sheridan held several additional meetings to determine public opinion and to receive input regarding the proposed sale. Mr. Kinkead testified the response was clear that citizens were overwhelmingly in favor of the proposed transaction. He further testified no Sheridan customers have expressed opposition to the proposed sale.

Mr. Prine testified regarding Indiana American's proposal to acquire the Sheridan Systems. Mr. Prine stated that consummation of the transaction is conditioned on obtaining certain approvals from the Commission as follows: (1) the contemplated transaction and the transfer of the Systems; (2) the proposed accounting and rate base treatment, including recognition of the full purchase price plus incidental expenses and other costs of acquisition in net original cost rate base; (3) the application of the Company's depreciation accrual rates to the Sheridan Systems; (4) the application of the rates and charges set forth in the APA; and (5) the inclusion of the acquired assets in the Company's mortgage indenture.

Mr. Prine also testified that Indiana American's acquisition of Sheridan Systems will benefit customers currently served by Sheridan Systems. Under Indiana American's ownership, the customers will see lower rates than would ultimately be implemented if Sheridan were to continue to own and operate the systems, due to the cost of necessary improvements. Mr. Prine testified any change in Indiana American's rates is subject to the jurisdiction of the Commission. Under Indiana American's ownership, Sheridan's customers will benefit from long-term asset management and investment. Sheridan customers will gain full-time management of Sheridan Systems, including a full-time operations staff, 24/7 customer service and emergency response, enhanced security measures, and full-time functional specialists in the areas of engineering and water quality. The Sheridan Systems will also be included in Indiana American's prioritization model, allowing planning and asset management needs like those identified by the 2016 IFA Report to be met. Most importantly, Indiana American is prepared to make the necessary improvements to Sheridan Systems as required by the Indiana Department of Environmental Management ("IDEM").

With respect to the notice requirements in Section 30.3-5(d), Mr. Prine testified that Indiana American provided notices to current customers of Sheridan and the existing customers of Indiana American. Mr. Prine testified that the acquisition will not increase Indiana American's rates by more than one percent of Indiana American's base annual revenues. Mr. Prine testified that all Sheridan customers were notified of the proposed transaction and the rates that would be charged by Indiana American after closing. Separately, Mr. Roach testified that Indiana American gave notice of the proposed transaction to the customers of Indiana American; however, he said that he thinks that this notice was not required. The calculation performed by Mr. Roach is included as Jt. Pet. Ex. 2, Attach. GPR-2. Mr. Roach testified that his calculation followed the methodology approved by the Commission's March 14, 2018 Order in Cause Nos. 44976 and 44964.

Mr. Prine summarized how Section 6.1 interacts with Chapter 30.3. He explained that if the purchase price of the proposed acquisition does not exceed the appraised value, and the elements of Sections 30.3-5(c) and 30.3-5(d) are met, Section 6.1(e) directs the issuance of a final order not later than 210 days after the filing of Joint Petitioners' case-in-chief that authorizes the acquiring utility company to record: (1) the full purchase price; (2) incidental expenses; and (3) other costs of acquisition. The net original cost of the utility plant in service assets being acquired should be allocated in a reasonable manner among appropriate utility plant in service accounts.

(iii). Aging Infrastructure, Violations, and Indiana American's Plan for Improvements. Mr. Prine and Mr. Hoffman testified regarding the improvements that are

needed to Sheridan Systems to address environmental concerns and aging or failing infrastructure issues.

Mr. Prine explained that under municipal ownership, Sheridan Systems face rising costs for necessary improvements to facilities and operations. He stated that in the last five years, the Wastewater System was issued NOVs for bypass and overflow events and IDEM cited Sheridan for an inadequate preventative maintenance program. Additionally, Mr. Prine explained the Wastewater System has suffered from inflow and infiltration ("I/I") from Sheridan's storm water system. Mr. Prine further testified that Sheridan does not have a plan for replacement of aging or failing water distribution infrastructure.

Mr. Prine testified that due to significant improvements needed to the Wastewater System to comply with IDEM requirements and to the Water System to address aging infrastructure concerns, continuation of current ownership by Sheridan could lead to a troubled future for Sheridan Systems. He echoed Mr. Kinkead's testimony that Indiana American is in a better position than Sheridan to address these issues.

Mr. Prine testified that Sheridan had a rate study performed by O.W. Krohn and Associates that predicted the necessary increases in rates if Sheridan were to continue to own and operate the Sheridan Systems [and fund the improvements]. Mr. Prine stated that the projected wastewater rates [if Sheridan continued to own the Wastewater System and fund the improvements] are higher than the wastewater rates Indiana American proposes to charge. He testified Sheridan has committed to adopt a 30% across-the-board rate increase for its wastewater customers as of closing, and Indiana American has committed to charging those same wastewater rates until 2021.

Mr. Hoffman further described the challenges facing the Wastewater System. As described in the Agreed Order with IDEM attached to the APA, IDEM issued NOVs with respect to Sheridan's National Pollutant Discharge Elimination System permit. IDEM identified 25 bypass events and 12 overflow events related to the Wastewater System during May 26, 2013, through May 26, 2016. Jt. Ex. 1, Attach. MP-2, at 71 of 86. IDEM found that excessive I/I continues to contribute to hydraulic overloading of Sheridan's wastewater treatment plant ("WWTP") and Sheridan did not have an ongoing preventative maintenance program for the Wastewater System.

Mr. Hoffman testified that Sheridan negotiated an Agreed Order with IDEM to address the NOVs. Mr. Hoffman testified under the Agreed Order, Sheridan is required to implement an IDEM-approved storm water compliance plan. That plan requires Sheridan to meet certain milestones related to its storm water improvement project to address cross connections and infiltration points, which are considered to be a significant source of the issues resulting in the NOVs. Mr. Hoffman testified the Agreed Order also contemplates that improvements to the Wastewater System will be needed to improve permit compliance.

Mr. Hoffman testified about Indiana American's plan for the Wastewater System. Mr. Hoffman said IDEM informally indicated the plan outlined in his testimony in this Cause was acceptable. Indiana American's plan for improvements to the Wastewater System follows: (1) gather direct operational experience and data from operating the Wastewater System; (2) conduct

engineering evaluation of improvement alternatives; (3) construct new influent equalization basin for wet weather storage; (4) construct new influent pump station and head works, and remove influent grinder; (5) replace aging unreliable equipment as necessary; (6) install Supervisory Control and Data Acquisition ("SCADA") and control improvements; (7) evaluate options for solids management improvements; (8) evaluate condition of manholes, sewers, and lift station equipment; (9) rehabilitate or replace manholes, sewers, and lift station equipment in poor condition in a systematic approach; (10) implement a wastewater treatment plant and the sanitary sewer collection system maintenance program; and (11) implement an asset management strategy and plan including prioritization models for prioritizing recommended improvements for the WWTP and the sanitary sewer collection system. Mr. Hoffman explained that the improvement plans ultimately approved by IDEM will guide much of what Indiana American plans to undertake with respect to the Wastewater System. Mr. Hoffman testified that based on the preliminary estimate ranges prepared by Wessler Engineering in their Preliminary Study for Wastewater System Needs (February 2014), improvements to the Wastewater System over a five-year period after the close of acquisition could cost between $2,000,000 and $5,000,000, depending on the alternatives implemented.

Mr. Hoffman further explained that Indiana American is committed to developing a sanitary sewer plan that will be implemented following closing. The plan will address I/I into the sanitary collection system. Indiana American will also develop and implement a preventative maintenance plan for the Wastewater System and document all maintenance (preventative and repair) in a permanent record.

Mr. Hoffman addressed Indiana American's proposed changes to its rules and regulations applicable to wastewater utility service, specifically to address IPP. Mr. Hoffman explained that Indiana American must get IDEM approval for any IPP it wishes to implement. Indiana American proposes to add a provision to its rules that requires, after closing of the acquisition, any customer that pre-treats discharge into the Wastewater System must comply with the IDEM-approved IPP. Mr. Hoffman further testified that Indiana American's current wastewater rules and regulations do not include typical wastewater utility service policy restrictions; he stated that Indiana American proposes to adopt specific portions of Sheridan's existing wastewater ordinance that restrict what can be disposed in sewers.

Next, Mr. Hoffman described the challenges facing the Water System. Sheridan does not currently have an asset management plan for replacing infrastructure. The water treatment plant is over 50 years old. Filters, filter control valves, the aerator, and other equipment could need rehabilitation or replacement within the next 10 years. The plant is not fully automated, and that requires more employee time to conduct direct manual daily operation of the plant. Some of the monthly reports of operations submitted to IDEM identify chlorine residual concentrations below what IDEM considers detectable. Other potential challenges with respect to the wells, plant, and distribution system are not fully known at this time. In addition, Sheridan is a small system and cannot achieve economies of scale.

Mr. Hoffman discussed Indiana American's plan for improvements to the Water System as follows: (1) reap benefits from Indiana American's economies of scale; (2) gather direct operational experience and data from operating the Water System; (3) conduct operational and

engineering evaluations; (4) implement an asset management strategy and plan, including models for prioritizing recommended improvements; (5) replace meters with automated meter reading / advanced metering infrastructure; (6) determine the causes of the low chlorine residual concentration reports in the distribution system; (7) implement operational and or capital improvements to increase the low chlorine residual concentrations to acceptable levels; (8) install SCADA system for control and monitoring; and (9) determine other improvement needs and prioritize them as part of Indiana American's asset management plan. He further testified improvements to the Water System over a five-year period after the close of the acquisition could cost between $1,500,000 and $3,000,000, depending on improvements implemented.

(iv). Accounting and Ratemaking Treatment. Mr. Roach testified Indiana American proposes accounting and ratemaking treatment for its acquisition. Mr. Roach sponsored the journal entry proposed for the acquisition. Jt. Pet. Ex. 2, Attach. GPR-1. Mr. Roach testified that the purchase price is $10,750,000 for Sheridan Systems, of which $6,200,000 is for the Water System, and $4,550,000 is for the Wastewater System. Assuming $200,000 of incidental expenses and other costs of acquisition, the original cost rate base for the Sheridan Systems would be $10,950,000. Mr. Roach explained that the purchase price includes a cost differential as defined in Ind. Code § 8-1-30.3-1. The cost differential is $200,000 of incidental expenses and other costs of acquisition, and the cost differential is not included in the purchase price of $10,750,000. Jt. Pet. Ex. 2, at 5.

(v). Impact of Acquisition on Customer Rates. Regarding wastewater rates, Sheridan's Wastewater System rate is currently computed at $45.49 per month for a residential customer using 4,000 gallons (a "Typical Customer"). But current rates are insufficient to fund the necessary improvements to Sheridan's Wastewater System. Mr. Prine testified that if Sheridan continued to own the Wastewater System and funded the needed improvements, a Typical Customer would have his monthly rate increase 21.33% to 103.11% for a computed increase ranging from $9.70 to $46.90 per month with a total monthly bill ranging from $55.19 to $92.39. Jt. Pet. Ex. 1, at 26-27. However, Mr. Prine testified that upon completion of the acquisition, a Typical Customer under Indiana American's proposed rates would have his monthly rate increase 30% for an increase of $13.65 per month and a total monthly bill of $59.14. Jt. Pet. Ex. 1, Attach MP-5. Sheridan is going to increase the residential rate to $59.14, and Indiana American will continue charging that rate after closing and until 2021.

Regarding water rates, Mr. Prine testified Sheridan's water rate is currently $41.11 per month for a Typical Customer. Jt. Pet. Ex. 1, at 16. Mr. Kinkead testified that if Sheridan continued to own the Water System and addressed the maintenance issues and standards, a Typical Customer would have his monthly rate increase 19.93% to 46.40% for an increase ranging from $6.57 to $15.29 per month with a total monthly bill ranging from $47.68 to $56.40. Jt. Pet. Ex. 3, Attach. DK-1, at 9 and 16. However, Mr. Prine testified that upon completion of the acquisition, a Typical Customer under Indiana American's Area One Rate would have an increase of $0.19 per month and a total monthly bill of $41.30. Jt. Pet. Ex. 1, at 16.

B. OUCC's Pre-Settlement Case-in-Chief. Ms. Margaret A. Stull, Chief Technical Adviser in the Water and Wastewater Division, and Mr. Carl N. Seals, Utility Analyst, testified on behalf of the OUCC.

(i). Proposed Acquisition and Asset Purchase Agreement. Ms. Stull testified Indiana American proposes to acquire all of the property that is the subject of Sheridan's appraisal, which corresponds to Section 2.01 of the Agreement. The acquired assets are listed in the return of appraisement sponsored by Mr. Kinkead as Jt. Pet. Ex. 3, Attach. DK-2. The proposed acquisition excludes Sheridan's storm water system. The total agreed purchase price is $10,750,000, consisting of $6,200,000 for the Water System and $4,550,000 for the Wastewater System.

(ii). Aging Infrastructure, Violation Issues, and Indiana American's Plan for Improvements. Mr. Seals testified regarding Indiana American's plan for reasonable improvements to comply with IDEM's Agreed Order. Mr. Seals acknowledged that Indiana American has committed under the APA to negotiate in good faith with IDEM to enter into a compliance plan to improve the Wastewater System upon Indiana American's acquisition of that system. Mr. Seals recommended Indiana American be required to file the compliance plan between IDEM and Indiana American with the Commission within 30 days of its approval by IDEM. The filing would allow the OUCC and the Commission to be informed of the final terms of the Agreed Order.

(iii). Accounting and Ratemaking Treatment. Ms. Stull testified Joint Petitioners request approval of accounting and rate base treatments that will allow Indiana American to reflect as net original cost rate base the full purchase price plus transaction costs, including approval of Indiana American's proposed accounting entry. The total amount Indiana American proposes to record and include in its rate base is $10,950,000, which includes an additional $200,000 of transaction costs. The purchase price to be recorded is $6,315,349 for Water System and $4,634,651 for Wastewater System.

Ms. Stull recommended that in addition to excluding Indiana American's payment of Sheridan's appraisal fees from the net original cost rate base, the transaction costs should be further limited to the qualified amounts actually incurred. Ms. Stull explained that the OUCC recommends that if the Commission authorizes the transfer, the Commission not allow Indiana American to include in rate base $16,062.35 of appraisal costs. The amount of transaction costs to be included in rate base should be limited to the amounts actually incurred not to exceed $183,938 ($200,000 - $16,062.35).

(iv). Impact of Acquisition on Customer Rates. Ms. Stull expressed concern regarding the methodology Indiana American used to calculate the rate impact. Ms. Stull said that the calculation presented by Mr. Roach is a single calculation based on total water and wastewater costs. Ms. Stull explained that although Indiana American has separate rates for its water and wastewater operations, Mr. Roach did not provide separate calculations for the impact on water and wastewater rates. This may suggest Indiana American plans to spread its investment in Sheridan's wastewater assets across Indiana American's entire water and wastewater operations. Otherwise, Indiana American's proposed acquisition would have a different impact on Indiana American's wastewater customers than it will have on its water

customers. While the rate impact on Indiana American's existing water customers will be relatively small, if the cost of the acquisition of the wastewater assets are solely attributed to Indiana American's wastewater customers, the rate impact for Indiana American's existing wastewater customers would be significant.

5. Settlement Testimony. The Settlement filed in this Cause was supported by testimony from Mr. Roach, on behalf of Indiana American, and Mr. Scott Bell, Director of the Water and Wastewater Division of the OUCC.

A. Proposed Acquisition and Asset Purchase Agreement. Mr. Roach testified Indiana American and the OUCC entered into good faith discussions regarding the issues related to the proposed acquisition and were able to independently conclude that the terms and conditions set forth in the Settlement represent a fair, reasonable, and just resolution of the issues in this Cause, subject to their incorporation into a final Commission Order which is no longer subject to appeal. Joint Petitioners and the OUCC stipulated that the relief requested by Joint Petitioners should be granted, subject to the conditions stated in the Settlement, and Indiana American should be authorized to consummate the acquisition of the Sheridan Systems. In addition, the Settling Parties stipulated that the notice requirement in Section 30.3-5(d)(2) was not triggered.

Mr. Bell testified regarding the terms of the Settlement. The OUCC recommends that Indiana American be authorized as follows: (1) to consummate the acquisition by Indiana American of the Water System and Wastewater System; (2) to apply the rules and regulations and rates and charges generally applicable to Indiana American's Area One rate group, as may be changed from time to time, for service to be provided by Indiana American in the areas currently served by the Sheridan Water System; (3) to apply the metered wastewater rates adopted by the Sheridan Town Council as of the closing date, for service to be provided by Indiana American in the areas currently served by the Sheridan Wastewater System; (4) to apply the rules and regulations for wastewater service applicable to Indiana American's Muncie Sewer Operation to the Sheridan Wastewater System, with the modifications described in Joint Petitioners' case-in-chief; (5) to apply Indiana American's depreciation accrual rates approved by the Commission in Cause No. 44992 to the properties comprising the Sheridan Systems; and (6) to encumber the properties comprising the Sheridan Systems with the lien of Indiana American's mortgage indenture.

Mr. Bell testified Joint Petitioners and the OUCC stipulated in the Settlement that all evidence filed in this Cause with respect to the relief constitutes a sufficient evidentiary basis for a Commission Order approving this stipulation. Mr. Bell testified that the Settlement is a reasonable compromise that appropriately addresses the issues raised by the OUCC.

B. Aging Infrastructure, Violations, and Indiana American's Plan for Improvements. Mr. Roach testified regarding the recommendation by Mr. Seals for Indiana American to file Indiana American's sanitary sewer compliance plan after it is approved by IDEM. Indiana American is not currently and will not necessarily become a party to [the Town's] Agreed Order with IDEM [because Indiana American was not the owner of the Wastewater System when the NOV's occurred.] Separately, when an agreement is reached in the future between Indiana American and IDEM with respect to improvements needed to the

Wastewater System, that plan will not be a "compliance plan," as that term is typically used by IDEM. Indiana American has agreed to provide the OUCC and the Commission the ultimate agreement between Indiana American and IDEM with respect to improvements.

C. Accounting and Ratemaking Treatment. Mr. Roach testified about resolution of the concerns raised by Mr. Seals and Ms. Stull in the OUCC's pre-filed testimony. The first concern is whether Indiana American can include $16,062.35 of appraisal costs Indiana American reimbursed to Sheridan. Mr. Bell further testified that based upon the particular facts of this Cause, and for purposes of settlement only, the Settling Parties agreed that upon closing of the acquisition, Indiana American will book as net original cost rate base an amount equal to the full purchase price, plus incidental expenses and other costs of acquisition, excluding appraisal costs of $16,062.35. For settlement purposes only, Indiana American agreed it will remove the $16,062.35 for appraisal costs from the amount to be included in rate base. The journal entry shall be as reflected in Jt. Pet. Ex. 2, Attach. GPR-1, as modified by the terms of the Settlement.

D. Impact of Acquisition on Customer Rates. Mr. Roach testified regarding resolution of Ms. Stull's concern about the impact of the acquisition on Indiana American's existing wastewater customers. It became clear that the OUCC's concern was that the existing Muncie and Somerset wastewater customers, both very small systems, should not be required to bear the cost of the acquisition of the Wastewater System. Mr. Roach testified Indiana American proposed to place Sheridan in its own rate classification for wastewater service. Sheridan's existing rates for wastewater service are volumetric, but Indiana American's rates in existing operations are flat. It is not proposed or contemplated that Indiana American would move to a consolidated wastewater rate at this point. Additionally, Indiana American stipulated in the Settlement its commitment that the Muncie and Somerset wastewater customers would not have their rates increased in Indiana American's upcoming general rate case as a result of the acquisition.

Mr. Bell testified that while the Settling Parties disagreed over the methodology for calculating the one percent threshold for the notice requirement in Section 30.3-5(d)(2), in light of the ratemaking commitments, the Settling Parties stipulated that that notice requirement was not triggered in this proceeding.

6. Commission Discussion and Findings on Joint Petition and Settlement. Indiana American and Sheridan seek approval of Indiana American's prospective acquisition of the Sheridan Systems. More specifically, their Joint Petition seeks approval under Section 30.3-5(d) and asserts the proposed transaction also satisfies the requirements of Section 30.3-5(c). As such, Joint Petitioners request the Commission approve the transaction under the terms and conditions of the APA, finding the transaction proposed is in the public interest in accordance with Section 6.1(e)(1) and that Indiana American should be authorized to include the cost differential in its rate base.

As the Commission explained in the *Georgetown* and *Lake Station* Orders, Section 6.1 applies to a municipality that adopts an ordinance under Ind. Code § 8-1.5-2-5(d) after March 28, 2016, that addresses the sale or disposition of nonsurplus utility property. *Indiana-Am. and Georgetown,* Cause No. 44915, 2017 WL 4604649 (Oct. 11, 2017) ("*Georgetown*"). *Indiana-*

Am. and Lake Station, Cause No. 45041, 2018 WL 4006723 (Aug. 15, 2018). Section 6.1(b) requires a municipality adopting such an ordinance to obtain Commission approval before the transaction occurs. Sheridan's Town Council President David Kinkead testified that Sheridan adopted an ordinance approving the proposed acquisition of the Sheridan Systems by Indiana American on July 31, 2017. Thereafter, Sheridan and Indiana American entered into the APA on January 17, 2018 (Jt. Pet. Ex. 1, Attach. MP-2), of which they now seek Commission approval.

Under Section 6.1, the ultimate question the Commission must answer is whether "the sale or disposition according to the terms and conditions proposed is in the public interest." In evaluating whether the proposed transaction is in the public interest, Section 6.1(e) provides two avenues. First, under Section 6.1(e)(1), if a municipally owned utility files a petition under Section 30.3-5(d) and the Commission approves this petition under Section 30.3-5(c), then "the proposed sale or disposition is considered to be in the public interest." Alternatively, if Section 6.1(e)(1) does not apply, Section 6.1(e)(2) requires the Commission to consider the degree to which the acquisition will require one utility's customers to subsidize service to customers of the other utility and whether that subsidy causes the transaction not to be in the public interest. For purposes of this proceeding, the relevant inquiry is under Section 6.1(e)(1) because the Joint Petition was filed under Section 30.3-5(d) and Joint Petitioners seek approval under Section 30.3-5(c).

Indiana American and Sheridan also seek approval under Chapter 30.3, which applies if: (1) a utility company[1] is acquiring property from another utility company in a transaction involving a willing buyer and willing seller at a cost differential; and (2) at least one of the two utility companies is subject to the Commission's regulation. It is not disputed that Indiana American is subject to our regulation. There is also no dispute that with respect to the proposed transaction, Sheridan is a willing seller, and Indiana American is a willing buyer. Mr. Roach testified that the purchase price for the proposed acquisition includes a cost differential. Accordingly, the Commission finds that because Joint Petitioners seek Commission approval under Chapter 30.3 to include this cost differential in Indiana American's rate base, we will initially determine below whether Sections 30.3-5(d) and (c) have been satisfied. But a proposed sale cannot be consummated under Section 6.1 until the Commission also determines the proposed sale is in the public interest.

A. Ind. Code § 8-1-30.3-5(d) Requirements. This statute provides the threshold upon what a utility seeking the Commission's approval of an acquisition before the utility property is acquired must preliminarily provide, stating:

> (d) A utility company may petition the commission in an independent proceeding to approve a petition under subsection (c) [Section 30.3-5(c)] before the utility company acquires the utility property if the utility company provides:
> (1) notice of the proposed acquisition and any changes in rates or charges to customers of the distressed utility;

[1] A utility company for this purpose is defined as a public utility, municipally owned utility, or not-for-profit utility that provides water or wastewater service. Section 30.3-3(1).

> (2) notice to customers of the utility company if the proposed acquisition will increase the utility company's rates by an amount that is greater than one percent (1%) of the utility company's base annual revenue;
> (3) notice to the office of the utility consumer counselor; and
> (4) a plan for reasonable and prudent improvements to provide adequate, efficient, safe, and reasonable service to customers of the distressed utility.

Ind. Code § 8-1-30.3-5(d).

Each element in Section 30.3-5(d) is addressed below, and we find each element is satisfied.

(1) Notice of the proposed acquisition and any changes in rates or charges to customers of the distressed utility. Mr. Prine sponsored Jt. Pet. Ex. 1, Attach. MP-5, a letter notifying Sheridan customers of the proposed acquisition. The letter explains the rates that will be charged to Sheridan customers after the closing and the total bill for a residential customer using 4,000 gallons. The letter was mailed on March 21, 2018, which is prior to the filing of Joint Petitioners' case-in-chief. The notice that was mailed is sufficient on its face because it was mailed early enough in the proceeding to afford customers an opportunity to participate in this proceeding if desired. It was mailed to all Sheridan customers. We find Joint Petitioners satisfied Section 30.3-5(d)(1).

(2) Notice to customers of the utility company if the proposed acquisition will increase the utility company's rates by an amount that is greater than one percent of the utility company's base annual revenue. There was some disagreement between Indiana American and the OUCC regarding the one percent calculation method. For purposes of the Settlement, the Settling Parties stipulated that the acquisition of Sheridan Systems will not increase Indiana American's rates by an amount greater than one percent. Therefore, we find the notice requirement in Section 30.3-5(d)(2) is not triggered by the proposed acquisition.

(3) Notice to the Indiana Office of Utility Consumer Counselor. Regarding Section 30.3-5(d)(3) we find that notice was provided to the OUCC through the service of the Joint Petition and Joint Petitioners' case-in-chief.

(4) A plan for reasonable and prudent improvements to provide adequate, efficient, safe, and reasonable service to customers of the distressed utility. In determining whether Indiana American has satisfied Section 30.3-5(d)(4) by presenting "a plan for reasonable and prudent improvements," we note that Sheridan qualifies as a distressed utility under Section 30.3-6 for purposes of Section 30.3-5(c) because it serves fewer than 5,000 customers.

In Section 4A(iii) of this Order, Mr. Hoffman's testimony sets forth an eleven-point plan for reasonable improvements to the Wastewater System to address the violations that are the subject of IDEM's Agreed Order with Sheridan. Mr. Hoffman testified that Wessler Engineering estimated a cost for improvements to the Wastewater System of $2,000,000 to $5,000,000 over a five-year period, depending upon the alternatives implemented. We also understand that the specific components of the proposed sanitary sewer compliance plan are subject to negotiations and ultimate approval of IDEM, and this is an acceptable process. Mr. Hoffman's testimony also set forth a nine-point plan for reasonable improvements to the Water System. Mr. Hoffman

testified that the estimated costs for improvements to the Water System are $1,500,000 to $3,000,000 over a five-year period, depending upon the alternatives implemented.

No party disputed Indiana American's satisfaction of Section 30.3-5(d)(4). We find Indiana American's plans to incorporate both of the systems into their asset management strategy and plans, which include maintenance programs, and to install SCADA programs should be beneficial to the systems. These activities will take advantage of Indiana American's expertise and economies of scale and promote the regional benefits contemplated by the Indiana General Assembly. We find that Indiana American has presented a plan for reasonable and prudent improvements to provide adequate, efficient, safe, and reasonable service to customers of the distressed utility.

B. Ind. Code § 8-1-30.3-5(c) Requirements. Section 30.3-5 applies when a utility company acquires property from another utility company at a cost differential in a transaction involving a willing buyer and a willing seller, and at least one of the utility companies is subject to the jurisdiction of the Commission. Under Section 30.3-5(b), there is a rebuttable presumption that a cost differential is reasonable. The utility company that acquires the utility property may petition the Commission to include the cost differential as part of its rate base. Pursuant to Section 30.3-5(c):

> The utility company that acquires the utility property may petition the commission to include the cost differentials as part of its rate base. The commission shall approve the petition if the commission finds the following:
> (1) The utility property is used and useful in providing water service, wastewater service, or both water and wastewater service.
> (2) The distressed utility failed to furnish or maintain adequate, efficient, safe, and reasonable service and facilities.
> (3) The utility company will make reasonable and prudent improvements to ensure that customers of the distressed utility will receive adequate, efficient, safe, and reasonable service.
> (4) The acquisition of the utility property is the result of a mutual agreement made at arms length.
> (5) The actual purchase price of the utility property is reasonable.
> (6) The utility company and the distressed utility are not affiliated and share no ownership interests.
> (7) The rates charged by the utility company before acquiring the utility property of the distressed utility will not increase unreasonably as a result of acquiring the utility property.
> (8) The cost differential will be added to the utility company's rate base to be amortized as an addition to expense over a reasonable time with corresponding reductions in the rate base.

Ind. Code § 8-1-30.3-5(c)(1)-(8).

Each element in Section 30.3-5(c) is addressed below, and we find that each element is satisfied.

(1) The utility property is used and useful in providing water service, wastewater service, or both water and wastewater service. Mr. Prine testified that Sheridan Systems are used and useful in providing water and wastewater service to its customers. Joint Petitioners asserted in their Joint Petition that following the closing of the proposed acquisition, day-to-day operation of the Sheridan Systems will be assumed by Indiana American's water and wastewater utility professionals. The evidence indicates that Indiana American will continue to operate the acquired water and wastewater assets to provide water and wastewater service, and no evidence was presented to the contrary. We find the utility property is used and useful in providing water and wastewater service.

(2) The distressed utility failed to furnish or maintain adequate, efficient, safe, and reasonable service and facilities. Mr. Prine testified that Sheridan Systems are municipally owned systems that serve fewer than 5,000 customers therefore satisfying the "distressed" requirement. Mr. Prine explained further that while it is not necessary to satisfy a second condition, Sheridan Systems would also satisfy the definitional requirement of "distressed" by meeting one of the conditions enumerated in Section 30.3-6. Due to the necessary improvements required to the Sheridan Systems, Sheridan is unable to furnish and maintain adequate service to customers at rates equal to or less than those of Indiana American. Mr. Prine and Mr. Hoffman identified the threshold, initial improvements that would be needed to bring the Wastewater System into compliance with IDEM's Agreed Order, and Mr. Kinkead sponsored the O.W. Krohn and Associates rate study which showed that making those improvements, as well as needed improvements to the Water System (with the costs spread over Sheridan's small customer base), would cause rates to be higher than Indiana American's rates. Therefore, we find the conditions set forth in Section 30.3-6 are satisfied. Accordingly, we find that Sheridan Systems have failed to furnish or maintain adequate, efficient, safe, and reasonable service and facilities.

(3) The utility company will make reasonable and prudent improvements to ensure that customers of the distressed utility will receive adequate, efficient, safe, and reasonable service. Pursuant to Section 30.3-5(c)(3), Mr. Hoffman testified regarding Indiana American's proposed plan for reasonable and prudent improvements to the Sheridan Systems. Mr. Hoffman's testimony set forth a plan to bring the Wastewater System into compliance with IDEM's contemplated Agreed Order with Sheridan and address the aging infrastructure concerns related to the Water System. After reviewing the financial, managerial, and technical ability of Indiana American to provide the utility service required and make improvements following closing, we find that Indiana American has provided evidence that it will make reasonable and prudent improvements to ensure that customers will receive adequate, efficient, safe, and reasonable service.

(4) The acquisition of the utility property is the result of a mutual agreement made at arm's length. Satisfying Section 30.3-5(c)(4), Mr. Kinkead described the process undertaken by Sheridan prior to entering the transaction. Mr. Kinkead testified that Sheridan issued a RFP to sell Sheridan Systems, and Indiana American was the successful bidder. He further testified that the negotiations proceeded while Sheridan was undergoing the statutory process and such negotiations were conducted at arm's length. Mr. Prine and Mr. Roach echoed Mr. Kinkead's testimony and testified that the negotiations leading up to the execution of the APA were conducted at arm's length. Based on our consideration of this

testimonial evidence, we find the acquisition is the result of a mutual agreement made at arm's length.

(5) The actual purchase price of the utility property is reasonable. Pursuant to Section 30.3-5(c)(5), the actual purchase price of $10,750,000 does not exceed the value of $12,637,000 determined by the statutory appraisers. The appraisal was sponsored by Mr. Kinkead as Jt. Pet. Ex. 3, Attach. DK-2. Mr. Kinkead testified the Sheridan Town Council determined that the sale price for the Sheridan Systems should be less than the appraised full value, as such is in the best interest of Sheridan so as to result in lower utility rates to be charged to customers of Sheridan Systems. The purchase price is deemed reasonable under Section 6.1 to the extent it does not exceed the appraised value. Because the purchase price does not exceed the appraised value, we find that the purchase price is reasonable.

(6) The utility company and the distressed utility are not affiliated and share no ownership interests. The utility company and the distressed utility are not affiliated and share no ownership interests. We find, based upon Mr. Prine's testimony to the effect, that Sheridan and Indiana American are not affiliated and share no ownership interests. Jt. Pet. Ex. 1, at 17.

(7) The rates charged by the utility company before acquiring the utility property of the distressed utility will not increase unreasonably as a result of acquiring the utility property. Pursuant to Section 30.3-5(c)(7), Mr. Roach testified that Indiana American's rates will not increase directly as a result of this Cause. Jt. Pet. Ex. 2, at 7-8. The Settling Parties stipulated that the acquisition of the Sheridan Systems will not increase Indiana American's rates by an amount greater than one percent. In addition, Indiana American will place Sheridan in its own rate classification for wastewater. The potential effect on rates for Indiana American's existing customers is expected to be nominal. We find the rates charged by Indiana American will not increase unreasonably as a result of this acquisition.

(8) The cost differential will be added to the utility company's rate base to be amortized as an addition to expense over a reasonable time with corresponding reductions in the rate base. Pursuant to Section 30.3-5(c)(8), Mr. Roach testified that his proposed journal entry allocates the entire purchase price reasonably among utility plant in service accounts. In this fashion, the cost differential will be amortized and charged to expense over a reasonable period of time through depreciation expense. Jt. Pet. Ex. 2, at 7. We approved a similar approach in *Georgetown*, and we find it to be appropriate here as well.

C. Ind. Code § 8-1.5-2-6.1(d) Purchase Price Presumption and Compliance with Ind. Code § 8-1.5-2-4. Before a municipality may sell its nonsurplus utility property under an ordinance adopted under Ind. Code § 8-1.5-2-5(d), the Commission must determine if the sale is in the public interest. More specifically, Section 6.1(d) provides:

> (d) The commission shall approve the sale or disposition of the property according to the terms and conditions proposed by the municipality and the prospective purchaser if the commission finds that the sale or disposition according to the terms and conditions proposed is in the *public interest*. For

> purposes of this section [Section 6.1], the purchase price of the municipality's nonsurplus utility property shall be considered *reasonable* if it does not exceed the appraised value set forth in the appraisal required under section 5 [Ind. Code § 8-1.5-2-5] of this chapter.

Ind. Code § 8-1.5-2-6.1(d) (emphasis added).

Section 6.1(e) is to be applied for purposes of determining public interest under Section 6.1(d). Under Section 6.1(e)(1), which is the subdivision of (e) applicable to the Joint Petition, the proposed sale is considered to be in the public interest if the municipally owned utility petitions the Commission under Section 30.3-5(d) and the Commission approves the petition under Section 30.3-5(c). We discussed the elements of Section 30.3-5(d) in this Order in Section 6A, and we found that each element was satisfied. We discussed the elements of Section 30.3-5(c) in this Order in Section 6B, and we found that each element was satisfied. Therefore, the sale is considered to be in the public interest.

Section 6.1(d) establishes a test to determine whether the purchase price is reasonable. The purchase price is considered reasonable if it does not exceed the appraised value set by the required appraisal under Ind. Code § 8-1.5-2-5. Under Ind. Code § 8-1.5-2-5(a), each appraiser must be appointed as provided by Section 4. For the Commission to determine whether the reasonableness presumption in Section 6.1(d) is applicable, the appraised value we are presented with must be the product of an appraisal performed consistent with Section 5. No evidence was presented that Indiana American failed to comply with the requirements of Ind. Code § 8-1.5-2-4 in this Cause. We find that Indiana American complied with the requirements of Ind. Code § 8-1.5-2-4. The total agreed purchase price of $10,750,000 for the Water and Wastewater Systems is less than the appraised value of $12,637,000. *See* Jt. Pet. Ex. 3, Attach. DK-2, at 1. Therefore, pursuant to Section 6.1(d), the Commission finds that the total agreed purchase price of $10,750,000 for Sheridan Systems (municipal nonsurplus utility property) is considered reasonable because it does not exceed the appraised value of $12,637,000 set forth in the appraisal required under Ind. Code § 8-1.5-2-5.

D. Ind. Code § 8-1.5-2-6.1(e)(3) Ability of Purchaser. Section 6.1(e)(3) states that in reviewing the proposed terms and conditions of the proposed sale, the Commission shall consider the financial, managerial, and technical ability of the prospective purchaser to provide the utility service required after the proposed sale. Therefore, in reviewing the APA, we are required to consider the financial, managerial, and technical ability of Indiana American to provide the required water and wastewater utility services. Mr. Prine testified that Indiana American currently provides residential, commercial, industrial, and municipal water service, including sale for resale and public and private fire protection service, to approximately 302,000 customers. This demonstrates Indiana American's financial, managerial, and technical ability to serve a large customer base. Mr. Prine stated that upon the acquisition by Indiana American, Sheridan customers will gain full-time management of Sheridan Systems, including a full-time operations staff, 24/7 customer service and emergency response, enhanced security measures, and full-time functional specialists in the areas of engineering and water quality. This demonstrates Indiana American's technical ability to perform operations full-time and to respond to customers' needs 24/7. Mr. Prine and Mr. Hoffman testified that Indiana American will

institute reasonable and prudent asset management by adding the Sheridan Systems to Indiana American's ongoing prioritization model. Mr. Hoffman's testimony regarding Indiana American's 11-point plan for the Wastewater System and 9-point plan for the Water System explained how Indiana American will utilize its managerial and technical skills to improve the operation and management of Sheridan Systems and to improve regulatory compliance of the Wastewater System. The OUCC did not contest Indiana American's financial, managerial, or technical ability to provide water and wastewater utility services. Therefore, we find that Indiana American possesses the financial, managerial, and technical ability to provide the required utility services after the sale.

E. Settlement. Settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum, Inc. v. Ind. Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coal. of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coal.*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coal. of Ind., Inc. v. Pub. Serv. Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2, and that such agreement serves the public interest.

We note that the Settlement includes provisions indicating it will be deemed withdrawn if not accepted by the Commission in its entirety unless otherwise agreed to by the Settling Parties and that the terms of the Settlement represent a fair, just, and reasonable resolution and compromise. We have made specific findings above with respect to the factors this Commission is to consider in deciding a case brought under Section 6.1 and Section 30.3-5, noting the effect of the Settlement on such factors.

Based on our foregoing discussion and findings, we find that the Settlement is reasonable and in the public interest. Therefore, the authority and obligations proposed therein are approved. With regard to future citation of this Order, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1996 WL 34880849, at 7-8 (IURC March 19, 1997).

F. Accounting Treatment. Mr. Bell further testified that the Settling Parties agreed that upon closing of the acquisition, Indiana American will book as net original cost rate base an amount equal to the full purchase price, plus incidental expenses and other costs of acquisition, excluding appraisal costs of $16,062.35. The journal entry shall be as reflected in Jt.

Pet. Ex. 2, Attach. GPR-1, as modified by the terms of the Settlement. Section 6.1(f) directs the Commission as follows:

> As part of an order approving a sale or disposition of property under this section, the commission shall, without regard to amounts that may be recorded on the books and records of the municipality and without regard to any grants or contributions previously received by the municipality, provide that for ratemaking purposes, the prospective purchaser shall record as the net original cost rate base an amount equal to:
> (1) the full purchase price;
> (2) incidental expenses; and
> (3) other costs of acquisition;
> allocated in a reasonable manner among appropriate utility plant in service accounts.

Ind. Code § 8-1.5-2-6.1(f).

We find that Indiana American's proposed accounting and journal entries as presented in Jt. Pet. Ex. 2, Attach. GPR-1, as modified by the Settlement, should be approved and that the costs so reflected on the books and records of Indiana American be used as the original cost of such properties for accounting, depreciation, and rate base valuation purposes. The journal entry should be adjusted to reflect actual (rather than estimated) incidental expenses and other costs of acquisition. We find that the Settling Parties' stipulation regarding exclusion of the $16,062.35 in appraisal costs is a reasonable resolution of the dispute between the parties with respect to that issue. We find that Indiana American's existing depreciation accrual rates approved by the Commission in Cause No. 44992 on May 30, 2018, should be applied on and after the closing date of the acquisition to depreciable property purchased from Sheridan pursuant to the APA.

G. Rates and Rules. Indiana American currently has on file with the Commission a schedule of rates and charges and rules and regulations applicable to water utility service provided by Indiana American in its Area One rate group. Consistent with the APA and the Settlement, we find that, on and after the closing, Indiana American's generally applicable rates and charges and rules and regulations for water service applicable in Indiana American's Area One rate group on file with and approved by the Commission shall apply to services provided by Indiana American through the Water System, as the same are in effect from time to time.

Pursuant to the terms of the APA, Sheridan has agreed to increase its wastewater rates by 30% across-the-board effective as of the closing. The Settling Parties have agreed in settlement, and we now find, that on and after closing, those metered wastewater rates adopted by the Sheridan Town Council will apply for service to be provided by Indiana American in the areas currently served by the Wastewater System.

The Settling Parties further stipulated, and we now find, that Indiana American's rules and regulations for wastewater service applicable to its Muncie Sewer Operation shall apply to the Wastewater System, with modifications (as described in Mr. Prine's and Mr. Hoffman's testimony) to: (1) incorporate the provisions of the Sheridan Sewer Use Ordinance governing

what substances shall and shall not be permitted to be discharged into the system; (2) require compliance by any user that pre-treats discharge into the wastewater system with the IPP approved by IDEM; and (3) permit Indiana American to pro-rate a user's partial payments for water and wastewater service except where a customer has followed Indiana American's existing complaint process as set forth in Rule 4.2(d) of its Rules and Regulations Applicable To Water Service.

H. Encumbrances. We find that the encumbering of the properties comprising the Water System and Wastewater System by subjecting such properties to the lien of Indiana American's General Mortgage as of the closing is approved.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Stipulation and Settlement Agreement attached hereto is approved in its entirety.

2. Joint Petitioners are authorized to consummate the acquisition of Sheridan's water and wastewater by Indiana American on the terms described in the Asset Purchase Agreement and the Stipulation and Settlement Agreement entered into between the Settling Parties and discussed herein. Sheridan's storm water system is not included in the acquisition.

3. The acquisition of Sheridan Systems by Indiana American on the terms and conditions described in the Asset Purchase Agreement and the Stipulation and Settlement Agreement is in the "public interest" as defined in Ind. Code § 8-1.5-2-6.1(d) and (e) and the same is approved.

4. Indiana American is authorized to record for ratemaking purposes as net original cost rate base of the assets being acquired an amount equal to the full purchase price, actual incidental expenses, and other costs of acquisition, allocated among utility plant in service accounts as stipulated in the Stipulation and Settlement Agreement and reflected in Jt. Pet. Ex. 2, Attach. GPR-1, as the same is modified by the Stipulation and Settlement Agreement.

5. Indiana American is authorized to charge customers currently served by the Sheridan Water System the current rates and charges and apply the same rules and regulations for water service applicable in Indiana American's Area One rate group on file with and approved by the Commission, as the same are in effect from time to time. Such rates and charges and rules and regulations shall be effective subject to the Water and Wastewater Division's review and approval.

6. Indiana American is authorized to charge customers currently served by the Sheridan Wastewater System the rates and charges as the same have been adopted by the Sheridan Town Council as of the closing date. Prior to placing into effect the foregoing wastewater rates, Indiana American shall file with the Water and Wastewater Division of the Commission its revised Schedule of Charges for Sewer Service (IURC No. S-20-A) reflecting the metered wastewater rates authorized herein. Such rates and charges shall be effective subject to the Water and Wastewater Division's review and approval.

7. Indiana American is authorized to apply the rules and regulations for wastewater service applicable to Indiana American's Muncie Sewer Operation to the Sheridan Wastewater System, with the modifications described above. Prior to placing into effect the foregoing rules and regulation for wastewater service for customers of the Sheridan Wastewater System, Indiana American shall file with the Water and Wastewater Division of the Commission its proposed rules, as presented in Jt. Pet. Ex. 1, Attach. MP-8. Such rules and regulations shall be effective subject to the Water and Wastewater Division's review and approval.

8. Indiana American is authorized to reflect the acquisition of Sheridan Systems on its books and records as of the closing by making the accounting and journal entries described in Jt. Pet. Ex. 2, Attach. GPR-1, as modified by the terms of the Stipulation and Settlement Agreement and as adjusted to actual incidental expenses and other costs of the acquisition.

9. The net original cost, as defined herein, of the acquired property shall be used for accounting, depreciation, and rate base valuation purposes after closing.

10. Indiana American is authorized to apply its depreciation accrual rates on and after the closing date of the acquisition to depreciable property purchased from Sheridan pursuant to the Asset Purchase Agreement.

11. Indiana American is authorized to encumber the properties comprising Sheridan Systems with the lien of Indiana American's mortgage indenture.

12. This Order shall be effective on and after the date of its approval.

HUSTON, FREEMAN, KREVDA, OBER, AND ZIEGNER CONCUR:

APPROVED: SEP 12 2018

I hereby certify that the above is a true and correct copy of the Order as approved.

Mary M. Becerra
Mary M. Becerra
Secretary of the Commission

FILED
July 20, 2018
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF INDIANA-AMERICAN WATER COMPANY, INC. ("INDIANA AMERICAN") AND THE TOWN OF SHERIDAN, INDIANA ("SHERIDAN") FOR APPROVAL AND AUTHORIZATION OF: (A) THE ACQUISITION BY INDIANA AMERICAN OF SHERIDAN'S WATER UTILITY PROPERTY (THE "SHERIDAN WATER SYSTEM") AND OF SHERIDAN'S SEWER UTILITY PROPERTY (THE "SHERIDAN SEWER SYSTEM") (COLLECTIVELY THE "SHERIDAN SYSTEMS") IN HAMILTON COUNTY, INDIANA IN ACCORDANCE WITH A PURCHASE AGREEMENT THEREFOR; (B) APPROVAL OF ACCOUNTING AND RATE BASE TREATMENT; (C) APPROVAL OF THE RATES AND CHARGES TO BE APPLIED TO THE SHERIDAN WATER AND SEWER SYSTEMS AFTER CLOSING; (D) APPROVAL OF APPLICATION OF INDIANA AMERICAN'S MUNCIE SEWER RULES AND REGULATIONS TO THE SHERIDAN WASTEWATER SYSTEM, WITH CHANGES TO ALLOW ENFORCEMENT OF AN INDUSTRIAL PRETREATMENT PROGRAM ("IPP") AMONG OTHERS; (E) APPLICATION OF INDIANA AMERICAN'S DEPRECIATION ACCRUAL RATES TO SUCH ACQUIRED PROPERTIES; AND (F) THE SUBJECTION OF THE ACQUIRED PROPERTIES TO THE LIEN OF INDIANA AMERICAN'S MORTGAGE INDENTURE.	**CAUSE NO. 45050**

STIPULATION AND SETTLEMENT AGREEMENT

Joint Petitioners Indiana-American Water Company, Inc. ("Indiana American") and Town of Sheridan, Indiana ("Sheridan" and together with Indiana American, the "Joint Petitioners"), and the Office of Consumer Counselor ("OUCC") enter into this Stipulation and Settlement Agreement. Joint Petitioners and the OUCC agree that the terms and conditions set

forth below represent a fair and reasonable resolution of all issues, subject to incorporation into a final order of the Indiana Utility Regulatory Commission ("Commission") without any modification or condition that is not acceptable to Indiana American, Sheridan or the OUCC. Joint Petitioners and the OUCC stipulate as follows:

1. The relief requested by Joint Petitioners should be granted subject to the conditions stated herein. Joint Petitioners and the OUCC stipulate to the issuance by the Commission of a final order in the form attached hereto as Attachment A. To the extent Attachment A states that the parties have stipulated to a fact, then Joint Petitioners and the OUCC hereby so stipulate.

2. Indiana American should be authorized to consummate the acquisition by Indiana American of the water and wastewater utility properties owned by Sheridan (the "Sheridan Water System" and "Sheridan Wastewater System," respectively).

3. On and after the closing, Indiana American should be permitted to, and will, apply the rules and regulations and rates and charges generally applicable to Indiana American's Area One rate group, as the same may be changed from time to time, for service to be provided by Indiana American in the areas currently served by the Sheridan Water System.

4. On and after the closing, Indiana American should be permitted to, and will, apply the metered sewer rates as the same have been adopted by the Sheridan Town Council as of the Closing Date, for service to be provided by Indiana American in the areas currently served by the Sheridan Wastewater System. Indiana American will apply the rules and regulations for wastewater service applicable to Indiana American's Muncie Sewer Operation to the Sheridan Wastewater System, with the modifications described in Joint Petitioners' case-in-chief. Indiana

American agrees that its Muncie and Somerset sewer rates will not be increased in Indiana American's next upcoming general rate case to bear the costs of the Sheridan Wastewater System or otherwise as a result of Indiana-American's acquisition of Sheridan's wastewater system.

5. While the parties disagreed over the methodology for calculating the 1% threshold for the notice requirement in Section 30.3-5(d)(2), in light of the ratemaking commitments made in this stipulation, all parties stipulate that that notice requirement was not triggered in this proceeding.

6. Based upon the particular facts of this Cause, and for purposes of settlement only, the parties agree that upon closing of the acquisition, Indiana American will book as net original cost rate base an amount equal to the full purchase price, plus incidental expenses and other costs of acquisition, excluding appraisal costs in the amount of $16,062.35. For settlement purposes only, Indiana American agrees it will remove the $16,062.35 for appraisal costs from the amount to be included in rate base. The journal entry shall be as reflected in Attachment GPR-1, as modified by the terms of this Stipulation and Settlement Agreement. . .

7. Indiana American agrees to file with the Commission whatever agreement is ultimately reached with the Indiana Department of Environmental Management ("IDEM") post-closing with respect to necessary improvements to the Sheridan Wastewater System.

8. Following the closing, Indiana American should be permitted to, and will, apply its depreciation accrual rates approved by the Commission in Cause No. 44992 to the properties comprising the Sheridan Water and Wastewater Systems and to encumber the properties

comprising the Sheridan Water and Wastewater Systems with the lien of Indiana American's mortgage indenture.

9. Joint Petitioners and the OUCC stipulate that all evidence that has been filed in this Cause with respect to the relief provided herein is admissible in evidence and that such evidence constitutes a sufficient evidentiary basis for a Commission Order approving this Stipulation. The parties waive cross-examination of each other's witnesses.

10. If this Stipulation is not approved in its entirety by the Commission, the parties stipulate that the terms herein shall not be admissible in evidence or discussed by any party in a subsequent proceeding. Moreover, the concurrence of the parties with the terms of this Stipulation is expressly predicated upon the Commission's approval of this Stipulation in its entirety by issuance of the Order in the form set forth in Attachment A without any material modification or any material condition deemed unacceptable by any of them. If the Commission does not approve the Stipulation in its entirety or if the Commission makes modifications to the final order that are unacceptable to any party, the Stipulation shall be null and void and shall be deemed withdrawn upon notice made in writing by any party within 15 days after the date of the final order and stating that a modification made by the Commission is unacceptable to the party. In the event the Stipulation is withdrawn, any party may request, and no other party shall oppose, the convening of an attorneys' conference to establish a procedural schedule for the continued litigation of this proceeding.

11. Joint Petitioners and the OUCC stipulate that this Stipulation reflects a fair, just and reasonable resolution, and is agreed upon without prejudice and the ability of any party to propose a different term in future proceedings.

12. The parties agree that whether this stipulation is approved or rejected, none of the terms herein shall be considered an admission by any party. No party hereto shall cite as binding or persuasive precedent the resulting final order. As set forth in the Order in *Re Petition of Richmond Power & Light*, Cause No. 40434, p. 10, Joint Petitioners and the OUCC stipulate and request the Commission to incorporate as part of its final order that this Stipulation, or the order approving it, not be cited as precedent by any person or deemed an admission by any party in any other proceeding except as necessary to enforce its terms before the Commission or court of competent jurisdiction.

13. The undersigned represent and stipulate that they are fully authorized to execute this Stipulation on behalf of the respective parties who will be bound thereby.

(signature page follows)

Date: 7/19/18

Indiana-American Water Company, Inc.

Deborah D. Dewey, President

Town of Sheridan, Indiana

Date:_____

David Kinkead, President of Town Council

Indiana Office of Utility Consumer Counselor

Date: 7/20/18

Deputy Consumer Counselor

Daniel M. LeVay

DMS 12907608v1

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Indiana-American Water Company, Inc.

Date:_____

Deborah D. Dewey, President

Town of Sheridan, Indiana

Date: 7/20/2018

David Kinkead, President of Town Council

Indiana Office of Utility Consumer Counselor

Date:_____

Deputy Consumer Counselor

DMS 12907608v1

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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF INDIANA-AMERICAN WATER COMPANY, INC. ("INDIANA AMERICAN") AND THE TOWN OF SHERIDAN, INDIANA ("SHERIDAN") FOR APPROVAL AND AUTHORIZATION OF: (A) THE ACQUISITION BY INDIANA AMERICAN OF SHERIDAN'S WATER UTILITY PROPERTY (THE "SHERIDAN WATER SYSTEM") AND OF SHERIDAN'S SEWER UTILITY PROPERTY (THE "SHERIDAN SEWER SYSTEM") (COLLECTIVELY THE "SHERIDAN SYSTEMS") IN HAMILTON COUNTY, INDIANA IN ACCORDANCE WITH A PURCHASE AGREEMENT THEREFOR; (B) APPROVAL OF ACCOUNTING AND RATE BASE TREATMENT; (C) APPROVAL OF THE RATES AND CHARGES TO BE APPLIED TO THE SHERIDAN WATER AND SEWER SYSTEMS AFTER CLOSING; (D) APPROVAL OF APPLICATION OF INDIANA AMERICAN'S MUNCIE SEWER RULES AND REGULATIONS TO THE SHERIDAN WASTEWATER SYSTEM, WITH CHANGES TO ALLOW ENFORCEMENT OF AN INDUSTRIAL PRETREATMENT PROGRAM ("IPP") AMONG OTHERS; (E) APPLICATION OF INDIANA AMERICAN'S DEPRECIATION ACCRUAL RATES TO SUCH ACQUIRED PROPERTIES; AND (F) THE SUBJECTION OF THE ACQUIRED PROPERTIES TO THE LIEN OF INDIANA AMERICAN'S MORTGAGE INDENTURE.	**CAUSE NO. 45050**

Presiding Officers:
Sarah Freeman, Commissioner
Lora Manion, Administrative Law Judge

On February 16, 2018, Joint Petitioners Indiana-American Water Company, Inc. ("Indiana American" or the "Company") and Town of Sheridan, Indiana ("Sheridan" or the "Town") filed their joint petition with the Indiana Utility Regulatory Commission ("Commission" or "IURC") in this matter.

On April 5, 2018, the Commission issued a Docket Entry vacating the prehearing conference and requesting Joint Petitioners and the Office of Utility Consumer Counselor ("OUCC") to file an agreed procedural schedule. On April 6, 2018, the parties filed a Stipulation as to Procedural Matters and on April 11, 2018, the Commission issued a Docket Entry establishing the procedural schedule in this Cause.

On April 13, 2018, Joint Petitioners filed the prepared testimony and exhibits of Mr. Matthew Prine, Mr. Gregory Roach, Mr. David Kinkead and Mr. Stacy Hoffman constituting their case-in-chief.

On June 29, 2018, the OUCC filed the prepared testimony and exhibits of Carl N. Seals and Margaret A. Stull.

On July 20, 2018, Joint Petitioners and the OUCC (the "Settling Parties") jointly filed a Stipulation and Settlement Agreement (the "Settlement") along with testimony in support thereof, which settlement presented the Settling Parties' proposed resolution of all issues raised between them in this proceeding.

Pursuant to notice of hearing duly given and published as required by law, proof of which was incorporated into the record by reference and placed in the official files of the Commission, a settlement hearing in this Cause was held commencing at 9:30am on August 1, 2018 in Room 222, PNC Center, 101 W. Washington Street, Indianapolis, Indiana at which the parties' prefiled evidence, including the Settlement and testimony in support thereof, was admitted into the record. No members of the general public appeared.

Based upon the applicable law and evidence, the Commission now finds:

1. **Notice and Jurisdiction.** Due, legal and timely notice of the public hearing conducted herein was given by the Commission as required by law. Indiana American is a "public utility" within the meaning of that term in Ind. Code § 8-1-2-1 and is subject to the jurisdiction of the Commission in the manner and to the extent provided by law. The Sheridan systems are municipally owned utilities as that term is defined in Ind. Code § 8-1-2-1. The Commission has jurisdiction over Joint Petitioners and the subject matter of this proceeding.

2. **Joint Petitioners' Characteristics.** Indiana American is an Indiana corporation engaged in the provision of water utility service to the public in and around numerous communities throughout the State of Indiana for residential, commercial, industrial, public authority, sale for resale and public and private fire protection purposes. Indiana American also provides sewer utility service in Wabash and Delaware Counties.

Sheridan is a municipality located in Hamilton County, Indiana. Sheridan owns and operates a water distribution system serving approximately 1,261 individually metered customers and a wastewater treatment plant serving approximately 1,233 customers. Sheridan withdrew from the jurisdiction of the Commission for purposes of its water rates and charges and financing on December 4, 1988. The Sheridan systems are in the vicinity of Indiana American's existing Noblesville Operation.

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3. Relief Requested. Joint Petitioners filed this case pursuant to Ind. Code § 8-1-30.3-5 ("Section 30.3-5") and § 8-1.5-2-6.1 ("Section 6.1") and requested that the Commission (1) grant such approvals as may be necessary to consummate the acquisition of the assets comprising the water distribution system owned by Sheridan (the "Sheridan Water System") and the assets comprising the wastewater treatment system owned by Sheridan (the "Sheridan Wastewater System") (collectively the "Sheridan Systems") by Indiana American on the terms described in the Joint Petition and the Asset Purchase Agreement between Indiana American and Sheridan (Attachment MP-2); (2) approve that without regard to amounts that may be recorded on Sheridan's books and records and without regard to any grants or contributions that Sheridan may have received, Indiana American may record for ratemaking purposes as the net original cost rate base of the assets being acquired an amount equal to the full purchase price, incidental expenses, and other costs of acquisition, allocated among utility plant in service accounts as proposed in Joint Petitioners' evidence; (3) authorize Indiana American to apply the rules and regulations and rates and charges generally applicable to Indiana American's Area One rate group, as the same may be changed from time to time, for service to be provided by Indiana American in the areas currently served by the Sheridan Water System; (4) approve the application of the metered sewer rates as the same have been adopted by the Sheridan Town Council as of the Closing Date, for service to be provided by Indiana American in the areas currently served by the Sheridan Wastewater System; (5) authorize Indiana American to apply the rules and regulations for wastewater service applicable to Indiana American's Muncie Sewer Operation to the Sheridan Wastewater System, with the three modifications as described in Joint Petitioners' Case-in-Chief; (6) authorize Indiana American to apply its existing depreciation accrual rates to the Sheridan Systems; and (7) approve the encumbering of the properties comprising the Sheridan Systems with the lien of Indiana American's Mortgage Indenture. The Settling Parties request Commission approval of Indiana American's acquisition of the Sheridan Systems on the terms set forth in the Settlement Agreement.

4. Pre-Settlement Positions of the Parties.

A. Joint Petitioners' Direct Evidence. Joint Petitioners presented direct testimony from Matthew Prine, Director of Community and Government Affairs for Indiana American, Gregory Roach, Senior Manager, Revenue Analytics for American Water Works Service Company, David Kinkead, President of the Sheridan Town Council, and Stacy S. Hoffman, Director of Engineering for Indiana American.

(1) Indiana Code § 8-1.5-2-6.1 and Distressed Utility. Mr. Prine testified regarding Section 6.1, the Indiana Code section which governs the relief sought in this Cause. He explained that, prior to the passage of Section 6.1, Ind. Code ch. 8-1-30.3 ("Chapter 30.3") was established as a new chapter during the 2015 legislative session governing the process and standards to be applied in the sale of municipal utility property. Mr. Prine further explained that during the 2016 legislative session, Section 6.1 was passed as a new section in the Code and Chapter 30.3 was amended. Together these changes redefined the Commission's role and the standards to be applied in approving the sale or disposition of non-surplus municipal utility property.

Mr. Prine explained that one of the results of these legislative changes was to encourage regionalization as a strategy in addressing the State's ongoing infrastructure needs, by allowing a

public water or wastewater utility that acquires the utility property of a "distressed utility" to petition the Commission to include the "cost differential" associated with the acquisition as part of its rate base. He stated that the term "distressed utility" is defined by statute (Ind. Code §§ 8-1-30.3-2 and -5(a)). Mr. Prine noted that in addition to these legislative changes, an Indiana Finance Authority report on water utility infrastructure needs throughout the State of Indiana (the "2016 IFA Report") also encouraged system regionalization and emphasized the need for (i) prioritization of replacement of aging or failing water mains and (ii) development of a schedule of asset management that organizes the construction needed to maintain and extend the life of a utility system. Attachment MP-3, pages 7-8 of 79. Mr. Prine testified that the Sheridan Systems face challenges in many of the areas highlighted in the 2016 IFA Report.

Mr. Prine further testified that due to these legislative changes, the process for the sale of a municipally owned water or sewer utility has changed. He explained that a municipality must now obtain the approval of this Commission to sell its water or sewer utility, with this grant of approval determined under either Section 6.1 or Section 30.3-5, as applicable.

Mr. Prine explained that under the new process, the Mayor/Council President or Council of a city or town considering an acquisition must appoint three appraisers to appraise the system's value. Upon return of the appraisal, the municipality must hold a public hearing on the proposed acquisition. If the municipality decides to sell, it must adopt an ordinance approving the proposed acquisition. For an ordinance adopted pursuant to this process after March 28, 2016, Commission approval is required under Section 6.1. The standard for approval is whether the sale according to the proposed terms and conditions is in the public interest. If a petition is filed pursuant to Section 30.3-5(d), and the Commission makes the required findings set forth in Section 30.3-5(c), then Section 6.1 directs that the proposed sale according to the proposed terms and conditions is in the public interest. Mr. Prine noted that under Section 6.1, the purchase price is deemed to be reasonable if it does not exceed the statutory appraised value. Mr. Prine described how the proposed acquisition of the Sheridan Systems followed this process. Mr. Prine testified that because the Sheridan Systems are each considered a "distressed utility," the Joint Petitioners in this Cause have filed a petition under Section 30.3-5. He outlined the various requirements of Section 30.3-5(c) and (d), which we will further describe as we undertake our required findings thereunder.

Mr. Prine testified that the proposed purchase price for the Sheridan Systems is $10,750,000, with $6,200,000 of that purchase price allocated to the Water System, and $4,550,000 for the Wastewater System. While the Sheridan appointed appraisers determined the appraised value of the Sheridan Systems to be $12,637,000, Mr. Prine testified that in order to produce lower utility rates to be charged the customers of the Systems, the Sheridan Town Council determined to sell the Systems for less than the full appraised value set forth in the Appraisal (Attachment DK-2 to Mr. Kinkead's direct testimony). Therefore, the purchase price does not exceed the appraised value of the system. Mr. Prine testified that the original cost rate base for the Sheridan Systems would be $10,950,000, assuming $200,000 of incidental expenses and other costs of acquisition. Mr. Prine further testified that the Sheridan Systems are used and useful in providing water and wastewater service to their customers.

With respect to the requirements in Section 30.3-5(d), Mr. Prine testified that Indiana American has provided the required notices and, as further explained in the testimony of Mr. Roach, the acquisition will not increase Indiana American rates by more than one percent (1%)

of Indiana American's base annual revenues. Mr. Prine further testified that, as more fully discussed in Mr. Hoffman's direct testimony, Indiana American has plans to make reasonable and prudent improvements to ensure the customers of the Sheridan Systems will receive adequate, efficient, safe, and reasonable service.

After describing how Indiana American satisfied each of the requirements listed under Sections 30.3-5(c) and 30.3-5(d), Mr. Prine summarized how Section 6.1 interacts with Chapter 30.3. He explained that if the purchase price of the proposed acquisition does not exceed the appraised value, and the elements of Sections 30.3-5(c) and 30.3-5(d) are met, Section 6.1 directs the issuance of a final order not later than 210 days after the filing of the case in chief authorizing the acquiring utility company to record: (1) the full purchase price; (2) incidental expenses; and (3) other costs of acquisition; as the net original cost of the utility plant in service assets being acquired, allocated in a reasonable manner among appropriate utility plant in service accounts.

(2) Plan for Improvements to Sheridan's Systems. Mr. Prine and Mr. Hoffman testified regarding the necessary improvements needed to the Sheridan Systems to address environmental and aging or failing infrastructure issues. Mr. Prine explained that under municipal ownership, the Systems face rising costs for necessary improvements to facilities and operations. He stated that in the last five years, the wastewater system has been issued notices of violations ("NOVs") for twenty-five (25) bypass and twelve (12) overflow events and the Indiana Department of Environmental Management ("IDEM") has cited the Town for an inadequate preventative maintenance program. Additionally, Mr. Prine explained the system has suffered from inflow and infiltration from the Sheridan's stormwater system. Mr. Prine further testified that Sheridan does not have a plan for replacement of aging or failing distribution infrastructure.

Mr. Prine testified that these necessary improvements will cause rates to continue to rise as improvements to the Systems are made. He further testified that Sheridan had a rate study performed by O.W. Krohn & Associates that predicted the necessary increases in rates if Sheridan were to continue to own and operate the Systems (Attachment DK-1 to Mr. Kinkead's Direct Testimony). Mr. Prine stated that the projected sewer rates (and in the case of the water system, the existing rates) are higher than the rates Indiana American proposes to charge the customers of the Sheridan Systems. He testified Sheridan has committed to adopt a 30% across-the-board rate increase for its wastewater customers as of closing, and Indiana American has committed to charging those wastewater rates until 2021.

Mr. Hoffman testified regarding Indiana American's plan for improvements to the Sheridan Systems and operations, as well as the costs of those improvements. Mr. Hoffman described the challenges faced by both Systems and the approaches Indiana American will likely take to address those challenges. Mr. Hoffman testified regarding the regulatory issues related to Sheridan's Wastewater System and explained that Sheridan negotiated an Agreed Order with IDEM to address the NOVs resulting from 25 bypass events and 12 overflow events related to the system. He further explained the Agreed Order requires Sheridan to implement an IDEM-approved stormwater compliance plan and to make improvements to the WWTP and wastewater system to improve permit compliance. Mr. Hoffman outlined Indiana American's proposed improvement plan to satisfy the Agreed Order. Mr. Hoffman testified that IDEM informally indicated the plan outlined in his testimony was acceptable. Mr. Hoffman further testified that

based on the preliminary estimate ranges prepared by Wessler Engineering in their Preliminary Study for Wastewater System Needs (February 2014), improvements to the wastewater system over a five year period after the close of acquisition could cost $2M to $5M.

Mr. Hoffman also described the challenges facing Sheridan's Water System, including the needed replacement of aging or failing infrastructure. Mr. Hoffman described Indiana American's plan to address the needed improvements. He testified the plan is to include the Sheridan Water System in Indiana American's prioritization model for the distribution system. He further testified improvements to the water system over a five year period after the close of the acquisition could cost $1.5M to $3M, depending on improvements implemented.

Mr. Hoffman also addressed Indiana America's proposed changes to its rules and regulations applicable to wastewater utility service, specifically to address industrial pre-treatment. Mr. Hoffman explained that Indiana American must get IDEM approval for any industrial pre-treatment program ("IPP") it wishes to implement. He testified Indiana American proposes to add a provision to its rules that requires, after closing of the acquisition, any customer that pre-treats discharge into the wastewater system to comply with the IDEM-approved IPP. A copy of the proposed change is contained in Attachment MP-8 to Mr. Prine's direct testimony. Mr. Hoffman further testified that Indiana American's current sewer rules and regulations do not include typical sewer USP restrictions; he stated that Indiana American proposes to adopt specific portions of Sheridan's existing sewer ordinance that restrict what can be placed in the sewers.

(3) Proposed Acquisition and Asset Purchase Agreement. David Kinkead, President of the Sheridan Town Council, testified regarding the purpose for the proposed acquisition of Sheridan's Systems by Indiana American. Mr. Kinkead provided an overview of Sheridan's Wastewater System and its history of environmental regulatory issues. He reiterated Mr. Prine's testimony regarding the IDEM NOVs and the inflow and infiltration issues related to the Town's stormwater system. Mr. Kinkead testified that selling the wastewater system would allow a company with greater expertise to take over investment, operation and maintenance of the system and enable the Town to invest in elimination of the stormwater source of the NOVs. He further testified that the Town's water system is also aged and in need of certain infrastructure improvements. Mr. Kinkead testified that Sheridan commissioned a rate study from O.W. Krohn and Associates (Attachment DK-1) and the results of the study made it clear the costs to Sheridan's citizens would be much greater if the Town continued to own and manage the utilities, than with a transfer to a private entity subject to IURC review.

Mr. Kinkead testified that the Town Council approved the issuance of a Request for Proposals ("RFP") in September 2016, to which Indiana American was the successful bidder. In response to the RFP, Indiana American also provided the Town a proposed purchase agreement. Mr. Kinkead further testified that the Town followed the statutory process necessary to sell its water and wastewater assets (described below) and conducted negotiations with Indiana American which resulted in a purchase agreement (the "Agreement") being finalized and signed on January 17, 2018. He testified that the negotiations leading up to the execution of the Agreement were conducted at arm's length.

Mr. Kinkead testified that the Town followed the statutory process necessary to sell its water and sewer utility assets and appointed three appraisers to appraise the Systems. He further testified the Sheridan Town Council voted on February 27, 2017 to appoint official appraisers of the Sheridan Systems. Mr. Kinkead testified Sheridan received the Return of Appraisement certifying the appraisal on June 8, 2017 (a copy of the appraisal is attached as Attachment DK-2 to Mr. Kinkead's direct testimony). He further testified that the statutory required public hearing was held on July 26, 2017. Mr. Kinkead testified that on July 31, 2017, the Town enacted the ordinance attached as Attachment DK-3, which ordinance explained the Town Council determined that the sale price for the Systems should be less than the full appraised value so as to result in lower utility rates to be charged to the customers of the Systems

Mr. Kinkead further testified regarding other communications he has had with Sheridan customers regarding the sale. He explained that Mr. Prine and other officials from Indiana American attended numerous town council meetings to provide customers the opportunity to get answers directly from Indiana American. He further testified the Town also held several additional meetings, in excess of statutory requirements, to determine public opinion and receive input regarding the proposed sale. Mr. Kinkead testified the response was clear that citizens were overwhelmingly in favor of the proposed transaction. He further testified no Sheridan customers have expressed opposition to the proposed sale.

The Asset Purchase Agreement was filed as Attachment MP-2. Mr. Prine testified that Indiana American proposes to acquire all of the property that is subject to the appraisal. He testified the Sheridan Town Council determined to sell the Systems for a purchase price of less than the appraised value in order to produce lower utility rates for Sheridan's customers. Mr. Prine stated that consummation of the transaction is conditioned on obtaining certain approvals from the Commission, including with respect to recognition of the full purchase price plus transaction costs in net original cost rate base, the application of Indiana American's Area One rates to Sheridan water customers, and approval of Sheridan's wastewater rates and charges, as adopted by the Town Council at closing, as well as Indiana American's application of those rates and charges to Sheridan wastewater utility customers.

Mr. Prine testified that the customers of the Sheridan Systems and Indiana American's existing customers will benefit from the acquisition. First and foremost, Sheridan customers will benefit from Indiana American making the necessary and IDEM-required improvements to Sheridan's wastewater system, as well as needed improvements to the water system. Further, Sheridan customers will benefit from full time management of their Systems, including, but not limited to, a full-time operations staff, 24/7 customer service and emergency response, enhanced security measures, along with full-time functional specialists in the areas of engineering and water quality. He further testified that customers will benefit from the acquisition, as the Systems will be included in Indiana American's prioritization model, allowing planning and asset management needs like those identified by the 2016 IFA Report to be met.

Mr. Prine testified that due to significant improvements needed to the Sheridan Wastewater System in order to comply with IDEM requirements, as well as the Sheridan Water System to address aging infrastructure concerns, continuation of current ownership could lead to a troubled future for the Systems. He echoed Mr. Kinkead's testimony that Indiana American is in a better position than the Town to address these issues. While both Mr. Prine and Mr. Roach

testified that the statute did not require Indiana American to provide notice to its existing customers because the proposed acquisition will not increase Indiana American rates in an amount greater than 1%, Mr. Roach described in his testimony the notice Indiana American provided to its existing customers. Mr. Prine testified that all Sheridan customers were notified of the proposed transaction and the rates that would be charged after closing.

(4) Accounting and Ratemaking Treatment.

Mr. Roach testified that the accounting and ratemaking treatment reflected in the proposed journal entry conforms with the treatment to be granted under Section 30.3-5(c), where all of the factors set forth in that section are met. Mr. Roach further testified that the purchase price for the acquisition includes a "cost differential" as that term is defined in Ind. Code § 8-1-30.3-1. Mr. Prine testified that pursuant to Section 30.3-5(e), if this Commission makes the required findings, the resulting Order is to authorize Indiana American "to make accounting entries recording the acquisition that reflect: (1) the full purchase price; (2) incidental expenses; and (3) other costs of acquisition; as the original cost of the utility plant in service assets being acquired, allocated in a reasonable manner among appropriate utility plant in service accounts." *Id.* Mr. Roach testified that as a result, Indiana American is proposing to record the net original cost of the Sheridan Systems in the manner reflected in the proposed journal entry shown on Attachment GPR-1. Mr. Prine testified that the depreciation accrual rates to be applied to the Sheridan Systems assets would be the rates approved by the Commission in Cause No. 44992 on May 30, 2018.

Mr. Roach further testified that notice of the acquisition to Indiana American's customers is not required because customer rates will not increase in future rate cases by more than one percent (1%) due to this acquisition. The calculation performed by Mr. Roach in accordance with the methodology approved by the Commission's March 14, 2018 Order in Cause Nos. 44976 and 44064 was included as Attachment GPR-2 to his direct testimony. Mr. Roach testified that despite the statute not requiring Indiana American to provide notice to existing customers, notice has been provided.

B. OUCC's Evidence. Ms. Margaret Stull, Chief Technical Adviser in the Water/Wastewater Division with the OUCC, testified regarding Indiana American's proposed accounting transaction. Ms. Stull expressed concerns regarding the methodology Indiana American used to calculate the rate impact on its current customers and the potential impact of the acquisition on Indiana American's existing wastewater customers. Ms. Stull testified that because the calculation presented by Mr. Roach and included on Attachment GPR-2 is a single calculation based on total water and wastewater costs, this may suggest Indiana American plans to spread its investment in Sheridan's wastewater assets across its entire water and wastewater operations. Ms. Stull stated that if the cost of the acquisition of the wastewater assets is solely attributed to Indiana American's wastewater customers, the rate impact for Indiana American's existing wastewater customers would be significant. Ms. Stull further testified she disagreed with including the $16,062.35 of appraisal costs in rate base. She recommended that the Commission not allow Indiana American to include in rate base the $16,062 of appraisal costs reimbursed to Sheridan. She further recommended that the amount of transaction costs to be included in rate base should be limited to amounts actually incurred not to exceed $183,938 ($200,000-$16,062).

Mr. Carl N. Seals, Utility Analyst with the OUCC, testified regarding Indiana American's plan for reasonable improvements to comply with IDEM's Agreed Order. Mr. Seals acknowledged that Indiana American has committed under the Purchase Agreement to negotiate in good faith with IDEM to enter into a compliance plan to improve the Sheridan Wastewater System upon Indiana American's acquisition of that system. Mr. Seals recommended that Indiana American be required to file the compliance plan between IDEM and Indiana American with the Commission within 30 days of its approval by IDEM, so that both the OUCC and the Commission will be informed of the final terms of the Agreed Order.

5. Settlement.

The Settlement Agreement filed in this Cause was supported by testimony from Mr. Roach and Scott Bell. Mr. Roach described the key terms of the Settlement, explaining that the parties agreed that the relief requested by Joint Petitioners should be granted, subject to stipulated conditions intended to address the concerns raised by OUCC witnesses Seals and Stull. The parties agreed that, for purposes of settlement only, the amount Indiana American should be allowed to record as net original cost rate base of the assets being acquired will exclude the appraisal costs in the amount of $16,062.35. The parties also agreed that the amount of incidental expenses and other costs to be included in rate base should be limited to amounts actually incurred.

The Settlement Agreement also sets forth Indiana American's commitment that its existing Muncie and Somerset sewer rates will not be increased in Indiana American's upcoming general rate case to bear the costs of the Sheridan Wastewater System. The parties also stipulated that Indiana American will file with the Commission the agreement ultimately reached with IDEM with respect to necessary improvements to the Sheridan Wastewater System.

The Settlement Agreement contains customary language establishing the parties' understanding regarding admissibility of evidence filed in the case and waiving cross-examination of each other's witnesses. If the Settlement Agreement is not approved in its entirety without material modification or material condition, the terms provide that a party may provide written notice within 15 days after the Commission's final order in this Cause that a modification of the settlement contained in that order is unacceptable to the party. Upon such notice, the Settlement Agreement is null and void and deemed withdrawn. The parties have stipulated that the Settlement Agreement and this Order may not be cited as precedent by any person or deemed an admission by any party in any other proceeding except as necessary to enforce its terms before the Commission or court of competent jurisdiction.

The parties stipulated, and supporting witnesses affirmed, that the Settlement Agreement reflects a fair, just and reasonable resolution of this proceeding.

6. Commission Discussion and Findings on Joint Petition and Settlement. This acquisition is proceeding pursuant to Section 6.1 and Section 30.3-5. Under Section 6.1, we must determine whether "the sale or disposition according to the terms and conditions proposed is in the public interest." (d). If we so find, then we are to authorize the transfer and the purchaser to record as net original cost rate base an amount equal to the full purchase price plus incidental expenses and other costs of acquisition "without regard to amounts that may be recorded on the

books and records of the municipality and without regard to any grants or contributions previously received by the municipality." (f).

Section 6.1 also provides us guidance as to how we are to approach this question of the public interest. If the petition is also filed under Section 30.3-5(d) (as it is here) and we approve the petition under Section 30.3-5(c), then Section 6.1 directs "the proposed sale or disposition is considered to be in the public interest." In order for Section 30.3-5 to apply, two things are required: first the utility is being acquired in a transaction involving a willing buyer and willing seller at a cost differential; and second, that one of the two utility companies is subject to our regulation. Both of these conditions are satisfied. There is no dispute that Indiana American is subject to our regulation, and there is no dispute that this transaction involves a willing buyer and a willing seller. Mr. Roach testified "the purchase price for the acquisition includes a 'cost differential' as that term is defined in Ind. Code § 8-1-30.3-1," and he went on to explain the basis for that conclusion. Joint Petitioners' Exhibit 2, pp. 5-7. No party disputed that statement, and we find there is a cost differential.

A. IC § 8-1-30.3-5(c) Requirements. For purposes of determining whether the proposed sale or disposition is in the public interest as required by Section 6.1, "the proposed sale is considered to be in the public interest [if it meets the requirements of Sections 30.3-5(c) and 30.3-5(d)]." Section 6.1(e). Section 30.3-5(c) provides that "the utility company that acquires the utility property may petition the commission to include the cost differentials as part of its rate base," and that the Commission shall approve the petition if it finds the following:

(1) The utility property is used and useful in providing water service, wastewater service, or both water and wastewater service.

(2) The distressed utility failed to furnish or maintain adequate, efficient, safe, and reasonable service and facilities.

(3) The utility company will make reasonable and prudent improvements to ensure that customers of the distressed utility will receive adequate, efficient, safe, and reasonable service.

(4) The acquisition of the utility property is the result of a mutual agreement made at arm's length.

(5) The actual purchase price of the utility property is reasonable.

(6) The utility company and the distressed utility are not affiliated and share no ownership interests.

(7) The rates charged by the utility company before acquiring the utility property of the distressed utility will not increase unreasonably as a result of acquiring the utility property.

(8) The cost differential will be added to the utility company's rate base to be amortized as an addition to expense over a reasonable time with corresponding reductions in the rate base.

The parties have stipulated that the criteria under Section 30.3-5 (d) have been met, which we address below, and therefore the relief afforded under Section 30.3-5(c) should be addressed:

(1) The utility property is used and useful in providing water service, wastewater service, or both water and wastewater service.

Mr. Prine testified that the Sheridan Systems are used and useful in providing water and wastewater service to its customers. Joint Petitioners asserted in their Petition that following the closing of the proposed acquisition, day to day operations of the Sheridan System will be assumed be assumed by Indiana-American's water and sewer utility professionals. The evidence indicates that Indiana-American will continue to operate the acquired water and wastewater assets to provide water and wastewater service respectively. No evidence was presented to the contrary. We find the utility property is used and useful in providing water and wastewater service.

(2) The distressed utility failed to furnish or maintain adequate, efficient, safe, and reasonable service and facilities.

Mr. Prine testified that the Sheridan Systems are municipally owned systems that serve fewer than 5,000 customers and therefore would satisfy the "distressed" requirement. Mr. Prine explained further that while it is not necessary to satisfy a second condition, the Sheridan Systems would also satisfy the definitional requirement of "distressed" as defined by meeting one of the conditions enumerated in Ind. Code § 8-1-30.3-6, because due to the necessary improvements required to the Systems, Sheridan is unable to furnish and maintain adequate service to their customers at rates equal to or less than those of Indiana American. Mr. Prine and Mr. Hoffman identified the minimal initial improvements that would be needed to bring the Wastewater System into compliance with IDEM's Agreed Order, and Mr. Kinkead sponsored the O.W. Krohn and Associates rate study which showed that making those improvements, as well as needed improvements to the Water System (with the costs spread over Sheridan's small customer base) would cause rates to be higher than Indiana American's rates.

Therefore, we find the conditions set forth in IC 8-1-30.3-6 are satisfied. Accordingly, we find that the Sheridan Systems have failed to furnish or maintain adequate, efficient, safe and reasonable service and facilities.

(3) The utility company will make reasonable and prudent improvements to ensure that customers of the distressed utility will receive adequate, efficient, safe, and reasonable service.

Mr. Hoffman testified regarding Indiana American's proposed plan for reasonable improvements to the Systems. Mr. Hoffman's testimony set forth a plan to bring the Wastewater System into compliance with IDEM's Agreed Order and address the aging infrastructure concerns related to the Water System. We have considered the financial, managerial and technical ability of Indiana American to provide the utility service required following closing. We find that Indiana American will make reasonable and prudent improvements to ensure that Sheridan customers will receive adequate, efficient, safe and reasonable service.

(4) The acquisition of the utility property is the result of a mutual agreement made at arm's length.

Mr. Kinkead described the process undertaken by Sheridan prior to entering the transaction. Mr. Kinkead testified that Sheridan issued an RFP to sell its Systems to which Indiana American was the successful bidder. He further testified that the negotiations proceeded while Sheridan was undergoing the statutory process and such negotiations were conducted at arm's length. Mr. Prine and Mr. Roach echoed Mr. Kinkead's testimony and testified that the negotiations leading up to the execution of the Asset Purchase Agreement were conducted at arm's length. We find the acquisition is the result of a mutual agreement made at arm's length.

(5) The actual purchase price of the utility property is reasonable.

The actual purchase price does not exceed the just and true value determined by the statutory appraisers. The appraisal was sponsored by Mr. Kinkead as Attachment DK-2. Mr. Kinkead testified the Sheridan Town Council determined that the sale price for the Systems should be less than the full appraised value, as such is in the best interest of the Town so as to result in lower utility rates to be charged to the customers of the Systems. The purchase price is deemed reasonable under Section 6.1 to the extent it does not exceed the appraised value. The purchase price does not exceed the appraised value, and so the purchase price is reasonable.

(6) The utility company and the distressed utility are not affiliated and share no ownership interests.

We find, based upon Mr. Prine's testimony to the effect, that Sheridan and Indiana American are not affiliated and share no ownership interests.

(7) The rates charged by the utility company before acquiring the utility property of the distressed utility will not increase unreasonably as a result of acquiring the utility property.

The Indiana American rates will not increase directly as a result of this Cause. In future cases, the potential effect on rates is nominal, as we will explain further in addressing Section 30.3-5(d)(2). We find the rates charged by Indiana American will not increase unreasonably as a result of this acquisition.

(8) The cost differential will be added to the utility company's rate base to be amortized as an addition to expense over a reasonable time with corresponding reductions in the rate base.

Mr. Roach testified that his proposed journal entry allocates the entire purchase price reasonably among utility plant in service accounts. In this fashion, the cost differential will be amortized and charged to expense over a reasonable period of time through depreciation expense. We approved a similar approach in Cause No. 44915 ("*Georgetown*") and we find it to be appropriate here as well.

B. IC § 8-1-30.3-5(d) Requirements. We must determine that the requirements of IC 8-1-30.3-5(d) have been met. The parties have stipulated the criteria has been met and we address each criteria below:

(1) Notice of the proposed acquisition and any changes in rates or charges to customers of the distressed utility.

Mr. Prine sponsored as Attachment MP-5 a letter which notifies of the proposed acquisition and explains what rates will be charged to Sheridan customers after the closing, and the total bill for a residential customer using 4,000 gallons. It appears the letter was mailed on March 21, 2018, which is prior to the time of the filing of Joint Petitioners' case-in-chief. The notice that was mailed is sufficient on its face, it was mailed early enough in the proceeding to afford customers an opportunity to participate if they chose to do so, and it was mailed to all Sheridan's customers. We find Joint Petitioners satisfied Section 30.3-5(d)(1).

(2) Notice to customers of the utility company if the proposed acquisition will increase the utility company's rates by an amount that is greater than one percent (1%) of the utility company's base annual revenue.

While there was some disagreement between Indiana American and the OUCC regarding the 1% calculation, for purposes of the Settlement, the parties stipulated that the acquisition of the Sheridan Systems will not increase Indiana American's rates by an amount greater than 1%. and therefore no notice to existing customers of Indiana American was required in this Cause.

Accordingly, we find the notice requirement in Section 30.3-5(d)(2) is not triggered by the proposed acquisition.

(3) Notice to the office of the utility consumer counselor.

We find that notice was provided to the OUCC through the service of the petition and the Joint Petitioners' case-in-chief.

(4) A plan for reasonable and prudent improvements to provide adequate, efficient, safe, and reasonable service to customers of the distressed utility.

Section 30.3-5(d)(4) requires that a purchasing utility must provide a "plan for reasonable and prudent improvements to provide adequate, efficient, safe, and reasonable service to customers of the distressed utility." Mr. Hoffman's testimony set forth a plan for reasonable improvements to the Sheridan Wastewater System to address the NOVs and bring the system into compliance with IDEM's Agreed Order. He further testified that Indiana American's plan for improvements includes including the Sheridan Systems in Indiana American's prioritization models for distribution system replacements so that commencement on an infrastructure improvement plan as contemplated in Attachment MP-3 can begin.

We find that Indiana American has presented a plan for reasonable and prudent improvements to provide adequate, efficient, safe, and reasonable service to customers of the distressed utility.

C. Settlement.

We have previously discussed our policy with respect to settlements:

> Indiana law strongly favors settlement as a means of resolving contested proceedings. *See, e.g., Manns v. State Department of Highways*, (1989) Ind., 541 N.E.2d 929, 932; *Klebes v. Forest Lake Corp.*, (1993), Ind. App. 607 N.E.2d 978, 982; *Harding v. State*, (1992), Ind. App., 603 N.E.2d 176, 179. A settlement agreement "may be adopted as a resolution on the merits if [the Commission] makes an independent finding, supported by substantial evidence on the record as a whole, that the proposal will establish 'just and reasonable' rates." *Mobil Oil Corp. v. FPC*, (1974), 417 U.S. 283, 314 (emphasis in original).

Indianapolis Power & Light Co., Cause No. 39938, p. 7 (IURC 8/24/95); *see also Commission Investigation of Northern Ind. Pub. Serv. Co.*, Cause No. 41746, p. 23 (IURC 9/23/02). This policy is consistent with expressions to the same effect by the Supreme Court of Indiana. *See, e-g., Mendenhall v. Skinner & Broadbent Co.*, 728 N.E.2d 140, 145 (Ind. 2000) ("The policy of the law generally is to discourage litigation and encourage negotiation and settlement of disputes"); *In re Assignment of Courtrooms, Judge's Offices and Other Facilities of St. Joseph Superior*

Court, 715 N.E.2d 372, 376 (Ind. 1999) ("Without question, state judicial policy strongly favors settlement of disputes over litigation").

Nevertheless, a settlement agreement will not be approved by the Commission unless it is supported by probative evidence. 170 IAC 1-1.1-1 7. Settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). Any settlement agreement that is approved by the Commission "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coalition v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coalition*, 664 N.E-2d at 406. Furthermore, any Commission decision, ruling or order — including the approval of a settlement — must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition v. Public Service Co.*, 582 N.E.2d 330, 331 (Ind. 1991)). Therefore, before the Commission can approve the Settlement, we must determine whether the evidence in this Cause sufficiently supports the conclusion that the agreement is reasonable, just, and consistent with the purpose of Indiana Code § 8-1-2-1 *et seq.*, and that the agreement serves the public interest.

We note that the Settlement Agreement includes provisions indicating it will be deemed withdrawn if not accepted by the Commission in its entirety unless otherwise agreed to by the Settling Parties and that the terms of the Settlement represent a fair, just and reasonable resolution and compromise. We have made specific findings above with respect to the factors this Commission is to consider in deciding a case brought under Section 6.1 and Section 30.3-5, noting the effect of the settlement on such factors.

Based on our foregoing discussion and findings, we find that the Settlement Agreement is reasonable and in the public interest and the authority and obligations proposed therein should be approved. With regard to future citation of this Order, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 Ind. PUC LEXIS 459 (IURC March 19, 1997).

D. Sale Approval and Accounting Treatment.

We have made all of the required findings under Section 30.3-5(c), and we find that Joint Petitioners have satisfied the requirements of Section 30.3-5(d). We therefore approve the petition pursuant to 30.3-5(c).

Because we determined that Joint Petitioners have satisfied all of the requirements listed in Chapter 30.3 in order for a sale or disposition to be deemed in the public interest, we find, pursuant to Section 6.1(d), that the proposed acquisition of the Sheridan Systems is in the public interest and the sale is approved on the terms set forth in the Asset Purchase Agreement and the Settlement Agreement discussed herein.

Because the sale is in the public interest, we approve the sale. Section 6.1(f) directs the Commission as follows:

> "As part of an order approving a sale or disposition of property under this section, the commission shall, without regard to amounts that may be recorded on the books and records of the municipality and without regard to any grants or contributions previously received by the municipality, provide that for ratemaking purposes, the prospective purchaser shall record as the net original cost rate base an amount equal to:
> (1) the full purchase price;
> (2) incidental expenses; and
> (3) other costs of acquisition;
> allocated in a reasonable manner among appropriate utility plant in service accounts."

As directed by the statute, we therefore find that without regard to amounts that may be recorded on Sheridan's books and records and without regard to any grants or contributions that Sheridan may have received, Indiana-American may record for ratemaking purposes as the net original cost rate base of the assets being acquired an amount equal to the full purchase price, plus incidental expenses, and other costs of acquisition, allocated among utility plant in service accounts in the fashion recommended by Mr. Roach and as shown on the journal entry attached to his direct testimony as Attachment GPR-1, as modified by the terms of the Settlement agreement, whereby Indiana American agreed to exclude from rate base the costs of the appraisal. We find that the parties' stipulation regarding exclusion of the $16,062.35 in appraisal costs is a reasonable resolution of the dispute between the parties with respect to that issue. We also find that total incidental expenses and other costs of the acquisition should be limited to the actual such expenses and costs incurred.

We further find that Indiana-American's proposed accounting and journal entries as presented in Attachment GPR-1, as modified by the Settlement, should be approved and that the costs so reflected on the books and records of Indiana-American be used as the original cost of such properties for accounting, depreciation, and rate base valuation purposes. The journal entry should be adjusted to reflect actual (rather than estimated) incidental expenses and other costs of acquisition. We find that Indiana-American's existing depreciation accrual rates approved by the Commission in Cause No. 44992 on May 30, 2018 should be applied on and after the closing date of the acquisition to depreciable property purchased from Sheridan pursuant to the Asset Purchase Agreement.

E. Rates and Rules.

Indiana-American currently has on file with the Commission a schedule of rates and charges and rules and regulations applicable to water utility service provided by Indiana-American in its Area One rate group. Consistent with the Asset Purchase Agreement and the Settlement Agreement, we find that, on and after the closing, Indiana-American's generally applicable rates and charges and rules and regulations for water service applicable in Indiana-American's Area One rate group on file with and approved by the Commission should apply to services provided by Indiana-American through the Sheridan Water System, as the same are in effect from time to time.

Pursuant to the terms of the Asset Purchase Agreement, Sheridan has agreed to increase its sewer rates by 30% across-the-board effective as of the closing. The parties have agreed in settlement, and we now find, that on and after closing, those metered sewer rates adopted by the Sheridan Town Council will apply for service to be provided by Indiana American in the areas currently served by the Sheridan Wastewater System.

The parties have further stipulated, and we now find, that Indiana American's rules and regulations for wastewater service applicable to its Muncie Sewer Operation shall apply to the Sheridan Wastewater System, with modifications (as described in Mr. Prine's and Mr. Hoffman's testimony) to (1) incorporate the provisions of the Sheridan Sewer Use Ordinance governing what substances shall and shall not be permitted to be discharged into the system, (2) require compliance by any user that pre-treats discharge into the wastewater system with the Industrial Pretreatment Program approved by IDEM, and (3) permit Indiana American to pro-rate a user's partial payments for water and wastewater service except where a customer has followed Indiana American's existing complaint process as set forth in Rule 4.2(d) of its Rules and Regulations Applicable To Water Service.

F. Encumbrances.

We find that the encumbering of the properties comprising the Sheridan Water System and Sheridan Wastewater System by subjecting such properties to the lien of Indiana-American's General Mortgage as of the closing should be approved.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION, that:

1. The Settlement Agreement shall be and hereby is approved in its entirety.

2. Joint Petitioners are hereby authorized to consummate the acquisition of the Sheridan Systems by Indiana American on the terms described in the Asset Purchase Agreement and the Settlement Agreement entered into between the Parties and discussed herein.

3. The acquisition of the Sheridan Systems by Indiana-American on the terms and conditions described in the Asset Purchase Agreement and the Settlement Agreement is in the "public interest" as defined in Indiana Code § 8-1.5-2-6.1(d) and (e) and the same shall be and is hereby approved.

4. Indiana-American shall be and hereby is authorized to record for ratemaking purposes as net original cost rate base of the assets being acquired an amount equal to the full purchase price, actual incidental expenses, and other costs of acquisition, allocated among utility plant in service accounts as stipulated in the Settlement Agreement and reflected in Attachment GPR-1, as the same is modified by the Settlement Agreement.

5. Indiana-American shall be and is hereby authorized to charge customers currently served by the Sheridan Water System the current rates and charges and apply the same rules and

regulations for water service applicable in Indiana-American's Area One rate group on file with and approved by the Commission, as the same are in effect from time to time.

6. Indiana American shall be and is hereby authorized to charge customers currently served by the Sheridan Wastewater System the rates and charges as the same have been adopted by the Sheridan Town Council as of the Closing Date. Prior to placing into effect the foregoing wastewater rates, Indiana American shall file with the Water/Wastewater Division of the Commission its revised Schedule of Charges for Sewer Service (IURC No. S-20-A) reflecting the metered sewer rates authorized herein.

7. Indiana American shall be and is hereby authorized to apply the rules and regulations for wastewater service applicable to Indiana American's Muncie Sewer Operation to the Sheridan Wastewater System, with the modifications described in Finding Paragraph No. 6.E above. Prior to placing into effect the foregoing rules and regulation for wastewater service for customers of the Sheridan Wastewater System, Indiana American shall file with the Water/Wastewater Division of the Commission its proposed rules, as presented in Attachment MP-8.

8. Indiana-American shall be and is hereby authorized to reflect the acquisition of the Sheridan Systems on its books and records as of the closing by making the accounting and journal entries described in Attachment GPR-1, as modified by the terms of the Settlement and as adjusted to actual incidental expenses and other costs of the acquisition.

9. The net original cost, as defined herein, of the acquired property shall be used for accounting, depreciation and rate base valuation purposes after closing.

10. Indiana-American shall be and hereby is authorized to apply its depreciation accrual rates on and after the closing date of the acquisition to depreciable property purchased from Sheridan pursuant to the Asset Purchase Agreement.

11. Indiana-American shall be and is hereby authorized to encumber the properties comprising the Sheridan Systems with the lien of Indiana-American's mortgage indenture.

12. This Order shall be effective on and after the date of its approval.

HUSTON, FREEMAN, KREVDA, OBER AND ZIEGNER CONCUR:

APPROVED:

I hereby certify that the above is a true
and correct copy of the Order as approved.

_____
Mary M. Becerra, Secretary to the Commission
DMS 12772356v1

S&P Global
Market Intelligence

Indiana American Water acquires Charlestown Water System in southern Indiana

Friday, March 8, 2019 6:50 AM ET

By Nephele Kirong
Market Intelligence

Indiana American Water Co. Inc. has completed its approximately $13.4 million acquisition of the municipal water utility Charlestown Water in southern Indiana, the company said March 7.

"Our community was facing tremendous capital costs to address water quality and local infrastructure needs," Charlestown Mayor Bob Hall said. "This acquisition will help us to address these concerns at a lower overall cost than we would otherwise be able to do and also provide funds to help us address other pressing priorities in our community."

The Indiana Utility Regulatory Commission approved the deal on March 14, 2018.

The acquisition adds approximately 2,900 customers to Indiana American Water's customer base, according to a news release. The Charlestown system will be incorporated into the company's Southern Indiana district, which currently serves approximately 100,000 residents.

Indiana American Water, a subsidiary of American Water Works Co. Inc., serves approximately 300,000 water customers.

This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.

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Business Wire
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Illinois American Water Acquires City of Farmington Water System

Acquisition will add approximately 1,125 new customers in Peoria Service Area

April 05, 2018 03:42 PM Eastern Daylight Time

FARMINGTON, Ill.--(BUSINESS WIRE)--Illinois American Water President Bruce Hauk today announced the Company's acquisition of the City of Farmington's water system. The purchase of the system adds approximately 1,125 new customers to the Company's customer base in the Peoria District and serves a population of about 2,500 residents.

The Farmington City Council voted in favor of the sale in March 2017 and the Illinois Commerce Commission (ICC) approved the sale for $3.75 million on March 21, 2018. Today, Illinois American Water acquired the water system.

"We look forward to investing in the City of Farmington and ensuring quality water service to our new customers," said Hauk.

City of Farmington Mayor Kent Kowal also supports the acquisition. He said, "We welcome Illinois American Water and look forward to their team helping us meet our water service needs. Their knowledge and ability to upgrade our aging water system is critical to our community's economic future."

Illinois American Water will invest $5 million in the first five years of ownership. This investment will include a hydraulic study to be completed in 2018 with a focus on improving water pressure and fire flow. Investment will also include GIS updates and meter exchanges. In coming years, Illinois American Water will focus on water main replacements and installations to loop water mains.

Roger Goodson, sr. manager of field operations and production for the Peoria District, said, "We are excited to become a member of this vibrant community, not only as the water service provider, but as a good neighbor."

New customers will soon receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing and more.

The appraisal process used for the Farmington water system was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. According to Hauk, this law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility. He said, "Previous law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a small system, public or private. Because of this, systems were deprived of receiving adequate value for their system."

The City of Farmington will be incorporated into the company's Peoria District, which currently serves residents in Peoria, West Peoria, Bartonville, Bellevue, Rome, Mapleton and parts of several surrounding townships. Dunlap, Hanna City and the Timber Logan Water District are sale for resale (wholesale) customers.

About Illinois American Water - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research location. As one of the nation's largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 6,300 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

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Karen Cotton, 309-566-4126
External Affairs Manager

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Management Comments, Mergers and Acquisitions

American Water Works (AWK) Subsidiary Illinois American Water Reports Acquisition of Village of Fisher Water & Wastewater Systems

Article Related Press Releases (1) Stock Quotes (1) Comments (0)

March 28, 2018 2:47 PM EDT

*News and research before you hear about it on CNBC and others. Claim your 2-week free trial to **StreetInsider Premium** here.*

Illinois American Water, a subsidiary of American Water (NYSE: AWK), President Bruce Hauk today announced the Company's acquisition of the Village of Fisher's water and wastewater systems. The purchase of the system adds approximately 850 new water and wastewater customers to the Company's customer base in the Champaign County District and serves a population of nearly 2,000 residents.

The Village of Fisher Board voted in favor of the sale in July 2017. The Illinois Commerce Commission (ICC) approved the sale for $6.8 million on March 7, 2018.

"We look forward to investing in the Village of Fisher and ensuring quality water and reliable wastewater service to our new customers," said Hauk.

Village of Fisher Mayor Michael Bayler also supports the acquisition. He said, "We are looking forward to Illinois American Water joining our community and helping us meet our water and wastewater needs. Their knowledge and ability to provide reliable service to our residents is an investment in our public health and economic future."

Illinois American Water will invest $2.9 million in the first five years of ownership including security upgrades, meter replacements, wastewater plant improvements for regulatory compliance, and inflow and infiltration upgrades.

According to Dave Farrar, sr. manager of field operations and production for Illinois American Water's Champaign County District, the company will also repair and paint the Fisher water tower. Farrar, a resident of Fisher, said, "We are committed to keeping the Fisher water tower painted orange to show community pride for residents and visitors of Fisher. The improvements planned will also enhance service, public health and fire protection to Fisher."

New customers will soon receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing, payment options and more. A payment drop box will be placed at the Fisher water treatment plant located at 110 West Front Street in Fisher. Payments will be picked up regularly.

The appraisal process used for the Fisher water and wastewater systems was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. According to Hauk, this law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility. He said, "Previous law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a small system, public or private. Because of this, systems were deprived of receiving adequate value for their system."

The Village of Fisher will be incorporated into Illinois American Water's Champaign County District, which currently serves residents in Champaign, Urbana, Sadorus, Savoy, St. Joseph, Bondville and Pesotum.

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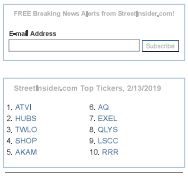

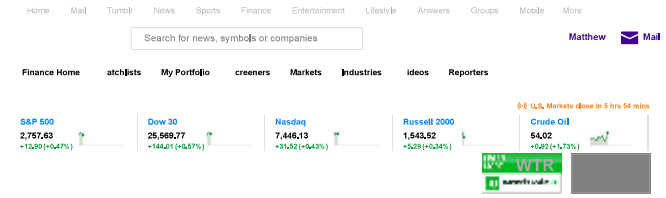

linois American ater Announces reement to quire Alton's gional astewater System

Business Wire April 13, 2018

ALTON, Ill.--(BUSINESS WIRE)--

Illinois American Water, a subsidiary of American Water (AWK), has signed an asset purchase agreement today to acquire Alton's regional wastewater system. Today's agreement follows Wednesday night's vote (7-1) by the Alton City Council in favor of Illinois American Water purchasing the regional wastewater system.

"I believe this transaction, approved by our council, is in the best interests of our city, now and in the future," said Alton Mayor Brant Walker. "It allows us significant net proceeds to help fund other city needs and priorities. It also puts our wastewater system and its ongoing needs in professional hands with Illinois American Water, a company that is familiar with Alton and its residents."

Walker added a key component of the deal is Illinois American Water's commitment to continued employment for current city wastewater employees. There will be continued employment in current roles for all existing city employees as well as training, career advancement and professional development opportunities.

The total value of the proposed transaction is approximately $53.8 million, subject to certain adjustments provided in the agreement.

The Alton wastewater system serves approximately 23,000 customers, including customers in the nearby communities Bethalto and Godfrey.

Illinois American Water has owned, operated and maintained the water system serving Alton for the past 140 years.

"Illinois American Water appreciates the continued confidence the Alton City Council has shown in us by accepting our proposal," said Karen Cooper, senior manager, Illinois American Water. "Illinois American Water is part of the Alton community. We have been providing water service here for more than 140 years. We are excited

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approval, the deal could close in First Quarter 2019.

Cooper said Illinois American Water is committed to making capital improvements to the infrastructure of the wastewater system, including upgrades to the city's wastewater treatment facility, pump station improvements, and completion of requirements set forth in the city's long-term control plan included in Alton's National Pollution Discharge Elimination System (NPDES) permit.

Bruce Hauk, president, Illinois American Water, said the company is committed to continued growth and economic development in the River Bend region, which includes Alton. A recent study by the University of Illinois said the sale of the wastewater system assets to Illinois American Water would mean $65.8 million overall economic impact in Alton in the first five years.

"This is an exciting acquisition for Illinois American Water and our team of employees in Alton and throughout the state of Illinois," said Hauk.

Cautionary Statement Concerning Forward-Looking Statements.

Certain statements in this press release are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to, among other things, the execution of a definitive purchase agreement; the completion of the proposed acquisition; the ability to satisfy closing and other conditions related to the proposed transaction, including obtaining regulatory approvals; anticipated capital investments; and the ability to achieve certain benefits, synergies and goals relating to the transaction and the operations to be acquired. These statements are based on the current expectations of management of Illinois American Water. There are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements, including with respect to (1) obtaining the regulatory and other approvals required for the acquisition; (2) satisfying other conditions to the closing of the acquisition; (3) the occurrence of the benefits and synergies expected or predicted to occur as a result of the acquisition; (4) unexpected costs, liabilities or delays associated with the acquisition or the integration of the acquired business; (5) regulatory, legislative, local or municipal actions affecting the water and wastewater industries, which could adversely affect Illinois American Water; and (6) other economic, business and other factors. Forward-looking statements are not guarantees or assurances of future performance or results, and Illinois American Water and its affiliates do not undertake any duty to update any forward-looking statement

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Illinois American Water Acquires Sundale Utilities, Inc.

Acquisition adds both water and wastewater customers

May 18, 2018 03:40 PM Eastern Daylight Time

PEORIA, Ill.--(BUSINESS WIRE)--Illinois American Water President Bruce Hauk today announced the Company's acquisition of Sundale Utilities, Inc. The purchase of the water and wastewater systems adds approximately 1,415 new wastewater customers and approximately 475 water customers to the Company's customer base.

The Illinois Commerce Commission (ICC) approved the sale for $2 million on May 2, 2018. Today, Illinois American Water acquired the water and wastewater systems.

According to Brad Spurgeon, Vice President of Sundale Utilities, Inc., significant investment needs coupled with his retirement led to the decision to sell the systems. He said, "Over 60 years ago when the utility systems were created, there was a great need for water and sewer infrastructure in Washington Estates and for a sewer system in the Sundale area. This need is stronger today than ever before."

He explained, "Guidelines have become more stringent and the investment needed to remain in compliance has grown beyond our capacity. A benefit of selling the systems to Illinois American Water is knowing they will make the critical investment needed and will care for our customers as we have over the years."

Illinois American Water plans to invest an estimated $4.4 million over the first five years of ownership. This investment includes security and safety improvements including improved chemical storage and electrical upgrades for reliability. The Company will also complete a hydraulic study to ensure critical water pressure for service and fire protection. Water mains and water meters will also be replaced and upgraded. Additional wastewater improvements include installing a new aeration system, sewer main lining and overall system rehab for reliability and safety.

"Systems across the nation are facing incredible investment needs for public health and safety. We are committed to upgrading these systems and ensuring quality water and reliable wastewater service to our new customers," said Roger Goodson, sr. manager of field operations and production for Illinois American Water's Peoria District.

New customers will soon receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing, payment options and more.

The appraisal process used for the Sundale Utilities, Inc. water and wastewater systems was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. The Sundale Utilities, Inc. systems will be incorporated into the company's Peoria District, which currently serves residents in Peoria, West Peoria,

Bartonville, Bellevue, Rome, Mapleton, Farmington and parts of several surrounding townships. Dunlap, Hanna City and the Timber Logan Water District are sale for resale (wholesale) customers.

About Illinois American Water - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. With a history dating back to 1886, American Water is the largest and most geographically diversified U.S. publicly traded water and wastewater utility company. The company employs more than 6,000 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

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Contacts
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Karen Cotton
External Affairs Manager
309-566-4126

Control Number: 48448

Item Number: 1

Addendum StartPage: 0

48448

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE.** In order for the Commission to find the application sufficient for filing, the Applicant should:
i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreement or contract).
ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE.** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or appearance and 7 copies of the portable electronic storage medium containing the digital mapping data.
1. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326. (NOTE: Electronic documents may be sent in advance of the paper copy, however, they will not be processed and added to the Commission's online database until the paper copy is received and the stamped in Control Number).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
i. **DEFICIENT** (Administratively Incomplete). Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. *Application is not accepted for filing.*
ii. **SUFFICIENT** (Administratively Complete). Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. *Application is accepted for filing.*

IV. Once the Applicant has issued notice, as many of the actual notice sent and as all cavils relating to notice should be filed in an effort resolved by the application. Recipients of notice may request a hearing on the merits.
HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. To this extent, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

V. **TRANSACTION TO PROCEED.** If any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a memorandum for the transaction to proceed as processed or unprotested and the STM be referred to SOAH for further investigation. The Applicants will be required to file an update to the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension for the 6 month provision for good cause).

VI. **FILE.** Seven (7) copies of completed maps, tax clearances and documentation evidencing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are required to answer in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER.** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:
Who can use this form?
Any retail public utility that provides water or wastewater service in Texas.
Who is required to use this form?
A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms
Transferor: Seller
Transferee: Purchaser
CCN: Certificate of Convenience and Necessity
STM: Sale, Transfer, or Merger
IOU: Investor Owned Utility

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Application Summary

Transferor: Patton Village Water Company, Inc.
CCN No.s: 11193
☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: City of Patton Village
CCN No.s:
☒ Water ☐ Sewer ☐ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): Montgomery

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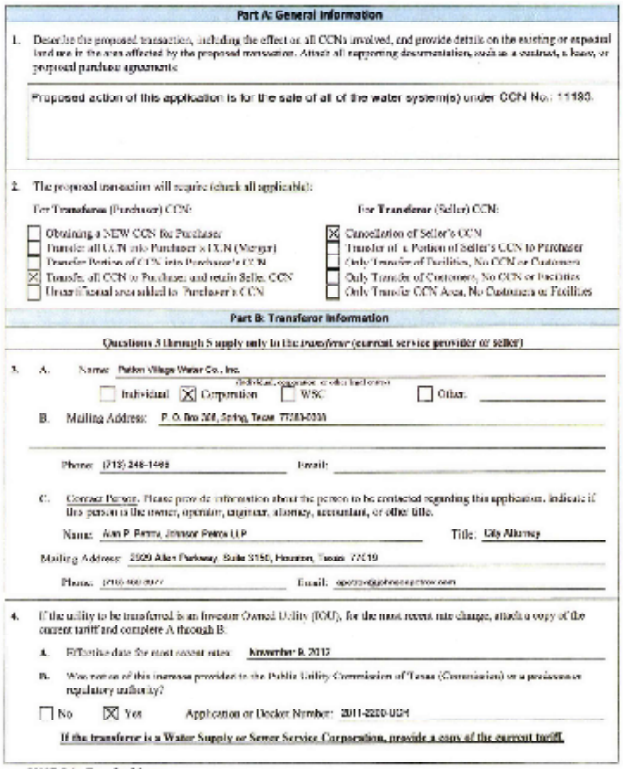
Please mark the items included in this filing:

☒	Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☐	Tax Clearance Request	Part B: Question 4
☒	List of Customer Deposits	Part B: Question 5
☐	Partnership Agreement	Part C: Question 1
☐	Articles of Incorporation and By-Laws (WSC)	Part C: Question 2
☐	Certificate of Account Status	Part C: Question 3
☒	Financial Audit	Part C: Question 10
☐	Applicant's Attachments A & B	Part C: Question 10
☐	Disclosure of Affiliated Interest	Part C: Question 11
☒	Capital Improvement Plan	Part C: Question 12
☐	List of Assets to be Transferred	Part D: 11.B
☐	Developer Contribution Contracts or Agreements	Part D: 11.D
☐	Enforcement Action Correspondence	Part E: Question 1.B (Part D: Q12)
☐	TCEQ Compliance Correspondence	Part F: Question 22
☐	TCEQ Engineering Approvals	Part F: Question 24
☐	Purchased Water Supply or Treatment Agreement	Part F: Question 25
☐	Purchased Sewage Treatment Agreement	Part F: Question 26
☒	General Location (small scale) Map	Part G: Question 28
☒	Digital Mapping Data	Part G: Question 29
☒	Signed & Notarized Oath	Page 13-14



Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreement.

Proposed action of this application is for the sale of all of the water system(s) under CCN No.: 11180.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:
- ☐ Obtaining a NEW CCN for Purchaser
- ☐ Transfer all CCN into Purchaser's CCN (Merger)
- ☐ Transfer Portion of CCN into Purchaser's CCN
- ☒ Transfer all CCN to Purchaser, and retain Seller CCN
- ☐ Obtain Territorial area added to Purchaser's CCN

For **Transferor** (Seller) CCN:
- ☒ Cancellation of Seller's CCN
- ☐ Transfer of a Portion of Seller's CCN to Purchaser
- ☐ Only Transfer of Facilities, No CCN or Customers
- ☐ Only Transfer of Customers, No CCN or Facilities
- ☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the transferor (current service provider or seller)

3. A. Name: Patton Village Water Co., Inc.
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: P. O. Box 308, Spring, Texas 77383-0308

Phone: (713) 248-1488 Email:

C. Contact Person: Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Ann P. Perry, Jenkins Perry LLP Title: City Attorney

Mailing Address: 2929 Allen Parkway, Suite 3150, Houston, Texas 77019

Phone: (713) 980-9977 Email: aperry@jenkinsperry.com

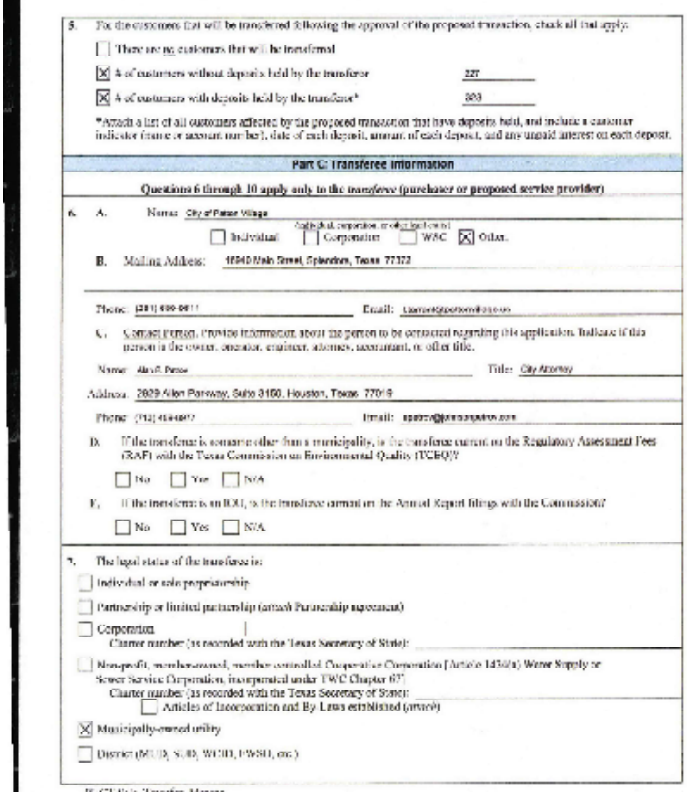
4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate changes, attach a copy of the current tariff and complete A through B.

A. Effective date for most recent rates: November 8, 2013

B. Was review of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: 2011-2200-UCR

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.



5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

- ☐ There are no customers that will be transferred
- ☒ # of customers without deposits held by the transferor: 227
- ☒ # of customers with deposits held by the transferor*: 203

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the transferee (purchaser or proposed service provider)

6. A. Name: City of Patton Village
(individual, corporation, or other legal entity)
☐ Individual ☐ Corporation ☐ WSC ☒ Other:

B. Mailing Address: 16940 Main Street, Splendora, Texas 77372

Phone: (281) 689-9511 Email: [illegible]

C. Contact Person: Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Alan P. Petrov Title: City Attorney

Address: 2929 Allen Parkway, Suite 3150, Houston, Texas 77019

Phone: (713) 654-9477 Email: apetrov@jenkinsperry.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☐ Yes ☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☐ Yes ☐ N/A

7. The legal status of the transferee is:

- ☐ Individual or sole proprietorship
- ☐ Partnership or limited partnership (attach Partnership agreement)
- ☐ Corporation
  Charter number (as recorded with the Texas Secretary of State):
- ☐ Non-profit, member-owned, member-controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
  Charter number (as recorded with the Texas Secretary of State):
  ☐ Articles of Incorporation and By Laws established (attach)
- ☒ Municipally-owned utility
- ☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County

☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain):

8. If the transferee operates under any d/b/a, provide the name below:

Name: n/a

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Leah Tarrant, CMO
Position: Mayor Ownership % (if applicable): 0.00%
Address: 16940 Main Street, Splendora, Texas 77372
Phone: (281) 689-9511 Email: ltarrant@pattonvillage.us

Name: Sarah Smith
Position: Council Position 1 Ownership % (if applicable): 0.00%
Address: 16940 Main Street, Splendora, Texas 77372
Phone: (281) 689-9511 Email:

Name: Garry Hershmann
Position: Council Position 2 Ownership % (if applicable): 0.00%
Address: 16940 Main Street, Splendora, Texas 77372
Phone: (281) 689-9511 Email:

Name: Scott Anderson
Position: Council Position 3 Ownership % (if applicable): 0.00%
Address: 16940 Main Street, Splendora, Texas 77372
Phone: (281) 689-9511 Email:

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Item 9 – Continued

David Daniel
16940 Main Street, Splendora, Texas 77372
Telephone: (281) 689-9511
Council Position 4

William Reeves
16940 Main Street, Splendora, Texas 77372
Telephone: (281) 689-9511
Council Position 5

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Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred, or: See Attachment "D"
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a secure portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 800,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers in B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (attach):

☐ No ☐ Yes ☒ N/A

Total Original Cost of Plant in Service: $

Accumulated Depreciation: $

Net Book Value: $

C. Customer contributions in aid of construction (CIAC): Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: $

Accumulated Amortization: $

D. Developer CIAC: Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: $

Accumulated Amortization: $

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferor Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☐ No ☒ Yes The public water system will be upgraded with funding from the USDA. TCEQ correspondence detailing current system non-compliance is attached as Attachment "E"

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

The USDA has committed a loan and grant for the purchase and reconstruction of the water system. Funding is immediately available upon completion of the purchase. See USDA Letter of Commitment, Attachment "E."

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

The city and owners of the current system have reached an agreement to sell/buy the current system through USDA funding. The funding also includes the upgrades to two current wells and a new facility. It is a loan/grant project to be paid by the City over the next 40 years.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: $

Accumulated Depreciation of Plant: $

Cash: $

Notes Payable: $

Mortgage Payable: $

(Proposed) Acquisition Adjustment*: $

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

Other (NARUC account name & No.):

Other (NARUC account name & No.):

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

No billing change is proposed.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

n/a

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

This transaction will eliminate old, metal pipes in the distribution system, replace outdated meters, provide fire protection and cap water wells that are currently in the floodway. The new system will provide safe water for the consumers with a new, reliable system that is compliant with all state and federal drinking water requirements.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to, other CCN numbers, water and wastewater systems owned, and any corresponding compliance history for all operations.

The City was recently appointed Emergency Manager of the Peach Creek Dam & Lake Club Water System by the PUC and is making positive changes to bring the system into TCEQ compliance. The City has also constructed a wastewater facility and is properly running this system.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies).

☒ No ☐ Yes

19. Explain how the environmental integrity of the land will be impacted or disrupted as a result of the proposed transaction:

There will be temporary disruption to the land while the water system is reconstructed; however, after reconstruction, the environment will be better protected and maintained as the new system will not be subject to repeated line breaks and maintenance requirements.

20. How will the proposed transaction serve the public interest?

Once the system is transferred to the City, the City will be able to make all needed system upgrades necessary.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivision (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

1) Roman Forest Consol. MUD (Montgomery) CCN: 11327; 2) City of Splendora (Liberty, Montgomery) CCN: 11727; 3) T&W Water Service (Montgomery) CCN: 12882; 4) Quadvest LP (Montgomery) CCN: 11812; 5) Crystal Springs Water Co., Inc. (Montgomery) CCN: 11373; 6) Aqua Texas Inc. (Montgomery) CCN: 1167; 7) Consumers Water Inc. (Montgomery) CCN: 10347; 8) Montgomery County and 9) Lone Star Groundwater Conservation District.

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1700866 (5 digit ID)

Name of PWS:

Date of last TCEQ compliance inspection: mm/yy (mm/yy TCEQ uses)

Subdivisions served

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (4 digit ID)

Name of Wastewater Facility:

Name of Permittee:

Date of last TCEQ compliance inspection: (mm/yy TCEQ uses)

Subdivisions served:

Date of application to transfer permit submitted to TCEQ:

23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water		Sewer	
Non-metered		3/4"	Residential
1" or 1 1/4"		2"	Commercial
1 1/2"		4"	Industrial
2"		6"	Other
Total Water Connections		Total Sewer Connections	

24. A. Are any improvements required to meet TCEQ or Commission standards?

☐ No ☒ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters): See Attachment "D"

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
Additional well needed or capacity is needed		
Additional service pump capacity is needed		
Additional hydropneumatic tank capacity is needed		

C. Is there a moratorium on new connections?

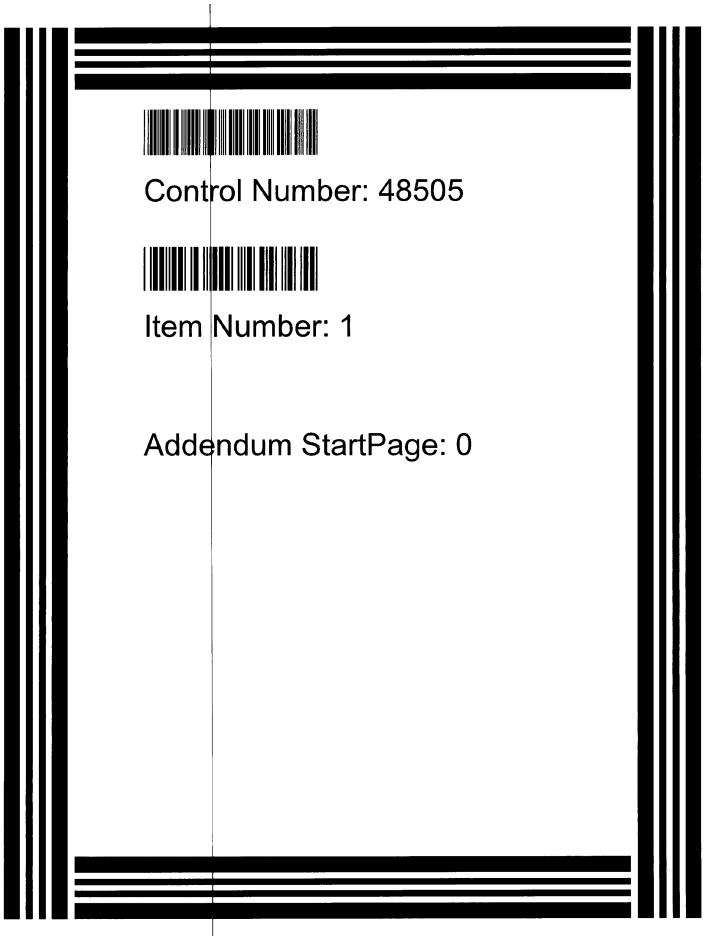
☒ No ☐ Yes

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☐ No ☒ Yes City of Patton Village (name of municipality)

If yes, indicate the number of customers within the municipal boundary:

Water: 400 Sewer:



Control Number: 48505

Item Number: 1

Addendum StartPage: 0

48505

Application for Sale of a Retail Public Utility

Submitted to:

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

For:

Crest Water Company
P.O. Box 460
840 Betsy Road
Keene, Texas 76049

RECEIVED
2018 JUL -2 AM 10:49
PUBLIC UTILITY COMMISSION
FILING CLERK

Issue Date: June 22, 2018

Prepared Either By or
Under The Direction Of: Tamara M. Warrick, P.E.

STATE OF TEXAS
TAMARA M. WARRICK
128638
LICENSED
PROFESSIONAL ENGINEER

Tamara M. Warrick, P.E.
06/22/2018

consulting environmental engineers, inc.
150 n. harbin drive – suite 408 • stephenville, tx 76401
phone: (254) 968-8130 fax: (254) 968-8134
email: ceeinc@ceeinc.org registered firm: #F-2323

Crest Water Company
Mustang Creek Ownership Transfer
Exhibit Cross Reference

Exhibit I.D.	Description
I	Project Summary
II	PUC STM Form
III	Maps/Drawings
IV	Notice Form A
V	Notice of Proposed Rate Change
VI	Legal Documents
VII	Crest Water Company Tariff
VIII	TCEQ Correspondence

1

Crest Water Company
Project Summary

2

consulting environmental engineers, inc.
190 n. harbin drive – suite 408 • stephenville, tx 76401
phone: (254) 968-8130 fax: (254) 968-8134
email: ceeinc@ceeinc.org registered firm: #F-2323

PROJECT SUMMARY

Crest Water – Mustang Creek Ownership Transfer

Mustang Creek Estates PWS (CCN No. 13055) has had multiple violations and is under enforcement by TCEQ. Multiple boil water notices were provided to customers under the current owner's operation. Crest Water Company proposes to provide customers with continuous and adequate water.

On December 8th, 2016 Crest Water Company and Shelcon Services entered into an agreement for the purchase of Mustang Creek Estates PWS. Upon approval of the transfer by the PUC, Shelcon Services will deed the Mustang Creek Estates water system facilities to Crest Water Company to ensure continuous and adequate service to Mustang Creek Estates customers.

Crest Water Company has taken over daily operational services and since that time, has strived to make corrections to deficiencies that need immediate attention. For example, Crest Water Company has installed a new air compressor for the pressure tank due to previous air compressor becoming inoperable. Crest Water Company has also installed a new gas chlorination system to correct absence of chlorine in the system, and updated and fixed multiple items in the chlorinator room. The exterior and interior of the pumphouse have been repaired to help stop deterioration, and the water system lots have been cleaned up and mowed/weedeated. A Drought Contingency Plan is now in place for the public water system. Lead-copper samples and numerous other samples have also been taken as required by the TCEQ.

Crest Water Company has made numerous other improvements along with the ones mentioned above and will continue to make improvements to Mustang Creek Estates PWS upon approval of the transfer.

Crest Water Company
PUC STM Form

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Chapter 13.251 of the Texas Water Code

Docket Number: _____

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System
1700 N. Congress Ave, Room B40
Austin, Texas 78701

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Part B – Current Service Provider or Seller Information 2
Part C – Purchaser or Transferee Information 3
Part D – Historicial Financial Information 9
Part E – Projected Information 12
Part F – Public Water System Information 16
Part G – Oaths and Notices 18

Part A – General Information

*RN# [redacted] *CN# [redacted] * (PRIOR TCEQ ID numbers)

1. Proposed action of application (check all the boxes that apply):
[X] Sale of [X] All [ ] Portion of the [X] Water system(s) under CCN No.: 13055
[ ] Acquisition [ ] Sewer system(s) under CCN No.:
[ ] Lease/Rental

[ ] Transfer of [ ] All [ ] Portion of the [ ] Certificated water service area – CCN No.:
[ ] Certificated sewer service area – CCN No.:

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

[redacted]

and to:
[ ] Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN
[ ] Amend the transferee's CCN No.:
[X] Merge or consolidate public utilities 12037
[ ] Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: 1/1/2019
(Must be at least 120 days after proper notice is provided)

Part B – Current Service Provider or Seller Information

Questions 3 through 5 apply to the transferor (current service provider or seller)

3. For the current CCN holder or service provider please indicate:
A. Name: [redacted]
(Individual, Corporation or Other Legal Entity)
who is a(n):of [X] Individual [ ] Corporation [ ] WSC [ ] HOA or POA [ ] Other

B. Utility Name (If different than above): [redacted]
Address: [redacted] Telephone: (AC) [redacted]

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.
Name: [redacted] Title: Engineer
Address: [redacted] Telephone: (AC) [redacted]

Fax: (254) 968-8134 Email: ceeinc@ceeinc.org

4. About the last rate increase for the system or facilities being transferred:
   A. What was the effective date of the last rate increase? 5/25/2004
   B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?
[X] No [ ] Yes- Application/Docket Number: Date

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
None			

Part C – Purchaser or Transferee Information

☞ **Questions 6 through 16 refer to the transferee or purchaser.**

6. For the person or entity acquiring the facilities and/or CCN:
Applicant: James A. Dyche dba Crest Water Company
(Individual, Corporation, or Other Legal Entity)
Utility Name: Crest Water Company
(If different than above)
Utility Address: P.O. Box 460, 840 Betsy Road Keene, TX 76049
Fax: (817) 517-7141 Email: mldyche@gmail.com Telephone (AC): (817) 645-5493
CCN Numbers held prior to the filing of this application: 12037

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:
[X] Individual
[ ] Home or Property Owners Association
[ ] Partnership; attach copy of partnership agreement
[ ] Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas:
[ ] Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water Sewer Service Corporation); provide charter number:

[ ] Municipally-owned utility
[ ] District (MUD, SUD, WCID, etc.)
[ ] County
[ ] Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:	James A. Dyche	Email	mldyche@gmail.com
Address	P.O. Box 460, 840 Betsy Road Keene, TX 76049		
Telephone (AC):	(817) 645-5493	Fax (AC):	(817) 517-7141

9. If the applicant is other than an *Individual*, provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

– Attach additional sheet(s) if necessary –

☞ **Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Texas Comptroller of Public Accounts
P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Charles P. Gillespie, III	Title:	Engineer
Address:	150 N. Harbin Dr., STE 408, Stephenville, TX 76401	Telephone (AC):	(254) 968-8130
Fax #	(254) 968-8134	Email	ceeinc@ceeinc.org
Relationship to the applicant:	Engineer		

☞ **IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY**

11. Please respond to each of the following questions. Attach additional sheets if necessary.
   A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

The applicant has acted as the owner and operator of Crest Water Company since its inception in 1981, prior to that he worked as the Public Works Director for the City of Keene, Texas. The applicant currently holds a Class B Groundwater license. The applicant currently operates 16 water systems that serve approximately 1184 water supply connections.

   B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? [X] Yes [ ] No

   If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

See Exhibit VIII. Crest Water is actively working to get the Mustang Creek Estates PWS out of TCEQ Enforcement. The most recent letter from TCEQ regarding Mustang Creek Enforcement is attached.

   C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and PUC and ensure continuous and adequate service.

Improvement costs will be funded by capital provided from Crest Water Company's ongoing operations. It is anticipated that any required capital expenditure for future improvements will be funded by equity capital, to the extent not funded by internally generated funds.

   D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

The Mustang Creek Estates PWS has had multiple violations and is under enforcement by TCEQ. Multiple boil water notices were issued to customers under the current owner's operation. Crest Water Company proposes to provide customers with continuous and adequate water.

   E. How will the transaction serve the public interest?

Current customers of Mustang Creek Estates PWS have experienced various issues with operation and service. Crest Water proposes to address these issues and provide continuous and adequate water to existing and future customers.

12. Please describe the nature of the proposed transaction:

Upon approval of the transfer by the PUC, Shalcon Services will deed the Mustang Creek Estates water system facilities to Crest Water Company to ensure continuous and adequate service to Mustang Creek Estates customers. On December 9th, 2015 Crest Water Company and Shalcon Services entered into an agreement for the purchase of Mustang Creek Estates PWS. See Exhibit VI.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:
N/A

A.
- Total Purchase Price:
- Total Original Cost (as recorded on books of seller or merging entity):
- Accumulated Depreciation as of the proposed effective date of the transaction:
- Contributions in Aid of Construction:
  - Specific surcharges approved by TCEQ or PUC:
  - Revenues from explicit customer agreements:
  - Developer Contributions (please explain):
  - Other Contributions (please explain):

Total Contributions in Aid of Construction

- Net Book Value:

- If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

  Application/Docket Number: [ ] Date: [ ]

- If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.
[attach additional sheet(s) if necessary]:

Currently the Mustang Creek Estates PWS serves 79 of 91 total connections. The system has the capability to produce 40 GPM while the requirement for the current capacity is 47.4 GPM. This is approximately 119% total capacity. Upon approval of the transfer by the PUC, Crest Water Company proposed to drill a new well to be able to supply water to all 91 connections and meet TCEQ minimum standards.

C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	
Plant Acquisition Adjustment:	
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	
Cash:	
Notes Payable:	
Mortgage Payable:	
Others (please list):	

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: [ ] Date: [ ]

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

[ ] All the customers will be charged the same rates as they were charged before the transaction.
[ ] Some [X] All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

Increase in production cost.

[ ] Applicant is an IOU and intends to file with the commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

[ ] Other. Please explain:

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

Monarch Utilities I LP (CCN No. 12983)
Chuck Bell Water Systems (CCN No. 12190)
City of Fort Worth (CCN No. 12311)

16. Financial, Managerial and Technical information for the acquiring entity.

Part D – Historical Financial Information

HISTORICAL BALANCE SHEETS	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash	29,339.76	28,485.21	27,655.54	26,850.04	26,068.00	25,285.96
Accounts Receivable	124,104.61	119,907.64	115,852.98	111,935.25	108,150.00	104,364.75
Inventories	190,603.17	186,865.86	183,201.82	179,609.63	176,087.87	172,566.11
Income Tax Receivable						
Other						
Total	344,047.55	335,258.90	326,710.34	318,394.92	310,305.87	302,216.82
FIXED ASSETS						
Land	22,510.18	21,854.54	21,218.00	20,600.00	20,000.00	19,400.00
Collection/Distribution System						
Buildings	94,133.66	95,567.16	97,022.50	98,500.00	100,000.00	101,500.00
Equipment	62,562.79	63,639.59	65,142.43	66,471.87	67,828.44	69,185.01
Other	760,338.59	735,368.19	710,889.72	686,889.26	663,353.15	639,817.04
Less: Accum. Depreciation or Reserves						
Total	939,545.21	916,628.47	894,272.66	872,461.13	851,181.59	829,902.05
TOTAL ASSETS	1,282,064.83	1,250,794.96	1,220,287.76	1,190,524.65	1,161,487.40	1,132,450.27
CURRENT LIABILITIES						
Accounts Payable	1,358.55	1,338.47	1,318.69	1,299.20	1,280.00	1,260.80
Notes Payable, Current						
Accrued Expenses						
Other	2,630.31	2,578.74	2,528.17	2,478.60	2,430.00	2,381.40
TOTAL	3,988.86	3,917.20	3,846.86	3,777.80	3,710.00	3,642.20
LONGTERM LIABILITIES						
Notes Payable, Long-term	375,947.71	370,391.83	365,916.06	359,525.18	354,212.00	348,898.82
Other						
TOTAL LIABILITIES	379,936.56	374,309.03	368,764.92	363,302.98	357,922.00	352,541.02
OWNER'S EQUITY						
Paid in Capital	70,358.09	68,978.52	67,626.00	66,300.00	65,000.00	63,700.00
Retained Equity	831,261.93	807,050.42	783,544.10	760,722.42	738,565.46	716,406.50
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY	901,620.02	876,028.94	851,170.10	827,022.42	803,565.46	780,106.50
TOTAL LIABILITIES AND EQUITY	1,281,556.58	1,250,337.97	1,219,935.01	1,190,325.40	1,161,487.46	1,132,649.52
WORKING CAPITAL	902,128.27	876,485.92	851,522.84	827,221.67	803,565.46	779,909.25
CURRENT RATIO	3.37	3.34	3.31	3.28	3.25	3.21
DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS	0.42	0.43	0.43	0.44	0.45	0.45

HISTORICAL INCOME STATEMENT	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps	1,162.00	1,132.00	1,119.00	1,082.00	1,052.00	1,031.00
New Taps Per Year	22.00	31.00	16.00	27.00	40.00	23.00
Total Meters at Year End	1,184.00	1,163.00	1,135.00	1,119.00	1,092.00	1,054.00
METER REVENUE						
Fees Per Meter	120.98	117.46	114.04	110.87	107.49	104.27
Cost Per Meter	59.51	58.20	56.92	55.66	54.44	53.22
Operating Revenue Per Meter	180.49	175.66	170.95	166.38	161.93	157.48
GROSS WATER REVENUE						
Fees	37,168.00	35,738.00	34,384.00	33,042.00	31,771.00	30,500.16
Other	799,451.93	787,637.37	775,997.41	764,529.47	753,231.00	738,166.38
Gross Income	836619.93	823,375.37	810,381.10	797,571.70	785,002.00	768,666.54
OPERATING EXPENSES						
General & Administrative	694,447.86	685,874.43	677,406.85	669,043.80	660,784.00	652,524.20
Interest						
Other						
NET INCOME	142,172.07	137,500.93	132,954.56	128,527.67	124,218.00	116,142.34

HISTORICAL EXPENSE DETAIL	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries	314,010.00	304,864.00	295,985.00	287,364.00	278,994.00	270,624.00
Office Expense	20,284.00	19,693.00	19,120.00	18,563.00	18,022.00	17,481.00
Computer Expense						
Auto Expense	38,923.00	37,790.00	36,689.00	35,620.00	34,583.00	24,208.00
Insurance Expense	29,569.00	28,708.00	27,872.00	27,060.00	26,272.00	25,484.00
Telephone Expense						
Utilities Expense	87,697.00	79,511.00	77,195.00	74,947.00	72,764.00	70,581.00
Depreciation Expense						
Property Taxes						
Professional Fees	14,346.00	13,928.00	13,522.00	13,128.00	1,276.00	12,364.00
Other	52,221.00	51,671.00	50,166.00	48,705.00	47,286.00	45,867.00
Total	552,250.00	536,165.00	520,549.00	505,387.00	490,667.00	466,610.00
% Increase Per Year	3.00	3.00	3.00	3.00	3.00	3.00
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance	192,455.00	186,850.00	181,408.00	176,124.00	170,994.00	168,864.10
Supplies						
Other						
Total						
% Increase Per Year	3.00	3.00	3.00	3.00	3.00	3.00
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

Part E – Projected Information

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash	30,219.96	31,126.56	32,060.35	33,022.16	34,012.83	35,033.21
Accounts Receivable	128,448.27	132,943.96	137,597.00	142,412.90	147,397.35	152,556.26
Inventories	194,415.24	198,303.54	202,269.61	206,315.00	210,441.30	215,650.13
Income Tax Receivable						
Other						
Total	353,083.47	362,374.06	371,926.97	381,750.06	397,854.48	402,239.60
FIXED ASSETS						
Land	23,185.48	23,881.05	24,597.48	25,335.40	26,095.46	26,878.33
Collection/Distribution System						
Buildings	92,721.65	91,330.83	89,960.86	88,611.45	87,282.28	85,973.04
Equipment	61,311.54	60,085.31	58,883.60	57,705.93	56,551.81	55,420.77
Other	785,815.17	811,812.51	838,345.49	865,429.34	893,079.62	921,312.25
Less: Accum. Depreciation or Reserves						
Total	963,033.84	987,109.69	1,011,787.43	1,037,082.12	10,653,009.17	1,089,584.40
TOTAL ASSETS	1,314,116.45	1,346,969.36	1,380,643.60	1,415,159.69	1,450,538.68	1,486,802.15
CURRENT LIABILITIES						
Accounts Payable	1,378.92	1,399.51	1,420.60	1,441.91	1,463.54	1,485.49
Notes Payable, Current						
Accrued Expenses						
Other	2,682.92	2,736.57	2,791.31	2,847.14	2,904.07	2,962.16
Total	4,061.84	4,136.18	4,211.91	4,289.04	4,367.61	4,447.65
LONGTERM LIABILITIES						
Notes Payable, Long-term	381,486.92	387,310.73	393,120.39	399,017.19	405,002.45	411,077.49
Other						
TOTAL LIABILITIES	385,648.76	391,446.91	397,332.20	403,306.26	409,370.06	415,525.14
OWNER'S EQUITY						
Paid in Capital	71,765.30	73,200.56	74,644.57	76,157.86	77,681.02	79,234.64
Retained Equity	856,199.79	881,885.78	908,342.36	935,592.63	963,660.41	992,570.22
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY	927,965.04	955,086.34	983,006.93	1,011,750.49	1,041,341.42	1,071,804.86
TOTAL LIABILITIES AND EQUITY	1,313,613.80	1,346,533.25	1,380,339.22	1,415,056.72	1,450,711.49	1,487,329.99
WORKING CAPITAL	928,467.69	955,522.46	983,311.30	1,011,853.45	1,041,168.61	1,071,277.01
CURRENT RATIO	3.41	3.44	3.47	3.51	3.54	3.58
DEBT TO EQUITY RATIO	0.42	0.41	0.40	0.40	0.39	0.39
EQUITY TO TOTAL ASSETS	0.71	0.71	0.71	0.72	0.72	0.72

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps	1,184	1,230	1,267	1,284	1,309	
New Taps Per Year	46	37	18	25	39	
Total Meters at Year End	1,230	1,267	1,285	1,309	1,348	
METER REVENUE						
Fees Per Meter	124.61	128.35	132.20	136.17	140.25	
Cost Per Meter	60.85	62.22	63.62	65.05	66.51	
Operating Revenue Per Meter	185.46	190.56	195.81	201.12	206.76	
GROSS WATER REVENUE						
Fees	38,654.00	40,200.00	41,808.00	43,481.00	45,220.00	
Other	811,433.71	823,615.36	8,359,693.59	848,509.14	861,236.77	
Gross Income	850,097.71	863,815.81	877,778.06	891,989.94	906,456.81	
OPERATING EXPENSES						
General & Administrative	703,128.46	711,917.57	720,816.54	729,826.74	738,949.58	
Interest						
Other						
NET INCOME	146,969.26	151,898.25	156,961.52	162,163.20	167,507.24	

PROJECTED EXPENSE DETAIL

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries	323,431.00	333,133.00	343,127.00	353,421.00	364,024.00	
Office Expense	20,892.00	21,519.00	22,165.00	22,830.00	23,515.00	
Computer Expense						
Auto Expense	40,091.00	41,294.00	42,533.00	43,809.00	45,123.00	
Insurance Expense	60,456.00	61,370.00	32,311.00	33,281.00	34,279.00	
Telephone Expense						
Utilities Expense	84,353.00	86,844.00	89,491.00	92,175.00	94,491.00	
Depreciation Expense						
Property Taxes						
Professional Fees	14,776.00	15,219.00	15,676.00	16,146.00	16,631.00	
Other	54,817.00	56,462.00	58,156.00	59,900.00	61,698.00	
Total	598,816.00	585,882.00	603,459.00	621,562.00	640,209.00	
% Increase Per Year	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance	198,229.00	204,176.00	210,301.00	216,610.00	223,108.00	
Supplies						
Other						
Total	198,229.00	204,176.00	210,301.00	216,610.00	223,108.00	
% Increase Per Year	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income	151,898.25	156,961.52	162,183.20	167,507.24	172,997.72	
Depreciation (If Funded)						
Loan Proceeds	96,859.26	78,261.97	56,956.91	32,549.84	4,589.09	
Other						
Total Sources	248,757.51	235,223.49	219,140.11	200,057.07	177,586.81	
USES OF CASH						
Net Loss	0.00	0.00	0.00	0.00	0.00	
Principle Portion of Pmts.	32,700.00	32,700.00	32,700.00	32,700.00	32,700.00	
Fixed Asset Purchase	50,000.00	0.00	23,000.00	18,000.00	0.00	
Reserve	11,000.00	18,000.00	10,000.00	14,000.00	19,000.00	
Other						
Total Uses	93,700.00	50,700.00	65,700.00	62,700.00	61,700.00	
NET CASH FLOW	155,057.51	184,523.49	153,420.11	137,357.07	125,886.81	
DEBT SERVICE COVERAGE						
Cash Available for Debt	38,300.00	38,300.00	38,300.00	38,300.00	38,300.00	
SERVICE (CADS)						
Net Income (Loss)	0.00	0.00	0.00	0.00	0.00	
Depreciation, or Reserve Interest	6,200.00	6,200.00	6,200.00	6,200.00	6,200.00	
Total	44,500.00	44,500.00	44,500.00	44,500.00	44,500.00	
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest	38,300.00	38,300.00	38,300.00	38,300.00	38,300.00	
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS	1.00	1.00	1.00	1.00	1.00	

Part F – TCEQ Public Water or Sewer System Information

☛ Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems, TCEQ Public Water System Identification Number: 2 2 0 0 3 5 3

Date of last inspection: 12/09/2016

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q - -
-Name of Permitee:
-Date of application to transfer Discharge Permit submitted:
-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ or PUC standards? [X] Yes [ ] No. If yes, please explain:

Crest Water is actively working to get Mustang Creek Estates out of TCEQ Enforcement. The most recent letter from TCEQ regarding Mustang Creek Enforcement is attached. See Exhibit VIII.

B. Is there a moratorium on new connections? [ ] Yes [X] No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
See Exhibit VIII	7/1/2018	$ 1,000.00

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? [ ] Yes [X] No

If yes, indicate the number of customers within the city limits or district boundaries:
Water Sewer

☛ Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? [ ] Yes [X] No
[ ] Water [ ] Sewer Purchased on a [ ] Regular [ ] Seasonal [ ] Emergency Basis

- Source: % of total supply: 0.00%

21. List the number of existing connections to be effected by this transaction.

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	
79	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
	Total Water Connections:	79		Total Sewer Connections	

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? [X] Yes [ ] No
If yes, please explain what steps are being taken to address the capacity issues:

Currently the Mustang Creek Estates PWS serves 79 of 91 total connections. The system has the capability to produce 40 GPM while the requirement for the current capacity is 47.6 GPM. This is approximately 119% total capacity. Upon approval of the transfer by the PUC, Crest Water Company proposed to drill a new well to be able to supply water to all 91 connections and meet TCEQ minimum standards.

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
James A. Dyche	B	WG0001237
Charles Evans	B	WG0002789
David E. Crane	C	WG0011110
Terry Barber	C	WG0011109

24. Attach the following maps with each copy of the application:
a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
2. A map showing only the proposed area by:
i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
iii. following verifiable natural and man-made landmarks, or
iv. a copy of recorded plat map with metes and bounds.
3. A written description of the proposed service area.

(4) Existing public utility easements for all water lines and mains and piping in the Water System.

ARTICLE 3
BUYER'S CONSIDERATION TO SELLER

(1) BUYER will pay SELLER fifty thousand dollars ($50,000.00) at closing of sale which shall occur within sixty (60) days of TCEQ/PUC approval of the transfer of the Mustang Creek Estates Water System to Crest Water.

BUYER will operate the SYSTEM according to TCEQ/PUC rules until TCEQ/PUC approves the transfer of the System to Crest Water and the ensuing closing occurs or until the expiration of one year, whichever occurs first.

(2) BUYER will pay all costs involved in permitting, constructing, testing, and placing into public service any additional, future TECQ/PUC approved water wells and associated production, storage, and treatment facilities necessary to provide continuous and adequate water utility service to the Service Area.

(3) BUYER shall prepare and prosecute, at its expense, the application for TCEQ/PUC approval of this sale. Each party shall bear the cost of their own attorneys, engineers, accountants, consultants, or other agents in obtaining such state approval.

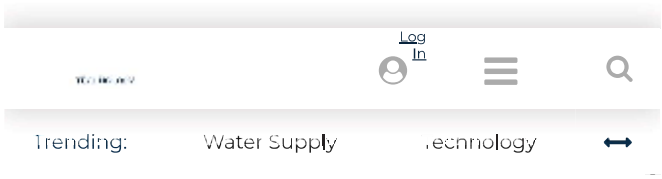
(4) BUYER shall pay all surveying costs associated with this transaction.

(5) BUYER shall pay all property taxes from the day of closing.

ARTICLE 4
TITLE INSURANCE/CLOSING/FORT WORTH AGREEMENT

(1) SELLER will not be required to furnish BUYER with an Owner's Policy of Title Insurance. However, the property to be conveyed in fee shall be conveyed by General Warranty Deed without liens or encumbrances of any kind on any portion of the Water System. If SELLER cannot furnish BUYER with an Owner's Policy of Title Insurance or cannot convey this property by General Warranty Deed without liens or encumbrances of any kind on any portion of the Water System then BUYER and SELLER may negotiate a settlement to transfer the Water System to BUYER which may include agreements with those parties who do hold titles or interests in the Water System, reduction or elimination of $50,000.00 purchase price, or other stipulations to facilitate the transfer.

Sellers warrants that it has good, clear and marketable title to all assets (real and personal) to be conveyed hereunder. This warranty shall survive closing and shall not be subject to any limitations otherwise provided by law.



4 JULY 2018 NEWS

Aqua America to acquire Cheltenham Township's wastewater system

Aqua America's Pennsylvania subsidiary has signed an agreement to acquire Cheltenham Township's wastewater system for $50.25m.

This wastewater system currently serves around 10,500 connections in Montgomery County.

The deal must be approved by the Pennsylvania Public Utility Commission.

This deal will be Aqua Pennsylvania's fourth acquisition application referred to the Pennsylvania PUC after the enactment of Act 12 in 2017.

The Pennsylvania subsidiary has asset purchase agreements with New Garden Township wastewater system, which has 2,100 customers, in Chester County and the Limerick Township wastewater system, which has 5,400 customers, in Montgomery County.

Furthermore, the firm signed an agreement with East Bradford Township in Chester County last December to acquire its 1,200-customer wastewater collection system.

Aqua provides water service to East Bradford just as it does with Cheltenham.

These four systems total over 19,000 wastewater connections. It will almost double Aqua Pennsylvania's existing 22,000-customer wastewater operation.

The Act 12 encourages consolidation of the fragmented industry to benefit customers, the environment and local governments. This deal is expected to benefit customers as it would leverage

compliance expertise, purchasing power gained through economies of scale and operational efficiencies.

Aqua America chairman and CEO Christopher Franklin said: "We are pleased with the momentum we are gaining to reach agreements with municipal systems.

"Act 12 is having its intended impact, allowing municipalities to be compensated for the fair value of their water and wastewater assets and enabling utility professionals to bring expertise to systems in need."

Aqua Pennsylvania president Marc Lucca said: "As with our pending agreements with New Garden, East Bradford and Limerick, the Aqua Pennsylvania team is looking forward to assuming Cheltenham's sewer utility responsibilities so the township can direct its attention and capital to other priorities.

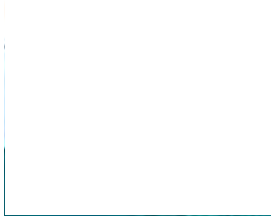
"We are anxious to begin the work necessary to help the township meet the requirements of an outstanding Pennsylvania Department of Environmental Protection consent order, specifically related to inflow and infiltration issues there."

Aqua has plans to invest almost $50m over the next decade to improve Cheltenham's wastewater system.

Aqua America is a publicly traded water utility, serving almost three million people in the US states of Pennsylvania, Ohio, Texas, New Jersey, Indiana, North Carolina, Illinois and Virginia.

Newsletter

For all the latest pharmaceutical industry news, sign up for our regular updates.



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WHITE PAPER

Sulzer's Largest Submersible Wastewater Pump for Marine Environment Protection in Saudi Arabia

WHITE PAPER

Xplore Rugged Tablets: The Key to Smarter Mobility

WHITE PAPER

Sulzer Agitators for Efficient Wastewater Treatment in a Pulp Mill

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Aqua Illinois Completes Village of Manteno Wastewater System Acquisition

July 5, 2018

Aqua to provide lower wastewater rates, commits $7.5 million for capital investments

BRYN MAWR, Pa. & MANTENO, Ill.– Aqua America Inc. (NYSE: WTR) and the Village of Manteno, Illinois announced today they have completed the acquisition of the village's wastewater system, which serves more than 9,000 people through approximately 3,800 wastewater connections. Under the agreement, approved by the Illinois Commerce Commission May 31, Aqua Illinois purchased the system for $25 million.

Aqua has committed to investing more than $7.5 million in wastewater system upgrades over the next ten years to continue enhancements already initiated by the village. The company is also planning other future investments to improve reliability, ensure adequate capacity for growth, and protect receiving streams through new and innovative treatment techniques.

"Aqua Illinois is happy to be able to provide the residents and businesses of Manteno with quality wastewater services, reasonable rates and excellent customer service," said Craig Blanchette, president of Aqua Illinois. "We have provided our award-winning water service to the village since 2007, and our company has been providing water and wastewater utility service throughout Illinois for more than 130 years, serving more than 250,000 people in 13 counties throughout the state. Our staff has extensive industry experience, and we look forward to serving Manteno for decades to come."

Aqua America Chairman and CEO Christopher Franklin noted the continued opportunity he sees in the municipal market.

"We are excited by the momentum we are gaining in reaching agreements with municipal systems," said Franklin. "This purchase is all part of Aqua's efforts to do our part to strengthen infrastructure for communities in the states we serve, which means improved compliance, service and environmental stewardship for generations to come."

In addition, Manteno Mayor Tim Nugent outlined several benefits to the sale.

"We are very happy to continue to work with Aqua. The sale of our wastewater system allows the village to reduce costs to our homeowners and still maintain the sale proceeds in an investment account," said Nugent. "Our citizens will see an immediate, positive impact on their monthly expenses, as the village eliminates each resident's garbage collection fee of $16.55 per month for the coming year. This will save each homeowner almost $200 per year this year and more in the years to come as garbage rates rise. This transaction locks in Manteno's stable financial future for generations."

Aqua Illinois provides water and wastewater service to approximately 250,000 people in 13 counties.

Including the Village of Manteno, Aqua America has five fair market value asset purchase agreements in place. Other agreements are with Cheltenham, East Bradford, Limerick and New Garden townships in Pennsylvania. A settlement agreement with Limerick is before the Pennsylvania Public Utility Commission, and the New Garden commission order is on appeal to Pennsylvania Commonwealth Court. When it completes these acquisitions, the company will welcome approximately 23,000 new customer connections to the Aqua family.

About Aqua

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.aquaamerica.com%2F&esheet=51832720&newsitemid=20180705005561&lan=en-US&anchor=AquaAmerica.com&index=1&md5=3913bb83f82f6f32e77bab512d7f1aeb) for more information, or follow Aqua on Facebook at facebook.com/MyAquaAmerica and on Twitter at @MyAquaAmerica.

Forward-looking statement

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to invest capital in the system over the next ten years. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions; the company's ability to fund needed infrastructure; changes in regulations or regulatory treatment; availability and access to capital; the cost of capital; disruptions in the credit markets; and other factors discussed in our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q, which are filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation—and expressly disclaims any such obligation—to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

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Privacy Policy (http://www.waterbyaqua.com/privacy-policy/)

Control Number: 48532

Item Number: 1

Addendum StartPage: 0

48532

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE**: In order for the Commission to find the application sufficient for filing, the Applicant should:
   i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
   ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
   iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE**: Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
   i. ***SEND TO***: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
   i. ***DEFICIENT*** *(Administratively Incomplete)*: Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
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VI. **FILE**: Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

FILED
2018 JUL 10 PM 1:36
PUBLIC UTILITY COMMISSION
FILING CLERK

Application Summary

Transferor: J & S Water Company, LLC.
(selling entity)

CCN No.s: 12085 & 20658

☐ Sale ☒ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: Nero Suply, LLC
(acquiring entity)

CCN No.s: 12252 & 20366

☐ Water ☐ Sewer ☐ All CCN ☒ Portion CCN ☐ Facilities transfer

County(ies): Harris, Chambers & Liberty

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Please mark the items included in this filing

☒ Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☒ Tariff including Rate Schedule	Part B: Question 4
☒ List of Customer Deposits	Part B: Question 5
☐ Partnership Agreement	Part C: Question 7
☐ Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
☐ Certificate of Account Status	Part C: Question 7
☐ Financial Audit	Part C: Question 10
☒ Application Attachment A & B	Part C: Question 10
☐ Disclosure of Affiliated Interests	Part C: Question 10
☐ Capital Improvement Plan	Part C: Question 10
☒ List of Assets to be Transferred	Part D: 11.B
☐ Developer Contribution Contracts or Agreements	Part D: 11.D
☒ Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☐ TCEQ Compliance Correspondence	Part F: Question 22
☐ TCEQ Engineering Approvals	Part F: Question 24
☐ Purchased Water Supply or Treatment Agreement	Part F: Question 26
☒ Detailed (large scale) Map	Part G: Question 29
☒ General Location (small scale) Map	Part G: Question 29
☐ Digital Mapping Data	Part G: Question 29
☒ Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

The purpose of this transaction is for Nerro Supply, LLC to purchase portions of the water and sewer assets of J&S Water Company, LLC. and to add these transferred service areas to its water and sewer Certificates of Convenience and Necessity. This application is only for the sale and transfer of the existing water and sewer service areas of the transferred systems. No additional service area is being requested nor is any service area being amended as a part of this application. The existing water and sewer systems being purchased and transferred are Maple Leaf Gardens PWS #1011493 & WQ12342-001,Oakland Village PWS #1010049 and Woodland Acres PWS #0360027 & WQ11720-001.(See Attached Purchase and Sale Agreement between the Parties)

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:	For **Transferor** (Seller) CCN:
☐ Obtaining a NEW CCN for Purchaser	☐ Cancellation of Seller's CCN
☐ Transfer all CCN into Purchaser's CCN (Merger)	☒ Transfer of a Portion of Seller's CCN to Purchaser
☒ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☐ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: J & S Water Company, LLC
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 8010 Thompson Road, Highlands, Texas 77562

Phone: (281) 590-4359 Email: jswaterco@yahoo.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Jerry Nowling Title: Director

Mailing Address: 8010 Thompson Road, Highlands, Texas 77562

Phone: (281) 590-4359 Email: jswaterco@yahoo.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B: (See Attached Water & Sewer Tariffs)

A. Effective date for most recent rates: February 1, 2017

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: 46438

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are *no* customers that will be transferred (See Attached List of Customer Deposits)

☐ # of customers without deposits held by the transferor 130

☒ # of customers with deposits held by the transferor* 423

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: Nerro Supply, LLC
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: P.O. Box 691008, Houston, TX 77269

Phone: (281) 355-1312 Email: customerservice@gulfutility.net

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Chuck Peterson Title: Manager

Address: P.O. Box 691008, Houston, TX 77269

Phone: (281) 355-1312 Email: chuck@gulfutility.net

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☒ Yes ☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☒ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☒ Corporation
Charter number (as recorded with the Texas Secretary of State): 32043563207

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State):
☐ Articles of Incorporation and By-Laws established (*attach*)

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County

☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain):

8. If the transferee operates under any d/b/a, provide the name below:

Name: N/A

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Charlie Castper
Position: Manager Ownership % (if applicable): 50.00%
Address: P.O. Box 1629 Spring, TX 77383
Phone: Email:

Name: Gregory Pappas
Position: Manager Ownership % (if applicable): 50.00%
Address: 718 Westcott Street Houston, TX 77007
Phone: Email:

Name:
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

Name:
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 1,485,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*): (See Attached Assets List)

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: $ 1,317,280.00

Accumulated Depreciation: $ 833,368.00

Net Book Value: $ 483,912.00

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: $

Accumulated Amortization: $

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: $

Accumulated Amortization: $

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

N/A

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

None

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	$ 1,317,280.00
Accumulated Depreciation of Plant:	$ 833,368.00
Cash:	$ 594,000.00
Notes Payable:	$ 891,000.00
Mortgage Payable:	$ 0.00
(Proposed) Acquisition Adjustment*:	$ 0.00

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

Other (NARUC account name & No.): None

Other (NARUC account name & No.): None

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

No customer's rates will be changed by this application.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

No change in rates will occur within the next twelve months as a results of this application.

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

The quality of utility service will increase as the applicant will operate these water and sewer systems after the sale of the utility through its operating company, Gulf Utility Services which operates other utilities systems located in the region and will be able to response quickly to emergencies.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

The applicant owns and operates a number of water and sewer utilities systems in the region. The applicant will maintain these systems in compliance with the rules and regulations of the PUC and TCEQ, as well as federal and local laws, rules and regulations.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies) (See Attached correspondence regarding enforcement actions)

☐ No ☒ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

The service area affected by this transaction will continue to receive water and sewer service from Nerro. This eliminates the need for land owners to use individual wells and septic systems. Thus, protecting the environment in the area from potential sources of contamination and encouraging rationalization of water and sewer service.

20. How will the proposed transaction serve the public interest?

This transaction will be in the well-being and welfare of the public as the utility will be able to provide continuous and adquate water and sewer service to the customers of the affected systems.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

(See Attached List of neighboring utilities within 2 miles)

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1011493, 1010049 & 0360027 (7 digit ID)

Name of PWS: Maple Leaf Gardens, Oakland Village & Woodland Acres

Date of last TCEQ compliance inspection: See Enforcement Actions (attach TCEQ letter)

Subdivisions served: Maple Leaf Gardens and Windfern Meadows

B. For Sewer service: WQ 11720 - 001 &

TCEQ Water Quality (WQ) Discharge Permit Number: WQ 12342 - 001 (8 digit ID)

Name of Wastewater Facility: Maple Leaf Gardens & Woodland Acres

Name of Permitee:

Date of last TCEQ compliance inspection: See Enforcement Actions (attach TCEQ letter)

Subdivisions served: Maple Leaf Gardens and Windfern Meadows

Date of application to transfer permit *submitted* to TCEQ: July 18, 2018

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered	2	2"	332	Residential
546	5/8" or 3/4"		3"	1	Commercial
5	1"		4"		Industrial
	1 ½"		Other		Other
	Total Water Connections:	553		Total Sewer Connections:	333

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

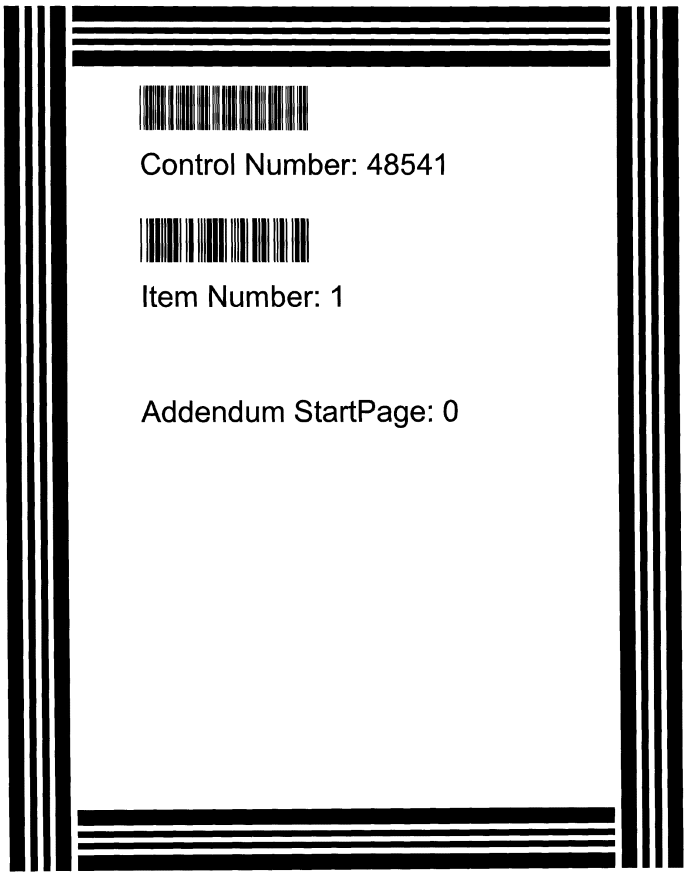
☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☐ No ☒ Yes: City of Old River - Winfree *(name of municipality)*

If yes, indicate the number of customers within the municipal boundary.

Water: 5 Sewer: 5



48541

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2018 JUL 24 AM 10:58

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	IOU: Investor Owned Utility

Application Summary

Transferor: Summit Ridge, LLC. *(selling entity)*
CCN No.s: 13264

☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: Bandera East Utility, LP. *(acquiring entity)*
CCN No.s: 13118

☐ Water ☐ Sewer ☒ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): Medina

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☐ Application Attachment A & B	Part C: Question 10
☐ Disclosure of Affiliated Interests	Part C: Question 10
☐ Capital Improvement Plan	Part C: Question 10
☒ List of Assets to be Transferred	Part D: 11.B
☐ Developer Contribution Contracts or Agreements	Part D: 11.D
☐ Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☐ TCEQ Compliance Correspondence	Part F: Question 22
☒ TCEQ Engineering Approvals	Part F: Question 24
☐ Purchased Water Supply or Treatment Agreement	Part F: Question 26
☒ Detailed (large scale) Map	Part G: Question 29
☒ General Location (small scale) Map	Part G: Question 29
☐ Digital Mapping Data	Part G: Question 29
☒ Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

The purpose of this transaction is for Bandera East Utility, LP. to purchase the water assets of Summit Ridge, LLC. and to add the transferred service area to its water Certificate of Convenience and Necessity. This application is only for the sale and transfer of the existing water sewer service area of the transferred system. No additional service area is being requested nor is any service area being amended as a part of this application. The existing water system being purchased and transferred is Summit Ridge PWS #1630048.(See Attached Offer to Purchase Agreement between the Parties)

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:	For **Transferor** (Seller) CCN:
☐ Obtaining a NEW CCN for Purchaser	☒ Cancellation of Seller's CCN
☒ Transfer all CCN into Purchaser's CCN (Merger)	☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☐ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Summit Ridge, LLC (individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 110 River Crossing Blvd., Suite 1, Spring Branch Texas 78070

Phone: (830) 228-5263 Email: rbw@gwtxlaw.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Randall B. Wilburn Title: Attorney

Mailing Address: 7000 N. Mopac Expressway, Suite 200, Austin,Texas 78731

Phone: (512) 535-1661 Email: rbw@gwtxlaw.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B: (See Attached Water Tariff)

A. Effective date for most recent rates: June 25, 2018

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: 47463

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are *no* customers that will be transferred

☒ # of customers without deposits held by the transferor 17

☐ # of customers with deposits held by the transferor* _____

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: Bandera East Utility, LP. (individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: P.O. Box 2501, Boerne, TX 78006

Phone: (830) 537-5755 Email: carla@kwutility.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Bret W Fenner, P E Title: Engineer

Address: 200 Harbor Circle, Georgetown, Texas 78633

Phone: (512) 264-9124 Email: bretfenner@yahoo.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☒ Yes ☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☒ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☒ Corporation
Charter number (as recorded with the Texas Secretary of State): 32051108010

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
☐ Articles of Incorporation and By-Laws established (*attach*)

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County

☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain): _____

8. If the transferee operates under any d/b/a, provide the name below:

Name: N/A

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: John Mark Matkin
Position: Member — Ownership % (if applicable): 100.00%
Address: 8 Spencer Road, Suite 100, Boerne, Texas 78006
Phone: (830) 537-5755 — Email: johnmark@kwutility.com

Name:
Position: — Ownership % (if applicable): 0.00%
Address:
Phone: — Email:

Name:
Position: — Ownership % (if applicable): 0.00%
Address:
Phone: — Email:

Name:
Position: — Ownership % (if applicable): 0.00%
Address:
Phone: — Email:

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A; (See Attached Historical Financial Statements)
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 100,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: $ 1,342,780.00
Accumulated Depreciation: $ 265,722.00
Net Book Value: $ 1,077,058.00

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: $
Accumulated Amortization: $

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: $
Accumulated Amortization: $

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

N/A

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

None

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: $ 1,342,780.00
Accumulated Depreciation of Plant: $ 265,722.00
Cash: $ 0.00
Notes Payable: $ 0.00
Mortgage Payable: $ 0.00
(Proposed) Acquisition Adjustment*: $ 0.00
*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)
Other (NARUC account name & No.): _____
Other (NARUC account name & No.): _____

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

No customer's rates will be changed by this application.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

No change in rates will occur within the next twelve months as a results of this application.

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

There will not be any significant impact on the quality of utility service, as the applicant will operate this water utility after the sale and transfer of the utility through its operating company, Kendall West Utility The applicant's operating company is located in the region and will be able to response quickly to emergencies.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

The applicant owns and operates a number of water and sewer utilities systems in the region. The applicant will maintain these systems in compliance with the rules and regulations of the PUC and TCEQ, as well as federal and local laws, rules and regulations.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☒ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

The service area affected by this transaction will continue to receive water service from Bandera East Utility. This eliminates the need for land owners to use individual wells. Thus, protecting the environment in the area from potential sources of contamination and encouraging rationalization of water service.

20. How will the proposed transaction serve the public interest?

This transaction will be in the well-being and welfare of the public as the utility will be able to provide continuous and adquate water service to the customers of the affected systems.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

(See Attached List of neighboring utilities within 2 miles)

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1630048 (7 digit ID)

Name of PWS: Summit Ridge

Date of last TCEQ compliance inspection: March 11, 2009 (attach TCEQ letter)

Subdivisions served: Summit Ridge

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility:

Name of Permitee:

Date of last TCEQ compliance inspection: (attach TCEQ letter)

Subdivisions served:

Date of application to transfer permit *submitted* to TCEQ:

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
	5/8" or 3/4"	17	3"		Commercial
	1"		4"		Industrial
	1 ½"		Other		Other
Total Water Connections:		17		Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: *(name of municipality)*

If yes, indicate the number of customers within the municipal boundary.

Water: Sewer:

Control Number: 48543

Item Number: 1

Addendum StartPage: 0

COPY

Application for Sale, Transfer, or Merger of a Retail Public Utility

48543

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE**: In order for the Commission to find the application sufficient for filing, the Applicant should:
   i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
   ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
   iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE**: Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
   i. ***SEND TO***: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
   i. ***DEFICIENT*** *(Administratively Incomplete)*: Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
   ii. ***SUFFICIENT*** *(Administratively Complete)*: Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***

IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
   HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

V. **TRANSACTION TO PROCEED**: at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

VI. **FILE**: Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

Application Summary

Transferor: Chambers Meadow Estate Water Company *(selling entity)*

CCN No.s: 12459

☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: HILCO United Services, Inc. *(acquiring entity)*

CCN No.s: 12988

☐ Water ☐ Sewer ☒ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): Ellis County

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Please mark the items included in this filing

☒ Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☒ Tariff including Rate Schedule	Part B: Question 4
☒ List of Customer Deposits	Part B: Question 5
☐ Partnership Agreement	Part C: Question 7
☐ Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
☐ Certificate of Account Status	Part C: Question 7
☐ Financial Audit	Part C: Question 10
☒ Application Attachment A & B	Part C: Question 10
☐ Disclosure of Affiliated Interests	Part C: Question 10
☐ Capital Improvement Plan	Part C: Question 10
☐ List of Assets to be Transferred	Part D: 11.B
☐ Developer Contribution Contracts or Agreements	Part D: 11.D
☐ Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☒ TCEQ Compliance Correspondence	Part F: Question 22
☐ TCEQ Engineering Approvals	Part F: Question 24
☐ Purchased Water Supply or Treatment Agreement	Part F: Question 26
☒ Detailed (large scale) Map	Part G: Question 29
☒ General Location (small scale) Map	Part G: Question 29
☐ Digital Mapping Data	Part G: Question 29
☒ Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

HILCO United Services, Inc. will acquire substantially all assets, both real and personal properties, of Chambers Meadow Estate Water Company, a privately-owned Texas water company in Italy, Ellis County, Texas. Buyer will not assume any of the seller's liabilities, but will merge the CCN of the seller into the buyer's CCN and cancel the seller's CCN. A copy of the purchase agreement is attached.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:	For **Transferor** (Seller) CCN:
☐ Obtaining a NEW CCN for Purchaser	☒ Cancellation of Seller's CCN
☒ Transfer all CCN into Purchaser's CCN (Merger)	☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☐ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. **A.** Name: Chambers Meadow Estate Water Company
(individual, corporation, or other legal entity)
☒ Individual ☐ Corporation ☐ WSC ☐ Other: _____

B. Mailing Address: 4793 FM 639, Frost, Texas 76641-3544

Phone: (254) 678-1129 Email: _____

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Lynn Whitsitt Title: Owner

Mailing Address: 4793 FM 639, Frost, Texas 76641-3544

Phone: (254) 678-1129 Email: _____

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: July 2, 1998

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: 32049S

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are no customers that will be transferred

☒ # of customers without deposits held by the transferor 50

☒ # of customers with deposits held by the transferor* 7

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. **A.** Name: HILCO United Services, Inc.
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: P.O. Box 26, Itasca, Texas 76055

Phone: (254) 687-2331 Email: dcole@hilco.coop

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Debra Cole Title: Board President

Address: P.O. Box 26, Itasca, Texas 76055

Phone: (254) 687-2331 Email: dcole@hilco.coop

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☒ Yes ☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☒ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☒ Corporation
Charter number (as recorded with the Texas Secretary of State): 01411399-00 8-9-1996

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
☐ Articles of Incorporation and By-Laws established (*attach*)

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County

☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain): _____

8. If the transferee operates under any d/b/a, provide the name below:

Name: HILCO H2O

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Debra Cole
Position: Board President Ownership % (if applicable): 0.00%
Address: P.O. Box 26, Itasca, TX 76055
Phone: (254) 687-2331 Email: dcole@hilco.coop

Name: _____
Position: _____ Ownership % (if applicable): 0.00%
Address: _____
Phone: _____ Email: _____

Name: _____
Position: _____ Ownership % (if applicable): 0.00%
Address: _____
Phone: _____ Email: _____

Name: _____
Position: _____ Ownership % (if applicable): 0.00%
Address: _____
Phone: _____ Email: _____

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. **A.** Proposed Purchase Price: $ 45,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☒ No ☐ Yes ☐ N/A

Total Original Cost of Plant in Service: $ _____
Accumulated Depreciation: $ _____
Net Book Value: $ _____

Information not available - No records from the seller.

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: $ _____
Accumulated Amortization: $ _____

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: $ _____
Accumulated Amortization: $ _____

12. **A.** Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

The existing company did not have accurate financial records as far as original cost of assets so we have calculated to the best of our ability.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	$ 45,000.00
Accumulated Depreciation of Plant:	$
Cash:	$
Notes Payable:	$
Mortgage Payable:	$
(Proposed) Acquisition Adjustment*:	$
Other (NARUC account name & No.):	
Other (NARUC account name & No.):	

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

15. **A.** Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

No proposed rate changes at this time.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

Yes, we intend to file an application to change the rates for all meters. Chambers Meadow current Tariff rates are $17.50 customer charge, including 2,000 free gallons, then $1.75 per 1000 gallons. There are 57 active meters. HILCO H2O's current rates are $35.00 customer charge that includes 2,000 gallons, $3.00 per 1,000 gallons up to 10,000 gallons, and $4.00 per 1,000 gallons after 10,000 gallons. We are uncertain at this time what rate will be proposed.

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

This will have a positive impact on the quality and quantity of water and the quality of service due to the full time staff, twenty-four/seven office/dispatch staff, service crew, equipment and faster response time thus providing a more reliable water system.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

HILCO United Services has purchased/managed and provided water to customers and has staffed quality Operators for the past twenty-one years. The meters in this system are adjacent to one of our systems.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☒ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

No impact or disruption will occur as a result of the transaction.

20. How will the proposed transaction serve the public interest?

It will provide more reliable water service.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

South Ellis County WSC, Files Valley WSC, City of Italy, Nash Forreston WSC

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. **A.** For Public Water System (PWS):

TCEQ PWS Identification Number:	0700071 (7 digit ID)
Name of PWS:	Chambers Meadow Estate Water Company
Date of last TCEQ compliance inspection:	November 1, 2017 (attach TCEQ letter)
Subdivisions served:	Chambers Meadow Estates

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number:	WQ (8 digit ID)
Name of Wastewater Facility:	
Name of Permitee:	
Date of last TCEQ compliance inspection:	(attach TCEQ letter)
Subdivisions served:	
Date of application to transfer permit *submitted* to TCEQ:	

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
57	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 ½"		Other		Other
Total Water Connections:				Total Sewer Connections:	

24. **A.** Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ *(name of municipality)*

If yes, indicate the number of customers within the municipal boundary.

Water: _____ Sewer: _____

Control Number: 48565

Item Number: 1

Addendum StartPage: 0

48565

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239

2018 AUG -2 PM 3:36

PUBLIC UTILITY COMMISSION
FILING CLERK

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE**: In order for the Commission to find the application sufficient for filing, the Applicant should:
   i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
   ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
   iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE**: Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
   i. ***SEND TO***: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
   i. ***DEFICIENT (Administratively Incomplete)***: Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
   ii. ***SUFFICIENT (Administratively Complete)***: Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***

IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
   HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

V. **TRANSACTION TO PROCEED**: at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

VI. **FILE**: Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:	**Terms**
Who can use this form? Any retail public utility that provides water or wastewater service in Texas. ***Who is required to use this form?*** A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.	***Transferor***: Seller ***Transferee***: Purchaser ***CCN***: Certificate of Convenience and Necessity ***STM***: Sale, Transfer, or Merger ***IOU***: Investor Owned Utility

Application Summary

Transferor: Aqua Texas, Inc. *(selling entity)*
CCN No.s: 13201

☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: Town of Buffalo Gap, Texas *(acquiring entity)*
CCN No.s: Not applicable

☒ Water ☐ Sewer ☐ All CCN ☒ Portion CCN ☒ Facilities transfer

County(ies): Taylor

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Please mark the items included in this filing

☒ Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☒ Tariff including Rate Schedule	Part B: Question 4
☒ List of Customer Deposits	Part B: Question 5
☐ Partnership Agreement	Part C: Question 7
☐ Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
☐ Certificate of Account Status	Part C: Question 7
☒ Financial Audit	Part C: Question 10
☐ Application Attachment A & B	Part C: Question 10
☐ Disclosure of Affiliated Interests	Part C: Question 10
☐ Capital Improvement Plan	Part C: Question 10
☐ List of Assets to be Transferred	Part D: 11.B
☐ Developer Contribution Contracts or Agreements	Part D: 11.D
☒ Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☒ TCEQ Compliance Correspondence	Part F: Question 22
☐ TCEQ Engineering Approvals	Part F: Question 24
☐ Purchased Water Supply or Treatment Agreement	Part F: Question 26
☒ Detailed (large scale) Map	Part G: Question 29
☒ General Location (small scale) Map	Part G: Question 29
☒ Digital Mapping Data	Part G: Question 29
☒ Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

See Attachment A.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:	For **Transferor** (Seller) CCN:
☒ Obtaining a NEW CCN for Purchaser	☐ Cancellation of Seller's CCN
☐ Transfer all CCN into Purchaser's CCN (Merger)	☒ Transfer of a Portion of Seller's CCN to Purchaser
☒ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☐ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Aqua Texas, Inc. (individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other: _____

B. Mailing Address: 1106 Clayton Lane, Suite 400W, Austin, Texas 78723

Phone: (512) 990-4400 Email: _____

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Geoffrey P. Kirshbaum Title: Attorney

Mailing Address: Terrill & Waldrop, 810 West 10th Street, Austin, Texas 78701

Phone: (512) 474-9100 Email: gkirshbaum@terrillwaldrop.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: May 3, 2018

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: Tariff Control No. 48097

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are *no* customers that will be transferred

☒ # of customers without deposits held by the transferor 246

☒ # of customers with deposits held by the transferor* 23

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: Town of Buffalo Gap, Texas (individual, corporation, or other legal entity)
☐ Individual ☐ Corporation ☐ WSC ☒ Other: Municipality

B. Mailing Address: P.O. Box 506, Buffalo Gap, Texas 79508-0506

Phone: (325) 572-3347 Email: _____

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Eileen M. Hayman Title: Attorney

Address: Messer Rockefeller Fort, 500 Chestnut St., Suite 1601, Abilene, Texas 79602

Phone: (325) 701-7960 Email: eileen@txmunicipallaw.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☐ Yes ☒ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☐ Yes ☒ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☐ Corporation
Charter number (as recorded with the Texas Secretary of State): _____

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
☐ Articles of Incorporation and By-Laws established (*attach*)

☒ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County

☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain): _____

8. If the transferee operates under any d/b/a, provide the name below:

Name: Not applicable.

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: See Attachment D.
Position: _____ Ownership % (if applicable): 0.00%
Address: _____
Phone: _____ Email: _____

Name: _____
Position: _____ Ownership % (if applicable): 0.00%
Address: _____
Phone: _____ Email: _____

Name: _____
Position: _____ Ownership % (if applicable): 0.00%
Address: _____
Phone: _____ Email: _____

Name: _____
Position: _____ Ownership % (if applicable): 0.00%
Address: _____
Phone: _____ Email: _____

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 397,500.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☐ Yes ☐ N/A

Total Original Cost of Plant in Service: $ _____

Accumulated Depreciation: $ _____

Net Book Value: $ _____

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☐ No ☐ Yes

Total Customer CIAC: $ _____
Accumulated Amortization: $ _____

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☐ No ☐ Yes

Total developer CIAC: $ _____
Accumulated Amortization: $ _____

12. **A.** Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☐ No ☒ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

The Town has determined that there is a booster station which serves three connections at the top of a hill that is not compliant because it does not have ground storage. However, TCEQ personnel have inspected the system multiple times over the years and have not noted this as a non-compliant item despite observing the same. The Town plans to address this issue after it closes on the purchase of Gap Water System and use part of its USDA funding for this minor improvement project. Additionally, Gap Water System has experienced public drinking water quality exceedances of TCEQ's secondary standard for total dissolved solids set forth in 30 TAC § 290.105, but its wells are authorized for use by TCEQ. Further, Gap Water System has experienced intermittent fluctuation of water levels in its groundwater wells, particularly in times of drought. Both these issues will be resolved after the Town's purchase by providing Gap Water System with access to City of Abilene water. This project will also be financed by part of the Town's USDA funding.

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

The transaction will serve the public interest by enabling Gap Water System customers to have access to City of Abilene water, which is a reliable and consistent regional water source in the area. Aqua's Gap Water System wells have experienced problems in the past during times of drought. In some of those instances, Buffalo Gap has supplied Aqua with water on an emergency basis to use for the Gap Water System. Buffalo Gap currently utilizes City of Abilene Water indirectly through a contract with adjacent Steamboat Mountain Water Supply Corporation. However, Buffalo Gap is developing a project to receive its wholesale water supply directly from the City of Abilene and plans to use that water source to establish even better service in terms of reliability for both its current and future customers.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: $ _____
Accumulated Depreciation of Plant: $ _____
Cash: $ _____
Notes Payable: $ _____
Mortgage Payable: $ _____
(Proposed) Acquisition Adjustment*: $ _____
*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)
Other (NARUC account name & No.): _____
Other (NARUC account name & No.): _____

15. **A.** Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

The Town of Buffalo Gap plans to keep Aqua's Gap Water System rates in place for transferred customers immediately following the proposed transaction closing.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

Not applicable.

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

The quality of service to Gap Water System customers will remain at a high level due to the Town of Buffalo Gap's experienced water system operator. Service will meet or exceed current levels at closing. Service quality will improve after the Town's USDA funded projects are completed.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

The Town of Buffalo Gap, Texas, does not hold a CCN, but has provided water service to its residents since 1961. Documents reflecting the Town of Buffalo Gap's compliance history for the past five years is attached. See Attachment H.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☐ No ☒ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

There will be no change with respect to environmental integrity or land impact/disruption as a result of the proposed transaction. Gap Water System will no longer need to be fully reliant on groundwater wells in this arid region of Texas which will represent an improvement to environmental integrity, particularly in times of drought.

20. How will the proposed transaction serve the public interest?

The transaction will serve the public interest by enabling Gap Water System customers to have access to City of Abilene water, which is a reliable and consistent regional water source in the area.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

See Attachment J.

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 2210023 (7 digit ID)

Name of PWS: Gap Water System

Date of last TCEQ compliance inspection: November 12, 2015 (attach TCEQ letter)

Subdivisions served: The Gap

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: Not applicable.

Name of Permitee:

Date of last TCEQ compliance inspection: (attach TCEQ letter)

Subdivisions served:

Date of application to transfer permit *submitted* to TCEQ:

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
269	5/8" or 3/4"		3"		Commercial
1	1"		4"		Industrial
	1 ½"		Other		Other
	Total Water Connections:	269		Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☐ No ☒ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
Not applicable.		

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☐ No ☒ Yes: Town of Buffalo Gap *(name of municipality)*

If yes, indicate the number of customers within the municipal boundary.

Water: 4 Sewer:

PUCT Sale, Transfer, Merger
Page 9 of 20 (March 2018)

https://www.pottsmerc.com/news/million-sale-of-limerick-sewer-system-completed/article_c2829766-f124-57d9-8617-5cf820d4e1c6.html

$75 million sale of Limerick sewer system completed

by Evan Brandt
Aug 8, 2018

Limerick's wastewater treatment plant on King Road is one of two that has been sold to Aqua PA.
Digital First Media File Photo

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LIMERICK >> The long-delayed sale of the Limerick Township sewer system to a private utility company for $75.1 million has finally been closed, township supervisors were informed this week.

The sale to Aqua Pennsylvania was approved by the Pennsylvania Utility Commission on July 13. The closing on the sale occurred on July 25, Assistant Township Manager/Treasurer Beth DiPrete said.

The system has two treatment plants, one on Possum Hollow Road and the other on King Road, as well as 18 pump stations and miles of underground pipe.

DiPrete said after deductions were made to the sale price to pay off a $3.7 million sewer bond incurred by the sewer authority, and other debts by the township, that the net gain for Limerick is $70,489,941.

Supervisors' Chairwoman Elaine DeWan said the board decided to sell the sewer system because of the potential for increased operating costs, and the need to pay for a number of major capital projects driven by the burgeoning population.

Twitter recap: Mega Projects and Sewer Systems

"When I moved here in 2001, there were 9,000 people and now there are 19,000," she said.

One of those capital projects can be seen at 646 Ridge Pike, where a new $10 million township and police building has risen where the former township building once stood. The township has been operating for months out of temporary quarters on South Limerick Road.

Plans call for the township to move back into the new offices on Aug. 15, when the township will be closed for business.

DiPrete said the township borrowed $6 million for that project because of the delay caused by the PUC in obtaining the money from the sewer system sale. "We initially thought it would close about December of last year," she said.

Another $4 million was borrowed to pay for the new public works garage built behind the new township building.

DeWan said the township built a new Limerick Fire Station on Ridge Pike and intends to undertake a $2.5 million renovation of the Linfield Fire station. Both fire companies are in the process of merging into a single company, but both stations are still needed, she said.

She said the sale will also fund other major capital projects, such as improvements to the intersection of Royersford Road and Linfield-Trappe Road.

"To pay for all that would have required us to double the township's taxes or more," DeWan said.

The sale was made easier, said DiPrete, by a change in Pennsylvania law on how the value of such facilities are calculated.

The transaction falls under the recently enacted Act 12, which allows municipalities that own water and wastewater systems to sell their systems to regulated public utilities at fair market valuation.

"Aqua is thrilled to welcome our new Limerick customers and employees," Aqua America Chairman and CEO Christopher Franklin, said in a prepared statement.

"This purchase was a collaborative effort that will allow us to bring benefits to the Limerick community by leveraging expertise in compliance, large-scale purchasing power and efficiencies in a larger, regional operation."

Including Limerick, Aqua America has four fair market value asset purchase agreements in place, with Cheltenham, East Bradford and New Garden townships in Pennsylvania.

Also aided by Act 12, Exeter Township in Berks County sold its sewer treatment plant to Pennsylvania American Water Co. for $96 million earlier this year.

In the same prepared statement, Aqua Pennsylvania President Marc Lucca says his team will bring a sharp environmental focus to the service they provide for Limerick's residents.

"It's imperative we return treated wastewater back to our rivers and streams cleaner than when we first take it out," Lucca said. "I welcome our new employees who've done a great job ensuring the Limerick system is compliant and well maintained, and look forward to serving our new

customers."

The sale of the Limerick system, which serves approximately 5,400 wastewater connections, comes with some historical baggage.

The township took over operation of the sewer system from the Limerick Sewer Authority in 2008 in what might be described as a hostile take-over and only after a protracted fight between the two.

Limerick Township Municipal Authority was created by the Limerick supervisors in 1966 and operated as an independent municipal authority.

In March, 2008, one month after the supervisors moved to dissolve the authority, the authority filed a court injunction to prevent the township from taking over the authority.

The township argued said such a power transfer would achieve cost savings for Limerick in the long run, while those representing the authority said pure politics were at play.

Much of the political accusations were aimed at former supervisors chairman David Kane, who was sentenced to four years in federal prison in 2012 after pleading guilty to filing a false income tax return, failure to file income tax returns, tax evasion and mail fraud.

Kane was a member of both the authority board and the board of supervisors and after he admitted publicly he wanted to install former supervisor Frank Kotch as sewer authority administrator, as well as install a member of Township Solicitor Joe McGrory's law firm as the authority solicitor, he was accused of cronyism.

But ultimately, the issue was resolved in the township's favor, after thousands of dollars in legal fees had been accumulated, and the transfer moved ahead in September of 2008.

Flash forward to 2016, when the Board of Supervisors unanimously approved the $75.1 million sale of the township sewer system to Aqua Pennsylvania Wastewater Inc.

The sale, which had been discussed previously, but not seriously, got more serious after the passage of Act 12 and the offers for the system started coming in much higher.

Aqua's $75.1 million bid came in 43 percent higher than the other two offers, includes an additional $400,000 for future developments and requires that sewer rates not be raised for three years.

Evan Brandt
@PottstownNews on Twitter

Evan Brandt has been a staff reporter for The Mercury for more than 20 years. He covers municipal, school district, political, state government, federal government and environmental news.

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Missouri American Water Announces Acquisition of the City of Lawson Water and Wastewater Systems

August 31, 2018 01:41 PM Eastern Daylight Time

LAWSON, Mo.--(BUSINESS WIRE)--Missouri American Water completed its acquisition of the Lawson water and wastewater systems today, adding approximately 968 new water customers and 913 new sewer customers to its more than 480,000 statewide customers. The purchase price for both the water and wastewater system is $4 million.

Customers in Lawson, located southeast of the St. Joseph district, will receive their first statement from Missouri American Water during the first week of October. All customers will be charged the existing inside city water and wastewater rates upon completion of the acquisition.

Information about the system purchase, and general information about water and wastewater service with Missouri American Water was delivered to residents the week of August 27.

"We are very excited to welcome our new customers in the Lawson community and expand our presence in the northwest part of the state," said Cheryl Norton, President of Missouri American Water. "Missouri American Water brings over 125 years of expertise to the water and wastewater industries, by joining our large customer base, we will be able to utilize that expertise to provide high quality service for a reasonable cost in Lawson."

A town hall meeting is scheduled for September 11, at the Lawson Community Center at 6:30 p.m. This will allow residents to meet with representatives from Missouri American Water who can answer billing and service related questions.

Missouri American Water

Missouri American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.5 million people.

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to over 14 million people in 45 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

Contacts

Missouri American Water
Christie Barnhart
External Affairs Manager
C – 417-529-9781
christie.barnhart@amwater.com

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Central Penn Business Journal - cpbj.com

Energy & Environment

Pennsylvania American Water paying nearly $62K for wastewater system in Pike County

By **Jason Scott**, September 19, 2018 at 9:09 AM

Pennsylvania American Water, the commonwealth's largest investor-owned water utility, is scooping up a small wastewater system in Pike County.

The Derry Township-based company, which is **moving to Cumberland County next year**, announced Tuesday that it has signed an agreement to purchase the wastewater assets of the Delaware Sewer Company in Delaware Township. The system serves 40 customers and the transaction is valued at $61,700.

Pennsylvania American Water said the small system has suffered from a lack of investment and proper maintenance, including failing sand mounds, which led to an investigation by the Pennsylvania Public Utility Commission in 2016. That process resulted in the the system being put up for sale.

The PUC must approve the system sale and Pennsylvania American will be required to submit a plan for infrastructure upgrades.

Pennsylvania American Water said it expects to close on the deal by the third quarter of 2019. After the deal wraps up, the utility said it plans to start making improvements.

The company also owns the Clean Treatment wastewater operations in Delaware Township. That system, which was acquired in 2013, serves about 1,000 residents.

The Pike County system is one of several recent additions for Pennsylvania American Water.

Last month, the company agreed to buy **Steelton's water system in Dauphin County.**

Prior to that, the company completed **a $1 million acquisition in the Borough of Turbotville**, Northumberland County. At the end of May, it spent **$96 million on a wastewater system** in Exeter Township, Berks County.

Pennsylvania American is a subsidiary of New Jersey-based American Water.

More From This Industry

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Jason Scott

Jason Scott covers state government, real estate and construction, media and marketing, and Dauphin and Cumberland counties. Have a tip or question for him? Email him at **jscott@cpbj.com**. Follow him on Twitter, **@JScottJournal**.

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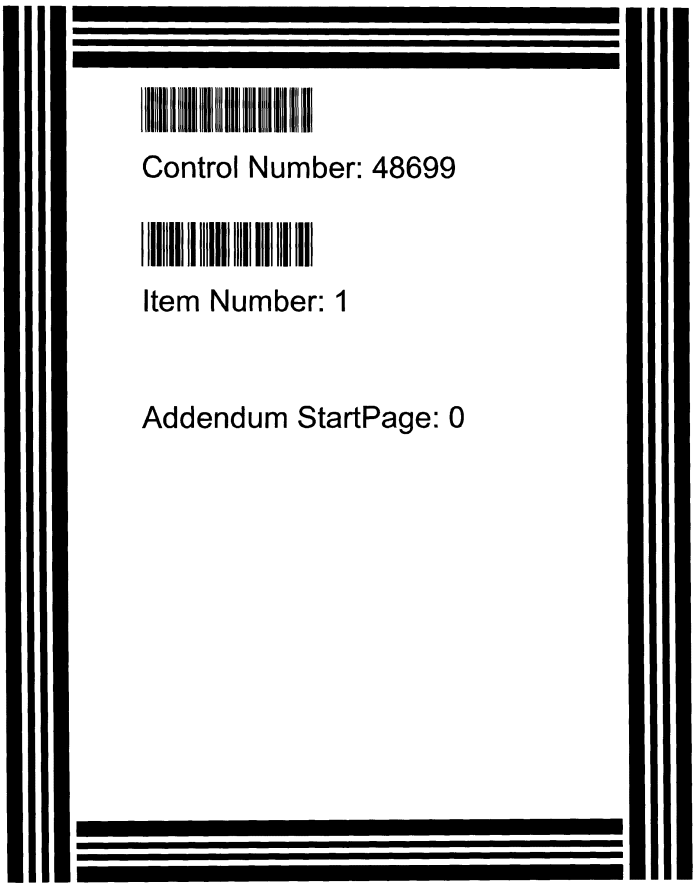

KAMIRA PROPERTY OWNERS ASSOCIATION
1548 Harper Road
Kerrville, Texas 78028
September 18, 2018

RECEIVED
2018 SEP 19 AM 9:22
PUBLIC UTILITY COMMISSION
FILING CLERK

Public Utility Commission of Texas
Central Records
1701 N Congress PO Box 13326
Austin, Texas 78711-3326

Re: Application of Kamira Property Owners Association for a Sale, Transfer, Merger agreement

Dear Sir or Madame:

The Kamira Property Owners Association is filing the referenced application for the Sale of the Kamira Water System (PWS #1330135) to the Arimak Water Supply Corporation (Arimak WSC). All required paperwork is contained in the following application.

In the PUC electronic version of the STM application, there exists a corrupted line on page 19 under PROJECTED EXPENSE DETAIL; GENERAL/ADMINISTRATIVE EXPENSES; Interest. To wit: an entry under any year on the Interest line converts all year values to that value. Individual year entrys are not possible. Our interest expenses are contained in the next line, "other".

Additionally, the CCN boundaries are not changing with this sale. The geographical area remains the same as previously described.

Thank you for your consideration of this application. We look forward to a rapid approval.

Sincerely,

Wilmer L. Carroll, for the Board of Directors, Arimak WSC

48699

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE**: In order for the Commission to find the application sufficient for filing, the Applicant should:
   i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
   ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
   iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE**: Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
   i. ***SEND TO***: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
   i. ***DEFICIENT (Administratively Incomplete)***: Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
   ii. ***SUFFICIENT (Administratively Complete)***: Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***

IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
   HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

V. **TRANSACTION TO PROCEED**: at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

VI. **FILE**: Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

Application Summary

Transferor: KAMIRA PROPERTY OWNERS ASSN, INC dba KAMIRA WATER SYSTEM
(selling entity)
CCN No.s: 12176

☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: ARIMAK WATER SUPPLY CORPORATION
(acquiring entity)
CCN No.s: 12176

☒ Water ☐ Sewer ☐ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): KERR AND GILLESPIE

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Please mark the items included in this filing

☐	Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☒	Tariff including Rate Schedule	Part B: Question 4
☐	List of Customer Deposits	Part B: Question 5
☐	Partnership Agreement	Part C: Question 7
☒	Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
☐	Certificate of Account Status	Part C: Question 7
☐	Financial Audit	Part C: Question 10
☐	Application Attachment A & B	Part C: Question 10
☐	Disclosure of Affiliated Interests	Part C: Question 10
☐	Capital Improvement Plan	Part C: Question 10
☐	List of Assets to be Transferred	Part D: 11.B
☐	Developer Contribution Contracts or Agreements	Part D: 11.D
☐	Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☒	TCEQ Compliance Correspondence	Part F: Question 22
☐	TCEQ Engineering Approvals	Part F: Question 24
☐	Purchased Water Supply or Treatment Agreement	Part F: Question 26
☒	Detailed (large scale) Map	Part G: Question 29
☒	General Location (small scale) Map	Part G: Question 29
☐	Digital Mapping Data	Part G: Question 29
☒	Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

TRANSFEROR PROPOSES TO SELL TO TRANSFEREE THE GEOGRAPHICAL AREA (CCN) AND THE PRODUCTION AND DISTRIBUTION FACILITIES PRESENTLY IN PLACE.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:	For **Transferor** (Seller) CCN:
☐ Obtaining a NEW CCN for Purchaser	☒ Cancellation of Seller's CCN
☐ Transfer all CCN into Purchaser's CCN (Merger)	☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☒ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: KAMIRA PROPERTY OWNERS ASSN, INC dba KAMIRA WATER SYSTEM
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 1548 HARPER ROAD, KERRVILLE, TEXAS 78028

Phone: (210) 316-8751 Email: willie@ktc.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: WILMER CARROLL Title: DIRECTOR, KPOA

Mailing Address: 320 KAMIRA DRIVE, KERRVILLE, TEXAS 78028

Phone: (210) 316-8751 Email: willie@ktc.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates:

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☐ Yes Application or Docket Number:

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are *no* customers that will be transferred

☒ # of customers without deposits held by the transferor 33

☐ # of customers with deposits held by the transferor*

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: ARIMAK WATER SUPPLY CORPORATION
(individual, corporation, or other legal entity)
☐ Individual ☐ Corporation ☒ WSC ☐ Other:

B. Mailing Address: 152 KAMIRA DRIVE, KERRVILLE, TEXAS 78028

Phone: Email:

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: THOMAS DURANDETTO Title: DIRECTOR, ARIMAK WSC

Address: 285 KAMIRA DRIVE, KERRVILLE, TEXAS 78028

Phone: (443) 677-2562 Email: tsdurand@verizon.net

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☒ No ☐ Yes ☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☐ Yes ☒ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☐ Corporation
Charter number (as recorded with the Texas Secretary of State): 803101769

☒ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State):
☒ Articles of Incorporation and By-Laws established (*attach*)

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County

☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain): _____

8. If the transferee operates under any d/b/a, provide the name below:

Name: NOT APPLICABLE

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: WILMER L. CARROLL
Position: PRESIDENT — Ownership % (if applicable): 0.00%
Address: 320 KAMIRA DRIVE, KERRVILLE, TEXAS 78028
Phone: (210) 316-8751 — Email: willie@ktc.com

Name: TOM DURANDETTO
Position: DIRECTOR — Ownership % (if applicable): 0.00%
Address: 285 KAMIRA DRIVE, KERRVILLE, TEXAS 78028
Phone: (830) 896-4149 — Email: TSDURAND@VERIZON.NET

Name: JEREMY WICKER
Position: DIRECTOR — Ownership % (if applicable): 0.00%
Address: 117 CRESTLINE, KERRVILLE, TEXAS 78028
Phone: (830) 257-4036 — Email: jeremy.wicker@windstream.net

Name: _____
Position: _____ — Ownership % (if applicable): 0.00%
Address: _____
Phone: _____ — Email: _____

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 12,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☒ No ☐ Yes ☐ N/A

Total Original Cost of Plant in Service: $ _____
Accumulated Depreciation: $ _____
Net Book Value: $ _____

C. ***Customer contributions in aid of construction (CIAC):*** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: $ _____
Accumulated Amortization: $ _____

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: $ _____
Accumulated Amortization: $ _____

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

NOT APPLICABLE

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

NONE

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	$ 78,457.00
Accumulated Depreciation of Plant:	$ -66,331.00
Cash:	$ 536.00
Notes Payable:	$ -12,000.00
Mortgage Payable:	$
(Proposed) Acquisition Adjustment*:	$ 662.00
Other (NARUC account name & No.):	
Other (NARUC account name & No.):	

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

TRANSFEREE WILL INCREASE THE CONNECTION CHARGE AS SOON AS THE STM IS APPROVED AND TRANSFEREE IS AUTHORIZED TO INCREASE RATES. TRANSFEREE ANTICIPATES INCREASING THE CONNECT AND GALLONAGE CHARGE GRADUALLY TO BE COMPETITIVE WITH OTHER LOCAL WATER PROVIDERS.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

NOT APPLICABLE

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

Service to customers will be significantly improved when the STM is approved. The system has suffered from a lack of funds to maintain equipment and distribution lines under the very complicated rate change requirements of PUC. Transferee will be able to set rates that ensure a positive cash flow, thereby creating a major positive change in service.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

THE DIRECTORS OF TRANSFEREE HAVE EXPERIENCE WITH SYSTEMS MANAGEMENT IN VARIOUS FIELDS. TRANSFEREE WILL CONTINUE WITH THE CURRENT OPERATOR.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☒ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

THE PROPOSED TRANSACTION WILL NOT AFFECT THE ENVIRONMENT OR THE LAND.

20. How will the proposed transaction serve the public interest?

CUSTOMERS OF TRANSFEREE WILL BE BETTER SERVED BY A COMPANY STREAMLINED IN OPERATIONS, MAINTENANCE AND MANAGEMENT.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

1. AQUA VISTA WSC.

THERE ARE NO CITIES, GWCD'S, COUNTIES, OR POLITICAL ENTITIES PROVIDING WATER SERVICE WITHIN TWO MILES.

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1330135 (7 digit ID)

Name of PWS: KPOA dba KAMIRA WATER SYSTEM

Date of last TCEQ compliance inspection: February 15, 2017 (attach TCEQ letter)

Subdivisions served: KAMIRA AND BOX S SUBDIVISIONS

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: NOT APPLICABLE

Name of Permitee: NOT APPLICABLE

Date of last TCEQ compliance inspection: (attach TCEQ letter)

Subdivisions served: NOT APPLICABLE

Date of application to transfer permit *submitted* to TCEQ:

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water			Sewer	
	Non-metered	2"		Residential
5	5/8" or 3/4"	3"		Commercial
29	1"	4"		Industrial
	1 ½"	Other		Other
	Total Water Connections:	34	Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: NOT APPLICABLE *(name of municipality)*

If yes, indicate the number of customers within the municipal boundary.

Water: _____ Sewer: _____

Home Mail Tumblr News Sports Finance Entertainment Lifestyle Answers Groups Mobile More
Search for news, symbols or companies
Matthew Mail
Finance Home atchlists My Portfolio creeners Markets Industries ideos Reporters
S&P 500 2,744.73 +34.93 (+1.29%)
Dow 30 25,425.76 +372.65 (+1.49%)
Nasdaq 7,411.62 +106.71 (+1.46%)
Russell 2000 1,538.23 +19.28 (+1.27%)
U.S. Markets closed
E*TRADE
Survey Does money matter in your relationship?
Yahoo Finance's #LOVEANDMONEY survey

ith Peotone, linois Acquisition, ua America lebrates 1 illion Customer- nnection ilestone

Business Wire October 2, 2018

BRYN MAWR, Pa.--(BUSINESS WIRE)--

Aqua America Inc., one of the largest U.S.-based, publicly traded water utilities, today announced it has reached its 1 million customer connection milestone with the purchase of Peotone Village's water and wastewater systems by subsidiary Aqua Illinois. The purchase was finalized Oct. 1 and will result in the company welcoming nearly 3,000 new customer connections.

"We are pleased to welcome the residents and businesses of Peotone to the Aqua family with this momentous occasion," said Aqua America Chairman and CEO Christopher Franklin. "From day one, Aqua has been committed to expertly addressing the water needs of growing communities, and being a partner where we serve. We have a long history as a guardian of Earth's most essential resource, and I congratulate our dedicated team as we reach this milestone together."

Founded in 1886 in southeastern Pennsylvania, Aqua America and its eight state subsidiaries own and operate approximately 1,700 water and wastewater systems, many of which have been acquired in Aqua's 300 acquisitions since 1995. In these communities, Aqua leverages its expertise in compliance, large-scale purchasing power and efficiencies to provide needed infrastructure improvements to enhance water quality and reliability. Since 2012, Aqua has invested approximately $2.2 billion to improve infrastructure in the communities it serves, with plans to invest an additional $1.4 billion through 2020.

"The growth that has led to our 1 millionth customer connection is a direct result of Aqua's commitment to improving water quality and infrastructure in the United States," said Franklin. "By partnering with municipalities that need help with maintaining their water and wastewater systems, we make essential infrastructure investments in the communities we serve, and that leads to improved service for our customers, regulatory compliance and environmental stewardship."

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Symbol Last Price Change % Chg
WTR Aqua America, Inc. 35.91 -0.13 -0.3
PCG PG&E Corporation 15.43 +1.10 +7.6
EVRG Evergy, Inc. 58.30 +0.23 +0.4
ED Consolidated Edison, Inc. 78.57 +0.34 +0.4
^DJI Dow Jones Industrial Average 25,425.76 +372.65 +1.4
HBI Hanesbrands Inc. 18.60 +0.21 +1.1
PVH PVH Corp. 114.33 +1.55 +1.3
^VIX CBOE Volatility Index 15.45 -0.52 -3.2
^GSPC S&P 500 2,744.73 +34.93 +1.2
CRON Cronos Group Inc. 19.67 +0.23 +1.1
ETRN Equitrans Midstream Corporation 19.26 +0.44 +2.3
D Dominion Energy, Inc. 73.20 +0.39 +0.5
FLT FleetCor Technologies, Inc. 218.88 +1.62 +0.7
TWNK Hostess Brands, Inc. 11.80 +0.08 +0.6
LRCX Lam Research Corporation 179.25 +3.33 +1.8

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Village of Peotone Mayor Steven Cross echoed the sentiment.

"It's wonderful for Peotone to be recognized in such a significant way and we look forward to the service Aqua will provide now and in the future."

AdChoice

Aqua has several fair market value asset purchase agreements in place, including Cheltenham, East Bradford and New Garden townships in Pennsylvania, The Village of Manteno in Illinois and Limerick Township in Pennsylvania both closed in July 2018. When it completes all these acquisitions, the company will welcome approximately 23,000 new customer connections to the Aqua family. Aqua paid $12.3 million for Peotone's systems.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com for more information, or follow Aqua on Facebook at facebook.com/MyAquaAmerica and on Twitter at @MyAquaAmerica.

WTGR

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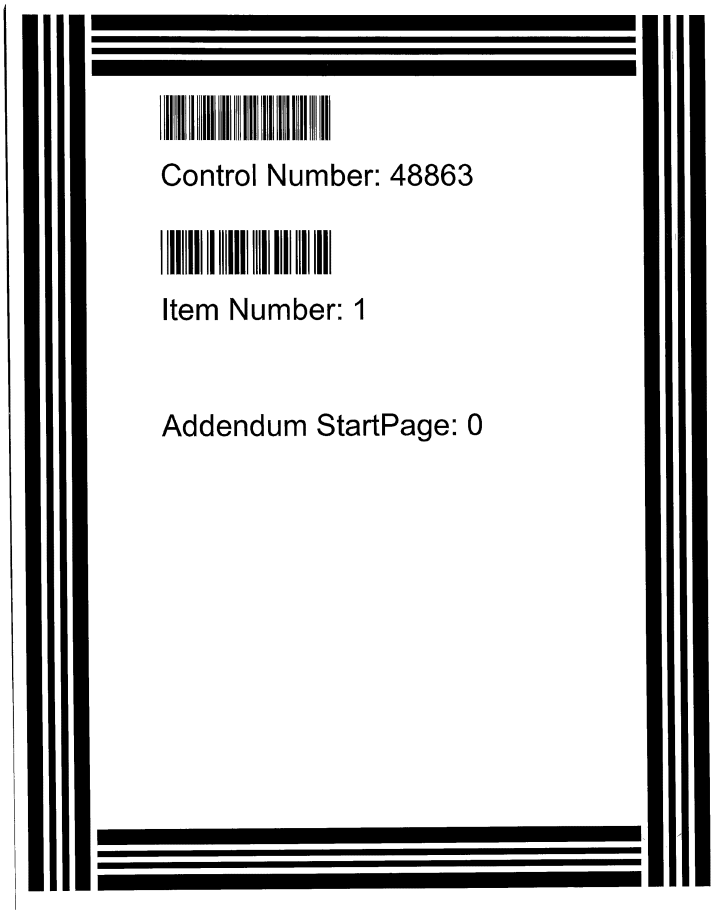

48863

Application Summary

Transferor: Brookshires Camp Joy
(selling entity)
CCN No.s: 12960

☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: TWS Holdings Texas Water Systems
(acquiring entity)
CCN No.s: 12473

☒ Water ☐ Sewer ☐ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): Upshur

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Please mark the items included in this filing

☒ Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☒ Tariff including Rate Schedule	Part B: Question 4
☐ List of Customer Deposits	Part B: Question 5
☐ Partnership Agreement	Part C: Question 7
☐ Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
☒ Certificate of Account Status	Part C: Question 7
☒ Financial Audit	Part C: Question 10
☒ Application Attachment A & B	Part C: Question 10
☐ Disclosure of Affiliated Interests	Part C: Question 10
☐ Capital Improvement Plan	Part C: Question 10
☒ List of Assets to be Transferred	Part D: 11.B
☐ Developer Contribution Contracts or Agreements	Part D: 11.D
☐ Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☐ TCEQ Compliance Correspondence	Part F: Question 22
☐ TCEQ Engineering Approvals	Part F: Question 24
☐ Purchased Water Supply or Treatment Agreement	Part F: Question 26
☒ Detailed (large scale) Map	Part G: Question 29
☒ General Location (small scale) Map	Part G: Question 29
☒ Digital Mapping Data	Part G: Question 29
☒ Signed & Notarized Oath	Page 13-14

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Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

cash sale. contract attached

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:	For **Transferor** (Seller) CCN:
☐ Obtaining a NEW CCN for Purchaser	☒ Cancellation of Seller's CCN
☒ Transfer all CCN into Purchaser's CCN (Merger)	☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☐ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Henry Brookshire Jr
(individual, corporation, or other legal entity)
☒ Individual ☐ Corporation ☐ WSC ☐ Other:

B. Mailing Address: PO Box 397, Ore City, Texas 75683-0397

Phone: (903) 968-6518 Email:

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Henry Brookshire J Title: Owner

Mailing Address: PO Box 397, Ore City, Texas 75683-0397

Phone: (903) 968-6518 Email:

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: June 1, 2003

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: TCEQ 34231G CCN12960

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are *no* customers that will be transferred

☒ # of customers without deposits held by the transferor 119

☐ # of customers with deposits held by the transferor*

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: TWS Holdings/Texas Water Systems
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 7891 US Hwy 271 Tyler, Texas 75708-4002

Phone: (903) 597-5788 Email: cs@txwatersystems.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Belinda Tompkins Title: administrator

Address: 7891 US Hwy 271 Tyler, Texas 75708-4003

Phone: (903) 597-5788 Email: belinda@txwatersystems.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☒ Yes ☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☒ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☒ Corporation
Charter number (as recorded with the Texas Secretary of State): CN600729727

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State):
☐ Articles of Incorporation and By-Laws established (*attach*)

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County

☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain): _____

8. If the transferee operates under any d/b/a, provide the name below:

Name: _____

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: James K Brown
Position: President — Ownership % (if applicable): 75.00%
Address: 7891 US Hwy 271 Tyler, Texas 75708-4002
Phone: (903) 597-5788 — Email: rad@bwatersystems.com

Name: Hudson White
Position: VP — Ownership % (if applicable): 25.00%
Address: 7891 US Hwy 271 Tyler, Texas 75708-4002
Phone: (903) 597-5788 — Email:

Name:
Position: — Ownership % (if applicable): 0.00%
Address:
Phone: — Email:

Name:
Position: — Ownership % (if applicable): 0.00%
Address:
Phone: — Email:

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 90,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: $ 120,200.00
Accumulated Depreciation: $ 56,045.00
Net Book Value: $ 64,155.00

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: $ 0.00
Accumulated Amortization: $ 0.00

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: $ 0.00
Accumulated Amortization: $ 0.00

12. **A.** Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

cash sale

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	$ 120,200.00
Accumulated Depreciation of Plant:	$ 56,045.00
Cash:	$ 0.00
Notes Payable:	$ 0.00
Mortgage Payable:	$ 0.00
(Proposed) Acquisition Adjustment*:	$ 64,155.00
Other (NARUC account name & No.):	
Other (NARUC account name & No.):	

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

15. **A.** Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

None

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

Not within the 1st year

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

None. The buyer has been operating the water system for the last 7 years.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

TWS Holdings owns 9 water systems in Smith, Upshur, Gregg and Henderson County. CCN #12473

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☒ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

None

20. How will the proposed transaction serve the public interest?

Current owner is in his 80's. The sale will insure continued uninterupted service

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

Bi County WSC (10490)
City of Ore City (10424)
Diana SUD (10425)

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: TX2300015 (7 digit ID)

Name of PWS: Brookshires Camp Joy

Date of last TCEQ compliance inspection: September 27, 2016 (attach TCEQ letter)

Subdivisions served: Camp Joy

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility:

Name of Permitee:

Date of last TCEQ compliance inspection: (attach TCEQ letter)

Subdivisions served:

Date of application to transfer permit *submitted* to TCEQ:

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
119	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 ½"		Other		Other
	Total Water Connections:			Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: *(name of municipality)*

If yes, indicate the number of customers within the municipal boundary.

Water: Sewer:

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

☒ No ☐ Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from:

Water:

Sewer:

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

☒ No ☐ Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

☐ No ☐ Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☐ No ☒ Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer
David L Odle	C	WG0011502	W
Randy Lovejoy	C	WG0001737	W

Part G: Mapping & Affidavits

ALL applications require mapping information to be filed in conjunction with the STM application.
Read question 29 A and B to determine what information is required for your application.

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
   - **i.** If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
   - **ii.** A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

   - **iii.** To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.

2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
   - **i.** The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
   - **ii.** If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
   - **iii.** To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
   - **iv.** The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.

B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area with enough detail to locate the requested area in reference to the nearest county boundary, city, or town. Please refer to the mapping guidance in part A 1 (above).
2. A detailed (large scale) map identifying the requested area with enough detail to accurately locate the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, or railroads. Please refer to the mapping guidance in part A 2 (above).
3. One of the following identifying the requested area:
   - **i.** A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part A 2 (above);
   - **ii.** A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part A 2 (above); or
   - **iii.** Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
     - **a.** The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
     - **b.** A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
     - **c.** The digital mapping data shall be filed on a data disk (CD or USB drive), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

Part H: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 470.00

Number of customer connections in the requested area: 119

Affected subdivision : Camp Joy Subdivision

The closest city or town: Ore City, Texas

Approximate mileage to closest city or town center: 2

Direction to closest city or town: NNE of downtown Ore City, Texas

The requested area is generally bounded on the North by: Unnamed creek, S of Upshur Landing Road

on the East by: Lake O' The Pines

on the South by: Unnamed creek, N of Marion County line

on the West by: N Front Street

31. A copy of the proposed map will be available at:

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

☒ All of the customers will be charged the same rates they were charged before the transaction.

☐ All of the customers will be charged different rates than they were charged before the transaction.

☐ higher monthly bill ☐ lower monthly bill

☐ Some customers will be charged different rates than they were charged before (i.e. inside city limit customers)

☐ higher monthly bill ☐ lower monthly bill

WaterWorld

AQUA PENNSYLVANIA TO ACQUIRE NEIGHBORING WASTEWATER SYSTEM

November 13, 2018

BRYN MAWR, PA, NOV 13, 2018 -- Aqua America Inc. announced its Pennsylvania subsidiary has signed an agreement with East Norriton Township, Montgomery County to acquire its wastewater assets, serving roughly 4,950 wastewater connections, for $21 million. The agreement falls under Pennsylvania's Act 12 fair market value legislation.

Act 12 encourages consolidation in a fragmented water and wastewater industry, allowing resources to be shared among a larger service area, ultimately benefiting utility customers, according to Aqua America Chairman and CEO Christopher Franklin.

"Act 12 has enabled water utilities like Aqua and municipal systems like East Norriton to enter into agreements that benefit customers by ensuring professionally run, reliable service into the future," said Franklin. "The legislation also provides municipalities with a fair market price for their assets, which can be used to address other important community priorities."

Aqua Pennsylvania President Marc Lucca said he is looking forward to working with the township and residents in East Norriton.

"The decision to sell water and wastewater assets is an important one for municipal leaders," said Lucca. "We look forward to serving this community."

Aqua Pennsylvania has three other fair market value asset purchase agreements in place: New Garden and East Bradford townships in Chester County with 2,100 and 1,200 customer connections, respectively; and Cheltenham Township, Montgomery County with 10,500 customer connections. In addition to these three fair market value agreements, Aqua Pennsylvania has an asset purchase agreement with the Borough of Phoenixville, Chester County that would yield another 556 water connections outside its municipal boundary. Collectively, when closed, these five agreements would allow the company to welcome roughly 19,300 additional customer connections.

Aqua Pennsylvania completed the acquisition of the Limerick Township, Montgomery County wastewater system in July 2018 using Act 12 fair market value legislation, adding 5,400 customer connections.

Aqua America's Illinois subsidiary completed acquisitions of the Village of Manteno's wastewater assets July 2, and the Village of Peotone wastewater system on Oct. 1 and employing similar Illinois legislation, collectively adding more than 6,800 new customer connections and bringing Aqua America to its 1 million customer-connection milestone.

In terms of the company's growth efforts in other regulated utilities, on Oct. 23, Aqua America announced it will acquire Pittsburgh-based natural gas company Peoples for $4.275 billion, creating a partnership that can have a more significant impact on improving infrastructure reliability, quality of life and economic prosperity in the areas it will serve. When this acquisition closes, expected in mid-2019, Aqua will add 740,000 customers in Western Pennsylvania, Kentucky and West Virginia to its family of companies.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves about 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com for more information.

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Case Nos. EAG-W-18-01, SUZ-W-18-02
Contact: Matt Evans
Office: (208) 334-0339
Cell: (208) 520-4763
matt.evans@puc.idaho.gov

Deadline to intervene set in case involving proposed sale of Eagle Water Company

BOISE (Dec. 10, 2018) – State regulators have set a deadline for parties seeking to intervene in a case involving the proposed sale of Eagle Water Company to Suez Water Idaho.

The proposal, which requires the approval of the Idaho Public Utilities Commission, calls for a purchase price of $10 million as well as significant rate increases for the approximately 4,200 customers of Eagle Water.

The proposal includes a third entity, Wyoming-based H2O Eagle Acquisition LLC, which has entered into asset purchase agreements with both Suez and Eagle Water. Those agreements call for H2O Eagle to purchase Eagle Water and its assets, and for H2O Eagle to sell the company and assets to Suez.

If the deal is approved as proposed, these transactions would close simultaneously, and Suez would take over all ownership and operations of the water system, which is not the same as the city of Eagle's municipal water system.

Suez has proposed that rates for Eagle Water's current customers be increased in three phases over three years, in order to create "rate parity" with Suez's approximately 96,000 customers in the Boise area.

Under the proposed rate adjustment period, Eagle Water customers would see an approximate monthly increase of $6.44 in the first year, and monthly increases of $9.40 in both the second and third years.

Eagle Water's owner cited his age, "the increasing complexity of regulatory requirements, necessary and costly system upgrades" and the utility's limited access to capital to fund those upgrades as reasons for the proposed sale.

Both Eagle Water and Suez contend that the proposal is in the public interest and will result in significant benefits to customers of both utilities by "among other things, realizing certain efficiencies in water service, water supply and operating costs."

Parties seeking to intervene in order to present testimony and exhibits and cross-examine witnesses must do so by Dec. 28.

Later, the Commission will announce dates for public comment deadlines and customer workshops and hearings.

Written comments are being accepted. Go here to submit a comment electronically. Or go to the Commission's web site, www.puc.idaho.gov and click on "Case Comment Form" under the "Water" heading.

Comments can also be submitted via fax to (208) 334-3762 or by mail to P.O. Box 83720, Boise, ID 83720-0074. Please be sure to include the case number, EAG-W-18-01 or SUZ-W-18-02.

All documents related to this case are available here. Or go to the Commission's web site, www.puc.idaho.gov, click on "Open Cases" under the "Water" heading and scroll down to case number EAG-W-18-01 or SUZ-W-18-02.

AQUA.

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Aqua Pennsylvania Closes Purchase of East Bradford Wastewater System

Dec 13, 2018

BRYN MAWR, Pa.--(BUSINESS WIRE)--Dec. 13, 2018-- Aqua America Inc. (NYSE: WTR) announced today that its Pennsylvania subsidiary acquired the nearly 1,250-connection wastewater assets of East Bradford Township, Chester County for $5 million, marking Aqua Pennsylvania's second acquisition to close under fair market valuation legislation, which encourages consolidation in a fragmented water and wastewater industry and allows resources to be shared among a larger service area.

Aqua Chairman and CEO Christopher Franklin firmly believes these aspects benefit customers.

"Our acquisition of East Bradford is another example of how Act 12 can help a municipality ensure its residents have professional and reliable wastewater service into the future, while reaping the benefit of a fair price for its assets for their community," said Franklin.

Aqua Pennsylvania President Marc Lucca looks forward to adding wastewater to the water service it already provides for East Bradford.

"I'd like to thank the community leaders of East Bradford Township for having the confidence to entrust their residents' wastewater service to Aqua," he said. "We're proud to have the opportunity to now provide wastewater service to our East Bradford water customers, which enables us to offer greater economies of scale and operational efficiencies. We look forward to this additional service opportunity."

Aqua Pennsylvania has three other fair market value asset purchase agreements in place: New Garden Township, Chester County with approximately 2,100 customer connections; and Cheltenham and East Norriton townships in Montgomery County with about 10,500 and 4,950 customer connections, respectively. In addition to these fair market value agreements, Aqua Pennsylvania has an asset purchase agreement with the Borough of Phoenixville, Chester County that would yield approximately 960 water connections. Collectively, when closed, these agreements, along with East Bradford, will allow the company to welcome more than 19,000 additional customers. Aqua Pennsylvania acquired the Limerick Township, Montgomery County wastewater system July 25 using Act 12, adding more than 5,400 customer connections.

Outside of Pennsylvania, Aqua America's Illinois subsidiary acquired the Village of Manteno's wastewater assets July 2, and the Village of Peotone wastewater system Oct., 1 employing similar Illinois legislation. These two acquisitions added more than 6,800 new customer connections and brought Aqua to its 1 million customer-connection milestone.

In terms of the company's growth efforts in other regulated utilities, on Oct. 23, Aqua announced it will acquire Pittsburgh-based natural gas company Peoples for $4.275 billion, creating a platform that can have a more significant impact on improving infrastructure reliability, quality of life and economic prosperity in the areas it will serve. When this acquisition closes, expected in mid-2019, Aqua will add 740,000 customers in Western Pennsylvania, Kentucky and West Virginia to its family of companies.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com for more information.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: that the implementation of Act 12 allows resources to be shared to the benefit of utility customers and that the Aqua America and Peoples transaction will have a more significant impact on improving infrastructure reliability, quality of life, and economic prosperity in the areas the Company will serve following the closing of the transaction. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: the company's ability to close the company's and Peoples transaction; the company's ability to close the company's and Peoples transaction with reasonable conditions; general economic business conditions; the company's ability to fund the Company and Peoples transaction; the company's ability to fund capital growth; housing and customer growth trends; changes in regulations or regulatory treatment; availability and access to capital; the cost of capital; disruptions in the credit markets; the success of growth

initiatives; and other factors discussed in our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q, which is filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation - and expressly disclaims any such obligation - to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRF

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AQUA.

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Control Number: 49230

Item Number: 1

Addendum StartPage: 0

49230

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

2018 DEC 13 AM 9:22

Retail

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE**: In order for the Commission to find the application sufficient for filing, the Applicant should:
   i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
   ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
   iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE**: Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding: staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
   i. ***SEND TO***: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
   i. ***DEFICIENT (Administratively Incomplete)***: Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
   ii. ***SUFFICIENT (Administratively Complete)***: Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***

IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
   HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

V. **TRANSACTION TO PROCEED**: at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

VI. **FILE**: Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER**: The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

Transferor: Seller
Transferee: Purchaser
CCN: Certificate of Convenience and Necessity
STM: Sale, Transfer, or Merger
IOU: Investor Owned Utility

Transferor: BEVERLY MINALDI
(selling entity)
CCN No.s:

☑ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: KEVIN HESTER / SIMPLY AQUATICS-INC
(acquiring entity)
CCN No.s:

☑ Water ☐ Sewer ☐ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): SABINE

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Please mark the items included in this filing

☑ Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☑ Tariff including Rate Schedule	Part B: Question 4
☐ List of Customer Deposits	Part B: Question 5
☐ Partnership Agreement	Part C: Question 7
☑ Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
☐ Certificate of Account Status	Part C: Question 7
☐ Financial Audit	Part C: Question 10
☐ Application Attachment A & B	Part C: Question 10
☐ Disclosure of Affiliated Interests	Part C: Question 10
☐ Capital Improvement Plan	Part C: Question 10
☑ List of Assets to be Transferred	Part D: 11.B
☐ Developer Contribution Contracts or Agreements	Part D: 11.D
☐ Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☐ TCEQ Compliance Correspondence	Part F: Question 22
☐ TCEQ Engineering Approvals	Part F: Question 24
☐ Purchased Water Supply or Treatment Agreement	Part F: Question 26
☑ Detailed (large scale) Map	Part G: Question 29
☑ General Location (small scale) Map	Part G: Question 29
☐ Digital Mapping Data	Part G: Question 29
☐ Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:	For **Transferor** (Seller) CCN:
☐ Obtaining a NEW CCN for Purchaser	☑ Cancellation of Seller's CCN
☐ Transfer all CCN into Purchaser's CCN (Merger)	☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☐ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: BEVERLY LEE MINALDI
(individual, corporation, or other legal entity)
☐ Individual ☑ Corporation ☐ WSC ☐ Other:

B. Mailing Address: P.O. BOX 1611 ; NEDERLAND , TEXAS 77627

Phone: 409-722-1897 (Home) Email: beverlyminaldi@yahoo.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: BEVERLY LEE MINALDI Title: OWNER/OPERATOR

Mailing Address: P.O. BOX 1611 NEDERLAND , TEXAS 77627

Phone: 409-543-5521 (C) Email: BEVERLYMINALDI@YAHOO.COM

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: JANUARY 1, 2009

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☑ No ☐ Yes Application or Docket Number:

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are *no* customers that will be transferred
☑ # of customers without deposits held by the transferor 46
☐ # of customers with deposits held by the transferor* _____

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information SAME Info

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: KEVIN HESTER / SIMPLY AQUATICS INC
(individual, corporation, or other legal entity)
☐ Individual ☑ Corporation ☐ WSC ☐ Other:

B. Mailing Address: P.O BOX 157 , KIRBYVILLE TX 75956

Phone: 409-420-0774 _____ Email: SAINATERSYSTEMS@YAHOO.COM

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: CALEB ROSS Title: OPERATOR

Address: P.O. BOX 157 , KIRBYVILLE TX 75956

Phone: 409-423-9386 Email: SAINATERSYSTEMS@YAHOO.COM

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☐ Yes ☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☐ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship
☐ Partnership or limited partnership (*attach* Partnership agreement)
☒ Corporation
Charter number (as recorded with the Texas Secretary of State): 800 198 192
☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
☐ Articles of Incorporation and By-Laws established (*attach*)
☐ Municipally-owned utility
☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County
☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
☐ Other (please explain):

8. If the transferee operates under any d/b/a, provide the name below:

Name: SIMPLY AQUATICS INCORPORATION

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: KEVIN WAYNE HESTER
Position: PRESIDENT Ownership % (if applicable): ~~100%~~ 50%
Address: 921 CR 3065 KIRBYVILLE TX 75956
Phone: 409-381-0271 Email: SAINATERSYSTEMS@YAHOO.COM

Name: STEPHANIE ~~ANN~~ HESTER
Position: 921 CR 3065 KIRBYVILLE TX 75956 (SECRETARY/TREASURE) Ownership % (if applicable): ~~100%~~ 50%
Phone: 409-381-0275 Email: SAINATERSYSTEMS@YAHOO.COM

Name:
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

Name:
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 35,000

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☑ Yes ☐ N/A

Total Original Cost of Plant in Service: $ _____

Accumulated Depreciation: $ _____

Net Book Value: $ _____

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☑ No ☐ Yes

Total Customer CIAC: $ 0

Accumulated Amortization: $ _____

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☑ No ☐ Yes

Total developer CIAC: $ 0

Accumulated Amortization: $ 0

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

WAITING ON APPROVAL OF THE ADDITION OF PRESSURE TANKS & DISTRIBUTION PUMPS
*1/22/19 WAS APPROVED ALREADY TCEQ

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

NO IMPROVEMENTS NEEDED.
FUTURE DRILL NEW WELL? $10,000

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

LOT #20 - FREE WATER FOR 20 YEARS - BEVERLY

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: $ 35,000

Accumulated Depreciation of Plant: $ _____

Cash: $ _____

Notes Payable: $ _____

Mortgage Payable: $ _____

(Proposed) Acquisition Adjustment*: $ _____

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

Other (NARUC account name & No.): _____

Other (NARUC account name & No.): _____

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

NO.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

?

Part E: Other Obligations Among Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

NONE

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

SIMPLY AQUATICS INC. ~~PROVIDES~~ HAS BEEN IN BUSINESS SINCE 2001. WE PROVIDE CHEMICAL TO WATER & WASTE WATER TREATMENT PLANTS. OUR COMPANY KNOWS TO THE OPERATIONS OF WATER SYSTEMS. WE HAVE A FULL TIME OPERATOR ON STAFF.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☒ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

N/A

20. How will the proposed transaction serve the public interest?

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

*SEE ATTACHMENT

District | Maps | Documents | Reports | W

District Name: ANGELINA & NECHES RIVER A

Affiliations | Documents

Responsible Party

Organization: **ANGELINA & NECHES RIVER AUTHORITY**
Address: **361 RED LOVING RD**
LUFKIN , TX 75901-4369
Individual: **JODY ANDERSON**

Customers

Reference Number	Name
CN601550635	ANGELINA & NECHES RIVER AUTHORITY

Official Address / Phone

Address: **PO BOX 387**
LUFKIN , TEXAS 75902-0387
Telephone: **(936) 632-7795**

Properties

CR Regulated Entity Number: **RN102315181**
CCEDS Status: **NO ACTIVE NOE EXISTS**
District Type: **RIVER AUTHORITY**
Creation Type: **LEGISLATURE**
Primary County: **ANGELINA**
Financial Status: **AUDIT FILED**
Directors: **9**

Functions

Function
SPECIAL LAW
RETAIL WASTEWATER
SUPPLY TREATED OR RETAIL WATER
Occurrences retrieved.

Associated Public Water Systems

PWS Name	PWSID	Status	CCN
HOLMWOOD ANGELINA & NECHES RIVER AUTHORITY	1210020	ACTIVE	12303

Water System occurrences retrieved.

Associated Utility Systems

ANGELINA & NECHES RIVER AUTHORITY
ANGELINA & NECHES RIVER AUTHORITY
Utility occurrences retrieved.

Counties

Code	County Name
1	ANDERSON
3	ANGELINA
37	CHEROKEE
107	HENDERSON
113	HOUSTON
121	JASPER
174	NACOGDOCHES
181	ORANGE
187	POLK
201	RUSK
202	SABINE
203	SAN AUGUSTINE
210	SHELBY
212	SMITH
228	TRINITY
234	VAN ZANDT

Occurrences retrieved.

Activity

Creation Date: **04/22/1935**
Activity Status: **ACTIVE**
Last Registration Date: **10/20/2017**
Boundary Change Date: **08/29/1977**

District successfully retrieved

For all filter and queries to perform effectively best to view with IE

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Statewide Links: Texas.gov | Texas Homeland Security | TRAIL Statewide Archive | Texas Veterans Portal

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2/7/2019 **TAP ACCOUNTS BY STATUS CODE** 1

Tap/Acct	Name	Status	Type	Balance	Location
63	Amy, Becky Ritchie	A N	R S	0.00	
20	Arnaud, Sheila	A N	R S	0.00	
6	Babin, James	A N	R S	35.35	
21	Beale, Luther Alton	A N	R S	35.35	
19	Brewer, Lacey	A N	R S	106.05	
29	Broussard, James	A N	R S	35.35	
11	Brown, Larry & Kathleen	A N	R S	35.35	
58	Chambers, Charles	A N	R S	35.35	
60	Currier, Bill	A N	R S	30.70	
12	Damico, Tom	A N	R S	35.35	
13	Dorman, Louis & Barbara	A N	R S	35.35	
18	Forest, David & Jane	A N	R S	35.35	
9	Gentz, Fred & Jane	A N	R S	35.35	
62	Graves, Charles	A N	R S	35.35	
27	Guidry, Ray	A N	R S	0.00	
16	Guin, Andrea	A N	R S	106.05	
31	Hamilton, Dub	A N	R S	35.35	
36	Harshbarger, Tim	A N	R S	(30.95)	
68	Howell, Micah	A N	R S	35.35	
52	Johson, William & Sue	A N	R S	106.05	
64	Kennaugh, Chris	A N	R S	35.35	
23	Knowles, Chip	A N	R S	35.35	
15	Koehler, Joel	A N	R S	20.35	
45	Langford, Bric	A N	R S	35.35	
43	Martin, Glenn J	A N	R S	35.35	
59	McKeever, Rick	A N	R S	35.35	
61	McLamara, Jay	A N	R S	35.35	
35	Minaldi, Beverly	I N	R S	0.00	
22	Minaldi, Ronnie	A N	R S	35.35	
33	Moore, Mark & Lauri	A N	R S	35.35	
2	Murff, Bill	A N	R S	35.35	
3	Murff, John	A N	R S	35.35	
41	Nicholas, Wilson	A N	R S	35.35	
25	Nicklebur, Jimmy	A N	R S	35.35	
55	Pratt, Bobbie	A N	R S	35.35	
40	Richey, Keith & Carolyn	A N	R S	35.35	
8	Roberts, Thomas	A N	R S	0.00	
38	Seago, Vera	A N	R S	35.35	
50	Seymour, Ed	A N	R S	70.70	
4	Smits, Harry	A N	R S	35.35	
10	Smits, Karen	A N	R S	35.35	
39	Teague, Randy & Carrie	A N	R S	35.35	
30	Weber, Clifton	I N	R S	0.00	
37		A N	R S	0.00	
65	Wesner, Ernest	A N	R S	35.35	
42	Wike, Pat	A N	R S	35.35	
	47 Accounts			**$1,575.50**	

2/7/2019 **READING AND USAGE LIST** 1

Tap/Acct	Name	Code	Date	Current	Previous	Usage	Status/Est	Book Sequence
11/26/2018								
29	Broussard, James	Water	11/26/2018	1146	1141	5,000	C A N	
				1,146		**5,000**		
12/31/2018								
63	Amy, Becky Ritchie	Water	12/31/2018	489	487	2,000	C A N	
20	Arnaud, Sheila	Water	12/31/2018	389	389	0	C A N	
6	Babin, James	Water	12/31/2018	593	593	0	C A N	
21	Beale, Luther Alton	Water	12/31/2018	463	463	0	C A N	
19	Brewer, Lacey	Water	12/31/2018	567	567	0	C A N	
11	Brown, Larry & Kathleen	Water	12/31/2018	84	84	0	C A N	
58	Chambers, Charles	Water	12/31/2018	18	18	0	C A N	
60	Currier, Bill	Water	12/31/2018	656	656	0	C A N	
12	Damico, Tom	Water	12/31/2018	47	47	0	C A N	
13	Dorman, Louis & Barbara	Water	12/31/2018	81	81	0	C A N	
18	Forest, David & Jane	Water	12/31/2018	555	555	0	C A N	
9	Gentz, Fred & Jane	Water	12/31/2018	457	457	0	C A N	
62	Graves, Charles	Water	12/31/2018	13	13	0	C A N	
27	Guidry, Ray	Water	12/31/2018	29	29	0	C A N	
16	Guin, Andrea	Water	12/31/2018	754	754	0	C A N	
31	Hamilton, Dub	Water	12/31/2018	33	33	0	C A N	
36	Harshbarger, Tim	Water	12/31/2018	270	270	0	C A N	
68	Howell, Micah	Water	12/31/2018	28	28	0	C A N	
52	Johson, William & Sue	Water	12/31/2018	753	753	0	C A N	
64	Kennaugh, Chris	Water	12/31/2018	80	79	1,000	C A N	
23	Knowles, Chip	Water	12/31/2018	230	230	0	C A N	
15	Koehler, Joel	Water	12/31/2018	26	26	0	C A N	
45	Langford, Bric	Water	12/31/2018	196	196	0	C A N	
43	Martin, Glenn J	Water	12/31/2018	1052	1052	0	C A N	
59	McKeever, Rick	Water	12/31/2018	285	285	0	C A N	
61	McLamara, Jay	Water	12/31/2018	527	526	1,000	C A N	
22	Minaldi, Ronnie	Water	12/31/2018	36	36	0	C A N	
33	Moore, Mark & Lauri	Water	12/31/2018	21	21	0	C A N	
41	Nicholas, Wilson	Water	12/31/2018	102	102	0	C A N	
25	Nicklebur, Jimmy	Water	12/31/2018	96	96	0	C A N	
55	Pratt, Bobbie	Water	12/31/2018	58	58	0	C A N	
40	Richey, Keith & Carolyn	Water	12/31/2018	187	187	0	C A N	
8	Roberts, Thomas	Water	12/31/2018	121	120	1,000	C A N	
38	Seago, Vera	Water	12/31/2018	312	312	0	C A N	
50	Seymour, Ed	Water	12/31/2018	82	82	0	C A N	
4	Smits, Harry	Water	12/31/2018	57	54	3,000	C A N	
10	Smits, Karen	Water	12/31/2018	222	222	0	C A N	
39	Teague, Randy & Carrie	Water	12/31/2018	153	153	0	C A N	
37	,	Water	12/31/2018	0	0	0	C A N	
65	Wesner, Ernest	Water	12/31/2018	158	157	1,000	C A N	
42	Wike, Pat	Water	12/31/2018	159	159	0	C A N	
				10,439		**9,000**		
1/3/2019								
2	Murff, Bill	Water	1/3/2019	40	40	0	C A N	
3	Murff, John	Water	1/3/2019	119	119	0	C A N	
10	Stansbury, Larry	Water	1/3/2019	201	201	0	C A N	

2/7/2019 **ACCOUNTS RECEIVABLE** 1

ACCOUNT	SERVICE LOCATION	OWNER / OCCUPANT	BALANCE
6		Babin James	$35.35
21		Beale Luther Alton	$35.35
19		Brewer Lacey	$106.05
29		Broussard James	$35.35
11		Brown Larry & Kathleen	$35.35
58		Chambers Charles	$35.35
60		Currier Bill	$30.70
12		Damico Tom	$35.35
13		Dorman Louis & Barbara	$35.35
18		Forest David & Jane	$35.35
9		Gentz Fred & Jane	$35.35
62		Graves Charles	$35.35
16		Guin Andrea	$106.05
31		Hamilton Dub	$35.35
36		Harshbarger Tim	($30.95)
68		Howell Micah	$35.35
52		Johson William & Sue	$106.05
64		Kennaugh Chris	$35.35
23		Knowles Chip	$35.35
15		Koehler Joel	$20.35
45		Langford Bric	$35.35
43		Martin Glenn J	$35.35
59		McKeever Rick	$35.35
61		McLamara Jay	$35.35
2		Minaldi Ronnie	$35.35
33		Moore Mark & Lauri	$35.35
3		Murff Bill	$35.35
2		Murff John	$35.35
41		Nicholas Wilson	$35.35

2/7/2019 **ACCOUNTS RECEIVABLE** 2

ACCOUNT	SERVICE LOCATION	OWNER / OCCUPANT	BALANCE
25		Nicklebur Jimmy	$35.35
55		Pratt Bobbie	$35.35
40		Richey Keith & Carolyn	$35.35
38		Seago Vera	$35.35
50		Seymour Ed	$70.70
4		Smits Harry	$35.35
10		Smits Karen	$35.35
		Smits Karen	
1		Stansbury Larry	$35.35
39		Teague Randy & Carrie	$35.35
65		Wesner Ernest	$35.35
42		Wike Pat	$35.35
40	ACCOUNTS	TOTAL	$1,375.50

2/7/2019 **Miscellaneous Charges** 1

Charge Code	Standard Amount	Priority	Description	PenPct	GL Account	C	S
$Water		9	PUC	0.00		Y	Y
%Penalty		I	Penalty	0.00		N	N
Adjust		I	Adjustment	0.00		Y	N
BadDebt		I	Bad Debt	0.00		Y	N
Bal For		9	Balance Forward	0.00		Y	N
BalXfer		I	Balance Transfer	0.00		Y	N
Credit		0	Credit Balance	0.00		Y	N
DepApp		9	Deposit Applied	0.00		Y	N
Deposit	$50.00	9	Deposits	0.00		Y	N
DepRef		9	Deposit Refund	0.00		Y	N
Discon	$50.00	9	Disconnect ustomer Request	0.00		Y	N
LateFee		I	Late Fee	0.00		Y	N
MetrTst	$25.00	9	Meter Test	0.00		Y	N
Penalty		I	Penalty	0.00		N	N
PUC		9	PUC	0.00		Y	Y
Reconct	$25.00	I	Reconnect Fee	0.00		Y	N
Ret Chk	$25.00	9	Return Check Charge	0.00		Y	N
Tap Fee	$500.00	9	New Tap Fee	0.00		Y	N
Transfr	$25.00	9	Transfer Fee	0.00		Y	N
Water		I	Water	0.00		Y	Y
WtrAdj		I	Water Adj	0.00		Y	N

2/7/2019 **MEMBERSHIP LIST** 1

Last Name	First Name	Address Line 1	Address Line 2	City
Amy	Becky Ritchie	401 Timberlane Loop		Hemphill
Arnaud	Sheila	8540 Thomas Dr.		Orange
Babin	James	6799 Jefferson St.		Groves
Beale	Luther Alton	270 Timberlane Loop		Hemphill
Brewer	Lacey	5027 Fernwood Dr.		Lake Charles
Broussard	James	340 Timberlane Loop		Hemphill
Brown	Larry & Kathleen	1024 Hopkins		Mexia
Chambers	Charles	810 West Lucas Dr.		Beaumont
Currier	Bill	P.O. Box 412		Burkeville
Damico	Tom	8031 Null Ct		Spring
Dorman	Louis & Barbara	1875 Cedar Spur St.		Tyler
Forest	David & Jane	1712 Live Oak		Port Neches
Gentz	Fred & Jane	3385 Ward St.		Vidor
Graves	Charles	1415 Ave C		Port Neches
Guidry	Ray	3913 18th St.		Texas City
Gulin	Andrea	P.O. Box 35		Nederland
Hamilton	Dub	9106 Paseo Lobo		Texas City
Harshbarger	Tim	688 CR 2786		Mineola
Howell	Micah	815 So 13th St		Nederland
Johson	William & Sue	145 Elm Dr.		Lumberton
Kennaugh	Chris	P.O. Box 938		Nederland
Knowles	Chip	2605 Sarasota		Friendswood
Koehler	Joel	7950 Halliday Ln.		Beaumont
Langford	Bric	799 West Gibson, STE 700		Jasper
Martin	Glenn J	17507 Mallet St.		Crosby
McKeever	Rick	1316 Marshall		Nederland
McLamara	Jay	445 Timberlane Loop		Hemphill
Minaldi	Ronnie	1606 Franklin		Nederland
Moore	Mark & Lauri	396 Timberlane Loop		Hemphill
Murff	Bill	11655 Jones Rd.		Houston
Murff	John	2400 62nd St.		Port Arthur
Nicholas	Wilson	431 CR 4375		Woodville
Nicholson	Jimmy	180 Sterling Ridge Dr.		Nederland
Platt	Bobbie	P.O. Box 627		Village Mills
Richey	Keith & Carolyn	3104 Lawrence Ave		Nederland
Roberts	Thomas	P.O. Box 632297		Nacogdoches
Seago	Vera	6242 Wood Ridge		Orange
Seymour	Ed	1828 Franklin Ave		Nederland
Smits	Harry	29070 E. 160 CT		Brighton
Smits	Karen	3004 Price St.		Nederland
Stansbury	Larry	524 Ave D		Nederland
Teague	Randy & Carrie	7242 Campbell Rd.		Orange
Well				
Wesner	Ernest	347 Timberlane Loop		Hemphill
Wike	Pat	8675 Lafayette Ln		Beaumont

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. **A.** For Public Water System (PWS):

TCEQ PWS Identification Number: 2020054 (7 digit ID)

Name of PWS: TIMBERLANE WATER SYSTEM

Date of last TCEQ compliance inspection: DEC. 12, 2014 (attach TCEQ letter)

Subdivisions served: TIMBERLANE SUBDIVISION

B. For Sewer service: N/A

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility:

Name of Permitee:

Date of last TCEQ compliance inspection: (attach TCEQ letter)

Subdivisions served:

Date of application to transfer permit *submitted* to TCEQ:

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water			Sewer	
	Non-metered	2"		Residential
	5/8" or 3/4"	3"		Commercial
	1"	4"		Industrial
	1 ½"	Other		Other
Total Water Connections:			Total Sewer Connections:	

24. **A.** Are any improvements required to meet TCEQ or Commission standards?

☑ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

☑ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☑ No ☐ Yes: *(name of municipality)*

If yes, indicate the number of customers within the municipal boundary.

Water: Sewer:

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

☑ No ☐ Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: _____

Water: _____

Sewer: _____

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

☑ No ☐ Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

☑ No ☐ Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☐ No ☑ Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer
CALEB A ROSS	C	WO0038272	WATER

ALL applications require mapping information to be filed in conjunction with the STM application.
Read question 29 A and B to determine what information is required for your application.

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
   - **i.** If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
   - **ii.** A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

   - **iii.** To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.

2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
   - **i.** The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
   - **ii.** If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
   - **iii.** To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
   - **iv.** The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.

B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area with enough detail to locate the requested area in reference to the nearest county boundary, city, or town. Please refer to the mapping guidance in part A 1 (above).
2. A detailed (large scale) map identifying the requested area with enough detail to accurately locate the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, or railroads. Please refer to the mapping guidance in part A 2 (above).
3. One of the following identifying the requested area:
   - **i.** A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part A 2 (above);
   - **ii.** A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part A 2 (above); or
   - **iii.** Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
     - **a.** The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
     - **b.** A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
     - **c.** The digital mapping data shall be filed on a data disk (CD or USB drive), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 13± ACRES ±

Number of customer connections in the requested area: 47

Affected subdivision: TIMBERLANE SUBDIVISION

The closest city or town: HEMPHILL, TEXAS 75949

Approximate mileage to closest city or town center: 15 MILES

Direction to closest city or town: NORTH ON HIGHWAY 87

The requested area is generally bounded on the North by: _____

on the East by: _____

on the South by: _____

on the West by: _____

31. A copy of the proposed map will be available at: _____

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

☒ All of the customers will be charged the same rates they were charged before the transaction.

☐ All of the customers will be charged different rates than they were charged before the transaction.

☐ higher monthly bill ☐ lower monthly bill

☐ Some customers will be charged different rates than they were charged before (i.e. inside city limit customers)

☐ higher monthly bill ☐ lower monthly bill

Oath for Transferor (Transferring Entity)

STATE OF Texas

COUNTY OF Newton

I, Beverly Minaldi being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as Timberlane Water System
(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Texas Water Code § 13.301(f) and copies of any outstanding enforcement Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Texas Water Code § 13.301(k).

Beverly Minaldi
AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 2nd **of** November, 2018

SEAL

NANCY FOUNTAIN
Notary Public, State of Texas
Comm. Expires 03-03-2022
Notary ID 125605246

Nancy Fountain
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Nancy Fountain
PRINT OR TYPE NAME OF NOTARY

My commission expires: 03/03/2022

Control Number: 49231

Item Number: 1

Addendum StartPage: 0

Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Newton

I, Kevin Hester being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as Simply Aquatics, Inc. - President (owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules, I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas this day the 2nd of November, 2018

SEAL

NANCY FOUNTAIN
Notary Public, State of Texas
Comm. Expires 03-03-2022
Notary ID 125605246

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Nancy Fountain
PRINT OR TYPE NAME OF NOTARY

My commission expires: 03/03/2022

PUCT Sale, Transfer, Merger
Page 14 of 20 (March 2018)

49231

Application for Sale, Transfer, or Merger of a Retail Public Utility

2019 FEB 15 PM 2:32

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

PUBLIC UTILITY COMMISSION FILING CLERK

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE**: In order for the Commission to find the application sufficient for filing, the Applicant should:
   i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
   ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
   iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE**: Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
   i. ***SEND TO***: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
   i. ***DEFICIENT (Administratively Incomplete)***: Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
   ii. ***SUFFICIENT (Administratively Complete)***: Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***

IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
   HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

V. **TRANSACTION TO PROCEED**: at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

VI. **FILE**: Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

Transferor: Seller
Transferee: Purchaser
CCN: Certificate of Convenience and Necessity
STM: Sale, Transfer, or Merger
IOU: Investor Owned Utility

PUCT Sale, Transfer, Merger
Page 1 of 20 (March 2018)

1

Application Summary

Transferor: Ponder Enterprises, Inc. d/b/a Longhorn Co.
(selling entity)
CCN No.s: 12810

☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: Lone Star Water Company
(acquiring entity)
CCN No.s: N/A

☒ Water ☐ Sewer ☐ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): Denton

Table of Contents

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Appendix B: Projected Information 18

Please mark the items included in this filing

☒ Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☒ Tariff including Rate Schedule	Part B: Question 4
☐ List of Customer Deposits	Part B: Question 5
☐ Partnership Agreement	Part C: Question 7
☒ Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
☒ Certificate of Account Status	Part C: Question 7
☐ Financial Audit	Part C: Question 10
☒ Application Attachment A & B	Part C: Question 10
☐ Disclosure of Affiliated Interests	Part C: Question 10
☐ Capital Improvement Plan	Part C: Question 10
☐ List of Assets to be Transferred	Part D: 11.B
☐ Developer Contribution Contracts or Agreements	Part D: 11.D
☐ Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☒ TCEQ Compliance Correspondence	Part F: Question 22
☐ TCEQ Engineering Approvals	Part F: Question 24
☐ Purchased Water Supply or Treatment Agreement	Part F: Question 26
☐ Detailed (large scale) Map	Part G: Question 29
☒ General Location (small scale) Map	Part G: Question 29
☐ Digital Mapping Data	Part G: Question 29
☒ Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

See "Answer to Question 1" on Attachment.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:	For **Transferor** (Seller) CCN:
☒ Obtaining a NEW CCN for Purchaser	☐ Cancellation of Seller's CCN
☒ Transfer all CCN into Purchaser's CCN (Merger)	☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☐ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Ponder Enterprises, Inc.
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 5772 Tim Donald Rd., Justin, TX 76247

Phone: 940-648-5263 Email: bill@mgrouptexas.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: David Klein Title: Attorney

Mailing Address: 816 Congress Ave., Suite 1900, Austin, TX 78701

Phone: 940-648-5263 Email: bill@mgrouptexas.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: 03/24/16

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: 45664

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are *no* customers that will be transferred

☒ # of customers without deposits held by the transferor 332

☒ # of customers with deposits held by the transferor* 0

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: Lone Star Water Company
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 5910 N. Central Expy., Suite 1580, Dallas, TX 75206

Phone: 214-219-7534 Email: wrighta@railroadmanagement.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Alan Wright Title: Attorney

Address: 5910 N. Central Expy., Suite 1580, Dallas, TX 75206

Phone: 214-219-7534 Email: wrighta@railroadmanagement.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☐ Yes ☒ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☐ Yes ☒ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☒ Corporation
Charter number (as recorded with the Texas Secretary of State): 803137555

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State):
☐ Articles of Incorporation and By-Laws established (*attach*)

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County

☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain):

8. If the transferee operates under any d/b/a, provide the name below:

Name: NA

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Paul D Kauffman
Position: President Ownership % (if applicable): 50
Address: 5910 N. Central Expy., Suite 1580, Dallas, TX 75206
Phone: 214-750-8028 Email: kauffmanp@potableproducts.com

Name: Howard L Armistead III
Position: VP & Treasurer Ownership % (if applicable): 25
Address: 5910 N. Central Expy., Suite 1580, Dallas, TX 75206
Phone: 214-750-8028 Email: armisteadh@railroadmanagement.com

Name: Cary S Newman
Position: VP & Secretary Ownership % (if applicable): 25
Address: 5910 N. Central Expy., Suite 1580, Dallas, TX 75206
Phone: 214-750-8028 Email: newmanc@railroadmanagement.com

Name:
Position: Ownership % (if applicable):
Address:
Phone: Email:

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 1,345,000

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☐ Yes ☒ N/A

Total Original Cost of Plant in Service: $ 2,054,028

Accumulated Depreciation: $ (779,181)

Net Book Value: $ 1,274,847

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: $ 0

Accumulated Amortization: $ 0

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: $ 0

Accumulated Amortization: $ 0

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☐ No ☒ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

Lone Star intends to purchase a backup diesel powered generator post closing.

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

NA

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: $ See "Answer to

Accumulated Depreciation of Plant: $ Question 14" on

Cash: $ Attachment

Notes Payable: $

Mortgage Payable: $

(Proposed) Acquisition Adjustment*: $

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

Other (NARUC account name & No.):

Other (NARUC account name & No.):

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

None

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

No

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

See "Answer to Question 16" on Attachment.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

See "Answer to Question 17" on Attachment.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☒ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

Lone Star does not believe the environmental integrity of the land will be impacted or disrupted as a result of the transactions contemplated by the APA and LPC.

20. How will the proposed transaction serve the public interest?

See "Answer to Question 20" on Attachment.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

North Texas Groundwater Conservation District, Town of Ponder, Town of Northlake, Terra Southwest, Town of Justin, Aqua Texas Inc.

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 0610217 (7 digit ID)

Name of PWS: Longhorn Meadows Addition

Date of last TCEQ compliance inspection: 10/4/18 (attach TCEQ letter)

Subdivisions served: Longhorn Meadows and Westover Ranch

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility:

Name of Permitee:

Date of last TCEQ compliance inspection: (attach TCEQ letter)

Subdivisions served:

Date of application to transfer permit *submitted* to TCEQ:

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		3"		Residential
332	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 ½"		Other		Other
Total Water Connections:		332		Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

☐ No ☒ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
Installation of a backup diesel powered generator	2019	$55,000

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☐ No ☒ Yes: Town of Dish, TX (*name of municipality*)

If yes, indicate the number of customers within the municipal boundary.

Water: 93 Sewer:

American Water's Arm Acquires Sadsbury Township Sewer System

March 07, 2019, 08:20:00 AM EDT By Zacks Equity Research, Zacks.com

Shutterstock photo

American Water Works Company AWK announced that its unit, Pennsylvania American Water, has entered into an agreement to acquire the wastewater assets of the Sadsbury Township in Chester County, for nearly $8.6 million. This acquisition will add nearly 1,000 wastewater customers to its existing customer base. Most of these customers receive water services from Pennsylvania American Water.

Pennsylvania American Water, through its existing distribution network, serves nearly 2.4 million people in Pennsylvania. The said acquisition will expand the existing customer base and allow the company to render quality services to new customers at a reasonable cost.

Consolidation & Investment is Essential

Since the existing water and wastewater infrastructure in the United States is aging, proper maintenance and upgradation of the system will require investment of billions of dollars, which becomes difficult for small water utilities to make arrangement for. Per an American Water Works Association ("AWWA") report, the cost of restoring aging underground water pipelines in the United States will be at least $1 trillion in the next 25 years.

Therefore, through the acquisition of small utilities, it becomes easier for large companies to make arrangement for funds to carry out these major overhauls. American Water, which is one of the most active players in the water space, continues to widen its market reach through acquisitions. In 2018, the company added 25,000 new customers in the regulated business through organic growth and acquisitions. It already completed a few acquisitions in 2019 and the pending ones, on completion, are expected to add nearly 61,000 customers to its customer base during the year.

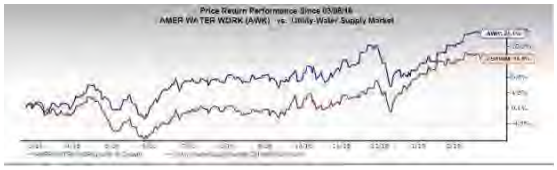
We can also notice that other active water utilities like Global Water Resources, Inc. GWRS and Aqua America WTR have been pursuing acquisitions.

Large water utilities continue to invest in upgrading as well as maintaining their existing water and wastewater infrastructure. The water utilities have been undertaking initiatives to upgrade the systems of the newly-acquired assets and quality of services.

The company aims to invest within $8-$8.6 billion from 2019 through 2023, which will help improve earnings by 7-10% per year in the aforesaid period from a 2017 base. A major chunk of $7.3 billion will be directed to strengthen regulated businesses. Another water utility, Aqua America aims to make capital investment in excess of $1.4 billion over the 2019-2021 time period.

Price Performance

Shares of American Water have outperformed the industry in a year's time.



Zacks Rank & Another Key Pick

Currently, American Water has a Zacks Rank #2 (Buy). Another top-ranked stock from the same industry is AquaVenture Holdings Ltd. WAAS , sporting a Zacks Rank #1 (Strong Buy). You can see **the complete list of today's Zacks #1 Rank stocks here** .

The Zacks Consensus Estimate for 2019 loss of the company has narrowed 2.9% in the past 60 days. The earnings and revenue estimates reflect year-over-year growth of 26.7% and 16%, respectively.

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To read this article on Zacks.com click here.

Zacks Investment Research

The views and opinions expressed herein are the views and opinions of the author and do not necessarily reflect those of Nasdaq, Inc.

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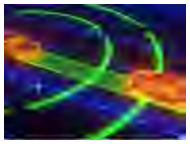

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PEP	Apr 17, 2019
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TXT	Apr 17, 2019
SLG	Apr 17, 2019
TCBI	Apr 17, 2019
PLXS	Apr 17, 2019

Earnings Calendar

Home › News ›
SUEZ completes $9.5 million acquisition of Mahoning Township, PA water and wastewater systems

Water

APRIL.03.2019

SUEZ completes $9.5 million acquisition of Mahoning Township, PA water and wastewater systems

SUEZ completed a $9.5 million asset purchase agreement today of the water and wastewater systems in Mahoning Township, Pennsylvania, expanding the company's service into Montour County. Prior approval from the Pennsylvania Public Utility Commission (PUC) was granted paving the way for SUEZ to begin operations today.

"We are excited to begin providing water and wastewater service to nearly 1,200 new customers in Mahoning Township," said Eric Gernath, chief executive officer of SUEZ North America. "Our employees have been working diligently to upgrade equipment and establish additional operating systems that will provide the best service possible to our new customers."

Gernath added that SUEZ "provides world class service with a history of innovation in water and wastewater treatment operations and solutions that yield the highest quality of water possible. We use innovative technology for water and wastewater treatment processes that are utilized at many of our facilities across the globe. Our commitment to research and development has also pioneered operating efficiencies utilized throughout the water and wastewater industry."

Mahoning Township Board of Supervisors Vice Chairman T.S. Scott said "We are pleased for the opportunities this transaction presents to our township, the proceeds of which will benefit all residents through funding of infrastructure and water runoff projects. This action removes government from the

business of operating utilities and places it in its proper role of regulation and oversight with ratepayer protections provided by the PUC and Office of Consumer Advocate."

The company has begun construction of an $8.5 million water transmission pipeline project across the six-mile area of US Route 11 between Bloomsburg and Mahoning Township. A letter offering to provide service was recently mailed to potential new customers situated along the route, which includes portions of Cooper and Montour Townships. Support for the project was provided by local and state public officials in advance of SUEZ requesting approval from the PUC to extend service into Montour County.

The company's Pennsylvania Operations provides existing service to over 61,000 customers in portions of the following counties: Columbia, Cumberland, Dauphin, Luzerne, Perry, Schuylkill, Wyoming, York. Today's agreement with Mahoning Township marks the extension of service into Montour County.

New SUEZ customers in Mahoning Township have been switched to monthly billing from quarterly billing to conform with billing for all other customers. They will continue to pay existing rates for service during the first year the company operates the systems.

About SUEZ in North America

SUEZ in North America operates across all 50 states and Canada with 3,260 employees dedicated to environmental sustainability and smart and sustainable resource management. The company provides drinking water, wastewater and waste collection service to 6.4 million people on a daily basis; treats over 600 million gallons of water and over 450 million gallons of wastewater each day; delivers water treatment and advanced network solutions to 16,000 industrial and municipal sites; processes 55,000 tons of waste for recycling; rehabilitates and maintains water assets for more than 4,000 municipal and industrial customers; and manages $4.1 billion in total assets. The company posted revenues of $1.064 billion in 2017 and is a subsidiary of Paris-based SUEZ.

SUEZ

With 90,000 people on the five continents, SUEZ is a world leader in smart and sustainable resource management. We provide water and waste management solutions that enable cities and industries optimize their resource management and strengthen their environmental and economic performances, in line with regulatory standards. To meet increasing demands to overcome resource quality and scarcity challenges, SUEZ is fully engaged in the resource revolution. With the full potential of digital technologies and innovative solutions, the Group recovers 17 million tons of waste a year, produces 3.9 million tons of secondary raw materials and 7 TWh of local renewable energy. It also secures water resources, delivering wastewater treatment services to 58 million people and reusing 882 million m3 of wastewater. SUEZ generated total revenues of 15.9 billion euros in 2017.

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S&P Global
Market Intelligence

New Jersey American Water closes acquisition of wastewater assets

Wednesday, July 3, 2019 8:38 AM ET

By Nephele Kirong
Market Intelligence

American Water Works Co. Inc. subsidiary New Jersey American Water has completed the acquisition of the wastewater assets of the Borough of Mount Ephraim, N.J., for approximately $1.4 million.

The sewer system serves approximately 1,800 customers, most of whom already receive water service from New Jersey American Water, according to a July 2 news release.

A November 2018 referendum resulted to more than 80% voting in favor of the acquisition. Under the deal, New Jersey American Water agreed to invest more than $4 million in needed improvements, to freeze current rates for two years and to increase rates no more than 3% annually for the three years after that.

The New Jersey Board of Public Utilities cleared the transaction on June 21.

The borough plans to use the sale proceeds to reduce debt. "By selling the system, we are eliminating uncontrollable sewer costs which have been a major uncertainty in our budget," Mount Ephraim Mayor Joseph Wolk said.

This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.

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Control Number: 49714

Item Number: 1

Addendum StartPage: 0

49714

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and Texas Administrative Code § 24.109

PUBLIC UTILITY COMMISSION
2019 JUL -3 PM 3:20

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE**: In order for the Commission to find the application sufficient for filing, the Applicant should:
   i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
   ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
   iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE**: Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent bindings, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
   i. ***SEND TO***: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOT); Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
   i. ***DEFICIENT (Administratively Incomplete)***: Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
   ii. ***SUFFICIENT (Administratively Complete)***: Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***

IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
   HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

V. **TRANSACTION TO PROCEED**, at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

VI. **FILE**: Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?
Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?
A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms
Transferor: Seller
Transferee: Purchaser
CCN: Certificate of Convenience and Necessity
STM: Sale, Transfer, or Merger
IOU: Investor Owned Utility

Application Summary

Transferor: Paul B. Hill (selling entity)
CCN No.s: 12677

[X] Sale [ ] Transfer [ ] Merger [ ] Consolidation [ ] Lease Rental

Transferee: Megan Estes (acquiring entity)
CCN No.s: 12677

[X] Water [ ] Sewer [ ] All CCN [ ] Portion CCN [ ] Facilities transfer

County(ies): Limestone

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Please mark the items included in this filing

[X]	Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
[X]	Tariff including Rate Schedule	Part B: Question 4
[ ]	List of Customer Deposits	Part B: Question 5
[ ]	Partnership Agreement	Part C: Question 7
[ ]	Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
[ ]	Certificate of Account Status	Part C: Question 7
[ ]	Financial Audit	Part C: Question 10
[X]	Application Attachment A & B	Part C: Question 10
[ ]	Disclosure of Affiliated Interests	Part C: Question 10
[ ]	Capital Improvement Plan	Part C: Question 10
[ ]	List of Assets to be Transferred	Part D: ELB
[ ]	Developer Contribution Contracts or Agreements	Part D: ELD
[ ]	Enforcement Action Correspondence	Part E: Question 18 (Part D: QID)
[ ]	TCEQ Compliance Correspondence	Part E: Question 23
[ ]	TCEQ Engineering Approvals	Part F: Question 24
[ ]	Purchased Water Supply or Treatment Agreement	Part F: Question 26
[X]	Detailed (large scale) Map	Part G: Question 29
[X]	General Location (small scale) Map	Part G: Question 29
[ ]	Digital Mapping Data	Part G: Question 30
[X]	Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

All existing functions will resume under new owner/operator. No change in land use.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:	For **Transferor** (Seller) CCN:
[X] Obtaining a NEW CCN for Purchaser	[X] Cancellation of Seller's CCN
[ ] Transfer all CCN into Purchaser's CCN (Merger)	[ ] Transfer of a Portion of Seller's CCN to Purchaser
[ ] Transfer Portion of CCN into Purchaser's CCN	[ ] Only Transfer of Facilities, No CCN or Customers
[ ] Transfer all CCN to Purchaser and retain Seller CCN	[ ] Only Transfer of Customers, No CCN or Facilities
[ ] Uncertificated area added to Purchaser's CCN	[ ] Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Paul B. Hill (individual, corporation or other legal entity)
[X] Individual [ ] Corporation [ ] WSC [ ] Other:

B. Mailing Address: 141 LCR 908 Jewett TX 75846

Phone: 254-625 1304 Email: paul.bhill592@hotmail.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Paul B. Hill Title: Owner
Mailing Address: 141 LCR 908 Jewett TX 75846
Phone: 254-625-1304 Email: paul.bhill592@hotmail.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: 1/1/07

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

[ ] No [X] Yes Application or Docket Number: 35500-G

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

[ ] There are *no* customers that will be transferred
[X] # of customers without deposits held by the transferor 50
[ ] # of customers with deposits held by the transferor* Ø

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: Megan Estes (individual, corporation or other legal entity)
[X] Individual [ ] Corporation [ ] WSC [ ] Other:

B. Mailing Address: 168 LCR 903 Jewett TX 75846

Phone: 228-265-2616 Email: Cedarcreekwatersupply@gmail.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Megan Estes Title: Operator
Address: 168 LCR 903 Jewett TX 75846
Phone: 228-265-2616 Email: Cedarcreekwatersupply@gmail.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

[ ] No [X] Yes [ ] N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

[ ] No [X] Yes [ ] N/A

7. The legal status of the transferee is:

[X] Individual or sole proprietorship
[ ] Partnership or limited partnership (*attach* Partnership agreement)
[ ] Corporation
Charter number (as recorded with the Texas Secretary of State):
[ ] Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State):
[ ] Articles of Incorporation and By-Laws established (*attach*)
[ ] Municipally-owned utility
[ ] District (MUD, SUD, WCID, FWSD, etc.)

[ ] County
[ ] Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
[ ] Other (please explain):

8. If the transferee operates under any d/b/a, provide the name below:

Name: not applicable

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: not applicable
Position:
Address:
Phone: Email:
Ownership % (if applicable): 0.00%

Name:
Position:
Address:
Phone: Email:
Ownership % (if applicable): 0.00%

Name:
Position:
Address:
Phone: Email:
Ownership % (if applicable): 0.00%

Name:
Position:
Address:
Phone: Email:
Ownership % (if applicable): 0.00%

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 112,500

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☑ Yes ☐ N/A

Total Original Cost of Plant in Service: $ 140461

Accumulated Depreciation: $ 20,301

Net Book Value: $ 120,160

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☑ No ☐ Yes

Total Customer CIAC: $ ∅

Accumulated Amortization: $ ∅

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☑ No ☐ Yes

Total developer CIAC: $ ∅

Accumulated Amortization: $ ∅

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☑ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

not applicable

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

not applicable

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: $ 140,461

Accumulated Depreciation of Plant: $ 20,301

Cash: $ 0

Notes Payable: $ 6,000

Mortgage Payable: $ 0

(Proposed) Acquisition Adjustment*: $ 112,500 (*Ratemaking adjustments will be subject to review under 16 TAC § 24.31(e) and (f).)

Other (NARUC account name & No.): not applicable

Other (NARUC account name & No.): not applicable

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this SPM application. Rates can only be changed through the approval of a rate change application.)

Rate change application - intend to file.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

Rate change application will be filed in order to continue to provide adequate services & continue meeting TCEQ requirements. Rate change has not occurred in 12yrs - Significant infrastructure improvements have been made.

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

No change. Quality will remain the same continious service, no negative impact.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

Transferee is Class D Water Operator WO00435946 & has been performing all operations for CCN 12660 and 12677 under licensed owner Paul B. Hill since 2018.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies).

☑ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

Continious existing use. No change.

20. How will the proposed transaction serve the public interest?

Continious Service - No change.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

Not applicable

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1470021 (7 digit ID)

Name of PWS: Cedar Creek Water Supply

Date of last TCEQ compliance inspection: 12/9/16 (attach TCEQ letter)

Subdivisions served: Cedar Creek

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: Not applicable (enter WQ ID)

Name of Wastewater Facility: not applicable

Name of Permitee: not applicable

Date of last TCEQ compliance inspection: Not applicable (attach TCEQ letter)

Subdivisions served: not applicable

Date of application to transfer permit *submitted* to TCEQ: not applicable

23. List the number of *existing* connections, by meter connection type, to be affected by the proposed transaction:

Water			Sewer
Non-metered		2"	Residential
50 5/8" or 3/4"		3"	Commercial
1"		4"	Industrial
1 1/2"		Other	Other
Total Water Connections:		50	Total Sewer Connections:

24. A. Are any improvements required to meet TCEQ or Commission standards?

☑ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
not applicable		

C. Is there a moratorium on new connections?

☑ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☑ No ☐ Yes: Not Applicable (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: Sewer:

Control Number: 49787

Item Number: 1

Addendum StartPage: 0

49787

Application for Sale of a Retail Public Utility

Submitted to:

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

For:

Stephenville Mobile Home Park, Ltd. WWTP & PWS
8720 LBJ Freeway
Suite 490
Dallas, Texas 75240

Issue Date: July 19, 2019

Prepared Either By or
Under the Direction of: Jeffrey D. Hunter, P.E.

consulting environmental engineers, inc.
190 n. harbin drive – suite 405 • stephenville, tx 76401
phone: (254) 968-8130 fax: (254) 968-8134
email: ceeinc@ceeinc.org registered firm #F-3333

Stephenville Mobile Home Park
PWS & WWTP Ownership Transfer
Exhibit Cross Reference

Exhibit I.D.	Description
I	Project Summary
II	PUC STM Form
III	Maps/Drawings
IV	Legal Documents
V	Current Tariff
VI	TCEQ Correspondence

Stephenville Mobile Home Park
Project Summary

consulting environmental engineers, inc.
150 n. harbin drive – suite 408 • stephenville, tx 76401
phone: (254) 968-8130 fax: (254) 968-8134
email: ceoinc@ceoinc.org registered firm: #F-2323

PROJECT SUMMARY

Stephenville Mobile Home Park, Ltd – Stephenville Mobile Home Park Ownership Transfer

Stephenville Mobile Home Park WWTP No. WQ0013966001 (CCN No. 20853) and PWS No. TX0720021 (CCN No. 12822) is owned and operated by Stephenville Mobile Home Park, Ltd. Stephenville Mobile Home Park, Ltd. currently provides Stephenville Mobile Home Park with wastewater and water services, and HB Shady Oaks TX, LP plans to provide the same continuous and adequate services after the transfer is approved. All lots inside the park are connected to the system, but not all are occupied, and there is no available growth potential expected based on current property boundaries.

During the first quarter of 2019 Stephenville Mobile Home Park, Ltd and HB Shady Oaks TX, LP entered into a preliminary agreement for the purchase of Stephenville Mobile Home Park WWTP and PWS. Upon approval of the transfer by the PUC, Stephenville Mobile Home Park, Ltd. will deed the Stephenville Mobile Home Park wastewater and water facilities to HB Shady Oaks TX, LP to ensure uninterrupted service to Stephenville Mobile Home Park customers.

Stephenville Mobile Home Park
PUC STM Form

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE**: In order for the Commission to find the application sufficient for filing, the Applicant should:
   i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
   ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
   iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE**: Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
   i. ***SEND TO***: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
   i. ***DEFICIENT*** *(Administratively Incomplete)*: Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
   ii. ***SUFFICIENT*** *(Administratively Complete)*: Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***

IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
   HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

V. **TRANSACTION TO PROCEED**: at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

VI. **FILE**: Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

Application Summary

Transferor: *(selling entity)* Stephenville Mobile Home Park, Ltd
CCN No.s: 12822, 20853

☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: *(acquiring entity)* HB Shady Oaks TX, LP
CCN No.s:

☐ Water ☐ Sewer ☒ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): Erath

Table of Contents

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Please mark the items included in this filing

☒	Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☒	Tariff including Rate Schedule	Part B: Question 4
☐	List of Customer Deposits	Part B: Question 5
☐	Partnership Agreement	Part C: Question 7
☐	Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
☐	Certificate of Account Status	Part C: Question 7
☐	Financial Audit	Part C: Question 10
☐	Application Attachment A & B	Part C: Question 10
☐	Disclosure of Affiliated Interests	Part C: Question 10
☐	Capital Improvement Plan	Part C: Question 10
☐	List of Assets to be Transferred	Part D: 11.B
☐	Developer Contribution Contracts or Agreements	Part D: 11.D
☐	Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☒	TCEQ Compliance Correspondence	Part F: Question 22
☐	TCEQ Engineering Approvals	Part F: Question 24
☐	Purchased Water Supply or Treatment Agreement	Part F: Question 26
☒	Detailed (large scale) Map	Part G: Question 29
☒	General Location (small scale) Map	Part G: Question 29
☐	Digital Mapping Data	Part G: Question 29
☒	Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the pricing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, lease, or proposed purchase agreement:

Upon approval of this transfer by the PUC, Stephenville Mobile Home Park, Ltd will deed the Stephenville Mobile Home Parks water system facilities and wastewater treatment plant to HB Shady Oaks TX, LP to ensure continuous and adequate service to Stephenville Mobile Home Park customers.

2. The proposed transaction will require (check all that apply):

For Transferee (Purchaser) CCN:	For Transferor (Seller) CCN:
☐ Obtaining a new CCN for Purchaser	☐ Cancellation of Seller's CCN
☐ Transfer all CCN into Purchaser's CCN (Merger)	☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☒ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Stephenville Mobile Home Park, Ltd (individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: [illegible]

Phone: (972) 336-6775 Email: [illegible]

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: [illegible] Title: Engineer

Mailing Address: [illegible]

Phone: [illegible] Email: [illegible]

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: August 28, 2020

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: [illegible]

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are *no* customers that will be transferred
☒ # of customers without deposits held by the transferor
☐ # of customers with deposits held by the transferor*

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: HB Shady Oaks TX, LP (individual, corporation, or other legal entity)
☐ Individual ☐ Corporation ☐ WSC ☒ Other: LP

B. Mailing Address: 1400 Belleville Street Richmond, Virginia 23230

Phone: (804) 767-7721 Email: areisinger@ctrecap.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Charles P. Gillespie III Title: Engineer

Address: 150 N Harbin Drive STE 408, Stephenville, TX 76401

Phone: (254) 968-8130 Email: ceeinc@ceeinc.org

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☐ Yes ☒ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☐ Yes ☒ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship
☒ Partnership or limited partnership (*attach* Partnership agreement)
☐ Corporation
Charter number (as recorded with the Texas Secretary of State):
☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State):
☐ Articles of Incorporation and By-Laws established (*attach*)
☐ Municipally-owned utility
☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County
☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
☐ Other (please explain):

8. If the transferee operates under any d/b/a, provide the name below:

Name:

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Haxall Belleville, LLC
Position: Ownership % (if applicable): 99.00%
Address: 1401 East Cary Street Richmond, Virginia 23219
Phone: (804) 783-7543 Email: khill@wtplaw.com

Name: HB Shady Oaks TX, LLC
Position: Ownership % (if applicable): 1.00%
Address: 1400 Belleville Street Richmond, Virginia 23230
Phone: (804) 767-7721 Email: areisinger.com

Name:
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

Name:
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 2,000,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: $ 439,432.25
Accumulated Depreciation: $ 0.00
Net Book Value: $ 439,432.25

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: $
Accumulated Amortization: $

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: $
Accumulated Amortization: $

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

N/A

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

N/A

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	$ 439,432.25
Accumulated Depreciation of Plant:	$ 0.00
Cash:	$ 95,623.78
Notes Payable:	$ -55,102.00
Mortgage Payable:	$ 0.00
(Proposed) Acquisition Adjustment*:	$ 0.00
Other (NARUC account name & No.):	
Other (NARUC account name & No.):	

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

Transferee is an IOU so a change in rates is not applicable.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

A change of rate application is not intended by the transferee.

Part 5: CCN Obtain or Amend Criteria Questions

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

The transferee plans to keep providing existing and future customers of Stephenville Mobile Home Park water system facilities and WWTP with continuous and adequate water and wastewater treatment as Stephenville Mobile Home Park, Ltd has in the past.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

The transferee has no relevent qualifications directly related to this situation. However, they are continuing to employ the current operator. In addition, the transferee has operated dozens of manufactured housing communities, some of which have been found in Texas for many years. Lastly, the transferee has the financial resources available to make all needed repairs and to perform regular maintenence.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☒ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

No changes.

20. How will the proposed transaction serve the public interest?

HB Shady Oaks Tx, LP will provide uninterrupted service to the existing and future customers.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

Water: City of Stephenville CCN No. 10463

Sewer: City of Stephenville CCN No. 20169

Part 6: CCN Obtain or Amend Water System or Sewer System Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 0720021 (7 digit ID)
Name of PWS: Stephenville Mobile Home Park Water System
Date of last TCEQ compliance inspection: January 16, 2018 (attach TCEQ letter)
Subdivisions served: Stephenville Mobile Home Park

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ 001 - 3966001 (8 digit ID)
Name of Wastewater Facility: Stephenville Mobile Home Park
Name of Permitee: Stephenville Mobile Home Park, Ltd
Date of last TCEQ compliance inspection: January 16, 2018 (attach TCEQ letter)
Subdivisions served: Stephenville Mobile Home Park
Date of application to transfer permit *submitted* to TCEQ: _____

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water			Sewer	
	Non-metered	2"	200	Residential
200	5/8" or 3/4"	3"		Commercial
	1"	4"		Industrial
	1 ½"	Other		Other
	Total Water Connections: 200		Total Sewer Connections:	200

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ *(name of municipality)*

If yes, indicate the number of customers within the municipal boundary.

Water: _____ Sewer: _____

S&P Global
Market Intelligence

Pennsylvania American Water acquires water, wastewater assets of Turbotville

Thursday, July 25, 2019 7:08 AM ET

By Nephele Kirong
Market Intelligence

Pennsylvania American Water Co. acquired the water and wastewater assets of the Borough of Turbotville in Northumberland County, Pa., for $1 million.

"The purchase expands our customer base, which allows us to increase our operational efficiency and capitalize on economies of scale for the benefit of all of our customers," Pennsylvania American Water President Jeffrey McIntyre said.

The water system serves about 320 customers, and the wastewater system serves about 290 customers in Turbotville. The sale allows the borough to pay off all outstanding debt.

As part of the deal, the American Water Works Co. Inc. subsidiary plans to build a new $3.2 million wastewater treatment plant to replace one built in the 1980s. Completion of the new plant is anticipated in 2022. The company will also replace water meters for all customers.

The company has adopted Turbotville's existing water rates, as approved by the state Public Utility Commission.

This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.

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Aqua America's Ohio Subsidiary Reaches Asset Purchase Agreement With City of Campbell to Acquire Water System

August 05, 2019 01:01 PM Eastern Daylight Time

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aqua America Inc. (NYSE: WTR) announced today its Ohio subsidiary has signed an agreement with the City of Campbell, Mahoning County, to purchase the city's water treatment plant and distribution system for $7.5 million. The system serves approximately 3,200 connections.

Closing of the sale is anticipated in late 2019 upon approval by the Public Utilities Commission of Ohio.

"This purchase will enable Aqua to bring benefits to the Campbell community by leveraging expertise in compliance, large-scale purchasing power and other efficiencies that can be realized with a larger, combined regional operation," said Aqua America Chairman and CEO Christopher Franklin. "Purchasing private and municipally owned systems is about more than growth. It allows us to do our part to strengthen water and wastewater infrastructure in the communities we serve, something that's vitally important for the future. At the same time, proceeds from the sale of a water or wastewater system can enable municipal leaders to pursue other important initiatives in their communities."

Aqua Ohio President Ed Kolodziej said Aqua will invest an estimated $4.3 million in the water system to enhance water quality, reliability, and regulatory and environmental standards. "I commend the City of Campbell's mayor and council members for administering an open and transparent evaluation process," said Kolodziej. "Campbell's officials remained focused on making sure any resolution would offer the best solution for the community, and we look forward to serving our new customers."

Last year, Aqua completed municipal acquisitions in the Village of Manteno, Illinois; Limerick Township, Pennsylvania; the Village of Peotone, Illinois; East Bradford Township, Pennsylvania; and the Tredyffrin Township Municipal Authority's Valley Creek Trunk Sewer System in Pennsylvania. Including Campbell, Ohio, Aqua now has eight pending water and wastewater acquisitions under agreement totaling about 22,600 customer connections, which are expected to close in 2019 or 2020. Additionally, Aqua has signed a letter of intent with the Delaware County Regional Water Quality Control Authority, the large wastewater system that serves approximately 500,000 people in 42 municipalities in Delaware and Chester counties, Pennsylvania.

Aqua also announced on Oct. 23, 2018 an agreement to acquire Pittsburgh-based natural gas company Peoples for $4.275 billion. Expected to close in 2019, Aqua will add 740,000 customers in Western Pennsylvania, Kentucky and West Virginia, while continuing to improve infrastructure reliability, quality of life and economic prosperity in these regions.

Aqua America is the second-largest publicly traded water utility based in the U.S., and serves more than 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com for more information.

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to invest capital, receive governmental approval of the transition and to successfully close the acquisition, and its ability bring efficiencies to the City of Campbell community. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions; the receipt of governmental approvals; the successful closing of the acquisition; the successful integration of the customers and the facility; and other factors discussed in our Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with the Company's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation — and expressly disclaims any such obligation — to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

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https://www.wvgazettemail.com/business/american-water-finalizes-takeover-of-boone-raleigh-psd-water-service/article_95a5c271-f526-585b-ae04-67c151580ced.html

American Water finalizes takeover of Boone-Raleigh PSD water service

By Caity Coyne Staff writer
Aug 8, 2019

Customers who once relied on the Boone-Raleigh Public Service District for water service are now officially customers of West Virginia America Water, after the company's acquisition of the PSD was finalized Thursday, according to a news release.

Boone-Raleigh PSD served about 470 water customers in Sylvester and Whitesville. Now, WVAW will serve those customers through an interconnection constructed between its existing lines in the area and the PSD's lines.

WVAW will only provide water service to the PSD's customers. Those who receive sewage service from the PSD will soon see a 16 percent increase (about $6 per 3,000 gallons of water) to their bill due to the decrease in revenue from losing its water customers, according to a filing with the state Public Service Commission.

Water customers will also see an increase in their bills as the water rates raise to meet WVAW's rates — a $19.18, or 57.8 percent, increase.

Per the joint stipulation agreement between the PSD and WVAW, which was approved earlier this year by the PSC, WVAW will pay $115,000 to acquire the water system and its facilities.

Over the past few years, the PSC approached WVAW several times about the possibility of taking over water operations for Boone-Raleigh, especially as its service deteriorated. Earlier this year, John Lipford, chairman of the Boone-Raleigh PSD, said he was confident that this time, the deal would come to fruition, and he was right.

The hope, Lipford said, is that WVAW can provide safer, more reliable water service to those who depend on it.

Boone-Raleigh experiences an unaccounted water loss rate of 69 percent, according to its 2017 annual report filed to the PSC. That's the fourth-highest rate of any water system in the state.

The Environmental Protection Agency classifies Boone-Raleigh as being in "significant noncompliance" for drinking water standards. The PSD has been cited for violations in 11 of the last 12 quarters on record with the EPA.

Now that the acquisition is complete, WVAW is the sole water provider in Boone County, according to testimony given by WVAW representatives to the PSC.

For the past few years, WVAW has been stepping in regularly to offer emergency help to Boone-Raleigh when lines break or water stops flowing, and now, that service will be permanent.

"Once the takeover is finished, the customers will have better water quality and it will be more consistent," Lipford said earlier this year. "This is a good thing for everyone involved. It really is."

Caity Coyne is a corps member with Report for America, an initiative of The GroundTruth Project.

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Caity Coyne

https://www.wvgazettemail.com/business/wv-american-water-to-acquire-glasgow-water-system/article_88521a6b-18f5-56ec-9fc0-af036d40c66f.html

WV American Water to acquire Glasgow water system

By Caity Coyne Staff writer
Sep 6, 2019

A deal approved Friday between West Virginia American Water Company and the Town of Glasgow means that more than 300 customers who rely on the town's municipal water service will soon be transferred to the state's largest water provider.

According to a purchasing agreement filed with the West Virginia Public Service Commission on Friday, the Glasgow water system is deteriorating after years without maintenance, and the town can't financially support it anymore.

"[Glasgow] simply cannot invest quickly enough or efficiently enough to fix the water system, and we are at risk of being unable to continue providing adequate water service," said Glasgow Mayor Donald Fannin, in testimony given to the PSC. "I am concerned that if the Town continues to operate the system the service to our citizens will continue to suffer and degrade."

With the acquisition, only three public water districts remain in Kanawha County, according to the PSC: St. Albans, Cedar Grove and East Bank.

WVAW will pay the town $200,000 to buy its water distribution facilities, including its lines and pump stations. Glasgow does not operate a water treatment plant, and instead buys its water from nearby Cedar Grove through an agreement that expired years ago. Cedar Grove, according to inspection records, has 11 violations on the books for drinking water standards over the past three years.

The $200,000 paid to Glasgow will be used to make any immediate repayments on loans or grants for the water system. If that's not enough, WVAW will take on the remaining debt, according to the purchasing agreement.

Glasgow Town Council passed an ordinance in April approving WVAW's takeover of the system. Rates for the 309 customers who receive water from the town will increase in phases, going up a small percentage at the end of each year until 2023, when they will pay the rates set for the rest of WVAW's Kanawha Valley customers.

Currently, Glasgow customers pay $33.77 per 3,400 gallons of water used, according to the PSC. Those rates were set last May, when customers on the system experienced a 32 percent rate increase, according to a tariff filing with the PSC. WVAW customers in Kanawha County currently pay $57.94 per 3,400 gallons used. There is no way to tell what WVAW rates could look like in 2023.

Fannin, speaking to the PSC, said there have been several instances that reinforced the importance of giving the system up to WVAW, which he said has more financial stability and resources to improve the dilapidated system.

The most recent example was in February, when Fannin said customers experienced numerous water outages and 90 residents at Beverly Healthcare Center, a nursing home in the town, were left without water.

While the system is stable at the moment, town officials worry that another system failure is "possible or even likely in the near future," according to the purchase agreement.

When problems have occurred in the past, WVAW stepped in to assist the town with leak detection and rehabilitate immediate issues, Fannin said in his testimony. He said he's confident that residents will receive higher quality, more reliable service under the system's helm.

Per its annual report, Glasgow Municipal Water Department experiences an unaccounted water loss rate of 66 percent, meaning 66 percent of the water it pumps never makes it to a faucet. That is the fifth highest rate of unaccounted water loss among public water systems in the state.

With its takeover, WVAW will begin looking at upgrading the systems infrastructure and replacing parts of the distribution system that lead to unreliable, potentially unsafe water, according to a Friday news release.

Fannin said that while town officials are aware of the issues facing the water system, they don't have the money to do anything about it. Since Glasgow lost a coal-fired power plant operated by Appalachian Electric Power in 2015, the town has receives less business and occupation taxes that could help upkeep town facilities.

This year, Glasgow laid off a majority of its public works department, leaving just one employee, and officials are "scrutinizing every single town expense," according to Fannin. Hard decisions like this, he said, are ones that officials must make to keep Glasgow from ceasing to exist as a municipality.

"The entire Town government has forgone wages to keep this town afloat. This is one sign of our commitment to doing our best to provide the needed services to our residents," Fannin told the PSC. "By selling this water system to WVAW, we are able to obtain a fair value that will allow the government to focus on other needs of the Town while assuring our residents have excellent water service."

Caity Coyne is a corps member with Report for America, an initiative of The GroundTruth Project. Reach Caity Coyne at caity.coyne@wvgazettemail.com, 304-348-7939 or follow @CaityCoyne on Twitter.

Caity Coyne

businesswire

AQUA

Aqua America's Pennsylvania Subsidiary Reaches Agreement with DELCORA to Purchase Municipal Wastewater System Serving Approximately 500,000 People

Acquisition will be the largest municipal transaction for Aqua America and the largest water/wastewater municipal transaction in Pennsylvania's history

September 17, 2019 04:50 PM Eastern Daylight Time

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aqua America Inc. (NYSE: WTR) announced today its Pennsylvania subsidiary, Aqua Pennsylvania Wastewater (Aqua), has signed an asset purchase agreement with the Delaware County Regional Water Quality Control Authority (DELCORA) to acquire the municipal authority's wastewater assets for $276.5 million. The pending transaction is subject to Pennsylvania Public Utility Commission approval.

DELCORA serves a population of approximately 500,000 people in 42 municipalities in Southeast Pennsylvania. Aqua estimates that this represents the equivalent of 165,000 retail customers. The customer base consists of retail, commercial, and industrial customers and large wholesale agreements with municipal authorities. Its assets include 168 miles of combined and separate sewer mains, 14 miles of large-diameter force mains, and a 50-million gallon-per-day wastewater treatment plant that serves the western part of its service territory. Wastewater from the eastern part of the territory is treated by Philadelphia Water Department.

"We are proud to announce that DELCORA will become the largest municipal transaction in our 133-year company history," said Aqua America Chairman and CEO Christopher Franklin. "Our long track record of delivering reliable water and wastewater services, and investing in infrastructure across the United States, has positioned Aqua well for this opportunity. Since 2016, Aqua America has acquired more than 30 water and wastewater systems and integrated them into our existing operations, and I'm looking forward to welcoming DELCORA's employees and customers into our company."

Prior to the agreement, DELCORA faced substantial capital investment costs to comply with U.S. Environmental Protection Agency mandates to resolve combined sewer overflow problems. The cost of these projects, and other capital investments, is estimated to be approximately $1.2 billion through 2041.

"Rather than stay the course and undertake significant projects that are expected to have high costs and dramatically increase customer rates, DELCORA decided to partner with Aqua to address these challenges," said Aqua President Marc Lucca. "Because of our economies of scale, technical expertise, and long-standing commitment to southeastern Pennsylvania, this partnership will benefit our current and future customers along with the region's environment."

Following closing, Aqua will hire all 136 current DELCORA employees, honor all DELCORA union contracts, and offer expanded professional opportunities in water and wastewater to these employees.

In 2018, Aqua America completed municipal acquisitions in the Village of Manteno, Illinois; Limerick Township, Pennsylvania; the Village of Peotone, Illinois; East Bradford Township, Pennsylvania; and the Tredyffrin Township Municipal Authority's Valley Creek Trunk Sewer System in Pennsylvania. In addition to DELCORA, Aqua America currently has seven pending water and wastewater acquisitions under agreement, which represent close to 23,000 customer connections and are expected to close in 2019 or 2020.

In October 2018, Aqua America also announced an agreement to acquire Pittsburgh-based natural gas company Peoples for $4.275 billion. This transaction, which is expected to close in 2019, will add 740,000 customers in Western Pennsylvania, Kentucky and West Virginia, and enable Aqua to expand its ongoing efforts to improve infrastructure reliability, quality of life and economic prosperity in these regions.

Aqua America is the second-largest publicly traded water utility based in the U.S., and serves more than 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com for more information.

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to invest capital efficiently, and its ability to receive governmental approval of the transition and to successfully close the acquisition. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions; the receipt of governmental approvals; the receipt of the closing conditions to the agreement of sale; the successful closing of the acquisition; the successful integration of the customers and the facility; and other factors discussed in our Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation — and expressly disclaims any such obligation — to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRF

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Illinois American Water Acquires Village of Glasford Water and Wastewater Systems

September 19, 2019 04:26 PM Eastern Daylight Time

GLASFORD, Ill.--(BUSINESS WIRE)--Illinois American Water President Bruce Hauk today announced the Company's acquisition of the Village of Glasford water and wastewater systems. The purchase adds approximately 492 water customers and 482 wastewater customers to the Central Illinois service area.

The Village of Glasford voted in favor of the sale in August 2018. The Illinois Commerce Commission (ICC) approved the sale for $1.9 million on Sept. 18, 2019. The sale was completed today.

"We have a long history – 130 years – of providing quality water service in Central Illinois. We look forward to serving our new customers in Glasford," said Hauk.

Glasford Mayor Jack Rudd, Jr. said the sale of the water and wastewater systems to Illinois American Water is, "in the Village's best interest." He went on to say, "Residents will not only have better quality water and sanitary service, but needed critical investments will also be made under Illinois American Water ownership. The partnership also provides significant net proceeds to help fund other village needs and priorities. We welcome Illinois American Water to our community."

Illinois American Water is committed to upgrading the Glasford water and wastewater systems, including construction of a transmission water main from Timber-Logan Rural Water District to the Village of Glasford. This work will provide customers with water treated and produced by Illinois American Water's water quality experts. A re-chloramination station will also be installed to ensure adequate disinfection for high-quality water service which meets EPA requirements. Security improvements, water main installations and upgrades to the sanitary sewer system will also be completed.

Roger Goodson, sr. manager for Illinois American Water's Eastern and Western Divisions, said, "We are excited to become a member of this vibrant community, not only as the water and wastewater service provider, but as a good neighbor."

New customers will receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing and more. The Village of Glasford will be incorporated into the company's Peoria District which serves Peoria, West Peoria, Farmington, Bartonville, Bellevue, Rome, Mapleton and parts of surrounding areas including Washington and East Peoria. Dunlap, Hanna City and the Timber-Logan Rural Water District are sale for resale (wholesale) customers.

The appraisal process used for the Glasford water and wastewater systems was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. According to Hauk, this law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility.

Hauk said, "Previous law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a system, public or private. Because of this, systems were deprived of receiving adequate value for their system."

To learn more about Illinois American Water and hear testimonials from communities the company has partnered with, please visit the Doing Business with Us page and about Us at www.illinoisamwater.com.

About Illinois American Water - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville.

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

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12/30/2019 Illinois American Water Acquires Village of Godfrey Wastewater System; Adds 6,200 Wastewater Customers to Southern Illinois Service...

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Illinois American Water Acquires Village of Godfrey Wastewater System; Adds 6,200 Wastewater Customers to Southern Illinois Service Area

Dateline City:
GODFREY, Ill.

GODFREY, Ill.--(BUSINESS WIRE (http://www.businesswire.com))--Illinois American Water President Bruce Hauk today announced the Company's acquisition of the Village of Godfrey wastewater system. The purchase adds approximately 6,200 wastewater customers to the Southern Illinois service area. The system serves customers in Godfrey and nearby communities of Brighton and Fosterburg.

The Village of Godfrey voted in favor of the sale in October 2018. The Illinois Commerce Commission (ICC) approved the sale for $13.55 million on Oct. 2, 2019. The sale was completed today.

"We are excited to expand our services in the River Bend area where we've provided quality, reliable water service for over 140 years. Our team of wastewater experts are ready to serve our new customers and they are looking forward to making critical improvements to ensure reliable service for public health," said Hauk.

Village of Godfrey Mayor Mike McCormick said the sale of the wastewater system to Illinois American Water will "serve residents well today and in the future." He went on to say, "Illinois American Water will not only make the EPA mandated improvements to bring the system up to compliance, but their team of experts will ensure reliable service for years to come. This partnership also provides significant net proceeds to help fund other village needs and priorities. We welcome this expanded partnership with Illinois American Water in our community."

In addition to completing requirements under the Amended Consent Order, Illinois American Water expects to invest on average about $2 million per year for routine capital improvements for the first 10 years of ownership.

Karen Cooper, senior manager for Illinois American Water's Southern Division, said, "Many communities are looking for new and innovative ways to deal with challenges they're facing while controlling expenses. There's nothing more important to our team than ensuring our customers receive the best service possible at a good value. This partnership is a great solution for residents."

New customers will receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing and more.

The appraisal process used for the Godfrey wastewater system was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. According to Hauk, this law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility. To learn more about Illinois American Water and hear testimonials from communities the company has partnered with, please visit the Doing Business with Us page under About Us at www.illinoisamwater.com (https://amwater.com/ilaw/).

About Illinois American Water - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com (https://amwater.com/) and follow American Water on Twitter (https://twitter.com/amwater), Facebook (https://www.facebook.com/weareamericanwater/) and LinkedIn (https://www.linkedin.com/company/american-water/).

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Pennsylvania American Water Expands Footprint with Acquisition of Steelton Borough Authority Water System

October 09, 2019 04:30 PM Eastern Daylight Time

MECHANICSBURG, Pa.--(BUSINESS WIRE)--Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced today that it has acquired the water assets of the Steelton Borough Authority in Dauphin County. The purchase price for the system, which serves nearly 2,400 customers, was $21.75 million.

"We welcome our new Steelton customers and look forward to working with the community on long-term water infrastructure solutions for this area," said Pennsylvania American Water President Mike Doran. "The purchase not only provides financial benefits and rate stability for Steelton, but it also aligns perfectly with our existing water service territory here in the midstate."

The sale of the water system is expected to allow the borough to eliminate its existing water debt, build up budget reserves, and invest in capital projects. Effective today, all seven of Steelton's employees, represented by AFSCME District Council 90, are now employees of Pennsylvania American Water.

"We are proud of the hard work and rich history of the Steelton Water System and, today, leave it in more than capable hands," said Allan Ausman, chair of the Steelton Water Authority. "Pennsylvania American Water's investment in our system brings Steelton into the 21st century and ensures customers will have reliable, high-quality water service into the future."

As approved by the Pennsylvania Public Utility Commission (PUC), the company has adopted Steelton's existing water rates, which will now be billed monthly. The company's rates and rules of service are regulated by the PUC and are posted on the company's website.

This sale was executed under Pennsylvania's Act 12 statute, which allows municipalities to sell water and wastewater systems for a price based on the fair market value of the facilities. Prior to the passage of Act 12, the valuation process was based on assessing the system's original cost at the time of construction – which may be 50 years old or more – less depreciation and contributed property. "Act 12 allows municipalities the opportunity to receive a purchase price that is more in line with the current value of its system assets," said Doran.

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.4 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

This release contains forward looking statements, including, among others, our plan to continue our long-term strategy of capital investment in our systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions, unfavorable weather conditions, changes in regulations or regulatory treatment and availability and the cost of capital. We undertake no obligation to publicly update or revise any forward-looking statement.

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Tweets by @paamwater

Pennsylvania American Water
@paamwater

WASHINGTON COUNTY CUSTOMERS: For your convenience, a water buffalo is available at the North Strabane fire station for customers in the Route 19 repair area. Please bring your own container to fill.

Jan 4, 2020

Pennsylvania American Water
@paamwater

LIMERICK CUSTOMERS: The Boil Water Advisory for your area has been lifted. You may resume your normal water usage. We thank our customers for their patience and cooperation during this event. For more information, contact Customer Service at (800) 565-7292.

Jan 4, 2020

Pennsylvania American Water
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LIMERICK TWP CUSTOMERS: The Boil Water Advisory for some customers in your area remains in effect. Map of area: arcg.is/08Wbe. We will update here when the advisory is lifted.

Control Number: 50085

Item Number: 1

Addendum StartPage: 0

50085

Application for Sale, Transfer, or Merger of a Retail Public Utility

PUCT Sale, Transfer, Merger
Page 1 of 20 (September 2019)

Transferor: Castle Water Inc., d/b/a Horseshoe Bend Water System
(selling entity)
CCN No.s: 10283

☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: Horseshoe Bend Water Company LLC
(acquiring entity)
CCN No.s: N/A

☒ Water ☐ Sewer ☐ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): Parker

Table of Contents

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Please mark the items included in this filing

☒	Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☒	Tariff including Rate Schedule	Part B: Question 4
☒	List of Customer Deposits	Part B: Question 5
☐	Partnership Agreement	Part C: Question 7
☒	Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
☒	Certificate of Account Status	Part C: Question 7
☐	Financial Audit	Part C: Question 10
☒	Application Attachment A & B	Part C: Question 10
☐	Disclosure of Affiliated Interests	Part C: Question 10
☐	Capital Improvement Plan	Part C: Question 10
☐	List of Assets to be Transferred	Part D: 11.B
☐	Developer Contribution Contracts or Agreements	Part D: 11.D
☒	Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☒	TCEQ Compliance Correspondence	Part F: Question 22
☐	TCEQ Engineering Approvals	Part F: Question 24
☐	Purchased Water Supply or Treatment Agreement	Part F: Question 26
☐	Detailed (large scale) Map	Part G: Question 29
☒	General Location (small scale) Map	Part G: Question 29
☐	Digital Mapping Data	Part G: Question 29
☒	Signed & Notarized Oath	Page 13-14

PUCT Sale, Transfer, Merger
Page 2 of 20 (September 2019)

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

See "Answer to Question 1" on Attachment 1.

2. The proposed transaction will require (check all applicable):

For Transferee (Purchaser) CCN:	For Transferor (Seller) CCN:
☒ Obtaining a NEW CCN for Purchaser	☐ Cancellation of Seller's CCN
☒ Transfer all CCN into Purchaser's CCN (Merger)	☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☐ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Castle Water Inc.
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: PO Box 613, Mansfield, TX 76063

Phone: (512) 474-9100 Email: gkirshbaum@terrillwaldrop.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Geoff Kirshbaum Title: Attorney

Mailing Address: 810 West 10th St., Austin, TX 78701

Phone: (512) 474-9100 Email: gkirshbaum@terrillwaldrop.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: January 1, 2015

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: 42942

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

PUCT Sale, Transfer, Merger
Page 3 of 20 (September 2019)

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are *no* customers that will be transferred

☒ # of customers without deposits held by the transferor 214

☒ # of customers with deposits held by the transferor* 293

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: Horseshoe Bend Water Company LLC
(individual, corporation, or other legal entity)
☐ Individual ☐ Corporation ☐ WSC ☒ Other: Limited Liability Company

B. Mailing Address: 5910 N. Central Expy., Suite 1580 Dallas, TX 75206

Phone: (214) 219-7534 Email: wrighta@railroadmanagement.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Alan Wright Title: Attorney

Address: 5910 N. Central Expy., Suite 1580 Dallas, TX 75206

Phone: (214) 219-7534 Email: wrighta@railroadmanagement.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☐ Yes ☒ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☐ Yes ☒ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☒ Corporation
Charter number (as recorded with the Texas Secretary of State): 803436754

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State):
☐ Articles of Incorporation and By-Laws established (*attach*)

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County

☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain):

8. If the transferee operates under any d/b/a, provide the name below:

Name: NA

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Paul D Kauffman
Position: President Ownership % (if applicable): 50.00%
Address: 5910 N. Central Expy., Suite 1580 Dallas, TX 75206
Phone: (214) 750-2808 Email: kauffmanp@potableproducts.com

Name: Howard L Armistead III
Position: VP, Treasurer Ownership % (if applicable): 25.00%
Address: 5910 N. Central Expy., Suite 1580 Dallas, TX 75206
Phone: (214) 750-8028 Email: armisteadh@railroadmanagement.com

Name: Cary S Newman
Position: VP, Secretary Ownership % (if applicable): 25.00%
Address: 5910 N. Central Expy., Suite 1580 Dallas, TX 75206
Phone: (214) 750-8028 Email: newmanc@railroadmanagement.com

Name:
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

10. **Financial Information**
The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

11. A. Proposed Purchase Price: $ 500,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☐ Yes ☒ N/A

Total Original Cost of Plant in Service: $ 1,276,492.00

Accumulated Depreciation: $ -1,183,571.00

Net Book Value: $ 92,920.00

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: $

Accumulated Amortization: $

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: $

Accumulated Amortization: $

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☐ No ☒ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

The APA includes a holdback in the amount of $120,000. This amount will be available to address necessary repairs, construction and improvements identified in that certain TCEQ Docket No. 2019-0923-UCR-E (the "Emergency Order"). The Applicant currently anticipates that all repairs and improvements identified in the Emergency Order shall be completed within nine months of closing.

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

HBWC is owned by Potable Products Incorporated ("Potable"). Potable and its affiliates have significant experience operating both water and wastewater systems in Arizona and believe they have the financial and operational resources to address the needs of the system and its customers.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	$ 1,276,492.00
Accumulated Depreciation of Plant:	$ -1,183,572.00
Cash:	$ 20,000.00
Notes Payable:	$ 275,000.00
Mortgage Payable:	$ 0.00
(Proposed) Acquisition Adjustment*:	$ 0.00
Other (NARUC account name & No.):	
Other (NARUC account name & No.):	

* Acquisition Adjustments will be subject to review under 16 TAC § 24.41(d) and (e)

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

None

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

Applicant does not intend to file an application to change rates within the next twelve months as a result of the transaction.

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

See "Answer to Question 16" on Attachment 1.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

See "Answer to Question 17" on Attachment 1.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☒ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

HBWC does not believe the environmental integrity of the land will be impacted or disrupted as a result of the transaction contemplated by the APA.

20. *How will the proposed transaction serve the public interest?*

See "Answer to Question 20" on Attachment 1.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

Parker County SUD - CCN 12313
Monarch Utilities - CCN 12983

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1640002 (7 digit ID)
Name of PWS: Horseshoe Bend Water System
Date of last TCEQ compliance inspection: December 28, 2016 (attach TCEQ letter)
Subdivisions served: Horseshoe Bend

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ (8 digit ID)
Name of Wastewater Facility:
Name of Permitee:
Date of last TCEQ compliance inspection: (attach TCEQ letter)
Subdivisions served:
Date of application to transfer permit *submitted* to TCEQ:

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water			Sewer
	Non-metered	1 2"	Residential
508	5/8" or 3/4"	3"	Commercial
	1"	4"	Industrial
	1 ½"	Other	Other
	Total Water Connections:	557	Total Sewer Connections:

24. A. Are any improvements required to meet TCEQ or Commission standards?

☐ No ☒ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
See "Answer to Question 24B" on Attachment 1.		

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the *corporate boundaries of a municipality*?

☒ No ☐ Yes: *(name of municipality)*

If yes, indicate the number of customers within the municipal boundary.

Water: Sewer:

joe.loughmiller@amwater.com

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Indiana American Water Acquires Lake Station Water System in Northwest Indiana

October 22, 2019 05:19 PM Eastern Daylight Time

GREENWOOD, Ind.--(BUSINESS WIRE)--Indiana American Water President Matt Prine today announced the company's acquisition of the City of Lake Station's water system in northwest Indiana. The purchase of the system adds more than 3,270 water customers, representing a population of more than 8,800 residents, to the company's customer base.

"Indiana American Water already provides water service to much of northwest Indiana, so this is a good fit for us," said Prine. "The acquisition provides access to operations and customer service professionals for Lake Station residents and broadens the footprint of Indiana American, allowing existing customers to benefit from efficiencies in delivering service and the ability to attract capital for investment in the system."

"Communities are looking for new and innovative ways to deal with challenges they're facing and hold the bottom-line on expenses," Prine continued. "This acquisition is a great solution for the City and its customers."

Lake Station Mayor Christopher Anderson also expressed his support of the acquisition.

"The acquisition of our water system by Indiana American Water has several benefits to our community, including additional local and property tax revenues, the expertise and resources to address system and aging infrastructure issues, and significant proceeds from the sale to help us address financial challenges and other pressing community needs," said Anderson. "This sale will position our community for continued growth and prosperity well into the future."

The acquisition of the Lake Station water system for approximately $20.68 million was approved by the Indiana Utility Regulatory Commission in August 2018 and closed by Indiana American Water and the City of Lake Station on Tuesday, October 22, 2019. The closing was delayed by appeals which have now been resolved. The Lake Station system will be incorporated into the company's Northwest Indiana Operations, which currently serves more than 250,000 residents.

About Indiana American Water

Indiana American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 1.3 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

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Pennsylvania American Water Expands Footprint with Acquisition of Township of Exeter Wastewater System in Berks County

Transaction secures long-term wastewater solution for Exeter Township

October 24, 2019 04:30 PM Eastern Daylight Time

MECHANICSBURG, Pa.--(BUSINESS WIRE)--Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced today that it has acquired the wastewater assets from the Township of Exeter in Berks County. The purchase price for the system, which serves more than 9,000 customers, is $93.5 million and marks Pennsylvania American Water's fifth acquisition in 2019.

"We welcome this opportunity to provide our new customers the same high level of quality wastewater service that our current Exeter Township water customers have come to expect from our company," said Pennsylvania American Water President Mike Doran. "We will now commit our resources to the wastewater system improving environmental compliance and dependability."

"The sale of the wastewater treatment plant and collection system to Pennsylvania American Water is a great benefit to current and future residents of Exeter," said John Granger, township manager. "The plant and system were becoming an increasing burden on the township as federal and state regulations were becoming too difficult for the township to manage."

"The sale presents a unique opportunity to secure the finances of the township for residents who presently live here, while also planning for those who come later," Granger continued. "We intend to use proceeds from the sale to eliminate all wastewater debt, make deposits into pension funds, and implement new tax exemptions – providing tax savings for all eligible residents."

As approved by the Pennsylvania Public Utility Commission (PUC), Pennsylvania American Water has adopted Exeter's existing sewer rates, which will now be billed monthly. The company's rates and rules of service are regulated by the PUC and are posted on the company's website.

Over the next three years, Pennsylvania American Water plans to invest $3 million in water and wastewater infrastructure improvements within Exeter Township.

This sale was executed under Pennsylvania's Act 12 statute, which allows municipalities to sell water and wastewater systems for a price based on the fair market value of the facilities. Prior to the passage of Act 12, the valuation process was based on assessing the system's original cost at the time of construction – which may be 50 years old or more – less depreciation and contributed property.

"Act 12 allows municipalities the opportunity to receive a purchase price that is more in line with the current value of its system assets," explained Doran.

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water and wastewater utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.4 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water and wastewater services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

This release contains forward looking statements, including, among others, our plan to continue our long-term strategy of capital investment in our systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions, unfavorable weather conditions, changes in regulations or regulatory treatment and availability and the cost of capital. We undertake no obligation to publicly update or revise any forward-looking statement.

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Jan 4, 2020

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Jan 4, 2020

Pennsylvania American Water
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LIMERICK TWP CUSTOMERS: The Boil Water Advisory for some customers in your area remains in effect. Map of area: arcg.is/08Wbe. We will update here when the advisory is lifted.

Aqua Completes purchase of Cheltenham Township Wastewater System

Posted on Thursday December 19, 2019

Sewer sale is complete. All sewer calls should go to Aqua PA local office (610) 792-2112 from 8:30 A.M to 4:30 P.M. and the call (877) 987-2782 (for off hours and emergencies).

Aqua America's Pennsylvania subsidiary completes purchase of Cheltenham Township wastewater syste
Acquisition is Aqua's fourth in 4Q; eighth for 2019

BRYN MAWR, Pa. – Aqua America (NYSE:WTR) announced today that its Pennsylvania subsidiary has completed the purchase of the Cheltenham Township wastewater system, which serves approximately 10,200 connections in Montgomery County, for $50.25 million.

"This is an exciting time in the water industry, and we are pleased to offer a compelling set of solutions for municipal leaders who are considering the sale of their utilities. We have forged a strong partnership with leaders Cheltenham to bring significant investment to improve sewer pipes and provide high quality service to residents the township," said Aqua America Chairman and CEO Christopher Franklin.

"We are proud that the Board of Commissioners of Cheltenham Township, where we've provided drinking wate for decades, chose to have us provide their wastewater service as well and entrusted us to be stewards of those assets," said Aqua Pennsylvania President Marc Lucca.

"Cheltenham Township is pleased to close on the sale of the sewer system to Aqua because it's truly a win-win f all parties. The multi-year collection system re-lining and replacement work needed for the *90-year-old sewer system* would have cost $10 million per neighborhood at a total cost of $50 million, which the township couldn't cover without assuming loans and significant tax increases," said Cheltenham Township Manager Bryan Havir. "This sale allows Aqua and the Pennsylvania Department of Environmental Protection to address needed collecti system and lateral repairs without the township having to saddle residents with increased taxes and costly repairs

The Cheltenham wastewater acquisition is the third municipal transaction completed by Aqua Pennsylvania usin the Commonwealth's fair market value legislation, Act 12, since the law was enacted in 2016. Collectively, those transactions have yielded an additional 16,901 wastewater customers.

Earlier this month, Aqua Pennsylvania completed the purchase of three municipal water systems previously serv by the Phoenixville Borough water system, totaling 535 customer connections in Chester and Montgomery counties, for $3.5 million. This was not a fair market value transaction.

Currently, Aqua Pennsylvania has two transactions under review by the Pennsylvania Public Utility Commissior and recently announced an asset purchase agreement with DELCORA, which if approved would be the largest municipal transaction for Aqua America and the largest water/wastewater municipal transaction in Pennsylvania' history, yielding Aqua Pennsylvania the equivalent of 165,000 wastewater customers.

"Representatives from the Aqua team and Cheltenham Township have worked cooperatively for several months i anticipation of this acquisition. We are now ready to initiate the necessary improvements required by infiltration and inflow issues, that resulted in the township receiving a DEP consent order," said Lucca. "I believe our longstanding relationship with the township, its residents as well as the regulatory community will make for a smooth transition."

In total, Aqua has plans to spend more than $50 million over the next 10 years to improve Cheltenham's wastewater system.

Aqua's Illinois subsidiary acquired the Skyline water and wastewater systems in November from the Fox River Water Reclamation District, located in South Elgin, IL for $3.5 million. Each system serves 376 customer connections in the Skyline and Valley View communities of Saint Charles Township, Illinois. Earlier this month, Aqua Illinois acquired the Village of Grant Park's wastewater system, which serves more than 1,200 people through approximately 540 connections for $2.3 million. The Public Utilities Commission of Ohio yesterday approved Aqua Ohio's agreement with the City of Campbell to purchase the city's water treatment plant and distribution system, which serves 3,200 customer connections.

In total, Aqua America subsidiaries completed eight acquisitions in 2019, adding a total of 1,495 new water customer connections and 11,130 new wastewater customer connections.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com for more information.

# # #

SEWER MAINTENANCE CALL INFORMATION -- residents should no longer call Cheltenham Township

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Cheltenham Township ~ 8230 Old York Road ~ Elkins Park, PA 19027
Hours: Monday-Friday, 8AM-4:30PM
Phone: 215-887-1000 ~ Fax: 215-887-1561
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Pennsylvania American Water Signs Agreement to Acquire Borough of Kane Authority's Wastewater System

November 14, 2019 04:45 PM Eastern Standard Time

KANE, Pa.--(BUSINESS WIRE)--Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced that it has signed an agreement to acquire the wastewater assets of the Borough of Kane Authority in McKean County for approximately $17.5 million. The Authority's wastewater system serves nearly 2,100 customers in Kane Borough and Wetmore Township.

"We have been providing reliable water service to this area for more than 100 years and are deeply rooted in these communities," said Pennsylvania American Water President Mike Doran. "The proceeds of the sale will support local infrastructure improvements and economic development activities that will be vital to supporting a high quality of living for residents."

Pennsylvania American Water and the Authority will seek approval of the acquisition from the Pennsylvania Public Utility Commission (PUC) and other necessary approvals from the Pennsylvania Department of Environmental Protection.

"We look forward to bringing our operational and engineering expertise, as well as our commitment to make necessary capital investments, to improve the wastewater system and ensure its compliance with environmental regulations," Doran added. "We also plan to welcome Kane's four wastewater treatment plant operators to the Pennsylvania American Water family."

The signing of the purchase agreement is the culmination of several years of negotiations between Pennsylvania American Water, the Authority, Kane Borough, and Wetmore Township officials. The company expects to close the transaction in the later part of 2020, pending regulatory approvals.

The pending transaction will be executed under Pennsylvania's Act 12 statute, which allows municipalities to sell water and wastewater systems for a price based on the fair market value of the facilities. Prior to the passage of Act 12, the valuation process was based on assessing the system's original cost at the time of construction -- which may be 50 years old or more -- less depreciation and contributed property.

"The law enacted in 2016 now provides municipalities the opportunity to receive a purchase price that is more reflective of the current value of the system assets," Doran explained.

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.4 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

Contacts
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I agree

Tweets by @paamwater

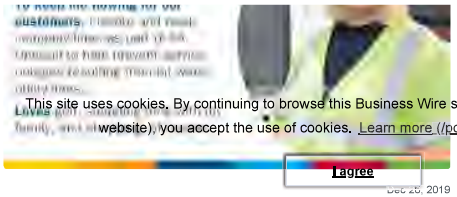
Pennsylvania American Water
@paamwater

#Saveyourdrains

Dec 27, 2019

Pennsylvania American Water
@paamwater

Every employee at Pennsylvania American Water touches our customers in one way or another. We are featuring a new employee from around the Commonwealth every week to highlight their roles in delivering customer service excellence.



Dec 20, 2019

Pennsylvania American Water

Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE**: In order for the Commission to find the application sufficient for filing, the Applicant should:
   i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
   ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
   iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE**: Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
   i. ***SEND TO***: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
   i. ***DEFICIENT** (Administratively Incomplete)*: Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing***.
   ii. ***SUFFICIENT** (Administratively Complete)*: Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***

IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
   HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

V. **TRANSACTION TO PROCEED**: at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

VI. **FILE**: Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

***Who is required to use this form*?**

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

***Transferor*:** Seller

***Transferee*:** Purchaser

***CCN*:** Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

Application Summary

Transferor: (*selling entity*) Clear Water Estates Water System, LLC

CCN No.s: 11884

☒ Sale ☒ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: (*acquiring entity*) SJWTX, Inc.

CCN No.s: 10692

☒ Water ☐ Sewer ☒ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): Comal, Texas

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Please mark the items included in this filing

		Exhibit	Page number
☒ Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1	Exhibit A	15
☒ Tariff including Rate Schedule	Part B: Question 4	Exhibit B	67
☐ List of Customer Deposits	Part B: Question 5		
☐ Partnership Agreement	Part C: Question 7		
☐ Articles of Incorporation and By-Laws (WSC)	Part C: Question 7		
☒ Certificate of Account Status	Part C: Question 7	Exhibit D	94
☒ Financial Audit	Part C: Question 10	Exhibit E	96
☐ Application Attachment A & B	Part C: Question 10		
☐ Disclosure of Affiliated Interests	Part C: Question 10		
☐ Capital Improvement Plan	Part C: Question 10		
☒ List of Assets to be Transferred	Part D: 11.B	Exhibit F	97
☐ Developer Contribution Contracts or Agreements	Part D: 11.D		
☒ Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)	Exhibit K	109
☒ TCEQ Compliance Correspondence	Part F: Question 22	Exhibit M	162
☐ TCEQ Engineering Approvals	Part F: Question 24		
☐ Purchased Water Supply or Treatment Agreement	Part F: Question 26		
☒ Detailed (large scale) Map	Part G: Question 29	Exhibit O-2	168
☒ General Location (small scale) Map	Part G: Question 29	Exhibit O-1	166
☐ Digital Mapping Data	Part G: Question 29		
☒ Signed & Notarized Oath	Page 13-14	Included	13 & 14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements: NOVEMBER 15, 2019, ASSET PURCHASE AGREEMENT ATTACHED HERETO AS EXHIBIT A

November 15, 2019 Asset Purchase Agreement is attached at EXHIBIT A. Per the terms of that agreement, Transferee is to acquire all of the Transferor's assets utilitized in its water system, including the transfer of the Transferor's CCN service area to the Transferee's CCN; after which, Tranferor's CCN shall be cancelled. The proposed transaction shall have no impact on existing or proposed land use in the area.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:	For **Transferor** (Seller) CCN:
☐ Obtaining a NEW CCN for Purchaser	☒ Cancellation of Seller's CCN
☒ Transfer all CCN into Purchaser's CCN (Merger)	☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Transfer Portion of CCN into Purchaser's CCN	☐ Only Transfer of Facilities, No CCN or Customers
☐ Transfer all CCN to Purchaser and retain Seller CCN	☐ Only Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Clear Water Estates Water System LLC (individual, corporation, or other legal entity)

☐ Individual ☐ Corporation ☐ WSC ☒ Other: LLC

B. Mailing Address: W2991 Herbie Lane, Random Lake, WI 53075

Phone: (920) 747-0269 Email: del9622@yahoo.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Mr. Del Schlamp Title: Owner

Mailing Address: W2991 Herbie Lane, Random Lake, WI 53004

Phone: (920) 747-0269 Email: del9622@yahoo.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B: CURRENT TARIFF ATTACHED HERETO AS EXHIBIT B

A. Effective date for most recent rates: September 1, 2012

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: TCEQ Docket No. 37327-R

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

- ☐ There are *no* customers that will be transferred
- ☒ # of customers without deposits held by the transferor: 230
- ☒ # of customers with deposits held by the transferor*: 0 — All refunded

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: SJWTX, Inc. (individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: P.O. Box 1742, Canyon Lake, TX 78133

Phone: (830) 312-4600 Email: tom.hodge@clwsc.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Thomas A. Hodge Title: President

Address: P.O. Box 1742, Canyon Lake, TX 78133

Phone: (830) 312-4600 Email: tom.hodge@clwsc.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☒ Yes ☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☒ Yes ☐ N/A FOR SUMMARY OF ANNUAL REPORT FILINGS, PLEASE SEE EXHIBIT C

7. The legal status of the transferee is:

- ☐ Individual or sole proprietorship
- ☐ Partnership or limited partnership (*attach* Partnership agreement)
- ☒ Corporation | CERTIFICATE OF ACCOUNT STATUS ATTACHED HERETO AS EXHIBIT D
  Charter number (as recorded with the Texas Secretary of State): Charter # 0800542934
- ☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
  Charter number (as recorded with the Texas Secretary of State):
  ☐ Articles of Incorporation and By-Laws established (*attach*)
- ☐ Municipally-owned utility
- ☐ District (MUD, SUD, WCID, FWSD, etc.)

- ☐ County
- ☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- ☐ Other (please explain):

8. If the transferee operates under any d/b/a, provide the name below:

Name: Canyon Lake Water Service Company

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Eric W. Thornburg
Position: Chairman and Chief Executive Officer Ownership % (if applicable): 0.00%
Address: 110 W Taylor St., San Jose, CA 95110
Phone: (830) 312-4600 Email: Eric.Thornburg@sjwater.com

Name: Willie Brown
Position: Corporate Secretary Ownership % (if applicable): 0.00%
Address: 110 W Taylor St., San Jose, CA 95110
Phone: (830) 312-4600 Email: Willie.Brown@sjwater.com

Name: Thomas A. Hodge
Position: President Ownership % (if applicable): 0.00%
Address: 1399 Sattler Rd, New Braunfels, TX 78132
Phone: (830) 312-4600 Email: Tom.Hodge@clwsc.com

Name: James P. Lynch
Position: Treasurer and Chief Financial Officer Ownership % (if applicable): 0.00%
Address: 110 W Taylor St., San Jose, CA 95110
Phone: (830) 312-4600 Email: James.Lynch@sjwater.com

10. **Financial Information** QUESTION 10: PLEASE SEE EXHIBIT E

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 1,500,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*): SEE EXHIBIT F

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: $ 980,474.00
Accumulated Depreciation: $ 711,876.00
Net Book Value: $ 268,598.00

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets. SEE EXHIBIT G

☐ No ☒ Yes

Total Customer CIAC: $ 169,000.00
Accumulated Amortization: $ 119,330.00

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: $
Accumulated Amortization: $

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

n/a

13. Provide any other information concerning the nature of the transaction you believe should be given consideration: MORE FAIR MARKET VALUE DETERMINATION INFORMATION ATTACHED HERETO AS EXHIBIT H

SJWTX, Inc., has filed notice with the Commission of its intent to use Fair Market Value ("FMV") for determination of tHe rate base of the acquired water system assets (Docket No. 49859_3) in accordance with TWC 13.305(c)(1). The Commission appointed three appraisers in the letter filed under Docket No. 49859_8 and SJWTX, Inc., has included copies of the three appraisal reports with this Application in accordance with TWC 13.305(h)(1). PLEASE SEE EXHIBIT H FOR MORE INFORMATION.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

QUESTION 14 RESPONSE, PLEASE SEE EXHIBIT I

Utility Plant in Service: $
Accumulated Depreciation of Plant: $
Cash: $
Notes Payable: $
Mortgage Payable: $
(Proposed) Acquisition Adjustment*: $
* Acquisition Adjustments will be subject to review under 16 TAC § 24.41(d) and (e)
Other (NARUC account name & No.):
Other (NARUC account name & No.):

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

Existing rates will remain in effect until SJWTX, Inc. files a rate application which includes this system with the PUC.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

SJWTX, Inc. does not intend to file an application to change rates as a result of acquiring this water system within twelve months of the date of this application.

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

SEE EXHIBIT J

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

SEE EXHIBIT J

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☐ No ☒ Yes SEE EXHIBIT K

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

SEE EXHIBIT L

20. How will the proposed transaction serve the public interest?

SEE EXHIBIT L

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

CCN 10692 SJWTX, Inc. dba Canyon Lake Water Service Company, transferee
CCN N0005 Arroyo Bravo Water Supply LLC
CCN 13131 Liberty Utilities (Silverleaf, LLC)
CCN 12264 Jonas Drive WSC
CCN 12812 Eagles Peak Ranch WSC

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 0460153 (7 digit ID)
Name of PWS: Clear Water Estates Water System
Date of last TCEQ compliance inspection: April 24, 2018 (attach TCEQ letter) SEE EXHIBIT M
Subdivisions served: Clear Water Estates

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)
Name of Wastewater Facility:
Name of Permitee:
Date of last TCEQ compliance inspection: (attach TCEQ letter)
Subdivisions served:
Date of application to transfer permit *submitted* to TCEQ:

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
230	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 ½"		Other		Other
Total Water Connections:		230		Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
N/A		

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: *(name of municipality)*

If yes, indicate the number of customers within the municipal boundary.

Water: Sewer:

Liberty Utilities Co. Expands Water Utility Presence with an Agreement to Acquire American Water's Regulated Operations in New York

NEWS PROVIDED BY
Algonquin Power & Utilities Corp. →
Nov 20, 2019, 16:05 ET

Transaction represents execution on Liberty Utilities' strategy to expand its regulated utility business in high-quality jurisdictions

This news release constitutes a "designated news release" for the purposes of Algonquin Power & Utilities Corp.'s prospectus supplement dated February 28, 2019 to its short form base shelf prospectus dated September 18, 2018.

Highlights:

- **Liberty Utilities Co., the regulated utility operating subsidiary of Algonquin Power & Utilities Corp., has entered into a stock purchase agreement to acquire American Water's regulated operations in the State of New York ("New York American Water").**
- **New York American Water is a regulated water and wastewater utility serving over 125,000 customer connections across seven counties in southeastern New York.**
- **New York American Water's customer rates are not expected to be affected by the acquisition.**
- **Existing local management and operations teams will be maintained and empowered to continue to deliver the safe and reliable water utility services that customers expect, with a commitment by Liberty Utilities to maintain at least existing employment terms for two years following the closing.**
- **Closing of the transaction remains subject to regulatory approval and other typical closing conditions.**

OAKVILLE, ON, Nov. 20, 2019 /PRNewswire/ - Algonquin Power & Utilities Corp. (TSX/NYSE:AQN) ("Algonquin") today announced that Liberty Utilities Co. ("Liberty Utilities"), Algonquin's regulated utility operating subsidiary, has entered into a stock purchase agreement with American Water Works Company, Inc. (NYSE: AWK) ("American Water"), to purchase American Water's regulated operations in the State of New York ("New York American Water") for a purchase price of US$608 million, subject to customary adjustments.

Headquartered in Merrick, NY, New York American Water is a regulated water and wastewater utility serving over 125,000 customer connections across seven counties in southeastern New York. Operations include approximately 1,270 miles of water mains and distribution lines with 98% of customers in Nassau County on Long Island.

"We are thrilled to expand our customer base in the great state of New York," said Ian Robertson, Chief Executive Officer of Algonquin. "New York State has demonstrated a commitment to ensuring regulated utilities put their customers first. We believe the state's vision aligns with our customer-driven focus. We have experience in multiple states as a water utility operator and are known for our commitment to excellence. We are committed to partnering with our regulator and other state officials to support the affordability of water services, including reducing the burden of local taxes on New York American Water's customers, which can account for more than half of their monthly bills. We are also excited to welcome New York American Water's employees to our Liberty Utilities team."

Continuing Commitment to Our Communities, Customers and Employees

Liberty Utilities will work closely with American Water, New York American Water, and the New York Public Service Commission to ensure a smooth transition. Under Liberty Utilities' local and responsive operating model, existing local management and operations teams will be maintained and empowered to continue to deliver the safe and reliable service that customers expect, with a commitment by Liberty Utilities to maintain at least existing employment terms for two years following the closing. Customers should not expect any impact on rates as a result of the acquisition. Liberty Utilities is committed to continuing to invest in the water system to improve water quality, customer education on conservation and community outreach.

"This was a very difficult decision for American Water, as we have had the privilege of serving customers and communities in New York for more than 130 years," said Susan Story, president and CEO of American Water. "After careful and comprehensive analysis, we believe it is in the best interest of our customers in New York to sell to Liberty Utilities, which already has utility operations in the state of New York and will have a larger presence once the transaction closes. We are committed to working together to ensure that the transition is unnoticeable to our customers and that safe and reliable water service continues throughout the transition and beyond."

Investment Grade Financing Plan and Transaction Details

The financing for the transaction will be consistent with Algonquin's current investment grade credit profile. Closing of the transaction is subject to the satisfaction or waiver of various customary conditions including regulatory approval by the New York Public Service Commission and review and clearance under U.S. antitrust laws.

For more transaction details, see the fact sheet located at http://investors.algonquinpower.com/MNA and filed with securities regulatory authorities at www.sedar.com and www.sec.gov. The fact sheet is incorporated by reference herein.

Algonquin's management team will provide further insights on the transaction at its upcoming Analyst & Investor Days in Toronto on December 3, 2019 and New York on December 6, 2019.

not all forward-looking statements contain these identifying words. Specific forward-looking statements contained in this news release include, but are not limited to: statements regarding expected financing plans and impact on credit metrics, expectations regarding current New York American Water customers, rates and employees, Liberty Utilities' future investments and community engagement, the completion and benefits of the proposed transaction, and New York American Water's continuing operations. These statements are based on factors or assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions based on historical trends, current conditions and expected future developments. Since forward-looking statements relate to future events and conditions, by their nature they rely upon assumptions and involve inherent risks and uncertainties. Algonquin cautions that although it is believed that the assumptions are reasonable in the circumstances, actual results may differ materially from the expectations set out in the forward-looking statements. Material risk factors include those set out in Algonquin's most recent annual and interim Management's Discussion and Analysis and most recent Annual Information Form, filed with securities regulatory authorities in Canada and the United States. Given these risks, undue reliance should not be placed on these forward-looking statements, which apply only as of their dates. Other than as specifically required by law, Algonquin undertakes no obligation to update any forward-looking statements to reflect new information, subsequent or otherwise.

SOURCE Algonquin Power & Utilities Corp.

Related Links

http://www.algonquinpower.com

Advisors

CIBC Capital Markets acted as Financial Advisor to Liberty/Algonquin and Husch Blackwell LLP served as transaction legal counsel to Liberty/Algonquin.

About Algonquin Power & Utilities Corp.

Algonquin is a diversified international generation, transmission and distribution utility with approximately U.S. $11 billion of total assets. Through its two business groups, Algonquin is committed to providing safe, reliable and cost effective rate-regulated natural gas, water, and electricity generation, transmission and distribution utility services to over 800,000 connections in the United States and Canada, and is a global leader in renewable energy through its portfolio of long-term contracted wind, solar and hydroelectric generating facilities representing over 2,500 megawatts of net installed capacity and more than 1,400 megawatts of additional renewable energy capacity under construction. Algonquin delivers continuing growth through an expanding global pipeline of renewable energy, electric transmission, and water infrastructure development projects, organic growth within its rate-regulated generation, distribution and transmission businesses, and the pursuit of accretive acquisitions. Algonquin's common shares, Series A preferred shares, and Series D preferred shares are listed on the Toronto Stock Exchange under the symbols AQN, AQN.PR.A, and AQN.PR.D. Algonquin's common shares, Series 2018-A subordinated notes and Series 2019-A subordinated notes are listed on the New York Stock Exchange under the symbols AQN, AQNA and AQNB.

Visit Algonquin at www.algonquinpowerandutilities.com and follow us on Twitter @AQN_Utilities.

Caution Regarding Forward-Looking Information

Certain statements included in this news release constitute "forward-looking information" within the meaning of applicable securities laws in each of the provinces of Canada and the respective policies, regulations and rules under such laws and "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). The words "will", "expects", "intends", "should" and similar expressions are often intended to identify forward-looking statements, although

12/30/2019 Aqua Completes purchase of Cheltenham Township Wastewater System - News Story

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Aqua Completes purchase of Cheltenham Township Wastewater System

Posted on Thursday December 19, 2019

Sewer sale is complete. All sewer calls should go to Aqua PA local office (610) 792-2112 from 8:30 A.M to 4:30 P.M. and the call (877) 987-2782 (for off hours and emergencies).

Aqua America's Pennsylvania subsidiary completes purchase of Cheltenham Township wastewater syste
Acquisition is Aqua's fourth in 4Q; eighth for 2019

BRYN MAWR, Pa. – Aqua America (NYSE:WTR) announced today that its Pennsylvania subsidiary has completed the purchase of the Cheltenham Township wastewater system, which serves approximately 10,200 connections in Montgomery County, for $50.25 million.

/ https://www.cheltenhamtownship.org/newsview.aspx?nid=6084&print=1&print=1&print=1 1/3

"This is an exciting time in the water industry, and we are pleased to offer a compelling set of solutions for municipal leaders who are considering the sale of their utilities. We have forged a strong partnership with leaders Cheltenham to bring significant investment to improve sewer pipes and provide high quality service to residents the township," said Aqua America Chairman and CEO Christopher Franklin.

"We are proud that the Board of Commissioners of Cheltenham Township, where we've provided drinking wate for decades, chose to have us provide their wastewater service as well and entrusted us to be stewards of those assets," said Aqua Pennsylvania President Marc Lucca.

"Cheltenham Township is pleased to close on the sale of the sewer system to Aqua because it's truly a win-win f all parties. The multi-year collection system re-lining and replacement work needed for the *90-year-old sewer system* would have cost $10 million per neighborhood at a total cost of $50 million, which the township couldn't cover without assuming loans and significant tax increases," said Cheltenham Township Manager Bryan Havir. "This sale allows Aqua and the Pennsylvania Department of Environmental Protection to address needed collecti system and lateral repairs without the township having to saddle residents with increased taxes and costly repairs

The Cheltenham wastewater acquisition is the third municipal transaction completed by Aqua Pennsylvania usin the Commonwealth's fair market value legislation, Act 12, since the law was enacted in 2016. Collectively, those transactions have yielded an additional 16,901 wastewater customers.

Earlier this month, Aqua Pennsylvania completed the purchase of three municipal water systems previously serv by the Phoenixville Borough water system, totaling 535 customer connections in Chester and Montgomery counties, for $3.5 million. This was not a fair market value transaction.

Currently, Aqua Pennsylvania has two transactions under review by the Pennsylvania Public Utility Commissior and recently announced an asset purchase agreement with DELCORA, which if approved would be the largest municipal transaction for Aqua America and the largest water/wastewater municipal transaction in Pennsylvania' history, yielding Aqua Pennsylvania the equivalent of 165,000 wastewater customers.

"Representatives from the Aqua team and Cheltenham Township have worked cooperatively for several months i anticipation of this acquisition. We are now ready to initiate the necessary improvements required by infiltration and inflow issues, that resulted in the township receiving a DEP consent order," said Lucca. "I believe our longstanding relationship with the township, its residents as well as the regulatory community will make for a smooth transition."

In total, Aqua has plans to spend more than $50 million over the next 10 years to improve Cheltenham's wastewater system.

Aqua's Illinois subsidiary acquired the Skyline water and wastewater systems in November from the Fox River Water Reclamation District, located in South Elgin, IL for $3.5 million. Each system serves 376 customer connections in the Skyline and Valley View communities of Saint Charles Township, Illinois. Earlier this month, Aqua Illinois acquired the Village of Grant Park's wastewater system, which serves more than 1,200 people through approximately 540 connections for $2.3 million. The Public Utilities Commission of Ohio yesterday approved Aqua Ohio's agreement with the City of Campbell to purchase the city's water treatment plant and distribution system, which serves 3,200 customer connections.

In total, Aqua America subsidiaries completed eight acquisitions in 2019, adding a total of 1,495 new water customer connections and 11,130 new wastewater customer connections.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit AquaAmerica.com for more information.

# # #

SEWER MAINTENANCE CALL INFORMATION -- residents should no longer call Cheltenham Township

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Hours: Monday-Friday, 8AM-4:30PM
Phone: 215-887-1000 ~ Fax: 215-887-1561
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https://www.pottsmerc.com/news/local/phoenixville-area-water-systems-sold-for-m-to-aqua-pennsylvania/article_22b2f848-16dd-11ea-99d4-2beb7441921c.html

FEATURED

Phoenixville-area water systems sold for $3.5M to Aqua Pennsylvania

MediaNews Group
Dec 5, 2019

Crews work to replace aging cast iron pipes as part Aqua Pennsylvania's $323 million water and wastewater infrastructure upgrades in Pennsylvania.

Submitted Photo

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BRYN MAWR — Aqua America announced Wednesday that its Pennsylvania subsidiary has completed the purchase of three municipal water systems previously served by the Phoenixville Borough water system, totaling 535 customer connections in Chester and Montgomery counties, for $3.5 million.

The water systems serve customers in East Pikeland, Schuylkill and Upper Providence townships.

"We are excited to expand our services in an area where we serve water to an adjacent municipality, which is also home to our largest surface water plant," said Aqua Pennsylvania President Marc Lucca.

The Phoenixville-area acquisition is expected to be followed by the acquisition of the Cheltenham Township wastewater system in Montgomery County, which has 10,200 customer connections, and was recently approved by the Pennsylvania Public Utility Commission.

"We have worked with Phoenixville Borough in the past and have a longstanding relationship with them that will make for a smooth transition and integration. We look forward to serving these new customers with the same outstanding service that all of our other customers enjoy," said Lucca.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia.

Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

Visit AquaAmerica.com for more information.

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businesswire

Pennsylvania American Water Completes Acquisition of Royersford Borough Wastewater System

Company welcomes system's employees and plans to invest $1.6 million to improve system's reliability, safety and environmental compliance; Announcement follows company's recent acquisition of Delaware Sewer Company

May 25, 2021 04:30 PM Eastern Daylight Time

MECHANICSBURG, Pa.--(BUSINESS WIRE)--Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced today that it has completed the acquisition of the wastewater system assets of Royersford Borough, Montgomery County. The newly acquired system provides wastewater service to nearly 1,600 customers in Royersford and a portion of Upper Providence Township. Pennsylvania American Water already provides water service to residents and businesses in those communities.

"Our employees have been providing water service to the residents of Royersford for many years, and we are pleased to now be their wastewater provider as well," said Pennsylvania American Water President Mike Doran. "Expanding our services in this area is a natural fit, allowing us to provide greater efficiencies for our customers while making much needed long-term investments."

Pennsylvania American Water plans to invest approximately $1.6 million in Royersford wastewater system improvements over the next five years. This includes replacing aging sewer mains, improving chemical feed systems, upgrading technology, telemetry and system controls, and improving site security. The company has a long and successful track record of acquiring wastewater systems facing significant capital investment needs and making the necessary investments to meet environmental regulations.

The $13 million purchase was approved by the Pennsylvania Public Utility Commission (PA PUC) and other state agencies. As part of the PA PUC's approval, Pennsylvania American Water agreed to adopt the existing wastewater rates for customers served by the borough, although service will now be billed on a monthly rather than a quarterly basis. The PA PUC regulates the company's rates, rules and regulations of service, so any future rate change will need to be reviewed and approved by the PA PUC.

Borough Council pursued selling the system in December 2019 after conducting a complete evaluation of the Borough's long-term needs and concluding that the sale was in the best interest of its residents. The Borough cited the potential for increased operating costs, maintenance and major capital improvement needs as reasons to seek a long-term wastewater solution. Today, the company welcomed the Borough's two employees as employees of Pennsylvania American Water.

"Today, Royersford Borough residents became part of a larger scale, efficiently operated wastewater utility that brings expertise to our aging sewer system," said Royersford Borough Council President Anil Dham. "We will use the proceeds of this sale to take on other important capital projects, pay off all municipal debt, and potentially lower the cost of living here in Royersford by further stabilizing our tax base."

Earlier this month, the company also completed the acquisition of the 38-customer Delaware Sewer Company in Delaware Township, Pike County. The transaction occurred after a PA PUC investigation found that the system suffered from a lack of investment and proper maintenance. As part of the investigation, Pennsylvania American Water was determined to be the capable utility that could provide the necessary immediate and long-term wastewater system upgrades to serve this community.

"We appreciate that the Commission recognized our track record in taking over troubled systems and committing the technical expertise and resources needed to bring these operations into regulatory compliance," Doran stated.

Pennsylvania American Water recognizes that some customers face circumstances that stretch their financial resources and offers financial assistance through the company's H2O Help to Others program. For wastewater customers who qualify, the company offers grants of up to $500 per year and a 30 percent discount on the total wastewater charges.

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.4 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,000 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to help make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

Contacts

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Laura Martin
Director, Communications & External Affairs
C: 304-932-7158
E: laura.martin@amwater.com

Tweets by @paamwater

Pennsylvania American Water
@paamwater

We're proud of our incredible team of expert scientists, treatment plant operators and engineers. This impressive award demonstrates their dedication and commitment to protecting the health and safety of our customers over the past 20 years and beyond.

Nov 21, 2021

Pennsylvania American Water
@paamwater

We're pleased to share that we've completed the acquisition of Valley Township's (Chester County) water and wastewater systems. We welcome our new customers and look forward to serving them! Read more: ow.ly/puJ850GSfVU

Nov 20, 2021

Pennsylvania American Water
@paamwater

Today is #WorldToiletDay! Be kind to your pipes today by only flushing a moderate amount of toilet paper down. Did you know that 3.6 billion people are still living without access to safely managed sanitation? Learn more at worldtoiletday.com #worldtoiletday

Social Media Profiles

Pennsylvania American Water

Pennsylvania American Water

Pennsylvania American Water

#Hashtags

#wastewater #sewer #acquisition

Pennsylvania-American Water Company, Inc. | Key Development Details

(MI KEY: 6932043; SPCIQ KEY: 781681)

Pennsylvania American Water Signs Agreements to Purchase Valley Township Water and Wastewater Systems

Pennsylvania American Water announced that it has signed agreements to purchase the water and wastewater system assets of Valley Township in Chester County for approximately $21.275 million. The Township's water system serves nearly 1,700 customers and its wastewater system serves nearly 3,100 customers in Valley Township. Pennsylvania American Water already provides a majority of Township's water through a bulk municipal agreement and is the sole provider of wastewater treatment for the Township's wastewater system. Pennsylvania American Water will seek approval of the acquisition from the Pennsylvania Public Utility Commission (PUC) and other necessary approvals from the Pennsylvania Department of Environmental Protection. Pennsylvania American Water plans to make necessary investments in water and wastewater improvements to improve the reliability and compliance of the systems. The company expects to close the transaction in late 2020 or early 2021, pending regulatory approvals. The purchase agreement between Pennsylvania American and the Township was executed under Act 12, which allows municipalities to sell their water and wastewater systems for a price based on the fair market value of the facilities. Enacted in 2016, this statute gives municipalities the opportunity to receive a purchase price that is more reflective of the current value of their system assets.

Announcement Date	12/18/2019
Company Name	Pennsylvania-American Water Company, Inc.
Source	Business Wire
Development Type	Client Announcement
Advisors	NA

Business Description

Pennsylvania-American Water Company, Inc.

Pennsylvania-American Water Company, Inc. operates as a regulated water utility company in the state of Pennsylvania. It distributes water to households and provides wastewater and related services. The company was founded in 1989 and is based in Hershey, Pennsylvania. Pennsylvania-American Water Company, Inc. operates as a subsidiary of American Water Works Company, Inc.

Primary Industry: Water Utilities

Historical Equity Pricing Data provided by Interactive Data Pricing and Reference Data LLC

ICE

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Contacts
Media Contact:
Karen Cotton, External Affairs Manager
309.566.4126 or karen.cotton@amwater.com

Illinois American Water Signs Agreement to Acquire City of Jerseyville Water and Wastewater Systems

December 20, 2019 12:22 PM Eastern Standard Time

BELLEVILLE, Ill.–(BUSINESS WIRE)–Illinois American Water, a subsidiary of American Water (NYSE: AWK), signed an agreement yesterday, Dec. 19, 2019, to acquire the City of Jerseyville's water and wastewater systems. The agreement for the sale of the systems, which each serve about 4,100 customer connections for a total of 8,200 customers, is for $43.25 million.

"Illinois American Water is proud of our over 140-year history of providing safe, reliable service to our customers. Our team of wastewater and water service experts are looking forward to serving our new customers and making critical improvements to ensure reliable service for public health," said Bruce Hauk, Illinois American Water President. "Many communities are looking for new and innovative ways to deal with challenges they're facing while controlling expenses. There's nothing more important to our team than ensuring our customers receive the best service possible at a good value. These partnerships are a great solution for residents."

Illinois American Water will seek approval of the acquisition from the Illinois Commerce Commission. The transaction is expected to close in late 2020, pending regulatory approval.

Approval for the pending transaction will be sought under the Illinois Systems Viability Act, which allows municipalities in Illinois to sell water and wastewater systems for a price based on fair market value. According to Hauk, "Prior law only allowed the investor-owned water or sewer utility to pay the original cost minus depreciation to acquire a system, public or private. Because of this, systems were previously deprived of receiving adequate value for their system."

In 2019, Illinois American Water acquired the Alton Regional Wastewater System and the Village of Godfrey's wastewater system, also located in Southern Illinois. The Village of Glasford's water and wastewater systems, located in Central Illinois, were also acquired. These acquisitions added a total of 30,174 new Illinois American Water customer connections.

About Illinois American Water - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit www.amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

Illinois American Water Signs Agreement to Acquire Granite City Wastewater Collection System

December 26, 2019 10:43 AM Eastern Standard Time

BELLEVILLE, Ill.–(BUSINESS WIRE)–Illinois American Water, a subsidiary of American Water (NYSE: AWK), has entered into an agreement with Granite City to acquire the City's wastewater collection assets. The agreement for the sale of the wastewater collection system, which serves 12,500 customer connections, is for $18 million.

"Since 1885, Illinois American Water has delivered safe, reliable drinking water to Granite City. We enjoy being a part of the community and are excited to own and manage the wastewater collection for our valued customers in Granite City," said Bruce Hauk, Illinois American Water President. "Our team's expertise is a benefit to communities looking to sell their water and/or wastewater assets to Illinois American Water. We are proud of these partnerships."

Illinois American Water will seek approval of the acquisition from the Illinois Commerce Commission. The company expects to close the transaction in late 2020, pending regulatory approval.

Approval for the pending transaction will be sought under the Illinois Systems Viability Act, which allows municipalities in Illinois to sell water and wastewater systems for a price based on fair market value. Prior to the Systems Viability Act, the valuation process was based on assessing the system's original cost at the time of construction – which may be 50 years old or more – less depreciation and contributed property.

The company has also signed purchase agreements with the Villages of Andalusia, Leonore, Shiloh and Sydney as well as the Cities of Rosiclare and Jerseyville. To learn more about Illinois American Water and hear testimonials from communities the company has partnered with, please visit the Doing Business with Us page under About Us at www.illinoisamwater.com.

About Illinois American Water

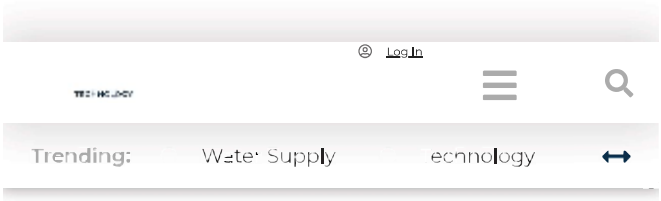
Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to more than 14 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit www.amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

Contacts
Media Contact:
Karen Cotton, External Affairs Manager
309.566.4126 or karen.cotton@amwater.com

The company will coordinate sewer and water pipeline replacements with Long Hill's road paving schedule to

David Hutter

David Hutter grew up in Darien, Conn., and covers higher education, trai
manufacturing for NJBIZ. He can be reached at: dhutter@njbiz.com.



5 FEBRUARY 2020 NEWS

California American Water acquires Fruitridge Vista's operating assets

US-based California American Water has acquired the operating assets of Fruitridge Vista Water Company, a Class B water utility in South Sacrament, for $20.75m.

Following the acquisition, California American Water has now become the new water provider to approximately 4,800 customers of Fruitridge Vista which is regulated by the California Public Utilities Commission.

In December last year, the company secured approval from the California Public Utilities Commission for its acquisition.

An expert set of water treatment and distribution operators, certified through the California State Water Resources Control Board's Division of Drinking Water, will serve the new customers of California American Water.

Other professionals from the company's water quality, finance and engineering group will also lend their expertise.

Apart from billing and operational services, the

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replace 14,000 linear feet of water main in Edison, with an investment of $6.7m from mid-February, and around 10,200 linear feet of water main in South Amboy, for $4.5m, from next month.

The company will also upgrade service lines, valves and fire hydrants.

Under the RENEW programme, the company will responsible for installation of exterior below ground meter pits to eventually house water meters at each

solid and strategic asset management helps us to better preserve water resources and maintain overall service quality."

RENEW is part of the company's Water for Tomorrow Program, which is a $295m infrastructure initiative planned through 2021. It consists of various projects to bolster strengthen the firm's water distribution infrastructure.

Among the other projects underway include construction

2/14/2020 California American Water acquires Fruitridge Vista's operating assets

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2/14/2020 California American Water acquires Fruitridge Vista's operating assets

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WATERENGINEERS, INC.
WATER & WASTEWATER TREATMENT CONSULTANTS
17230 HUFFMEISTER ROAD, SUITE A • CYPRESS, TEXAS 77429-1948
TEL: 281-373-0500 FAX: 281-373-1115

April 3, 2020

Public Utility Commission of Texas
Central Records
1701 N. Congress, Suite 8-100
Austin, TX 78701

Re: Application for a Sale, Transfer or Merger of a Retail Public Utility
Water Certificate of Convenience and Necessity No. 13965
Sewer Certificate of Convenience and Necessity No. 20860
Transferor – Hammond Mound Utility Company, Inc.
Transferee – Rosehill Utilities, Inc.
in Waller County, Texas

Dear Public Utility Commission of Texas:

Please find attached a copy of an Application for a Sale, Transfer or Merger of a Retail Public Utility to address the sale of the Hammond Mound Water and Sewer Systems by Hammond Mound Utility Company, Inc. to Rosehill Utilities, Inc. Also attached are files containing digital map cuts in .pdf, .dwg and .shp files.

We appreciate your earliest review and issuance of a letter indicating administrative completeness. Please feel free to email me at [redacted] or call at 281-373-0500 if you have any questions regarding the information contained in this submittal.

Thank you for your assistance in this review process.

Sincerely,
WATERENGINEERS, INC

Shelley Young, P.E.
Project Engineer

1

APPLICATION FOR A SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY

HAMMOND MOUND UTILITIES, INC.-TRANSFEROR

ROSEHILL UTILITIES, INC.-TRANSFEREE

FOR

ROSEHILL UTILITIES, INC.
P.O. BOX 1945
CYPRESS, TX 77410-1945

PREPARED BY

WATERENGINEERS, INC.
WATER & WASTEWATER TREATMENT CONSULTANTS
17230 HUFFMEISTER ROAD, SUITE A • CYPRESS, TEXAS 77429
TEL: 281-373-0500 • FAX: 281-373-1115

APRIL 2020

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APPLICATION FOR A SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC

HAMMOND MOUND UTILITIES, INC.-TRANSFEROR
ROSEHILL UTILITIES, INC.-TRANSFEREE

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Attachment "B" - Water & Sewer Tariffs
Attachment "C" - Secretary of State Certificate of Account Status
Attachment "D" - Financial Information
Attachment "E" - Asset Inventory List
Attachment "F" - CIAC Developer Agreement
Attachment "G" - Affidavit of Ownership and Notice of the Transaction
Attachment "H" - TCEQ Application Letters
Attachment "I" - Original Tariffed Water Map
Attachment "J" - Regional Sewer Area Map

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Application Summary

Transferor: Hammond Mound Utilities, Inc.
CCN Nos: 13965 and 20860

☒ Sale ☐ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: Rosehill Utilities Inc.
CCN Nos: 13950

☐ Water ☐ Sewer ☒ All CCN ☐ Portion CCN ☐ Facilities transfer

County(ies): Waller

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Please mark the items included in this filing:

☒	Contract, Lease, Purchase, or Sale Agreement	Part A, Question 1
☒	Notice to Customers	Part B, Question 5
☐	Additional Customer Deposits	Part B, Question 7
☐	Customer Agreement	Part C, Question 7
☐	Acknowledgement for Buy-Sell (BWS)	Part C, Question 7
☒	Certificate of Account Status	Part C, Question 8
☐	Financial Audit	Part C, Question 10
☐	Tax Returns (Previous 3 Yrs)	Part C, Question 10
☐	Balance Sheet and Income Statement	Part C, Question 10
☐	Capital Improvements Plan	Part C, Question 10
☒	Utility Asset Inventory	Part D, Q 1
☐	Developer Contribution Contracts or Agreements	Part D, Q 2
☐	Developer Active Construction	Part D, Question 3 (Phase 1 2020)
☐	TCEQ Application Acknowledgement	Part D, Question 11
☐	TCEQ Technical Approval	Part D, Question 24
☐	Purchased Water Supply or Treatment Agreement	Part D, Question 25
☒	Certificated Boundary Map	Part G, Question 29
☒	Current Detailed Facility Map	Part G, Question 29
☒	Digital Mapping Data	Part G, Question 29
☒	Signed & Notarized Oath	Page 14 of 17

PUCT Sale, Transfer, Merger
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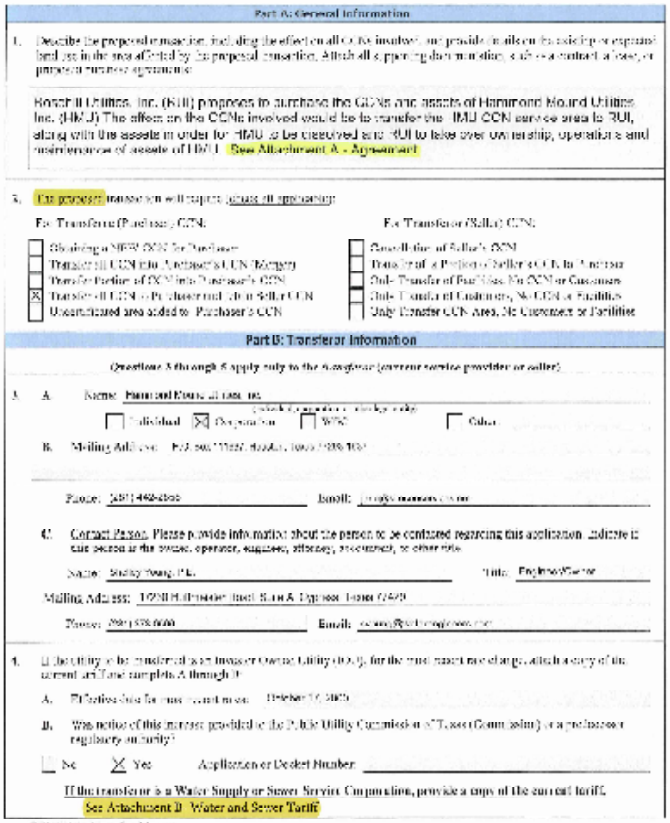
4



Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide a detailed explanation and list any entities affected by the proposed transaction. Attach all supporting documentation, such as a contract, letter, or proposed purchase agreement.

Rondell Utilities, Inc. (RUI) proposes to purchase the CCNs and assets of Hammond Mound Utilities Inc. (HMU). The effect on the CCNs involved would be to transfer the HMU CCN service area to RUI, along with the assets in order for HMU to be dissolved and RUI to take over ownership, operations and maintenance of assets of HMU. See Attachment A - Agreement

3. The proposed transaction will require (check all applicable):

For Transferee (Purchaser) CCN:	For Transferor (Seller) CCN:
☐ Obtaining a New CCOS for Purchaser	☐ Cancellation of Seller's CCN
☐ Transfer All CCN to Purchaser's CCN (Merger)	☐ Partial Transfer of Seller's CCN to Purchaser
☐ Transfer Portion of CCN into Purchaser's CCN	☐ Sub-Transfer of Facilities, No CCN or Customers
☒ Transfer All CCN to Purchaser and Dissolve CCN	☐ Sub-Transfer of Customers, No CCN or Facilities
☐ Uncertificated area added to Purchaser's CCN	☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

(Questions 3 through 8 apply only to the transferor (current service provider or seller))

3. A. Name: Hammond Mound Utilities Inc.

☐ Individual ☒ Corporation ☐ WSC ☐ Other

B. Mailing Address: P.O. Box 77777, Houston, Texas 77215-7777

Phone: 281-448-2345 Email: rondell@rondellutilities.com

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Shelby Young, P.E. Title: Engineer/Owner

Mailing Address: 12345 Hammond Road, Suite A, Cypress, Texas 77429

Phone: 281-579-9000 Email: syoung@rondellutilities.com

4. If the utility or the transferred area is an Investor Owned Utility (IOU), for the most recent rate change, which is any of the current tariffs complete A through D:

A. Effective date for rates used in tariff: October 15, 2020

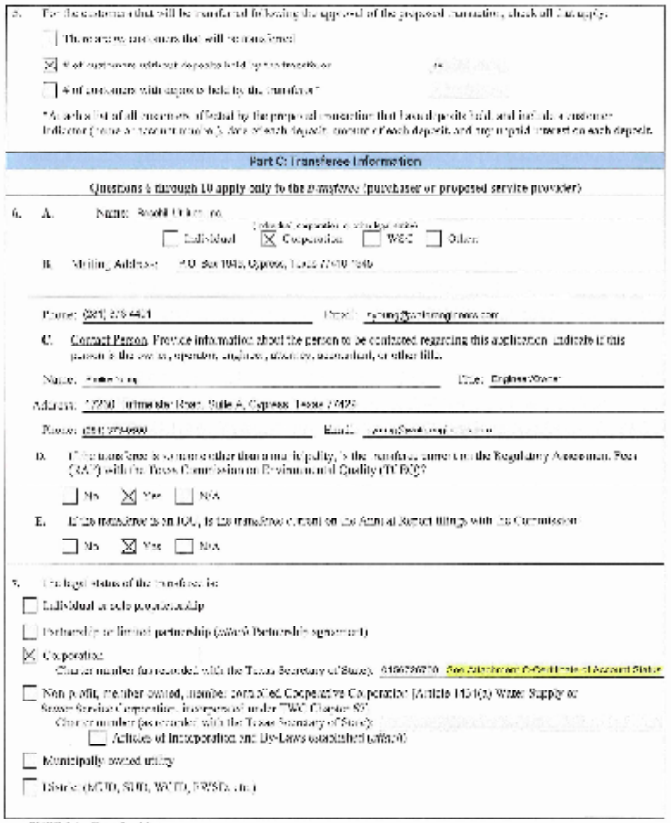
B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: _____

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

See Attachment B - Water and Sewer Tariff

5



2. For the customers that will be transferred by the approval of the proposed transaction, check all that apply:

☐ The number and names that will be transferred:

☒ # of customers within area to be transferred: 24

☐ # of customers with deposits held by the transferor:

*A refund of all customer deposits affected by the proposed transaction that have not been refunded and for which the customer is entitled (check one). Are all such deposits, interest on each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the transferee (purchaser or proposed service provider)

6. A. Name: Rondell Utilities, Inc.

☐ Individual ☒ Corporation ☐ WSC ☐ Other

B. Mailing Address: P.O. Box 1945, Cypress, Texas 77410-1945

Phone: (281) 579-4451 Email: rating@rondellutilities.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Robert Ring Title: Engineer/Owner

Address: 12345 Ultimate Road, Suite A, Cypress, Texas 77429

Phone: (281) 579-9000 Email: rring@rondellutilities.com

D. If the transferee is a utility other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ NA ☒ Yes ☐ No

E. If the transferee is an IOU, is the transferee current on the Annual Report filing with the Commission?

☐ NA ☒ Yes ☐ No

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (attach Partnership agreement)

☒ Corporation

Charter number (as recorded with the Texas Secretary of State): 0160726770 See Attachment C-Certificate of Account Status

☐ Non-profit, member owned, member controlled Cooperative Corporation (Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67)

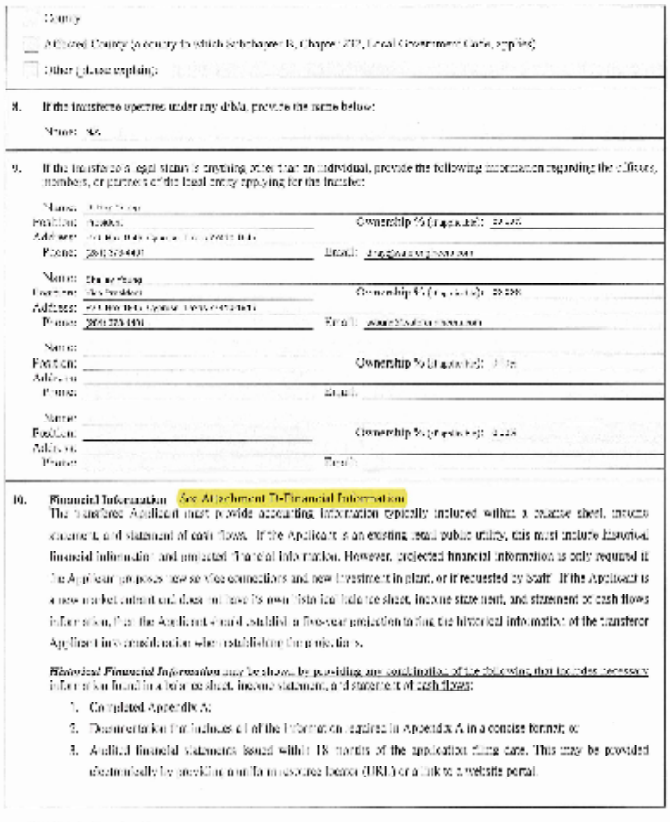
Charter number (as recorded with the Texas Secretary of State):

☐ Articles of Incorporation and By-Laws established with TCEQ

☐ Municipally owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

6



☐ County

☐ Affected County (a county to which subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain):

8. If the transferee operates under any d/b/a, provide the name below:

None

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the board entity applying for the transfer:

Name: [illegible]
Position: [illegible] Ownership % (if applicable): [illegible]
Address: [illegible]
Phone: [illegible] Email: [illegible]

Name: Shelby Young
Position: Vice President Ownership % (if applicable): 50.00%
Address: 12345 Ultimate Road, Suite A, Cypress, Texas 77429
Phone: 281-579-9000 Email: syoung@rondellutilities.com

Name:
Position: Ownership % (if applicable):
Address:
Phone: Email:

Name:
Position: Ownership % (if applicable):
Address:
Phone: Email:

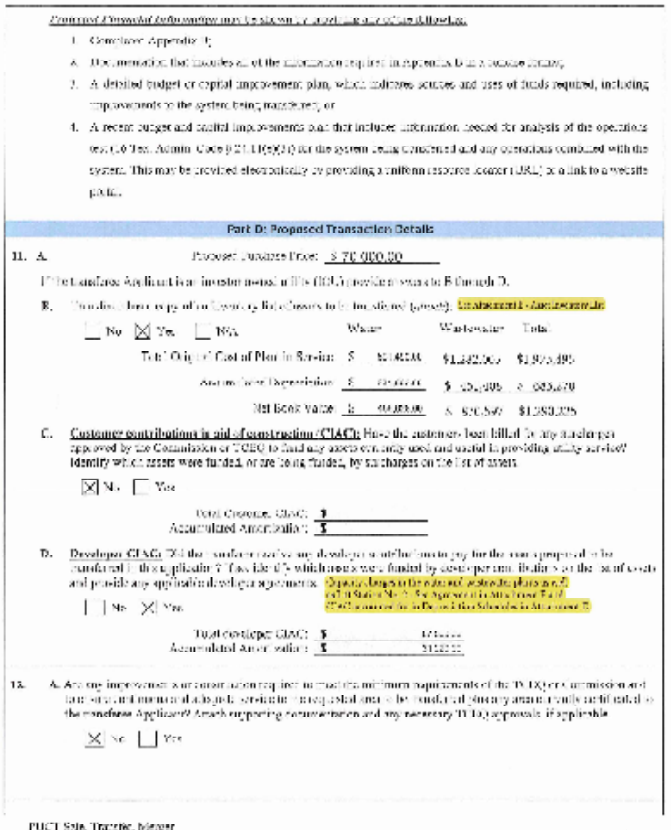
10. Financial Information See Attachment D-Financial Information

The Transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing, retail public utility, this must include historical financial information and associated financial information. However, projected financial information is only required if the Applicant anticipates new service connections and new investment in plant, or if requested by staff. If the Applicant is a new retail public utility that has no historical financial information, then the Applicant must establish a five-year projection to file the historical information of the transferor Applicant in consolidation when establishing its rates.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information from a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documents for the balances of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

7



Proposed Financial Information may be shown by providing any combination of the following:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the questions in 16 Tex. Admin. Code § 24.11(e)(3) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 2,750,000.00

If the transferee/Applicant is an investor-owned utility (IOU), provide answers to B through D.

B. Provide [illegible] of Ownership Rolled Forward to the Transaction (present). Attachment I - Asset Inventory.xls

	Water	Wastewater	Total
No ☒ Yes ☐ NA			
Total Original Cost of Plant in Service	$ [illegible]	$1,382,000.00	$1,975,495
Accumulated Depreciation	$ [illegible]	$ ([illegible])	$ (883,670)
Net Book Value	$ [illegible]	$ 870,540	$1,091,825

C. Customer contributions in aid-of-construction (CIAC): Have the customers been billed for any transfer fee approved by the Commission or TCEQ to fund any assets or any costs and useful in providing utility service? Identify which assets were funded, or are being funded, by such charges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: $ -
Accumulated Amortization: $ -

D. Developer CIAC: Did the transferor receive any developer contributions in aid of construction for the assets proposed to be transferred? If so, provide a list of which assets were funded by developer contributions for the cost of assets and provide any applicable developer agreements. Appendix A, Page 2 of 3, Line 5 and 6 and Appendix A, Page 3 of 3, Line 7 and 8 and Attachment J - Developer Agreements

☐ No ☒ Yes

Total Developer CIAC: $ [illegible]
Accumulated Amortization: $ [illegible]

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ, commission rules, and/or special terms and conditions of any proposed sale of the transferred facility and/or facilities to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

8

N/A

See Attachment G - Information Concerning the Nature of the Transaction

None

Rates have not been changed since 2021 and are in need of increasing. Additionally, transferee wishes to add additional meter sizes.

9

Part C: CCN Obtain or Amend Criteria Considerations

No negative impact or change in the quality of retail public utility services is the transaction anticipated.

Rosehill Utilities has successfully operated the water utility and has since January 2008 (CCN No. 12508). Additionally, J. Ray Young, P.E. and Shelby Young, P.E., owners of Rosehill Utilities are engineers practicing specifically in water and wastewater design for over 40 years and 30 years respectively. Each of Mr. Young's water and wastewater operator licenses are in part owner of Rosehill, Inc., a water and wastewater operations company since 2008.

[X] No [ ] Yes

There will be no impact on the environmental integrity of the land as a result of the proposed transaction.

The transferor no longer desires to be in the utility business. Approving the transaction would allow for continuous and adequate utility service to the current customers of Hammond Mound Utilities.

Pearson Estates WSC - CCN No. 11854 and 20727
Pelham WSC - CCN No. 13331
Water County PUD
Well or County
Blueberrel Groundwater Conservation District

10

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

25. a. For Public Water System (PWS)

TCEQ PWS Facility Identification No.:

Name of PWS:

Date of last TCEQ compliance inspection:

Public water served:

b. For Sewer service

TCEQ Water Quality (WQ) Discharge Permit Number:

Name of Wastewater Facility:

Name of receiving water:

Date of last TCEQ compliance inspection:

Public Area served:

Date application to transfer permit submitted to TCEQ: March 23, 2020

Water		Sewer	
Non-metered		Residential	
5/8" or 3/4"		Commercial	
1"		Industrial	
1½"		Other	
Total Water Connections		Total Sewer Connections	

24. A. Are any improvements required to meet TCEQ or Commission rules?

[X] No [ ] Yes

B. Provide details on each required major capital improvement necessary to meet deficiencies to allow the TCEQ or Commission to achieve or maintain minimum requirements. If TCEQ or Commission rules require no major capital improvements, please state "None required."

Description of the Capital Improvements	Estimated Completion Date	Estimated Costs

C. Is there a moratorium on new connections?

[X] No [ ] Yes

26. Does the system have any unaccounted-for water loss that is greater than allowed by state regulations?

[X] No [ ] Yes (water loss)

If yes, indicate the number of connections within the municipal boundaries:

Water: Sewer:

11

2/15/22, 10:26 AM Artesian buys Frankford's water system for $3.6M - Delaware Business Times

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(https://delawarebusinesstimes.com/)

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Artesian buys Frankford's water system for $3.6M

Jacob Owens (https://delawarebusinesstimes.com/author/jacob-owens/) • April 14, 2020

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Artesian Water Co. has acquired the Frankford municipal water system in a $3.6 million deal. | PHOTO COURTESY OF ARTESIAN

FRANKFORD – Artesian Water Co. has officially acquired the water system of the Sussex County town of Frankford in a $3.6 million deal.

The town council of Frankford, located about 5 miles from the Maryland border off Route 113, approved the deal in March, but closing

of the sale agreement was delayed until April 2 due to the coronavirus's impact. The water system serves about 350 town customers.

As part of the sale agreement, **Artesian (http://www.artesianwater.com/)** will invest an estimated $6 million in regional water mains, construct a new regional water plant, and expand its main renewal program to incorporate Frankford while spending about $1 million on renewal projects in Frankford over the next five years.

The publicly traded company will also upgrade the communications systems at the Frankford water treatment plant at an estimated cost of $70,000 and replace all town water meters at an estimated cost of $500,000.

Artesian has invested about $44 million over the past three years in water and wastewater infrastructure in Sussex County, which the company views as a growth area as it competes with four other private utilities. It plans on creating a regional water system served by four treatment plants, including a 2-million-gallon-a-day Greater Dagsboro Water Treatment Plant currently under construction.

Over 7 miles of new water main will be constructed in the regional system, interconnecting the towns of South Bethany, Frankford and Dagsboro, covering 20 square miles of service territory and serving nearly 6,000 customers.

"Artesian's investments in Sussex County and securing this latest acquisition has positioned us to continue to expand our service territory, interconnecting this larger regional area with high quality and reliable water service," said Dian C. Taylor, president and CEO of Artesian Resources Co., said in a statement announcing the acquisition.

The 115-year-old Artesian supplies 8.3 billion gallons of water per year through 1,331 miles of water main to nearly a third of Delaware residents. It hasn't only targeted Sussex County in recent years, but also expanded in southern New Castle County and neighboring Cecil County, Md.

(https://delawarebusinesstimes.com/90-ideas-90-minutes-event/)

On Monday, Artesian's stock rose 2% as news of the acquisition spread, but it shed those gains during a market slump Tuesday.

By Jacob Owens

jowens@delawarebusinesstimes.com (mailto:jowens@delawarebusinesstimes.com)

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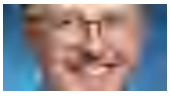

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Illinois American Water Acquires Village of Sidney Water System

April 17, 2020 02:43 PM Eastern Daylight Time

URBANA, Ill.--(BUSINESS WIRE)--Illinois American Water President Justin Ladner today announced the Company's acquisition of the Village of Sidney water system. The purchase adds approximately 560 water customers to the Champaign County service area.

The Village of Sidney voted in favor of the sale in April 2019. Illinois American Water began operating the water system on a contract basis in October 2019. Today the sale was completed for $2.3 million as approved by the Illinois Commerce Commission (ICC).

According to Ladner, the Company has a history of providing award-winning drinking water to Champaign County residents, placing first in the 15-County Water Supply Operator Association's water taste test competition in 2019 and 2020. He said, "We understand the critical role we play in our customers' daily lives and appreciate the trust the Village has placed in our team. We look forward to continuing our partnership with the community to ensure residents have quality drinking water today and in the future."

Village President Jason Arrasmith said the sale of the water system to Illinois American Water "offers many community benefits, including a reduction to household water bills." He went on to say, "Not only do we have trust in Illinois American Water to ensure quality drinking water, but they are able to decrease local water bills by almost $15 a month. We are pleased about the value they bring to our community."

Illinois American Water is committed to upgrading the Sidney water system, beginning with the replacement of water meters. Meter replacements are expected to begin in May.

Matthew White, operations superintendent for Illinois American Water's Champaign County District, said, "Our local team takes a lot of pride in what we do every day. We are honored to serve Sidney and look forward to expanding our involvement in the community."

New customers will receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing and more. The Village of Sidney will be incorporated into the company's Champaign County District which serves Champaign, Urbana, Savoy, St. Joseph, Sadorus, Pesotum, Bondville and Fisher.

The appraisal process used for the Sidney water system was conducted under the supervision of the ICC and established under the Illinois Water Systems Viability Act. This law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility. To learn more about Illinois American Water and hear testimonials from communities the company has partnered, please visit the Doing Business with Us page at www.illinoisamwater.com.

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Illinois American Water acquires Village of Leonore Water System

The purchase adds approximately 68 water customers to the Streator District service area.

Apr 22nd, 2020

Illinois American Water acquires Village of Leonore Water System | WaterWorld

Photo by Daniel Rose on Unsplash

STREATOR, IL, APRIL 22, 2020 -- Illinois American Water President Justin Ladner this month announced the Company's acquisition of the Village of Leonore water system. The purchase adds approximately 68 water customers to the Streator District service area.

The Village of Leonore voted in favor of the sale November 2018. The Illinois Commerce Commission (ICC) approved the sale for $100,000.

https://www.waterworld.com/water-utility-management/article/14174544/illinois-american-water-acquires-village-of-leonore-water-system[9/2/2020 4:22:34 PM]

"We have a long history – over 145 years – of providing quality water service in Illinois. We are proud of our track record and look forward to serving our new customers in Leonore," said Ladner.

Village President Mike Zimmerman said the sale of the water system to Illinois American Water will, "allow the Village to focus on other community needs." He went on to say, "Not only will residents have better quality water service from a company that has served this region well for many years, but the Village will be able to focus on other priorities."

Illinois American Water is committed to upgrading the Leonore water system, beginning with the replacement of water meters. Customers received a communication about this work, which is expected to begin in May.

Jon Mase, operations superintendent for Illinois American Water's Streator District, said, "We are excited to serve Leonore. We are familiar with the community and have had the opportunity to partner with the local fire department. We look forward to continuing our involvement and being a good neighbor."

New customers will receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing and more. The Village of Leonore will be incorporated into the company's Streator District which serves Streator, Dana, Longpoint, Ancona, Reading and Ransom.

The appraisal process used for the Leonore water system was conducted under the supervision of the ICC and established as part of the Illinois Water Systems Viability Act. This law gives communities an alternative to value their water and/or wastewater system when considering being acquired by an investor-owned water utility.

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To improve the water utility workforce picture we may pursue several sensible approaches.

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The Utility Network: Preparing for the Future

The San Juan Water District chose Esri's ArcGIS platform: ArcGIS Enterprise, ArcGIS Pro, and the Utility Network framework to upgrade its legacy CAD-based GIS

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Esri

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Acoustic Leak Detection

Kamstrup's new flowIQ 2200 water meter, leak detection,

revenue water loss.

Kamstrup

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Weathering the Pandemic with Patience and Kindness

Small actions, if done carefully and diligently, have the potential to make a significant impact on how the virus spreads and how we weather the coming months. Making a real effort to give everyone you encounter patience and kindness goes a long way to he

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Planning, coating selection enable efficient restoration of Mukilteo Water and Wastewater District 4.5 million-gallon potable and fire water storage tank in Seattle area.

Murray Heywood

Aug 13th, 2020

Water Utility Management

Illinois American Water acquires Village of Leonore Water System | WaterWorld

Study helps utility companies understand financially stressed customers during pandemic

Results of TransUnion's Consumer Financial Hardship Study show 16% of utility consumers indicate they will not be able to pay their bills.

Aug 13th, 2020

Wastewater

Illinois American Water invests over $3.7 Million in Alton District Wastewater System

In June 2019, Illinois American Water acquired the Alton Regional Wastewater System which serves customers in Alton and nearby communities of Bethalto and Godfrey.

Aug 12th, 2020

Wastewater

Lisbon's Asseiceira hydroelectric plant to become first fully sustainable WTP

The plant is part of a 0% Energy Program to achieve energy neutrality by 2025.

Aug 12th, 2020

WaterWorld

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https://www.waterworld.com/water-utility-management/article/14174544/illinois-american-water-acquires-village-of-leonore-water-system[9/2/2020 4:22:34 PM]

AMERICAN WATER

NewsRoom

/ Upper Pottsgrove Wastewater System Purchase Agreement Signed

April 28, 2020 | American Water (NYSE: AWK) |

PDF

Upper Pottsgrove Wastewater System Purchase Agreement Signed

MECHANICSBURG, Pa.–(BUSINESS WIRE)–Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), announced that it has signed an agreement to purchase the wastewater system assets of Upper Pottsgrove Township in Montgomery County for $13.75 million. The Township's wastewater system serves nearly 1,600 customers.

"As the water provider for the neighboring Glen Alsace and Royersford areas, we are well positioned to serve Upper Pottsgrove Township through experienced, professional employees that can leverage the resources of our other local operations," said Pennsylvania American Water President Mike Doran. "In fact, some of our employees live in the Upper Pottsgrove area, so this acquisition is a natural fit, and

11/22/21, 10:53 AM Press Release Details

we are glad to welcome Upper Pottsgrove to the Pennsylvania American Water family."

The agreement was approved by the Upper Pottsgrove Township Board of Commissioners on April 20. Township officials acknowledged that the age and maintenance needs of the system would otherwise lead to significantly higher sewer rates. During public meetings, Township officials cited retiring debt, replenishing unfunded pension liabilities, and providing funding for other Township infrastructure needs as reasons for the sale.

Pennsylvania American Water plans to make necessary wastewater infrastructure upgrades to improve and sustain the reliability and compliance of the system. The company will also assume three public sewer service extension projects under the Township's current Act 537 plan.

Pennsylvania American Water will seek approval of the acquisition from the Pennsylvania Public Utility Commission (PUC) and other necessary approvals from the Pennsylvania Department of Environmental Protection. The company expects to close the transaction in the first half of 2021, pending regulatory approvals.

The purchase agreement between Pennsylvania American and the Township was executed under Act 12, which allows municipalities to sell their water and wastewater systems for a price based on the fair market value of the facilities. Enacted in 2016, this statute gives municipalities the opportunity to receive a purchase price that is more reflective of the current value of their system assets.

In 2019, Pennsylvania American Water acquired the wastewater and/or water assets of Exeter Township, Berks County; Steelton Borough Authority, Dauphin County; Sadsbury Township, Chester County and the Borough of Turbotville, Northumberland County, adding over 12,000 new wastewater and water customers to the company's customer base. The company also recently signed purchase agreements with Royersford Borough, Montgomery County (1,600 wastewater customers), Valley Township, Chester County (1,700

water and 3,100 wastewater customers) and the Borough of Kane Authority, McKean County (2,100 wastewater customers).

About Pennsylvania American Water

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.4 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 6,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

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Pennsylvania American Water to acquire Upper Pottsgrove Township wastewater assets

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Press Release

Illinois American Water Acquires Village of Shiloh Wastewater System

Published: May 15, 2020 at 6:57 p.m. ET

The MarketWatch News Department was not involved in the creation of this content.

Illinois American Water President Justin Ladner today announced the company's acquisition of the Village of Shiloh wastewater system. The purchase adds approximately 1,515 wastewater customers to the company's southern Illinois service area. This includes customers directly served by Illinois American Water as well as customers served through a mobile home park account.

The Village of Shiloh voted in favor of the sale last year. The Illinois Commerce Commission (ICC) recently approved the sale for $3.6 million. The sale was completed today and represents the third acquisition by Illinois American Water this year.

"Over the last two years, we've added more than 35,000 new customers through system acquisitions. Some of the communities were facing EPA consent decrees or water quality issues. Other systems had varying priorities or fiscal challenges and wanted to turn over operations to the experts. Every community is unique and we're proud to partner with them," said Ladner.

According to Village Mayor James Vernier, the sale of the wastewater system to Illinois American Water "allows the Village to focus on other priorities." He went on to say, "Illinois American Water has provided excellent water service to our residents for many decades; we look forward to expanding our partnership."

Illinois American Water plans to invest in the Village of Shiloh wastewater system. Work will include improvements to both the Church and Archview lift stations.

Karen Cooper, Director of Operations for Illinois American Water, said, "We are excited to expand our service in Shiloh. Providing quality, reliable service and doing so safely is our priority. We appreciate the Village's trust and confidence in our team."

New Shiloh customers will receive an Illinois American Water welcome packet in the mail. This packet includes information about online account management, billing and more.

To learn more about Illinois American Water and hear testimonials from communities the company has

partnered, please visit the Doing Business with Us page under About Us at www.illinoisamwater.com.

About Illinois American Water - Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.3 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 6,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to 15 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.

View source version on businesswire.com:
https://www.businesswire.com/news/home/20200515005596/en/

SOURCE: Illinois American Water

Media Contact: Karen Cotton, External Affairs Manager
309.566.4126 or karen.cotton@amwater.com

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Market Intelligence

Illinois American Water acquires village's water, wastewater systems

Wednesday, May 27, 2020 5:00 PM ET

By Nephele Kirong
Market Intelligence

Illinois American Water Co. has completed the $3.3 million acquisition of the water and wastewater systems of the village of Andalusia, Ill., expanding its footprint in the state.

The deal adds approximately 480 water and 480 wastewater customers to its northwest service area, Illinois American said in a May 27 news release.

The American Water Works Co. Inc. subsidiary plans to invest $2 million in the first five years of its ownership to upgrade Andalusia's water and wastewater systems. It will also implement automation to improve operational efficiency.

This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.

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S&P Global
Market Intelligence

Illinois American Water acquires Illinois city's wastewater system

Monday, June 1, 2020 2:29 PM ET

By Nephele Kirong
Market Intelligence

Illinois American Water Co. completed the acquisition of the wastewater system and drinking water production system of Rosiclare, Ill., for $600,000.

State regulators recently approved the deal, which adds 377 wastewater customers to Illinois American Water's Southern Illinois service area, the company said in a May 29 news release.

"Our systems are facing significant investments, which we are not equipped to address," Rosiclare Mayor Roy Tolbert said. The company expects to spend about $5 million to upgrade critical infrastructure.

As a result of the deal, Rosiclare will become a sale-for-resale water service customer. The American Water Works Co. Inc. subsidiary will own the water distribution system but will operate it on a contract basis under the guidance of the city.

This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.

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Tampa Bay Times

Pasco commission approves $29.3 million purchase of Aqua Utility System

By Barbara Behrendt, Tampa Bay Times 6/29/2020

NEW PORT RICHEY — Pasco county commissioners approved a $29.3 million bond issue Monday that will allow the county to acquire the Pasco Aqua Utility System bringing it under the county's water and sewer system.

The move will mean customers of the old Aqua system should see breaks in their utility bills, although other county utility users are expected to see slight increases in what they pay for their water and sewer services to offset the purchase.

County officials had been examining the acquisition since February 2018 with commissioners voting to move forward with purchasing Aqua from the Florida Government Utility Agency in December. The authority had bought the properties from Aqua Utilities several years ago to try to stem customer complaints about the quality and cost of the service.

The county staff sought proposals, ultimately settling on BB&T Company, now Truist Bank, to provide the loan.

The decision will allow the county to purchase the utility system, serving 3,600 water and 3,100 sewer customers in Jasmine Lakes and Palm Terrace in west Pasco and Zephyr Shores near Zephyrhills.

With the county assuming control of the property, current Aqua customers should see a significant drop in their monthly water bills, according to previous estimates. But the county's existing 120,000 customers will see an increase of 2 percent to help finance the acquisition.

Commissioners on Monday also voted to contract with U.S. Water Services Corporation for $154,000 for the continued operation of water and wastewater facilities and to provide customer service and billing through 2022. According to the memo to the commission, the decision to stick with the company was designed "to

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Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239

Sale, Transfer, or Merger (STM) Application Instructions

I. **COMPLETE**: In order for the Commission to find the application sufficient for filing, the Applicant should:
   i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
   ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
   iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.

II. **FILE**: Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
   i. ***SEND TO***: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).

III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
   i. ***DEFICIENT*** *(Administratively Incomplete):* Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing***.
   ii. ***SUFFICIENT*** *(Administratively Complete):* Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***

IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
   HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.

V. **TRANSACTION TO PROCEED**: at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).

VI. **FILE**: Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.

VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

Transferor: Seller
Transferee: Purchaser
CCN: Certificate of Convenience and Necessity
STM: Sale, Transfer, or Merger
IOU: Investor Owned Utility

001

Application Summary

Transferor: The Commons Water Supply, Inc.
(*selling entity*)
CCN No.s: 12781

☒ Sale ☒ Transfer ☐ Merger ☐ Consolidation ☐ Lease/Rental

Transferee: Aqua Texas, Inc.
(*acquiring entity*)
CCN No.s: 13203

☒ Water ☐ Sewer ☒ All CCN ☐ Portion CCN ☒ Facilities transfer

County(ies): Harris

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Please mark the items included in this filing

☒	Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
☒	Tariff including Rate Schedule	Part B: Question 4
☐	List of Customer Deposits	Part B: Question 5
☐	Partnership Agreement	Part C: Question 7
☐	Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
☐	Certificate of Account Status	Part C: Question 7
☒	Financial Audit	Part C: Question 10
☐	Application Attachment A & B	Part C: Question 10
☐	Disclosure of Affiliated Interests	Part C: Question 10
☐	Capital Improvement Plan	Part C: Question 10
☒	List of Assets to be Transferred	Part D: 11.B
☐	Developer Contribution Contracts or Agreements	Part D: 11.D
☒	Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
☒	TCEQ Compliance Correspondence	Part F: Question 22
☐	TCEQ Engineering Approvals	Part F: Question 24
☐	Purchased Water Supply or Treatment Agreement	Part F: Question 26
☒	Detailed (large scale) Map	Part G: Question 29
☒	General Location (small scale) Map	Part G: Question 29
☒	Digital Mapping Data	Part G: Question 29
☒	Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

This application requests approval for the sale/transfer of all assets used and useful for The Commons Water Supply, Inc. public drinking water system (PWS ID No. 1012978) and its CCN No. 12781 service area in Harris County, Texas to Aqua Texas, Inc., CCN NO. 13203.

See Attachment 1 - Overview and Attachment 3 - Asset Purchase Agreement.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

☐ Obtaining a NEW CCN for Purchaser
☒ Transfer all CCN into Purchaser's CCN (Merger)
☐ Transfer Portion of CCN into Purchaser's CCN
☐ Transfer all CCN to Purchaser and retain Seller CCN
☐ Uncertificated area added to Purchaser's CCN

For **Transferor** (Seller) CCN:

☒ Cancellation of Seller's CCN
☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Only Transfer of Facilities, No CCN or Customers
☐ Only Transfer of Customers, No CCN or Facilities
☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. **A.** Name: The Commons Water Supply, Inc.
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 1401 Woodlands Parkway, The Woodlands, TX 77380

Phone: (713) 452-1700 Email: Not applicable

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Jeff Dewese Title: Vice President

Mailing Address: 1401 Parkway, The Woodlands, TX 77380

Phone: (713) 452-1725 Email: jdewese@signoreillycompany.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:
See Attachment 5.

A. Effective date for most recent rates: February 5, 2011

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☒ Yes Application or Docket Number: TCEQ Application No. 36897-R

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are *no* customers that will be transferred
All deposits held by The Commons Water Supply, Inc., if any, will be refunded prior to closing. Applicants request a waiver of production for this item.

☐ # of customers without deposits held by the transferor

☒ # of customers with deposits held by the transferor* 992
See Attachment 15.

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. **A.** Name: Aqua Texas, Inc.
(individual, corporation, or other legal entity)
☐ Individual ☐ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 1106 Clayton Lane, Suite 400W, Austin, Texas 78723

Phone: (512) 990-4400 Email: Not applicable.

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Geoffrey P. Krishbaum Title: Attorney

Address: Terrill & Waldrop, 810 West 10th Street, Austin, Texas 78701

Phone: Email: gkirshbaum@terrillwaldrop.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☐ Yes ☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☐ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship
☐ Partnership or limited partnership (*attach* Partnership agreement)
☐ Corporation
Charter number (as recorded with the Texas Secretary of State): Texas Taxpayer Number: 32014405503; Texas SOS File Number
☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State):
☐ Articles of Incorporation and By-Laws established (*attach*)
☐ Municipally-owned utility
☐ District (MUD, SUD, WCID, FWSD, etc.)

☐ County

☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)

☐ Other (please explain):

8. If the transferee operates under any d/b/a, provide the name below:

Name: Aqua Texas

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: See Attachment 7.
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

Name:
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

Name:
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

Name:
Position: Ownership % (if applicable): 0.00%
Address:
Phone: Email:

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Please see Aqua America (n/k/a Essential Utilities, Inc.) 2019 Annual Report excerpts at Attachment 8.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal. N/A – While investment in plant and connection additions may occur after the transaction just as before, the proposed transaction that is the subject of this application will have no impact on whether such investment or connections occur.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: $ 4,000,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: $
Accumulated Depreciation: $
Net Book Value: $

Please see Att. 3 - Asset Purchase Agreement at Sch. 1.1 List of Assets and Attachment 2 at pp. 79-90 (CP&Y Report, Appendix 1).

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☐ No ☐ Yes Not applicable.

Total Customer CIAC: $
Accumulated Amortization: $

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☐ No ☐ Yes Not applicable.

Total developer CIAC: $
Accumulated Amortization: $

12. **A.** Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

Not applicable.

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

See Attachment 1. As discussed therein, the Applicants have utilized the Commission's new fair market value process authorized by TWC § 13.305 and 16 TAC 24.238 in connection with this Application. Aqua received appraisal reports valuing the System at $3,638,100, $4,000,000, and $7,283,000, making the average of the three fair market valuations $4,973,700. The purchase price the Applicants have agreed on is $4,000,000. Therefore, per 16 TAC § 24.238(b)(4), Aqua requests the Commission approve $4,000,000 as the "Ratemaking rate base" in this proceeding, which is the lesser of the two amounts. See Attachments 2 and 3.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: $
Accumulated Depreciation of Plant: $
Cash: $
Notes Payable: $
Mortgage Payable: $
(Proposed) Acquisition Adjustment*: $
Other (NARUC account name & No.):
Other (NARUC account name & No.):

See Attachment 4 - UPIS Booking Process.

* Acquisition Adjustments will be subject to review under 16 TAC § 24.41(d) and (e)

15. **A.** Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

Not applicable.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

Transferee does not intend to file an application to change rates for any customers as a result of the proposed transaction. Other factors would drive any decision regarding rate changes.

Part E: CCN Obtain or Amend Criteria Considerations

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

Aqua is a subsidiary of Essential Utilities, Inc., one of the largest publicly traded water utilities in America. Aqua currently operates more than 375 water systems in Texas. Aqua has the financial ability to make all necessary repairs and improvements to The Commons Water Supply, Inc. water system to keep it in full compliance with all TCEQ and PUC regulations. Aqua's experienced operators are thoroughly knowledgeable about water operations, as well as the requirements for continuous and adequate service. The quality of service will remain at a high level due to the experienced operators employed by Aqua. The quality of service will meet or exceed current levels. Aqua will deal promptly with any service issues which may arise.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

See Attachment 1. A TCEQ Compliance History Report for Aqua Texas, Inc. is included as Attachment 11. Aqua Texas, Inc. will provide additional system detail information to the Commission upon request. See also Attachment 12.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☐ No ☒ Yes See Attachment 12.

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

There will be no change with respect to environmental integrity or land impact/disruption as a result of the proposed transaction.

20. How will the proposed transaction serve the public interest?

Aqua owns several water systems near The Commons Water Supply, Inc. water system to be acquired in the proposed transaction. This transaction is in the public interest because it will allow for regional service by Aqua to transferred customers connected to The Commons Water Supply, Inc. water system. Transferred customers will benefit from economies of scale provided by Aqua's larger customer base located throughout its Southeast Region.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

Please see Attachment 10.

Part F: TCEQ Public Water System or Sewer (Wastewater) Information

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: PWS 1012978 (7 digit ID)

Name of PWS: The Commons Water Supply, Inc.

Date of last TCEQ compliance inspection: September 14, 2018 (attach TCEQ letter)

Subdivisions served: The Commons of Lake Houston See attachment 14 for TCEQ letter.

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: Not applicable.

Name of Permitee:

Date of last TCEQ compliance inspection: (attach TCEQ letter)

Subdivisions served:

Date of application to transfer permit *submitted* to TCEQ:

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"	0	Residential
967	5/8" or 3/4"		3"	0	Commercial
23	1"		4"	0	Industrial
2	1 ½"		Other		Other
	Total Water Connections:		992	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☐ No ☐ Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

C. Is there a moratorium on new connections?

☐ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☐ No ☐ Yes: City of Houston *(name of municipality)*

See Attachment 6.

If yes, indicate the number of customers within the municipal boundary.

Water: 30 Sewer: 0

PUCT Sale, Transfer, Merger
Page **9** of **20** (September 2019)

009

Section 1: 10-K (ARTESIAN RESOURCES CORP FILE 10-K)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2020
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-18516

ARTESIAN RESOURCES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	51-0002090
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

664 Churchmans Road, Newark, Delaware 19702

Address of principal executive offices

(302) 453 – 6900

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol (s)**	**Name of each exchange on which registered**
Common Stock	ARTNA	The Nasdaq Stock Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐Yes ☑No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

☐Yes ☑No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☑Yes ☐No

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NOTE 16

RELATED PARTY TRANSACTIONS

Mr. Michael Houghton currently serves as a director through the remainder of the three year term class that expires at the Annual Meeting of the Class B Stock shareholders to be held in 2021 and until his respective successor shall be elected and qualified. Mr. Houghton is a Partner in the law firm of Morris Nichols Arsht & Tunnell, or MNAT, in Wilmington, Delaware. In the normal course of business, the Company utilizes the services of MNAT for various regulatory, real estate and public policy matters. Approximately $386,000, $253,000 and $524,000 was paid to MNAT during the years ended December 31, 2020, December 31, 2019 and December 31, 2018, respectively, for legal and director related services. As of December 31, 2020, the Company had a $2,000 accounts payable balance due to MNAT.

As set forth in the Charter of the Audit Committee of the Board, the Audit Committee is responsible for reviewing and, if appropriate, approving all related party transactions between us and any officer, any director, any person known to be the beneficial owner of more than 5% of any class of the Company's voting securities or any other related person that would potentially require disclosure. In its review and approval of the related party transactions with MNAT, the Audit Committee considered the nature of the related person's interest in the transactions; the satisfactory performance of work contracted with the related party prior to the election of Mr. Houghton as a director; and the material terms of the transactions, including, without limitation, the amount and type of transactions, the importance of the transactions to the related person, the importance of the transactions to the Company and whether the transactions would impair the judgment of a director or officer to act in the best interest of the Company. The Audit Committee approves only those related person transactions that are in, or are consistent with, the best interests of the Company and its stockholders.

NOTE 17

BUSINESS COMBINATIONS

As part of the Company's growth strategy, on April 2, 2020, Artesian Water purchased substantially all of the water system operating assets from the Town of Frankford, or Frankford, a Delaware municipality located in Sussex County, Delaware, including the right to provide water service to Frankford's existing customers, or the Frankford Water System. The Frankford Water System serves approximately 360 customers. The total purchase price was $3.6 million. The acquisition was accounted for as a business combination under ASC Topic 805, "Business Combinations". The purchase price allocation is primarily attributed to utility plant assets. The Company utilized a combination of three methods to determine the reasonableness of the purchase price: the cost approach, market approach and income approach. Given the majority of the assets acquired were tangible utility plant, the Company utilized the cost approach to record the fair value of the assets. The cost approach values the underlying assets to derive market value based on the estimated current new replacement cost, less the loss in value caused by physical deterioration, and functional and economic obsolescence of the assets. Goodwill was recognized primarily as a result of expected synergies of operations and interconnections to our existing utility plant infrastructure.

Additionally, as part of the Company's growth strategy, on August 3, 2020, Artesian Water completed its purchase of substantially all of the water system operating assets from the City of Delaware City, or Delaware City, a Delaware municipality located in New Castle County, Delaware, including the right to provide water service to Delaware City's existing customers, or the Delaware City Water System. The Delaware City Water System currently serves approximately 800 customers. The total purchase price was $2.1 million. The acquisition was accounted for as a business combination under ASC Topic 805. The preliminary purchase price allocation is primarily attributed to utility plant assets and will be finalized in the first quarter of 2021, once the valuation of assets acquired has been completed. Management does not anticipate any material changes in the allocation.

A summary of the allocation of purchase price to the assets acquired is presented in the table below and is recorded in the accompanying Consolidated Balance Sheet.

(In thousands)	
Utility plant	
Source of supply plant	$ 201
Pumping and water treatment plant	1,455
Transmission and distribution plant	3,462
Other deferred assets	
Goodwill	623
Purchase Price	**$ 5,741**

The Frankford Water System acquisition and the Delaware City Water System acquisition were approved by the DEPSC on March 18, 2020 and July 15, 2020, respectively, subject to the DEPSC determining the appropriate ratemaking treatment of the acquisition price and the assets acquired in Artesian Water's next base rate case. The pro forma effects of the businesses acquired, individually and in the aggregate, are not material to the Company's financial position or results of operations.

NOTE 18

CITY OF BEAVER FALLS
RESOLUTION NO. 1506

A RESOLUTION OF THE COUNCIL OF THE CITY OF BEAVER FALLS, BEAVER COUNTY, PENNSYLVANIA, DETERMINING THE MINIMUM WATER CONSUMPTION USAGE FOR THE RESIDENTS OF THE CITY OF BEAVER FALLS AND ESTABLISHING QUARTERLY FEES FOR SUCH USAGE, ESTABLISHING THE CITY SEWER USER'S CHARGE AND INCREASING THE RATES FOR SOLID WASTE COLLECTION AND FIRE HYDRANT FEES.

This Resolution provides that the Council of the City of Beaver Falls will annually compute the sewer rental charge payable by the owner and/or occupier of premises served by the Beaver Falls Sanitary Sewer System.

Now therefore, be it resolved by the Council of the City of Beaver Falls, Beaver County, Pennsylvania, and it is hereby resolved by the authority of the same as follows:

2021
$39.94

1. The minimum City residents sewer charge is established at $38.78 per quarter for use of 3,000 gallons or less of water consumption.

$7.97

2. For use above the minimum 3,000 gallons per quarter, the City residents sewer charge shall be $7.74 per 1,000 gallons of water consumption.

3. The charge for Solid Waste shall be $56.00 per quarter.

4. The charge for Fire Hydrant fee shall be $4.00 per quarter.

5. These rates will take effect January 1, 2019 based on actual metered water usage.

6. The City shall, effective January 1, 2021, and every year thereafter, increase the City residents sewer charge by 3%.

PASSED AND ADOPTED BY THE COUNCIL of the City of Beaver Falls this 27th day of December, 2018.

ATTEST:

Paula J. Durish, City Clerk

CITY OF BEAVER FALLS:

George S. Quay III, Mayor

CITY OF BEAVER FALLS
RESOLUTION NO. 1576

A RESOLUTION OF THE CITY OF BEAVER FALLS, BEAVER COUNTY, PENNSYLVANIA, AMENDING RESOLUTION 1423 DETERMINING THE JOINT SEWER USER'S CHARGE RATE COMMENCING JANUARY 1, 2021 AND TO RE-IMPLEMENT THE AUTOMATIC JOINT SEWER USER'S CHARGE BY 3% ANNUALLY.

WHEREAS, the City desires to amend provisions contained in Resolution 1423 which assessed a suspension in the automatic annual increase in the JSU's charge per 1,000 gallons of water consumption and the JSU's charge;

BE IT RESOLVED by the Council of the City of Beaver Falls, it is hereby resolved by virtue of the authority of the same as follows:

1. That Paragraph 1 of Resolution 1423 shall reflect the 3% increase (beginning January 1, 2021) and is now $4.28 per 1,000 gallons of water consumption.

2. That the Council of the City of Beaver Falls, hereby re-implements Paragraph 4 of Resolution 1256 which reads: The City shall, effective January 1, 2021, and every year thereafter, increase the Joint Sewer User's charge by 3%.

All other provisions of Resolution No. 1256 and Resolution No. 1423 shall remain in full force and effect.

The City may, from time to time, amend this resolution as deemed necessary and appropriate by Council.

Any and all ordinances, parts of ordinances, resolution or p arts of resolutions in conflict with the terms, conditions and provisions of this Resolution are hereby repealed to the extent of such conflict.

That this Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED BY THE COUNCIL of the City of Beaver Falls this 8th day of December, 2020.

ATTEST:

Paula J. Durish - City Clerk

CITY OF BEAVER FALLS:

George S. Quay III - Mayor

City of Beaver Falls
Recommended Capital Structure and Cost Rates

Type Of Capital	Ratios (1)	Cost Rate		Weighted Cost Rate
Long-Term Debt	50.00%	3.04%	(2)	1.52%
Common Equity	50.00%	10.19%	(3)	5.10%
Total	100.00%			6.62%

Notes:

(1) From page 4 of this Appendix.
(2) From page 2 of this Appendix.
(3) From page 3 of this Appendix.

City of Beaver Falls
Calculation of Average Yields for
Moody's A2-Rated Utility Bonds

Date	Moody's A2-Rated Utility Bond Yields
11/30/2021	2.99%
11/29/2021	3.07%
11/26/2021	3.03%
11/24/2021	3.08%
11/23/2021	3.13%
11/22/2021	3.08%
11/19/2021	3.01%
11/18/2021	3.06%
11/17/2021	3.08%
11/16/2021	3.09%
11/15/2021	3.07%
11/12/2021	3.01%
11/10/2021	2.97%
11/9/2021	2.86%
11/8/2021	2.93%
11/5/2021	2.92%
11/4/2021	3.00%
11/3/2021	3.02%
11/2/2021	2.99%
11/1/2021	3.00%
10/29/2021	2.98%
10/28/2021	2.99%
10/27/2021	2.96%
10/26/2021	3.07%
10/25/2021	3.10%
10/22/2021	3.11%
10/21/2021	3.15%
10/20/2021	3.13%
10/19/2021	3.12%
10/18/2021	3.05%
Average	3.04%

Source of Information:
Bloomberg Professional Services

City of Beaver Falls
Brief Summary of Common Equity Cost Rate

Line No.	Principal Methods	Proxy Group of Seven Water Companies
1.	Discounted Cash Flow Model (DCF) (1)	9.33%
2.	Risk Premium Model (RPM) (2)	11.17%
3.	Capital Asset Pricing Model (CAPM) (3)	11.66%
4.	Market Models Applied to Comparable Risk, Non-Price Regulated Companies (4)	12.05%
5.	Recommended Common Equity Cost Rate	10.19%

Notes: (1) From Page 5 of this Appendix.
(2) From Page 13 of this Appendix.
(3) From Page 25 of this Appendix.
(4) From Page 30 of this Appendix.

Capital Structure Based upon Total Permanent Capital for the
Proxy Group of Seven Water Companies
City of Beaver Falls

	2020	2019	2018	2017	2016	5 YEAR AVERAGE
American States Water Company						
Long-Term Debt	40.72 %	31.87 %	36.54 %	37.75 %	39.40 %	37.26 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	59.28	68.13	63.46	62.25	60.60	62.74
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
American Water Works Company, Inc.						
Long-Term Debt	59.93 %	58.59 %	56.55 %	55.81 %	54.74 %	57.12 %
Preferred Stock	0.02	0.03	0.05	0.07	0.09	0.05
Common Equity	40.05	41.38	43.40	44.12	45.17	42.83
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
California Water Service Group						
Long-Term Debt	46.04 %	50.90 %	52.74 %	43.40 %	45.83 %	47.78 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	53.96	49.10	47.26	56.60	54.17	52.22
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Essential Utilities Inc.						
Long-Term Debt	54.42 %	44.23 %	56.06 %	52.26 %	50.81 %	51.56 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	45.58	55.77	43.94	47.74	49.19	48.44
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Middlesex Water Company						
Long-Term Debt	44.61 %	42.20 %	38.94 %	38.65 %	38.91 %	40.66 %
Preferred Stock	0.33	0.37	0.59	0.64	0.67	0.52
Common Equity	55.06	57.43	60.47	60.71	60.42	58.82
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
SJW Group						
Long-Term Debt	59.79 %	59.05 %	32.67 %	48.20 %	50.69 %	50.08 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	40.21	40.95	67.33	51.80	49.31	49.92
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
The York Water Company						
Long-Term Debt	46.31 %	42.95 %	42.52 %	43.02 %	42.60 %	43.48 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	53.69	57.05	57.48	56.98	57.40	56.52
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Proxy Group of Seven Water Companies						
Long-Term Debt	50.26 %	47.11 %	45.15 %	45.58 %	46.14 %	46.85 %
Preferred Stock	0.05	0.06	0.09	0.10	0.11	0.08
Common Equity	49.69	52.83	54.76	54.31	53.75	53.07
Total Capital	100.00 %	100.00 %	100.00 %	99.99 %	100.00 %	100.00 %

Source of Information
Annual Forms 10-K

City of Beaver Falls
Indicated Common Equity Cost Rate Using the Discounted Cash Flow Model for the
Proxy Group of Seven Water Companies

Proxy Group of Seven Water Companies	[1] Average Dividend Yield (1)	[2] Value Line Projected Five Year Growth in EPS (2)	[3] Zack's Five Year Projected Growth Rate in EPS	[4] Yahoo! Finance Projected Five Year Growth in EPS	[5] Average Projected Five Year Growth in EPS (3)	[6] Adjusted Dividend Yield (4)	[7] Indicated Common Equity Cost Rate (5)
American States Water Company	1.61 %	6.50 %	NA %	6.70 %	6.60 %	1.66 %	8.26 %
American Water Works Company, Inc.	1.38	8.50	8.10	8.20	8.27	1.44	9.71
California Water Service Group	1.50	7.00	NA	11.70	9.35	1.57	10.92
Essential Utilities Inc.	2.27	10.00	6.20	6.40	7.53	2.36	9.89
Middlesex Water Company	1.09	5.00	NA	2.70	3.85	1.11	4.96
SJW Group	1.99	13.00	NA	5.70	9.35	2.08	11.43
The York Water Company	1.66	6.50	NA	4.90	5.70	1.71	7.41
						Average	8.94 %
						Median	9.71 %
					Average of Mean and Median		9.33 %

NA= Not Available

Notes:

(1) Indicated dividend at 11/30/2021 divided by the average closing price of the last 60 trading days ending 11/30/2021 for each company.

(2) From pages 6 through 12 of this Appendix.

(3) Average of columns 2 through 4 excluding negative growth rates.

(4) This reflects a growth rate component equal to one-half the conclusion of growth rate (from column 5) x column 1 to reflect the periodic payment of dividends (Gordon Model) as opposed to the continuous payment. Thus, for American States Water Company, 1.61% x (1+(1/2 x 6.60%)) = 1.66%.

(5) Column 5 + column 6.

Source of Information:

Value Line Investment Survey
www.zacks.com Downloaded on 11/30/2021
www.yahoo.com Downloaded on 11/30/2021
Bloomberg Professional Services

AMER. STATES WATER NYSE-AWR

RECENT PRICE 86.71 | P/E RATIO 35.7 (Trailing: 34.7 Median: 24.0) | RELATIVE P/E RATIO 1.89 | DIV'D YLD 1.7% | VALUE LINE

TIMELINESS 3 Raised 3/5/21
SAFETY 2 Raised 7/20/12
TECHNICAL 2 Raised 10/8/21
BETA .65 (1.00 = Market)

18-Month Target Price Range

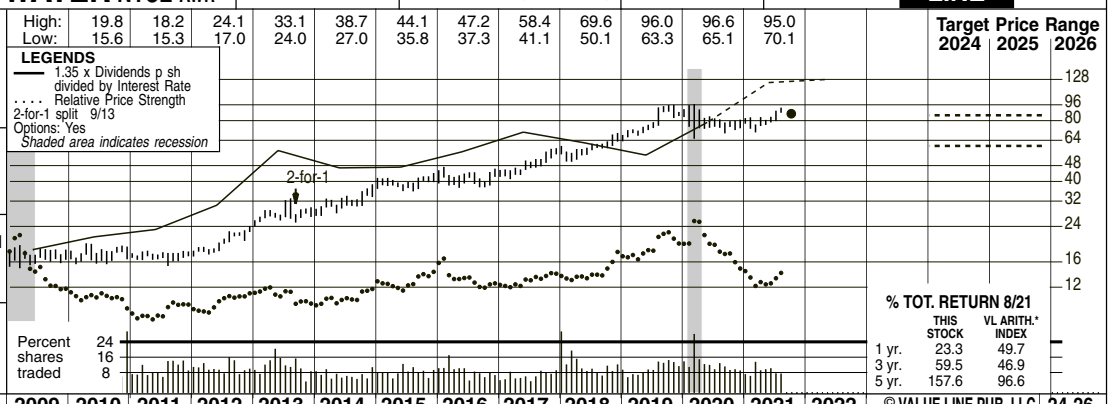
Low-High	Midpoint (% to Mid)
$75-$118	$97 (10%)

2024-26 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(Nil)	*2%*
Low	60	(-30%)	*-6%*

Institutional Decisions

	4Q2020	1Q2021	2Q2021
to Buy	121	120	126
to Sell	142	128	117
Hld's(000)	25483	25737	25636



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
7.03	7.88	8.75	9.21	9.74	10.71	11.12	12.12	12.19	12.17	12.56	11.92	12.01	11.88	12.86	13.24	*13.55*	*13.75*	Revenues per sh	*17.20*
1.32	1.45	1.65	1.69	1.70	2.11	2.13	2.48	2.65	2.67	2.81	2.70	2.96	2.84	3.26	3.34	*3.50*	*3.75*	"Cash Flow" per sh	*4.80*
.66	.67	.81	.78	.81	1.11	1.12	1.41	1.61	1.57	1.61	1.62	1.88	1.72	2.28	2.33	*2.45*	*2.60*	Earnings per sh [A]	*3.05*
.45	.46	.48	.50	.51	.52	.55	.64	.76	.83	.87	.91	.99	1.06	1.16	1.28	*1.40*	*1.52*	Div'd Decl'd per sh [B]■	*2.00*
2.12	1.95	1.45	2.23	2.09	2.12	2.13	1.77	2.52	1.89	2.39	3.55	3.08	3.44	4.12	3.54	*4.05*	*4.20*	Cap'l Spending per sh	*4.25*
7.86	8.32	8.77	8.97	9.70	10.13	10.84	11.80	12.72	13.24	12.77	13.52	14.45	15.19	16.33	17.39	*17.45*	*20.00*	Book Value per sh [D]	*23.20*
33.60	34.10	34.46	34.60	37.06	37.26	37.70	38.53	38.72	38.29	36.50	36.57	36.68	36.76	36.85	36.89	*37.25*	*37.50*	Common Shs Outst'g [C]	*37.50*
21.9	27.7	24.0	22.6	21.2	15.7	15.4	14.3	17.2	20.1	24.6	25.6	25.7	34.0	34.4	34.3	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*24.0*
1.17	1.50	1.27	1.36	1.41	1.00	.97	.91	.97	1.06	1.24	1.34	1.29	1.84	1.83	1.78			Relative P/E Ratio	*1.35*
3.1%	2.5%	2.5%	2.9%	2.9%	3.0%	3.2%	3.1%	2.7%	2.6%	2.2%	2.2%	2.0%	1.8%	1.5%	1.6%			Avg Ann'l Div'd Yield	*2.8%*
419.3	466.9	472.1	465.8	458.6	436.1	440.6	436.8	473.9	488.2	*510*	*525*	Revenues ($mill)	*645*
42.0	54.1	62.7	61.1	60.5	59.7	69.4	63.9	84.3	86.4	*90.0*	*95.0*	Net Profit ($mill)	*115*
41.7%	39.9%	36.3%	38.4%	38.4%	36.8%	36.0%	22.0%	22.6%	24.6%	*23.5%*	*24.0%*	Income Tax Rate	*23.0%*
2.0%	2.5%	--	--	--	--	--	--	2.5%	--	*1.0%*	*1.0%*	AFUDC % to Net Profit	*1.0%*
45.4%	42.2%	39.8%	39.1%	41.1%	39.4%	38.0%	40.5%	44.4%	47.2%	*45.5%*	*48.5%*	Long-Term Debt Ratio	*53.5%*
54.6%	57.8%	60.2%	60.9%	58.9%	60.6%	62.0%	59.5%	55.6%	52.8%	*54.5%*	*51.5%*	Common Equity Ratio	*46.5%*
749.1	787.0	818.4	832.6	791.5	815.3	854.9	938.4	1082.5	1216.2	*1260*	*1390*	Total Capital ($mill)	*1620*
896.5	917.8	981.5	1003.5	1060.8	1150.9	1205.0	1296.3	1415.7	1512.0	*1600*	*1700*	Net Plant ($mill)	*1925*
7.1%	8.3%	8.9%	8.6%	9.0%	8.6%	9.3%	7.9%	8.9%	8.0%	*8.0%*	*8.0%*	Return on Total Cap'l	*8.5%*
10.3%	11.9%	12.7%	12.0%	13.0%	12.1%	13.1%	11.4%	14.0%	13.5%	*13.5%*	*13.5%*	Return on Shr. Equity	*13.0%*
10.3%	11.9%	12.7%	12.0%	13.0%	12.1%	13.1%	11.4%	14.0%	13.5%	*13.5%*	*13.5%*	Return on Com Equity	*13.0%*
5.3%	6.6%	6.8%	5.7%	6.0%	5.3%	6.2%	4.5%	6.9%	6.1%	*6.0%*	*5.5%*	Retained to Com Eq	*4.5%*
49%	45%	47%	53%	54%	56%	52%	61%	51%	55%	*57%*	*60%*	All Div'ds to Net Prof	*66%*

CAPITAL STRUCTURE as of 6/30/21
Total Debt $412.7 mill. **Due in 5 Yrs** $136.0 mill.
LT Debt $412.3mill. **LT Interest** $24.0 mill. (38% of Cap'l)

Leases, Uncapitalized: Annual rentals $2.6 mill.
Pension Assets-12/20 $213.1 mill. **Oblig.** $272.8 mill.
Pfd Stock None

Common Stock 36,931,771 shs. as of 7/30/21

MARKET CAP: $3.2 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2019	2020	6/30/21
Cash Assets	1.3	36.7	5.4
Accts Receivable	20.9	29.2	28.5
Other	100.3	91.2	33.9
Current Assets	122.5	157.1	136.3
Accts Payable	55.6	63.8	66.0
Debt Due	5.3	.4	.4
Other	55.1	54.4	45.0
Current Liab.	116.0	118.6	111.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Revenues	2.5%	.5%	*5.0%*
"Cash Flow"	5.5%	3.0%	*7.0%*
Earnings	9.0%	5.5%	*6.5%*
Dividends	8.5%	7.5%	*9.5%*
Book Value	5.5%	5.0%	*5.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2018	94.7	106.9	124.2	111.0	436.8
2019	101.7	124.7	134.5	113.0	473.9
2020	109.1	121.3	133.6	124.2	488.2
2021	117.1	128.4	*139*	*125.5*	*510*
2022	*120*	*130*	*145*	*130*	*525*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2018	.29	.44	.62	.37	1.72
2019	.35	.72	.76	.45	2.28
2020	.38	.69	.72	.54	2.33
2021	.52	.72	*.75*	*.46*	*2.45*
2022	*.50*	*.75*	*.78*	*.57*	*2.60*

Calendar	QUARTERLY DIVIDENDS PAID [B]■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.242	.242	.255	.255	.99
2018	.255	.255	.275	.275	1.06
2019	.275	.275	.305	.305	1.16
2020	.305	.305	.335	.335	1.28
2021	.335	.335	.365		

BUSINESS: American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Co., it supplies water to 261,976 customers in 10 California counties. Service areas include the metropolitan areas of Los Angeles and Orange Counties. The company also provides electricity to 24,545 customers in Big Bear Lake and San Bernardino Cnty. Provides water & wastewater services to U.S. military bases through its ASUS subsidiary. Sold Chaparral City Wtr. of AZ. (6/11). Employs 841. BlackRock, Inc. owns 16.4% of out. shares; Vanguard, 12.0%; off. & dir., 1.0% (4/21 Proxy). Chairman: Lloyd Ross. Pres. & CEO: Robert Sprowls. Inc: CA. Address: 630 East Foothill Blvd., San Dimas, CA 91773. Tel.: 909-394-3600. Internet: www.aswater.com.

American States Water has raised its dividend. In the September interim, the quarterly share payout was increased from $0.335 to $0.365. This 9% hike was well above the average growth rate compared to the other water utilities that make up this group.

The company is on track for a decent showing in 2021. Thanks to a better-than-expected first half, we think that earnings per share could well rise 5% this year. This is not bad, considering that utilities often do not perform well when operating in the final year of a three-year-old rate case.

Earnings from 2022 will be heavily influenced by a pending regulatory case. In California, utilities petition state authorities for permission to charge higher fees triennially. American States filed for rate relief for the 2022 to 2024 period several years ago, and a ruling by the California Public Utility Commission should be made early next year. (Any rate hike would be retroactive to January 1st.) Management has been in discussions, and it's possible that a settlement can be reached earlier. In any case, the decision on the previous request for higher rates was relatively constructive.

Inflation may stall some of the expected growth in the nonregulated segment. Through its ASUS subsidiary, the company provides water services to military installations in the United States. The armed forces are in the midst of privatizing these operations, and ASUS has done well winning its fair share of the contracts. In the second quarter, shares earnings were off here about 8% due to a spike in the price of commodities and other costs. Unlike its water operations, profitability in this business is not controlled. Hence, there is greater risk, as well as a chance to make more income from investments. Should inflation not be transitory, it would not be helpful because the company operates on 50-year contracts.

Theses shares are only expected to perform in line with the broader market averages in the year ahead. Looking further out to 2024-2026, AWR total return prospects are well below the *Value Line* median, which is the case for most stocks in this industry.

James A. Flood *October 8, 2021*

(A) Primary earnings. Excludes nonrecurring gains/(losses): '05, 13¢; '06, 3¢; '08, (14¢); '10, (23¢); '11, 10¢. Next earnings report due early November.
(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions, adjusted for split.
(D) Includes intangibles. As of 6/30/20; $1.1 million/$0.03 a share.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	85
Earnings Predictability	90

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AMERICAN WATER NYSE-AWK

RECENT PRICE 170.71 | P/E RATIO 39.5 (Trailing: 41.3 Median: 24.0) | RELATIVE P/E RATIO 2.09 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 3 Lowered 6/25/21
SAFETY 3 New 7/25/08
TECHNICAL 2 Raised 10/8/21
BETA .90 (1.00 = Market)

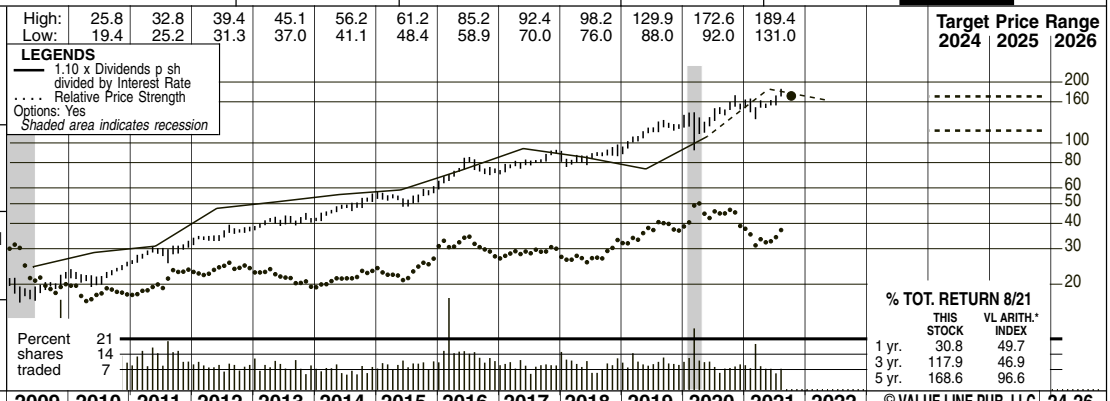
18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$120-$279 $200 (15%)

2024-26 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	170	(Nil)	*2%*
Low	115	(-35%)	*-7%*

Institutional Decisions

	4Q2020	1Q2021	2Q2021
to Buy	449	434	444
to Sell	344	388	377
Hld's(000)	148917	148561	150291



2005	2006E	2007E	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
- -	13.08	13.84	14.61	13.98	15.49	15.18	16.25	16.28	16.78	17.72	18.54	18.81	19.04	19.97	20.83	*22.10*	*23.30*	Revenues per sh	*25.80*
- -	.65	d.47	2.87	2.89	3.56	3.73	4.27	4.36	4.75	5.13	5.26	5.14	6.15	6.65	7.24	*7.70*	*8.25*	"Cash Flow" per sh	*9.70*
- -	d.97	d2.14	1.10	1.25	1.53	1.72	2.11	2.06	2.39	2.64	2.62	2.38	3.15	3.43	3.91	*4.25*	*4.60*	Earnings per sh A	*5.50*
- -	- -	- -	.40	.82	.86	.90	1.21	.84	1.21	1.33	1.47	1.62	1.78	1.96	2.15	*2.36*	*2.57*	Div'd Decl'd per sh B■	*3.10*
- -	4.31	4.74	6.31	4.50	4.38	5.27	5.25	5.50	5.33	6.51	7.36	8.04	8.78	9.15	10.05	*10.60*	*12.60*	Cap'l Spending per sh	*11.75*
- -	23.86	28.39	25.64	22.91	23.59	24.11	25.11	26.52	27.39	28.25	29.24	30.13	32.42	33.83	35.58	*37.95*	*40.20*	Book Value per sh D	*50.00*
- -	160.00	160.00	160.00	174.63	175.00	175.66	176.99	178.25	179.46	178.28	178.10	178.44	180.68	180.81	181.30	*181.50*	*182.00*	Common Shs Outst'g C	*190.00*
- -	- -	- -	18.9	15.6	14.6	16.8	16.7	19.9	20.0	20.5	27.7	33.8	27.3	32.9	35.3	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*26.0*
- -	- -	- -	1.14	1.04	.93	1.05	1.06	1.12	1.05	1.03	1.45	1.70	1.47	1.75	1.83			Relative P/E Ratio	*1.45*
- -	- -	- -	1.9%	4.2%	3.8%	3.1%	3.4%	2.0%	2.5%	2.5%	2.0%	2.0%	2.1%	1.7%	1.6%			Avg Ann'l Div'd Yield	*2.2%*
2666.2	2876.9	2901.9	3011.3	3159.0	3302.0	3357.0	3440.0	3610.0	3777.0	*4025*	*4240*	Revenues ($mill)	*4900*
304.9	374.3	369.3	429.8	476.0	468.0	426.0	567.0	621.0	709.0	*770*	*835*	Net Profit ($mill)	*1045*
39.5%	40.7%	39.1%	39.4%	39.1%	39.2%	53.3%	28.2%	25.5%	23.3%	*19.5%*	*23.5%*	Income Tax Rate	*24.0%*
- -	6.2%	5.1%	- -	- -	- -	- -	- -	5.1%	4.0%	*4.5%*	*5.0%*	AFUDC % to Net Profit	*5.0%*
55.7%	53.9%	52.4%	52.4%	53.7%	52.4%	54.7%	56.3%	58.5%	59.1%	*59.0%*	*61.5%*	Long-Term Debt Ratio	*61.0%*
44.2%	46.1%	47.6%	47.4%	46.2%	47.5%	45.3%	43.6%	41.4%	40.9%	*41.0%*	*39.5%*	Common Equity Ratio	*39.0%*
9580.3	9635.5	9940.7	10364	10911	10967	11875	13433	14760	15787	*16900*	*18700*	Total Capital ($mill)	*20000*
11021	11739	12391	12900	13933	14992	16246	17409	18232	19710	*20750*	*22150*	Net Plant ($mill)	*24500*
4.8%	5.4%	5.1%	5.5%	5.7%	5.6%	4.9%	5.4%	5.4%	5.7%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	7.9%	9.7%	10.1%	11.0%	*11.0%*	*11.5%*	Return on Shr. Equity	*11.0%*
7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	7.9%	9.7%	10.1%	11.0%	*11.0%*	*11.5%*	Return on Com Equity	*11.0%*
3.5%	3.6%	4.7%	4.3%	4.7%	4.0%	2.5%	4.2%	4.4%	5.0%	*5.0%*	*5.5%*	Retained to Com Eq	*4.5%*
52%	57%	40%	50%	50%	56%	68%	56%	57%	55%	*56%*	*56%*	All Div'ds to Net Prof	*56%*

CAPITAL STRUCTURE as of 6/30/21
Total Debt $10998 mil. **Due in 5 Yrs** $2867 mil.
LT Debt $10343 mil. **LT Interest** $384 mil. (61% of Cap'l)

Leases, Uncapitalized: Annual rentals $13.0 mill.
Pension Assets 12/20 $1990.0 mill **Oblig.** $2386.0 mill.
Pfd Stock $3.0 mill. **Pfd Div'd** $.2 mill

Common Stock 181,495,720 shares
as of 7/27/21

MARKET CAP: $31.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2019	2020	6/30/21
Cash Assets	91	576	104
Accts Receivable	294	321	311
Other	900	1009	1155
Current Assets	1285	1906	1570
Accts Payable	203	189	146
Debt Due	814	1611	655
Other	1028	1081	909
Current Liab.	2045	2881	1710

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Revenues	3.0%	3.5%	*4.5%*
"Cash Flow"	8.0%	7.0%	*6.5%*
Earnings	10.5%	8.0%	*8.5%*
Dividends	11.0%	11.5%	*8.5%*
Book Value	3.5%	4.5%	*5.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2018	761	853	976	850	3440
2019	813	882	1013	902	3610
2020	844	931	1079	923	3777
2021	888	999	*1160*	*975*	*4025*
2022	*935*	*1055*	*1200*	*1050*	*4240*

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2018	.59	.91	1.03	.62	3.15
2019	.62	.94	1.33	.54	3.43
2020	.68	.97	1.46	.80	3.91
2021	.73	1.14	*1.53*	*.85*	*4.25*
2022	*.80*	*1.15*	*1.70*	*.95*	*4.60*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.375	.415	.415	.415	1.62
2018	.415	.455	.455	.455	1.78
2019	.455	.50	.50	.50	1.96
2020	.50	.55	.55	.55	2.15
2021	.55	.6025	.6025		

BUSINESS: American Water Works Company, Inc. is the largest investor-owned water and wastewater utility in the U.S., providing services to approximately 15 million people in 46 states. Nonregulated business assists municipalities and military bases with the maintenance and upkeep as well. Regulated operations made up 86% of 2020 revenues. New Jersey is its largest market accounting for 24.5% of regulated revenues; Pennsylvania, 22.5%; Missouri, 10.6%. Has 6,800 employees. The Vanguard Grp, owns 11.7% of outstanding shares; BlackRock, Inc., 8.1%; officers & directors, less than 1.0%. (3/21 Proxy). President & CEO: Susan N. Story. Chairman: George MacKenzie. Address: 1 Water Street, Camden, NJ 08102. Tel.: 856-346-8200. Internet: www.amwater.com.

American Water Works' earning prospects are among the best in the water utility industry. The company got off to a strong start in 2021, as share earnings were up 13% in the first half. For the full year, our share-net estimate remains at $4.25, which would represent a 9% gain over 2020's record showing. We think this will be followed in 2022 by an 8% increase to $4.60 a share. What's more, the bottom line ought to grow 7%-10% through mid-decade.

The company's strategy is very straightforward. By far, it is the largest publicly traded water utility in the United States. Thus, it has the financial wherewithal and widespread distribution to better take advantage of a very inefficient fractured industry. American Water is able to buy a number of small municipally owned water districts each year and absorb them into its operations. Moreover, because there are such redundancies in this group, substantial cost savings are able to be realized. American is also able to expand its plant base, upon which is earns a return.

The building budget is massive. The country's water pipelines, valves, and treatment plants are outdated and in urgent need of replacement and repair. With it sprawling operations, American Water plans on spending almost $2 billion this year alone. The level of annual outlays ought to remain elevated, as the company believes that once this decade is completed, its capital expenditures budget will have been between $22 billion-$25 billion.

Regulatory treatment remains a key factor in the company's performance. As a regulated utility, American Water and its subsidiaries must file rate cases in the states where they operate. In the past, most authorities have had a constructive relationship with water companies because there is general agreement that underinvestment in the past was the reason for the poor state of the country's water infrastructure. Should the relationship become more adversarial, earnings growth would be hurt.

These shares do not stand out at this juncture. In addition to a 3 (Average) Timeliness rank, AWK's long-term total return potential is subpar.

James A. Flood *October 8, 2021*

(A) Diluted earnings. Excludes nonrecur. losses: '08, $4.62; '09, $2.63; '11, $0.07. Disc. oper.: '06, ($0.04); '11, $0.03; '12, ($0.10); '13,($0.01). GAAP used as of 2014. Next earnings report due early November. **(B)** Dividends paid in March, June, September, and December. ■ Div. reinvestment available. **(C)** In millions. **(D)** Includes intangibles. On 6/30/21: $1.561 billion, $8.60/share. **(E)** Pro forma numbers for '06 & '07.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	100
Earnings Predictability	90

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CALIFORNIA WATER NYSE-CWT

RECENT PRICE 58.99 | P/E RATIO 26.7 (Trailing: 20.1 Median: 24.0) | RELATIVE P/E RATIO 1.41 | DIV'D YLD 1.6% | VALUE LINE

TIMELINESS 2 Raised 10/1/21
SAFETY 3 Lowered 7/27/07
TECHNICAL 2 Raised 9/24/21
BETA .70 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$49-$81	$65 (10%)

2024-26 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+20%)	6%
Low	45	(-25%)	-4%

Institutional Decisions

	4Q2020	1Q2021	2Q2021
to Buy	122	112	113
to Sell	91	104	99
Hld's(000)	37534	38005	39103

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
High:	19.8	19.4	19.3	23.4	26.4	26.0	36.8	46.2	49.1	57.5	57.4	66.0						
Low:	16.9	16.7	16.8	18.4	20.3	19.5	22.5	32.4	35.3	44.6	39.7	51.0						

LEGENDS
1.33 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 6/11
Options: Yes
Shaded area indicates recession

Target Price Range 2024 | 2025 | 2026
120 100 80 64 48 32 24 20 16 12 8

Percent shares traded 18 12 6

% TOT. RETURN 8/21

	THIS STOCK	VL ARITH.* INDEX
1 yr.	42.4	49.7
3 yr.	61.5	46.9
5 yr.	126.6	96.6

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues per sh	8.72	8.10	8.88	9.90	10.82	11.05	12.00	13.34	12.23	12.50	12.29	12.70	13.89	14.53	14.72	15.78	*15.85*	*16.35*
"Cash Flow" per sh	1.52	1.36	1.56	1.86	1.93	1.93	2.07	2.32	2.21	2.47	2.22	2.34	3.00	3.11	3.14	3.88	*3.60*	*3.75*
Earnings per sh A	.74	.67	.75	.95	.98	.91	.86	1.02	1.02	1.19	.94	1.01	1.40	1.36	1.31	1.97	*2.05*	*2.20*
Div'd Decl'd per sh B ■	.57	.58	.58	.59	.59	.60	.62	.63	.64	.65	.67	.69	.72	.75	.79	.85	*.92*	*.98*
Cap'l Spending per sh	2.01	2.14	1.84	2.41	2.66	2.97	2.83	3.04	2.58	2.76	3.69	4.77	5.40	5.65	5.64	5.93	*5.25*	*5.50*
Book Value per sh C	7.90	9.07	9.25	9.72	10.13	10.45	10.76	11.28	12.54	13.11	13.41	13.75	14.44	15.19	16.07	18.30	*19.90*	*19.70*
Common Shs Outst'g D	36.78	41.31	41.33	41.45	41.53	41.67	41.82	41.98	47.74	47.81	47.88	47.97	48.01	48.07	48.53	50.33	*51.50*	*52.00*
Avg Ann'l P/E Ratio	24.9	29.2	26.1	19.8	19.7	20.3	21.3	17.9	20.1	19.7	24.8	29.6	26.9	30.3	39.3	24.9	*Bold figures are Value Line estimates*	
Relative P/E Ratio	1.33	1.58	1.39	1.19	1.31	1.29	1.34	1.14	1.13	1.04	1.25	1.55	1.35	1.64	2.09	1.29		
Avg Ann'l Div'd Yield	3.1%	2.9%	3.0%	3.1%	3.1%	3.2%	3.4%	3.5%	3.1%	2.8%	2.9%	2.3%	1.9%	1.8%	1.5%	1.7%		
Revenues ($mill) E	501.8	560.0	584.1	597.5	588.4	609.4	666.9	698.2	714.6	794.3	*815*	*850*						
Net Profit ($mill)	36.1	42.6	47.3	56.7	45.0	48.7	67.2	65.6	63.1	96.8	*105*	*115*						
Income Tax Rate	40.5%	37.5%	30.3%	33.0%	36.0%	35.5%	30.1%	24.5%	19.1%	11.1%	*21.0%*	*21.0%*						
AFUDC % to Net Profit	7.6%	8.0%	4.3%	2.7%	4.3%	6.1%	3.5%	3.1%	5.8%	3.3%	*5.0%*	*5.0%*						
Long-Term Debt Ratio	51.7%	47.8%	41.6%	40.1%	44.4%	44.6%	42.7%	49.3%	50.2%	45.9%	*49.5%*	*45.5%*						
Common Equity Ratio	48.3%	52.2%	58.4%	59.9%	55.6%	55.4%	57.3%	50.7%	49.8%	54.1%	*50.5%*	*54.5%*						
Total Capital ($mill)	931.5	908.2	1024.9	1045.9	1154.4	1191.2	1209.3	1440.2	1566.7	1702.4	*2025*	*1875*						
Net Plant ($mill)	1381.1	1457.1	1515.8	1590.4	1701.8	1859.3	2048.0	2232.7	2406.4	2650.6	*2775*	*2800*						
Return on Total Cap'l	5.5%	6.3%	6.0%	6.3%	5.2%	5.5%	7.1%	5.9%	5.5%	7.0%	*6.0%*	*7.0%*						
Return on Shr. Equity	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	9.7%	9.0%	8.1%	10.5%	*10.5%*	*11.0%*						
Return on Com Equity	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	9.7%	9.0%	8.1%	10.5%	*10.5%*	*11.0%*						
Retained to Com Eq	2.3%	3.4%	3.4%	4.1%	2.0%	2.4%	4.7%	4.0%	3.2%	6.0%	*5.5%*	*6.0%*						
All Div'ds to Net Prof	71%	62%	56%	55%	71%	68%	51%	55%	60%	43%	*45%*	*45%*						

CAPITAL STRUCTURE as of 6/30/21
Total Debt $1210.1 mill. **Due in 5 Yrs** $357.0 mill.
LT Debt $1059.9 mill. **LT Interest** $40.0 mill.
(Total interest coverage: 6.2x) (51% of Cap'l)

Pension Assets-12/20 $716.8 mill.
Oblig. $833.9 mill.

Pfd Stock None

Common Stock 51,535,000 shs.

MARKET CAP: $3.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2019	2020	6/30/21
Cash Assets	42.7	44.6	66.5
Other	142.0	221.4	239.1
Current Assets	184.7	266.0	305.6
Accts Payable	108.5	131.7	133.0
Debt Due	197.0	375.1	150.2
Other	53.2	81.9	79.2
Current Liab.	358.7	588.7	362.4

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Revenues	3.5%	4.0%	*2.0%*
"Cash Flow"	6.0%	8.0%	*2.0%*
Earnings	5.0%	8.0%	*7.0%*
Dividends	3.0%	4.0%	*6.5%*
Book Value	5.0%	5.0%	*3.5%*

QUARTERLY REVENUES ($ mill.) E

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	134.6	174.9	221.3	167.4	698.2
2019	126.1	179.0	232.6	176.9	714.6
2020	125.6	175.5	304.1	189.1	794.3
2021	147.7	213.1	*250*	*204.2*	*815*
2022	*160*	*220*	*260*	*210*	*850*

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	d.02	.31	.75	.32	1.36
2019	d.16	.35	.88	.24	1.31
2020	d.42	.11	1.94	.31	1.97
2021	d.06	.75	*.95*	*.41*	*2.05*
2022	*.10*	*.65*	*1.00*	*.45*	*2.20*

QUARTERLY DIVIDENDS PAID B ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.18	.18	.18	.18	.72
2018	.1875	.1875	.1875	.1875	.75
2019	.1975	.1975	.1975	.1975	.79
2020	.2125	.2125	.2125	.2125	.85
2021	.230	.230	.230		

BUSINESS: California Water Service Group provides regulated and nonregulated water service to 492,600 customers in 100 communities in the state of California. Accounts for about 94% of total customers. Also operates in Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue breakdown, '20: residential, 70%; business, 18%; industrial, 4%; public authorities, 5%; other 3%. Off. and dir. own 1% of common stock (4/21 proxy). Has 1,184 employees. Pres. and CEO: Martin A. Kropelnicki. Inc.: DE. Addr.: 1720 North First St., San Jose, CA 95112-4598. Tel.: 408-367-8200. Internet: www.calwatergroup.com.

California Water's second-quarter results markedly exceeded expectations. The stronger-than-anticipated showing can be largely attributed to the company's December, 2020 general rate case approval (as noted in our previous report). Specifically, cumulative rate increases and the continuation of various regulatory benefits helped bolster California Water's June-period operating results. Revenues of $213 million improved 21% year over year, easily outpacing our $200 million projection. Likewise, earnings of $0.75 per share smashed consensus estimates, jumping more than six times the previous-year tally. Positives from the abovementioned rate case vastly outweighed a modest uptick in administrative expenses. All told, we are adding $15 million and $0.35 to our current-year top- and bottom-line estimates, to $815 million and $2.05 per share, respectively.

The West Coast utility recently received the nod to acquire the water and wastewater systems of Preserve community in Millerton. The planned community consists of 1,400 mixed-use units, including residential, commercial, parks, and offices. California Water will begin operating and servicing the community upon official occupancy, which is slated for early next year.

Business prospects are bright 3- to 5-years out. First, economic conditions are apt to improve over the coming years, which ought to support residential and commercial water consumption. Second, the ball has just started rolling on the company's strategic capital investment initiatives (service pipeline and wastewater treatment facility upgrades). To this point, further rate case filings are likely to follow, suggesting higher rates for customers will eventually be on tap as well.

Momentum investors are best suited here, at the moment. California Water is favorably ranked (Timeliness: 2) for relative year-ahead price performance. But at the recent quotation, the stock does not particularly stand out for the pull to mid-decade, as total return potential is below the *Value Line* median. In sum, patient subscribers looking to add a noncyclical utility to their portfolios should probably turn the page, for now.

Nicholas P. Patrikis *October 8, 2021*

(A) Basic EPS. Excl. nonrecurring gain (loss): '11, 4¢. Next earnings report due early Nov.
(B) Dividends historically paid in late Feb., May, Aug., and Nov. ■ Div'd reinvestment plan available.
(C) Incl. intangible assets. In '20 : $27.6 mill., $0.55/sh.
(D) In millions, adjusted for split.
(E) Excludes non-regulated revenues

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	70
Earnings Predictability	60

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ESSENTIAL UTIL. NYSE-WTRG

RECENT PRICE **46.48** | P/E RATIO **28.2** (Trailing: 28.0 Median: 23.0) | RELATIVE P/E RATIO **1.49** | DIV'D YLD **2.3%** | VALUE LINE

TIMELINESS 3 Lowered 7/30/21
SAFETY 3 Lowered 1/8/21
TECHNICAL 3 Raised 9/3/21
BETA 1.00 (1.00 = Market)

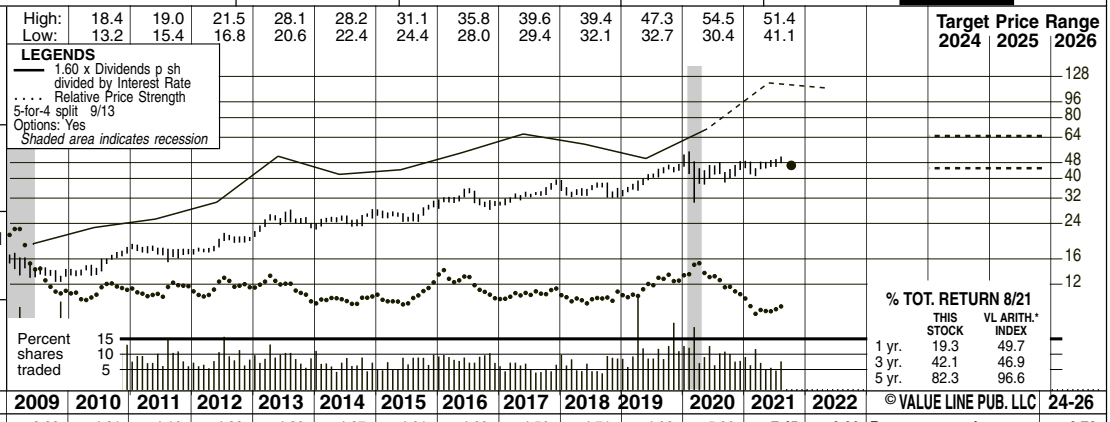
18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$37-$87 $62 (35%)

2024-26 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+40%)	*11%*
Low	45	(-5%)	*2%*

Institutional Decisions

	4Q2020	1Q2021	2Q2021
to Buy	264	258	244
to Sell	221	238	231
Hld's(000)	169334	176001	171680



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
3.08	3.23	3.61	3.71	3.93	4.21	4.10	4.32	4.32	4.37	4.61	4.62	4.56	4.71	4.03	5.96	*7.45*	*8.00*	Revenues per sh	*8.70*
.97	1.01	1.10	1.14	1.29	1.42	1.45	1.51	1.82	1.89	1.87	2.07	2.12	1.90	1.73	2.21	*2.55*	*2.80*	"Cash Flow" per sh	*3.05*
.57	.56	.57	.58	.62	.72	.83	.87	1.16	1.20	1.14	1.32	1.35	1.08	1.04	1.12	*1.70*	*1.80*	Earnings per sh [A]	*2.00*
.32	.35	.38	.41	.44	.47	.50	.54	.58	.63	.69	.74	.79	.85	.91	.97	*1.04*	*1.12*	Div'd Decl'd per sh [B]■	*1.40*
1.47	1.64	1.43	1.58	1.66	1.89	1.90	1.98	1.73	1.84	2.07	2.16	2.69	2.78	2.49	3.41	*4.00*	*4.00*	Cap'l Spending per sh	*3.75*
5.04	5.57	5.85	6.26	6.50	6.81	7.21	7.90	8.63	9.27	9.78	10.43	11.02	11.28	17.58	19.09	*20.90*	*21.80*	Book Value per sh	*24.15*
161.21	165.41	166.75	169.21	170.61	172.46	173.60	175.43	177.93	178.59	176.54	177.39	177.71	178.09	220.76	245.39	*253.00*	*254.50*	Common Shs Outst'g [C]	*270.00*
31.8	34.7	32.0	24.9	23.1	21.1	21.3	21.9	21.2	20.8	23.5	23.9	24.7	32.6	39.1	39.6	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*27.0*
1.69	1.87	1.70	1.50	1.54	1.34	1.34	1.39	1.19	1.09	1.18	1.25	1.24	1.76	2.08	2.06			Relative P/E Ratio	*1.50*
1.8%	1.8%	2.1%	2.8%	3.1%	3.1%	2.8%	2.8%	2.4%	2.5%	2.6%	2.3%	2.4%	2.4%	2.2%	2.2%			Avg Ann'l Div'd Yield	*2.8%*
712.0	757.8	768.6	779.9	814.2	819.9	809.5	838.1	889.7	1462.7	*1890*	*2040*	Revenues ($mill)	*2350*
144.8	153.1	205.0	213.9	201.8	234.2	239.7	192.0	224.5	284.8	*420*	*455*	Net Profit ($mill)	*540*
32.9%	39.0%	10.0%	10.5%	6.9%	8.2%	6.6%	- -	6.6%	6.6%	*5.0%*	*6.0%*	Income Tax Rate	*7.0%*
- -	- -	1.1%	2.4%	3.1%	3.8%	6.3%	6.8%	7.2%	4.5%	*7.0%*	*7.5%*	AFUDC % to Net Profit	*6.0%*
52.7%	52.7%	48.9%	48.5%	50.3%	48.4%	50.6%	54.4%	43.1%	54.0%	*54.0%*	*56.0%*	Long-Term Debt Ratio	*55.0%*
47.3%	47.3%	51.1%	51.5%	49.7%	51.6%	49.4%	45.6%	56.9%	46.0%	*46.0%*	*44.0%*	Common Equity Ratio	*45.0%*
2646.8	2929.7	3003.6	3216.0	3469.5	3587.7	3965.4	4407.8	6824.2	10192	*11325*	*12400*	Total Capital ($mill)	*14500*
3612.9	3936.2	4167.3	4402.0	4688.9	5001.6	5399.9	5930.3	6345.8	9512.9	*10175*	*10875*	Net Plant ($mill)	*12300*
6.9%	6.6%	8.0%	7.8%	6.9%	7.6%	7.1%	5.5%	4.2%	3.7%	*4.5%*	*5.0%*	Return on Total Cap'l	*5.5%*
11.6%	11.0%	13.4%	12.9%	11.7%	12.7%	12.2%	9.6%	5.8%	6.1%	*8.0%*	*8.5%*	Return on Shr. Equity	*8.5%*
11.6%	11.0%	13.4%	12.9%	11.7%	12.7%	12.2%	9.6%	5.8%	6.1%	*8.0%*	*8.5%*	Return on Com Equity	*8.5%*
4.6%	4.3%	6.7%	6.1%	4.7%	5.6%	5.1%	2.1%	.9%	1.1%	*3.0%*	*3.0%*	Retained to Com Eq	*3.0%*
60%	61%	50%	52%	60%	56%	59%	79%	84%	82%	*63%*	*62%*	All Div'ds to Net Prof	*70%*

CAPITAL STRUCTURE as of 6/30/21
Total Debt $5799.7 mill. **Due in 5 Yrs** $1102 mill.
LT Debt $5648.2 mill. **LT Interest** $203.0 mill.
(42% of Cap'l)

Pension Assets-12/20 $426.8 mill.
Oblig. $486.2 mill.

Pfd Stock None
Common Stock 245,757,399 shares
as of 7/23/21

MARKET CAP: $11.4 billion (Large Cap)

CURRENT POSITION ($MILL.)	2019	2020	6/30/21
Cash Assets	1868.9	4.8	8.4
Receivables	67.1	154.8	129.2
Inventory (AvgCst)	18.4	58.4	63.4
Other	58.3	162.2	103.7
Current Assets	2012.7	380.2	304.7
Accts Payable	74.9	177.5	131.8
Debt Due	130.8	162.6	151.5
Other	113.1	263.8	185.9
Current Liab.	318.8	603.9	469.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Revenues	2.0%	2.0%	*10.0%*
"Cash Flow"	4.5%	1.0%	*6.5%*
Earnings	5.5%	-1.5%	*10.0%*
Dividends	7.5%	7.5%	*7.5%*
Book Value	9.5%	11.5%	*6.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	194.3	211.9	226.2	205.7	838.1
2019	201.1	218.9	243.6	226.1	889.7
2020	255.6	384.5	348.6	474.0	1462.7
2021	583.6	397.0	*389.4*	*520*	*1890*
2022	*600*	*435*	*435*	*570*	*2040*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.29	.37	.44	d.02	1.08
2019	.09	.25	.38	.28	1.04
2020	.21	.29	.22	.40	1.12
2021	.72	.32	*.23*	*.43*	*1.70*
2022	*.67*	*.33*	*.35*	*.45*	*1.80*

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.1913	.1913	.2047	.2047	.79
2018	.2047	.2047	.219	.219	.85
2019	.219	.219	.2343	.2343	.91
2020	.2343	.2343	.2507	.2507	.97
2021	.2507	.2507	.2682		

BUSINESS: Essential Utilities, Inc. became the new name for Aqua America on Feb. 3, 2020, to reflect the acquisition of Peoples, a natural gas utility, which occurred in 3/20. In 2020, Aqua Amer. provided water and wastewater services to about 5 million people in PA, OH, TX, IL, NC, NJ, IN, VA NS WS. Employed 3,180 Acquired AquaSource, 7/13; North Maine Utilities, 7/15; and others. Water respn. for 65% of revenues in 2020; residential, 39%; commercial, 10%; industrial, wastewater & other, 16%. Gas 35%. Off. & dir. own less than 1% of the common stock; Vanguard, 10.1%; BlackRock, 10.0%; Canadian Pension Plan about 8.8% (5/21 proxy). Pres. & CEO: Christopher Franklin. Inc.: PA Addr.: 762 W Lancaster Ave., Bryn Mawr, PA 19010. Tel.: 610-525-1400. Int.: www.essential.co.

Shares of Essential Water have not performed well of late. Since our July report, the price of the stock is up less than 1%. This compares unfavorably to the equities of other water utilities and the S&P 500 Index. Indeed, WTRG has trailed all but one equity in the group.

A major rate case has been filed in Pennsylvania. In late August, the company petitioned state regulators to recover the $1.1 billion (an average of $2,235 per customer), it has invested since its last filing. These funds were spent on replacing more than 400 miles of pipes and upgrading treatment plants. Historically, the regulatory commission has reached constructive decisions, as it's a recognized fact that like most other members in the industry, Essential's water infrastructure is badly in need of repair. If the full request is permitted, the average residential monthly bill would rise from $55.51 to $73.95. So, even though previous rulings have been positive, regulatory commissions are under pressure to keep rates low. Due to the necessity of these outlays, and knowing that the company must continue making large expenditures, we think state authorities will be fair.

Second-quarter earnings were better than expected. The June period was the first three-month income report in which Essential's numbers could be compared on an apple-to-apple basis to the previous year. (Recall that the company is the result of a large acquisition of the natural gas utility Peoples in mid-March of 2020.) Share net of $0.32 was 23% higher than we had forecast. This came despite weak demand for gas resulting from warmer-than-anticipated temperatures. We now expect the company to post earnings per share of $1.70, slightly above management's $1.64 to $1.69 range. In 2022, a more moderate advance of about 6% seems to be in the cards.

This neutrally ranked stock does not stand out for near- or long-term total return potential. However, its prospects are still better than most in the industry, and its dividend was recently raised a healthy 7%. Investors should also bear in mind that WTRG is no longer a pure water utility play, as its gas operations are now substantial.

James A. Flood *October 8, 2021*

(A) Diluted egs. Excl. nonrec. gains: '12, 18¢. Excl. gain from disc. operations: '12, 7¢; '13, 9¢; '14, 11¢. Quarterly EPS do not add in '19 due to a large change in the number of shares outstanding in the Dec. period. Next earnings report early November. **(B)** Dividends historically paid in early March, June, Sept., & Dec. ■ Div'd. reinvestment plan available (5% discount). **(C)** In millions, adjusted for stock splits. **(D)** Includes intangibles: 6/30/21, $2.341 bill./$9.53 a share.

Company's Financial Strength	B+
Stock's Price Stability	85
Price Growth Persistence	90
Earnings Predictability	60

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MIDDLESEX WATER NDQ-MSEX

RECENT PRICE 104.47 | P/E RATIO 43.9 (Trailing: 47.5 Median: 23.0) | RELATIVE P/E RATIO 2.32 | DIV'D YLD 1.1% | VALUE LINE

TIMELINESS 3 Lowered 6/4/21
SAFETY 2 New 10/21/11
TECHNICAL 3 Raised 10/1/21
BETA .70 (1.00 = Market)

18-Month Target Price Range

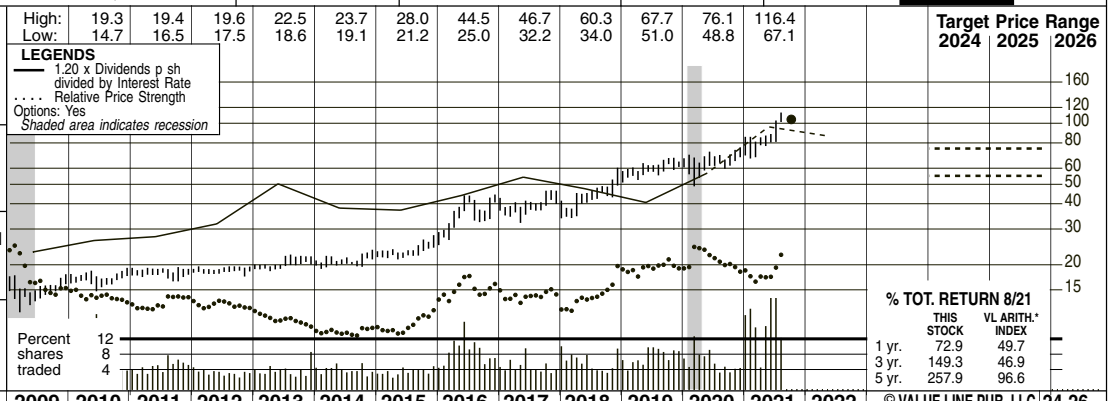
Low-High	Midpoint (% to Mid)
$65-$132	$99 (-5%)

2024-26 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(-30%)	*-6%*
Low	55	(-45%)	*-13%*

Institutional Decisions

	4Q2020	1Q2021	2Q2021
to Buy	67	64	71
to Sell	49	67	65
Hld's(000)	10675	10712	10852



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
6.44	6.16	6.50	6.79	6.75	6.60	6.50	6.98	7.19	7.26	7.77	8.16	8.00	8.42	7.72	8.10	*8.45*	*8.70*	Revenues per sh	*9.15*
1.33	1.33	1.49	1.53	1.40	1.55	1.46	1.56	1.72	1.84	1.97	2.17	2.24	2.89	2.90	3.25	*3.20*	*3.35*	"Cash Flow" per sh	*3.75*
.71	.82	.87	.89	.72	.96	.84	.90	1.03	1.13	1.22	1.38	1.38	1.96	2.01	2.18	*2.30*	*2.40*	Earnings per sh [A]	*2.75*
.67	.68	.69	.70	.71	.72	.73	.74	.75	.76	.78	.81	.86	.91	.98	1.04	*1.10*	*1.15*	Div'd Decl'd per sh [B]■	*1.35*
2.18	2.31	1.66	2.12	1.49	1.90	1.50	1.36	1.26	1.40	1.59	2.91	3.08	4.40	5.11	6.04	*5.50*	*5.50*	Cap'l Spending per sh	*6.25*
8.26	9.52	10.05	10.03	10.33	11.13	11.27	11.48	11.82	12.24	12.74	13.40	14.02	15.17	18.81	19.81	*19.45*	*19.60*	Book Value per sh	*20.85*
11.58	13.17	13.25	13.40	13.52	15.57	15.70	15.82	15.96	16.12	16.23	16.30	16.35	16.40	17.43	17.47	*17.75*	*17.85*	Common Shs Outst'g [C]	*18.00*
27.4	22.7	21.6	19.8	21.0	17.8	21.7	20.8	19.7	18.5	19.1	25.6	28.4	22.2	29.7	30.1	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*24.0*
1.46	1.23	1.15	1.19	1.40	1.13	1.36	1.32	1.11	.97	.96	1.34	1.43	1.20	1.58	1.56			Relative P/E Ratio	*1.30*
3.5%	3.7%	3.7%	4.0%	4.7%	4.2%	4.0%	4.0%	3.7%	3.7%	3.3%	2.3%	2.2%	2.1%	1.6%	1.6%			Avg Ann'l Div'd Yield	*2.1%*
102.1	110.4	114.8	117.1	126.0	132.9	130.8	138.1	134.6	141.6	*150*	*155*	Revenues ($mill)	*165*
13.4	14.4	16.6	18.4	20.0	22.7	22.8	32.5	33.9	38.4	*41.0*	*43.0*	Net Profit ($mill)	*49.5*
32.7%	33.9%	34.1%	35.0%	34.5%	34.0%	32.7%	2.8%	2.8%	2.8%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
6.1%	3.4%	1.9%	1.7%	1.9%	2.7%	3.1%	1.4%	3.4%	3.9%	*2.5%*	*2.5%*	AFUDC % to Net Profit	*2.5%*
42.3%	41.5%	40.4%	40.5%	39.4%	37.9%	37.5%	37.8%	41.5%	44.0%	*42.5%*	*41.5%*	Long-Term Debt Ratio	*40.0%*
56.6%	57.4%	58.7%	58.8%	59.8%	61.5%	61.8%	61.6%	58.2%	55.7%	*57.0%*	*58.0%*	Common Equity Ratio	*60.0%*
312.5	316.5	321.4	335.8	345.4	355.4	370.7	404.1	556.7	621.5	*610*	*600*	Total Capital ($mill)	*630*
422.2	435.2	446.5	465.4	481.9	517.8	557.2	618.5	705.7	796.6	*800*	*815*	Net Plant ($mill)	*835*
5.2%	5.4%	5.9%	6.3%	6.6%	7.1%	6.9%	8.9%	6.7%	6.8%	*7.0%*	*7.5%*	Return on Total Cap'l	*8.5%*
7.5%	7.8%	8.7%	9.2%	9.6%	10.3%	9.8%	12.9%	10.4%	11.0%	*12.0%*	*12.0%*	Return on Shr. Equity	*13.0%*
7.5%	7.8%	8.7%	9.3%	9.6%	10.3%	9.9%	13.0%	10.4%	11.1%	*12.0%*	*12.5%*	Return on Com Equity	*13.0%*
1.0%	1.4%	2.4%	3.1%	3.5%	4.3%	3.8%	7.0%	5.4%	5.8%	*6.0%*	*6.5%*	Retained to Com Eq	*6.5%*
87%	83%	73%	67%	63%	58%	62%	46%	48%	48%	*48%*	*48%*	All Div'ds to Net Prof	*49%*

CAPITAL STRUCTURE as of 6/30/21
Total Debt $279.7 mill. **Due in 5 Yrs** $43.7 mill.
LT Debt $272.5 mill. **LT Interest** $7.5 mill.
(Total interest coverage: 7.8x)
(44% of Cap'l)

Pension Assets-12/20 $88.9 mill.
Oblig. $115.9 mill.
Pfd Stock $2.4 mill. **Pfd Div'd:** $.1 mill.

Common Stock 17,490,561 shs.
as of 7/30/20

MARKET CAP: $1.8 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2019	2020	6/30/21
Cash Assets	2.2	4.5	6.0
Other	26.9	29.6	31.2
Current Assets	29.1	34.1	37.2
Accts Payable	23.3	30.4	23.1
Debt Due	27.2	9.3	7.2
Other	14.5	17.1	50.4
Current Liab.	65.0	56.8	80.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Revenues	2.0%	2.0%	*2.0%*
"Cash Flow"	7.5%	10.5%	*3.5%*
Earnings	9.0%	12.5%	*5.0%*
Dividends	3.0%	5.0%	*5.5%*
Book Value	5.5%	8.0%	*2.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2018	31.2	34.9	38.7	33.3	138.1
2019	30.7	33.4	37.8	32.7	134.6
2020	31.8	35.3	39.9	34.6	141.6
2021	32.5	36.7	*43.0*	*37.8*	*150*
2022	*34.0*	*38.0*	*45.0*	*38.0*	*155*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2018	.27	.52	.74	.43	1.96
2019	.39	.49	.66	.46	2.01
2020	.44	.55	.72	.47	2.18
2021	.39	.62	*.75*	*.54*	*2.30*
2022	*.47*	*.58*	*.80*	*.55*	*2.40*

Calendar	QUARTERLY DIVIDENDS PAID [B]■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.21125	.21125	.21125	.22375	.86
2018	.22375	.22375	.22375	.24	.91
2019	.24	.24	.24	.2562	.98
2020	.2562	.2562	.2562	.2725	1.04
2021	.2725	.2725	.2725		

BUSINESS: Middlesex Water Company engages in the ownership and operation of regulated water utility systems in New Jersey, Delaware, and Pennsylvania. It also operates water and wastewater systems under contract on behalf of municipal and private clients in NJ and DE. Its Middlesex System provides water services to 61,000 retail customers, primarily in Middlesex County, New Jersey. In 2020, the Middlesex System accounted for 59% of operating revenues. At 12/31/20, the company had 348 employees. Incorporated: NJ. President, CEO, and Chairman: Dennis W. Doll. Officers & directors own 2.0% of the com. stock; BlackRock Inst. Trust Co., 7.8% (4/21 proxy). Add.: 485 C Route 1 South, Suite 400, Iselin, NJ 08830. Tel.: 732-634-1500. Int.: www.middlesexwater.com.

Shares of Middlesex Water established a fresh all-time high price during the month of September. In fact, since our previous report, the stock has surged more than 20% in value and, year to date, has logged about a 30% gain. Underpinning recent investor support for the water utility, in our view, is a combination of strong second-quarter financial results (discussed below) and a broadly increasing adoption of a flight-to-safety investment approach.

We are lifting our 2021 bottom-line estimate. For the June period, Middlesex delivered revenues of $36.7 million, which was roughly on par with consensus expectations. The figure improved about 4% year over year, helped along by higher water consumption and an expanding customer base in its Delaware systems. Meanwhile, net income jumped 13% from the previous-year tally, to $0.62 per share. On balance, we are adding $0.10 to our current-year forecast, to $2.30 per share.

The company has agreed to an asset divestment. Specifically, Middlesex inked a deal to sell its wholly-owned wastewater subsidiary Tidewater Environmental Services to Artesian Wastewater Management for $6.4 million in cash. The unit services approximately 3,600 customers in the Delaware area. The transaction, which is slated for completion within the fourth quarter, is subject to approval by the Delaware Public Service Commission and other customary closing conditions.

Business prospects three to five years out are solid. Our outlook for modest annual revenue and earnings expansion has not wavered. Middlesex's operations, which are largely uncorrelated to economic conditions, ought to perform decently over the pull to mid-decade.

We think the recently elevated quotation presents an opportunity for current shareholders to book some profits. Good-quality Middlesex shares are merely an Average (3) selection for relative year-ahead price performance. Moreover, the stock is trading at an extremely lofty price-to-earnings multiple. Patient subscribers should turn the page, too, as nearly all of the growth we envision out to 2024-2026 appears to already be baked into the recent price.

Nicholas P. Patrikis *October 8, 2021*

(A) Diluted earnings. Next earnings report due early November.

(B) Dividends historically paid in mid-Feb., May, Aug., and November.■ Div'd reinvestment plan available.

(C) In millions.

Company's Financial Strength	B++
Stock's Price Stability	85
Price Growth Persistence	70
Earnings Predictability	85

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SJW GROUP NYSE-SJW

RECENT PRICE 65.82 | P/E RATIO 28.7 (Trailing: 30.6 Median: 21.0) | RELATIVE P/E RATIO 1.52 | DIV'D YLD 2.1% | VALUE LINE

TIMELINESS 4 Lowered 8/13/21
SAFETY 3 New 4/22/11
TECHNICAL 3 Lowered 10/1/21
BETA .80 (1.00 = Market)

18-Month Target Price Range

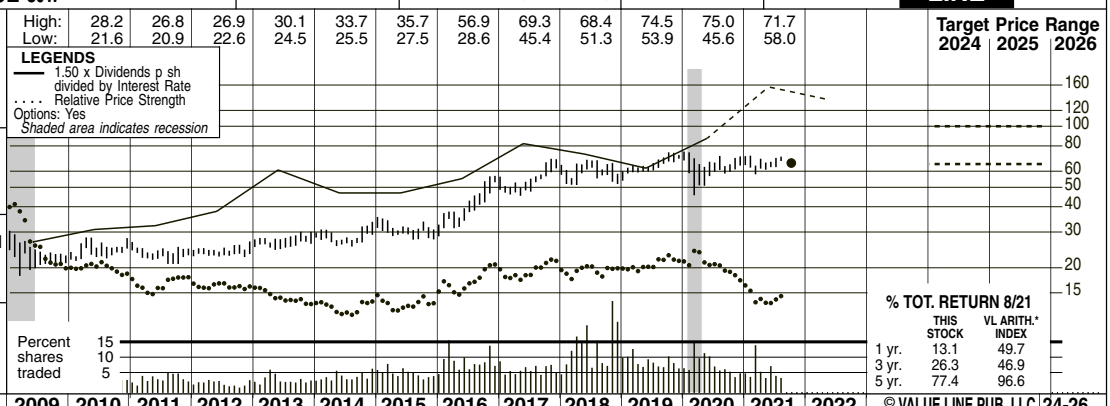
Low-High	Midpoint (% to Mid)
$52-$113	$83 (25%)

2024-26 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+50%)	13%
Low	65	(Nil)	2%

Institutional Decisions

	4Q2020	1Q2021	2Q2021
to Buy	80	87	81
to Sell	68	73	64
Hld's(000)	19850	20963	21472



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
9.86	10.35	11.25	12.12	11.68	11.62	12.85	14.01	13.73	15.76	14.97	16.61	18.97	14.00	14.78	19.77	*19.65*	*20.50*	Revenues per sh	*22.15*
2.21	2.38	2.30	2.44	2.21	2.38	2.80	2.97	2.90	4.42	3.86	4.76	5.24	3.29	3.67	5.28	*3.85*	*4.30*	"Cash Flow" per sh	*5.30*
1.12	1.19	1.04	1.08	.81	.84	1.11	1.18	1.12	2.54	1.85	2.57	2.86	1.82	1.35	2.14	*2.20*	*2.65*	Earnings per sh [A]	*3.65*
.53	.57	.61	.65	.66	.68	.69	.71	.73	.75	.78	.81	1.04	1.12	1.20	1.28	*1.36*	*1.44*	Div'd Decl'd per sh [B]■	*1.72*
2.83	3.87	6.62	3.79	3.17	5.65	3.75	5.67	4.68	5.02	5.24	6.95	7.26	5.08	6.25	7.44	*6.75*	*7.00*	Cap'l Spending per sh	*7.50*
10.72	12.48	12.90	13.99	13.66	13.75	14.20	14.71	15.92	17.75	18.83	20.61	22.57	31.31	31.27	32.12	*35.00*	*36.65*	Book Value per sh	*40.85*
18.27	18.28	18.36	18.18	18.50	18.55	18.59	18.67	20.17	20.29	20.38	20.46	20.52	28.40	28.46	28.56	*30.00*	*30.00*	Common Shs Outst'g [C]	*30.00*
19.7	23.5	33.4	26.2	28.7	29.1	21.2	20.4	24.3	11.2	16.6	15.7	18.8	32.7	47.8	30.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*23.0*
1.05	1.27	1.77	1.58	1.91	1.85	1.33	1.30	1.37	.59	.84	.82	.95	1.77	2.55	1.56			Relative P/E Ratio	*1.30*
2.4%	2.0%	1.7%	2.3%	2.8%	2.8%	2.9%	3.0%	2.7%	2.6%	2.5%	2.0%	1.9%	1.9%	1.9%	2.0%			Avg Ann'l Div'd Yield	*2.1%*
239.0	261.5	276.9	319.7	305.1	339.7	389.2	397.7	420.5	564.5	*590*	*615*	Revenues ($mill)	*665*
20.9	22.3	23.5	51.8	37.9	52.8	59.2	38.8	38.7	61.5	*66.0*	*80.0*	Net Profit ($mill)	*110*
41.1%	41.1%	38.7%	32.5%	38.1%	38.8%	36.7%	20.6%	25.3%	12.0%	*21.0%*	*21.5%*	Income Tax Rate	*21.0%*
--	--	--	--	--	--	--	--	--	1.5%	*1.5%*	*1.5%*	AFUDC % to Net Profit	*1.5%*
56.6%	55.0%	51.1%	51.6%	49.8%	50.7%	48.2%	32.7%	59.1%	58.4%	*53.5%*	*51.0%*	Long-Term Debt Ratio	*38.0%*
43.4%	45.0%	48.9%	48.4%	50.2%	49.3%	51.8%	67.3%	40.9%	41.6%	*46.5%*	*49.0%*	Common Equity Ratio	*62.0%*
607.9	610.2	656.2	744.5	764.6	855.0	894.3	1320.7	2173.6	2204.7	*2250*	*2250*	Total Capital ($mill)	*1975*
756.2	831.6	898.7	963.0	1036.8	1146.4	1239.3	1328.8	2206.5	2334.9	*2450*	*2565*	Net Plant ($mill)	*2775*
4.9%	5.0%	5.0%	8.3%	6.3%	7.4%	7.9%	3.9%	2.5%	4.0%	*3.5%*	*4.0%*	Return on Total Cap'l	*6.0%*
7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	12.8%	4.4%	4.3%	6.7%	*6.5%*	*7.0%*	Return on Shr. Equity	*9.0%*
7.9%	8.1%	7.3%	14.4%	9.9%	12.5%	12.8%	4.4%	4.3%	6.7%	*6.5%*	*7.0%*	Return on Com Equity	*9.0%*
3.1%	3.3%	2.8%	10.2%	5.7%	8.6%	8.2%	1.8%	.5%	2.7%	*2.5%*	*3.5%*	Retained to Com Eq	*4.5%*
61%	59%	62%	29%	42%	31%	36%	60%	88%	59%	*62%*	*54%*	All Div'ds to Net Prof	*47%*

CAPITAL STRUCTURE as of 6/30/21
Total Debt $1398.9 mill. **Due in 5 Yrs** $22.4 mill.
LT Debt $1372.1 mill. **LT Interest** $50.0 mill.
(LT Interest Coverage: 4.1x)
(58% of Cap'l)

Pension Assets-12/20 $278.1 mill.
Oblig. $386.1 mill.
Pfd Stock None.
Common Stock 29,804,927 shs.

MARKET CAP: $2.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2019	2020	6/30/21
Cash Assets	17.9	9.3	28.1
Accts Receivable	36.3	58.1	54.9
Other	67.8	59.9	63.9
Current Assets	122.0	127.3	146.9
Accts Payable	34.9	34.2	39.5
Debt Due	22.3	76.2	26.8
Other	177.4	240.4	208.1
Current Liab.	234.6	350.8	274.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Revenues	3.0%	2.0%	*5.5%*
"Cash Flow"	5.5%	2.0%	*4.5%*
Earnings	7.0%	-.5%	*13.0%*
Dividends	6.0%	10.0%	*6.0%*
Book Value	8.5%	12.5%	*4.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2018	75.0	99.1	124.9	98.7	397.7
2019	77.7	103.0	114.0	126.0	420.5
2020	115.8	147.2	165.9	135.6	564.5
2021	114.8	152.2	*175*	*148.0*	*590*
2022	*125*	*155*	*185*	*150*	*615*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2018	.06	.62	.76	.38	1.82
2019	.21	.47	.33	.34	1.35
2020	.08	.69	.91	.46	2.14
2021	.09	.69	*.90*	*.52*	*2.20*
2022	*.18*	*.77*	*1.00*	*.70*	*2.65*

Calendar	QUARTERLY DIVIDENDS PAID [BD]■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.2175	.2175	.2175	.3875	1.04
2018	.28	.28	.28	.28	1.12
2019	.30	.30	.30	.30	1.20
2020	.32	.32	.32	.32	1.28
2021	.34	.34	.34		

BUSINESS: SJW Group engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to approximately 231,000 connections with a total population of roughly one million people in the San Jose area and 16,000 connections that reach about 49,000 residents in the region between San Antonio and Austin, Texas. The company merged with Connecticut Water (10/19) which provides service to approx. 138,000 connections with a total population of 450,000 people. Has 361 employees. Officers and directors own 8.3% of outstanding shares (3/21 proxy). Chairman & CEO: Eric Thornburg. Incorporated: California. Address: 110 West Taylor Street, San Jose, CA 95110. Telephone: (408) 279-7800. Internet: www.sjwater.com.

SJW Group reported better-than-expected second-quarter financial results. The East and West coasts water utility generated revenues of $152 million in the June period. The figure came in marginally above our $150 million call, thanks to cumulative water rate increases and higher customer usage. More impressively, SJW posted net income of $0.69 per share, matching the previous-year tally, while handily topping consensus estimates. Operating margins are indeed on the mend, but it is worth noting that roughly $0.09 can be attributed to a one-time gain from holdback funds received from the sale of equity interests in 2017.

We are upping our current-year top- and bottom-line projections. Our 2021 revenue estimate is moving higher by $5 million, to $590 million, while our earnings-per-share forecast is being raised by $0.15, to $2.20. Over the back half of this year, SJW's operations stand to benefit from a further rebound in economic activity, resulting in increased water consumption across both residential and commercial arenas.

Share-net growth ought to accelerate next year and beyond. For 2022, we look for earnings to expand 20%, year over year, to $2.65 per share. Moreover, the company has filed a relatively new rate case with the California Public Utilities Commission seeking approval to boost revenues up to $90 million, a $435 million capital budget to invest in water delivery infrastructure and upgrades, along with nearly $20 million in memorandum account recovery. All in all, the filing, which would be effective through 2024, should allow SJW to periodically increase customer rates over the next few years, thereby supporting top- and bottom-line growth.

The stock has fallen out of favor on our Timeliness ranking scale. Shares of SJW have been downgraded one notch, to 4 (Below Average) and, thus, are slated to lag the broader market over the coming six to 12 months. Moreover, at recent levels, total return potential over the 2024-2026 time frame is unenticing. Although long-term business prospects are favorable, we advise interested subscribers to remain on the sidelines until a better entry point is available.

Nicholas P. Patrikis *October 8, 2021*

(A) Diluted earnings. Excludes nonrecurring losses: '05, $1.09; '06, $16.36; '08, $1.22; '10, $0.46. GAAP accounting as of 2013. Next earnings report due early November. Quarterly egs. may not add due to rounding.
(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions.
(D) Paid special dividend of $0.17 per share on 11/17.
(E) Suspended due to recent CTWS merger.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	80
Earnings Predictability	50

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YORK WATER NDQ-YORW

RECENT PRICE **44.52** | P/E RATIO **32.5** (Trailing: 35.1 Median: 28.0) | RELATIVE P/E RATIO **1.72** | DIV'D YLD **1.7%** | **VALUE LINE**

TIMELINESS 3 Lowered 1/15/21
SAFETY 3 Lowered 7/17/15
TECHNICAL 3 Raised 10/1/21
BETA .85 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$34-$73	$54 (20%)

2024-26 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+10%)	*5%*
Low	35	(-20%)	*-4%*

Institutional Decisions

	4Q2020	1Q2021	2Q2021
to Buy	56	38	51
to Sell	46	56	43
Hld's(000)	5341	5518	5416

	2024	2025	2026
Target Price Range			

High:	18.0	18.1	18.5	22.0	24.3	26.7	39.8	39.9	36.1	47.3	51.3	53.8
Low:	12.8	15.8	16.8	17.6	18.8	19.7	23.8	31.7	27.5	30.3	34.6	40.7

LEGENDS
1.10 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Percent shares traded

% TOT. RETURN 8/21

	THIS STOCK	VL ARITH.* INDEX
1 yr.	15.0	49.7
3 yr.	80.7	46.9
5 yr.	99.7	96.6

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
2.58	2.56	2.79	2.89	2.95	3.07	3.18	3.21	3.27	3.58	3.68	3.70	3.77	3.74	3.96	4.12	*4.25*	*4.50*	Revenues per sh	*5.10*
.79	.77	.86	.88	.95	1.07	1.09	1.12	1.19	1.36	1.45	1.42	1.53	1.58	1.70	1.90	*1.95*	*2.10*	"Cash Flow" per sh	*2.45*
.56	.58	.57	.57	.64	.71	.71	.72	.75	.89	.97	.92	1.01	1.04	1.11	1.27	*1.35*	*1.40*	Earnings per sh A	*1.65*
.42	.45	.48	.49	.51	.52	.53	.54	.55	.57	.60	.63	.65	.67	.70	.73	*.78*	*.83*	Div'd Decl'd per sh B	*1.00*
1.69	1.85	1.69	2.17	1.18	.83	.74	.94	.76	1.10	1.11	1.03	1.95	- -	.16	.09	*1.35*	*1.45*	Cap'l Spending per sh	*1.85*
4.85	5.84	5.97	6.14	6.92	7.19	7.45	7.73	7.98	8.15	8.51	8.88	9.28	9.75	10.31	10.97	*11.55*	*12.00*	Book Value per sh	*12.90*
10.40	11.20	11.27	11.37	12.56	12.69	12.79	12.92	12.98	12.83	12.81	12.85	12.87	12.94	13.02	13.06	*13.00*	*12.90*	Common Shs Outst'g C	*12.80*
26.3	31.2	30.3	24.6	21.9	20.7	23.9	24.4	26.3	23.1	23.5	32.8	34.6	30.3	33.8	35.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*25.0*
1.40	1.68	1.61	1.48	1.46	1.32	1.50	1.55	1.48	1.22	1.18	1.72	1.74	1.64	1.80	1.83			Relative P/E Ratio	*1.40*
2.9%	2.5%	2.8%	3.5%	3.6%	3.5%	3.1%	3.1%	2.8%	2.8%	2.6%	2.1%	1.9%	2.1%	1.9%	1.6%			Avg Ann'l Div'd Yield	*2.4%*
40.6	41.4	42.4	45.9	47.1	47.6	48.6	48.4	51.6	53.9	*55.0*	*57.0*	Revenues ($mill)	*65.0*
9.1	9.3	9.7	11.5	12.5	11.8	13.0	13.4	14.4	16.6	*17.5*	*18.0*	Net Profit ($mill)	*21.0*
35.3%	37.6%	37.6%	29.8%	27.5%	31.3%	25.9%	15.7%	13.5%	10.8%	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
1.1%	1.1%	.8%	1.8%	1.6%	1.9%	6.7%	1.7%	2.5%	3.2%	*1.5%*	*1.5%*	AFUDC % to Net Profit	*1.5%*
47.1%	46.0%	45.1%	44.8%	44.4%	42.6%	43.0%	42.5%	41.3%	46.3%	*44.5%*	*42.5%*	Long-Term Debt Ratio	*37.5%*
52.9%	54.0%	54.9%	55.2%	55.6%	57.4%	57.0%	57.5%	58.7%	53.7%	*55.5%*	*57.5%*	Common Equity Ratio	*62.5%*
180.2	184.8	188.4	189.4	196.3	198.7	209.5	219.5	228.7	266.8	*270*	*270*	Total Capital ($mill)	*265*
233.0	240.3	244.2	253.2	261.4	270.9	288.8	299.2	313.2	343.6	*355*	*370*	Net Plant ($mill)	*405*
6.4%	6.4%	6.5%	7.4%	7.6%	7.2%	7.5%	7.3%	7.4%	7.1%	*7.5%*	*7.5%*	Return on Total Cap'l	*9.0%*
9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	10.9%	10.6%	10.7%	11.6%	*11.5%*	*11.5%*	Return on Shr. Equity	*13.0%*
9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	10.9%	10.6%	10.7%	11.6%	*11.5%*	*11.5%*	Return on Com Equity	*13.0%*
2.5%	2.4%	2.4%	3.9%	4.4%	3.4%	4.0%	3.8%	4.0%	5.0%	*5.0%*	*4.5%*	Retained to Com Eq	*5.0%*
73%	74%	74%	64%	62%	67%	63%	64%	62%	57%	*58%*	*59%*	All Div'ds to Net Prof	*61%*

CAPITAL STRUCTURE as of 6/30/21
Total Debt $127.0 mill. **Due in 5 Yrs** $42.5 mill.
LT Debt $127.0 mill. **LT Interest** $5.5 mill.

(46% of Cap'l)

Pension Assets12/20 $56.3 mill.
Oblig. $54.1 mill.

Pfd Stock None

Common Stock 13,090,055 shs.

MARKET CAP: $575 million (Small Cap)

CURRENT POSITION ($MILL.)	2019	2020	6/30/21
Cash Assets	- -	5.0	- -
Accounts Receivable	4.4	5.2	4.2
Inventory (Avg. Cost)	1.0	1.0	1.0
Other	4.0	5.1	5.7
Current Assets	9.4	16.3	10.9
Accts Payable	3.4	6.5	8.4
Debt Due	6.5	- -	- -
Other	5.3	5.5	5.5
Current Liab.	15.2	12.0	13.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Revenues	3.0%	2.5%	*4.5%*
"Cash Flow"	6.0%	5.5%	*6.0%*
Earnings	6.0%	5.5%	*6.5%*
Dividends	3.5%	4.0%	*6.0%*
Book Value	4.5%	4.5%	*4.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2018	11.6	12.0	12.7	12.1	48.4
2019	11.8	13.0	13.7	13.1	51.6
2020	12.9	13.3	14.3	13.4	53.9
2021	13.1	13.8	*14.5*	*13.6*	*55.0*
2022	*13.7*	*14.3*	*15.0*	*14.0*	*57.0*

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2018	.20	.26	.29	.29	1.04
2019	.22	.28	.35	.26	1.11
2020	.31	.32	.36	.28	1.27
2021	.28	.35	*.37*	*.35*	*1.35*
2022	*.30*	*.36*	*.38*	*.36*	*1.40*

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.1602	.1602	.1602	.1666	.647
2018	.1666	.1666	.1666	.1733	.673
2019	.1733	.1733	.1733	.1802	.70
2020	.1802	.1802	.1802	.1874	.73
2021	.1874	.1874	.1874		

BUSINESS: The York Water Company is the oldest investor-owned regulated water utility in the United States. It has operated continuously since 1816. As of December 31, 2020, the company's average daily availability was 35.6 million gallons and its service territory had an estimated population of 202,000. Has more than 72,600 customers. Residential customers accounted for 66% of 2020 revenues; commercial and industrial (26%); other (8%). It also provides sewer billing services. Incorporated: PA. York had 108 full-time employees at 12/31/20. President/Chief Executive Officer: J.T. Hand. Officers/directors own 1.3% of the common stock (3/21 proxy). Address: 130 East Market Street, York, Pennsylvania 17401. Telephone: (717) 845-3601. Internet: www.yorkwater.com.

York Water delivered good share-profit growth in the June interim. As expected, the regulated water utility posted net income of $0.35 per share for the second quarter, representing sequential and annual improvements of 25% and 9%, respectively. The bottom-line advance was aided partly by lower income taxes stemming from wider deductions under IRS tangible property rules. Meanwhile, revenues of $13.8 million rose nicely compared to the previous-year tally, thanks to a growing customer base and increased billings/collections. For this year, revenues of $55 million (up $0.5 million from our previous estimate) are likely on tap. At the same time, we are leaving unchanged our 2021 EPS call, at $1.35. Looking at 2022, our model suggests that revenues will improve by $2 million, to $57 million, and earnings ought to jump a nickel, to $1.40 per share.

The stock price has bounced around over the past three months. In fact, the equity was trading near all-time high territory in early September before sliding back into the mid-$40-per-share vicinity. Year to date, the stock is largely flat, despite some uncharacteristically choppy price movements.

Long term, we think York Water is well positioned for sustainable, albeit modest top- and bottom-line growth. Our relatively rosy thesis has a few legs to stand on, including prospects for a healthier economic backdrop (higher water consumption), further expansion in its customer base, as well as the likelihood for additional rate hikes (granted periodically by state regulators to help York replenish and maintain a strong capital spending budget). To this point, robust investment in clean water infrastructure and delivery and pumping system upgrades is probably in the cards.

But investment appeal is limited at this juncture. Based on our Timeliness ranking scale, shares of York Water are merely an Average (3) selection for relative year-ahead price performance. In addition, at the recent quotation, total return potential over the three- to five-year pull is nothing to write home about. Overall, we recommend subscribers turn the page, for now.

Nicholas P. Patrikis *October 8, 2021*

(A) Diluted earnings. Next earnings report due early November.
(B) Dividends historically paid in late February, June, September, and December.
(C) In millions, adjusted for split.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	75
Earnings Predictability	100

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City of Beaver Falls
Summary of Risk Premium Models for the
Proxy Group of Seven Water Companies

	Proxy Group of Seven Water Companies
Predictive Risk Premium Model (PRPM) (1)	11.50 %
Risk Premium Using an Adjusted Total Market Approach (2)	10.83 %
Average	11.17 %

Notes:
(1) From page 14 of this Appendix.
(2) From page 15 of this Appendix.

City of Beaver Falls
Indicated ROE
Derived by the Predictive Risk Premium Model (1)

Proxy Group of Seven Water Companies	[1] LT Average Predicted Variance	[2] Spot Predicted Variance	[3] Recommended Variance (2)	[4] GARCH Coefficient	[5] Predicted Risk Premium (3)	[6] Risk-Free Rate (4)	[7] Indicated ROE (5)
American States Water Company	0.38%	0.36%	0.37%	1.9549	9.03%	2.70%	11.73%
American Water Works Company, Inc.	0.24%	0.19%	0.22%	5.8253	16.13%	2.70%	NMF
California Water Service Group	0.32%	0.33%	0.32%	2.0651	8.33%	2.70%	11.03%
Essential Utilities Inc.	0.44%	0.36%	0.40%	2.2722	11.41%	2.70%	14.11%
Middlesex Water Company	0.32%	0.75%	0.32%	2.1890	8.68%	2.70%	11.38%
SJW Group	0.41%	0.33%	0.37%	1.5521	7.13%	2.70%	9.83%
The York Water Company	0.46%	0.51%	0.49%	2.0820	12.87%	2.70%	NMF
						Average	11.62%
						Median	11.38%
					Average of Mean and Median		11.50%

NMF = Not Meaningful Figure

Notes:

(1) The Predictive Risk Premium Model uses historical data to generate a predicted variance and a GARCH coefficient. The historical data used are the equity risk premiums for the first available trading month as reported by Bloomberg Professional Service.

(2) Average of Columns [1] and [2]; Middlesex Water Company based on Column [1].

(3) (1+(Column [3] * Column [4])^12) - 1.

(4) From note 2 on page 26 of this Appendix.

(5) Column [5] + Column [6].

City of Beaver Falls
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

Line No.		Proxy Group of Seven Water Companies	
1.	Prospective Yield on Aaa Rated Corporate Bonds (1)	3.53	%
2.	Adjustment to Reflect Yield Spread Between Aaa Rated Corporate Bonds and A2 Rated Public Utility Bonds	0.41	(2)
3.	Adjusted Prospective Yield on A2 Rated Public Utility Bonds	3.94	%
4.	Adjustment to Reflect Bond Rating Difference of Proxy Group	0.08	(3)
5.	Adjusted Prospective Bond Yield	4.02	%
6.	Equity Risk Premium (4)	6.81	
7.	Risk Premium Derived Common Equity Cost Rate	10.83	%

Notes:
(1) Consensus forecast of Moody's Aaa Rated Corporate bonds from Blue Chip Financial Forecasts (see pages 22 and 23 of this Appendix).
(2) The average yield spread of A2 rated public utility bonds over Aaa rated corporate bonds of 0.41% from page 16 of this Appendix.
(3) Adjustment to reflect the A3 Moody's LT issuer rating of the Utility Proxy Group as shown on page 17 of this Appendix The 0.08% upward adjustment is derived by taking 1/3 of the spread between A2 and Baa2 Public Utility Bonds (1/3 * 0.23% = 0.08%) as derived from page 16 of this Appendix.
(4) From page 19 of this Appendix.

City of Beaver Falls
Interest Rates and Bond Spreads for
Moody's Corporate and Public Utility Bonds

Selected Bond Yields

	[1] Aaa Rated Corporate Bond	[2] A2 Rated Public Utility Bond	[3] Baa2 Rated Public Utility Bond
Nov-2021	2.62 %	3.02 %	3.25 %
Oct-2021	2.68	3.09	3.32
Sep-2021	2.53	2.96	3.19
Average	2.61 %	3.02 %	3.25 %

Selected Bond Spreads

A2 Rated Public Utility Bonds Over Aaa Rated Corporate Bonds: 0.41 % (1)

Baa2 Rated Public Utility Bonds Over A2 Rated Public Utility Bonds: 0.23 % (2)

Notes:
(1) Column [2] - Column [1].
(2) Column [3] - Column [2].

Source of Information:
Bloomberg Professional Service

City of Beaver Falls
Comparison of Long-Term Issuer Ratings for
Proxy Group of Seven Water Companies

	Moody's		Standard & Poor's	
	Long-Term Issuer Rating November 2021		Long-Term Issuer Rating November 2021	
Proxy Group of Seven Water Companies	Long-Term Issuer Rating	Numerical Weighting (1)	Long-Term Issuer Rating	Numerical Weighting (1)
American States Water Company (2)	A2	6.0	A+	5.0
American Water Works Company, Inc. (3)	A3	7.0	A	6.0
California Water Service Group	NR	- -	A+	5.0
Essential Utilities Inc. (4)	Baa1	8.0	A	6.0
Middlesex Water Company	NR	- -	A	6.0
SJW Group (5)	NR	- -	A/A-	6.5
The York Water Company	NR	- -	A-	7.0
Average	A3	7.0	A	5.9

Notes:
(1) From page 18 of this Appendix.
(2) Ratings that of Golden State Water Company.
(3) Ratings that of New Jersey and Pennsylvania American Water Companies.
(4) Ratings that of PNG Companies and Aqua Pennsylvania, Inc. (S&P).
(5) Ratings that of San Jose Water Company and Connecticut Water Inc.

Source Information: Moody's Investors Service
Standard & Poor's Global Utilities Rating Service

Numerical Assignment for Moody's and Standard & Poor's Bond Ratings

Moody's Bond Rating	Numerical Bond Weighting	Standard & Poor's Bond Rating
Aaa	1	AAA
Aa1	2	AA+
Aa2	3	AA
Aa3	4	AA-
A1	5	A+
A2	6	A
A3	7	A-
Baa1	8	BBB+
Baa2	9	BBB
Baa3	10	BBB-
Ba1	11	BB+
Ba2	12	BB
Ba3	13	BB-
B1	14	B+
B2	15	B
B3	16	B-

City of Beaver Falls
Judgment of Equity Risk Premium for the
Proxy Group of Seven Water Companies

Line No.		Proxy Group of Seven Water Companies
1.	Calculated equity risk premium based on the total market using the beta approach (1)	7.97 %
2.	Mean equity risk premium based on a study using the holding period returns of public utilities with A2 rated bonds (2)	5.64
3.	Average equity risk premium	6.81 %

Notes: (1) From page 20 of this Appendix.
(2) From page 24 of this Appendix.

City of Beaver Falls
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for the
Proxy Group of Seven Water Companies

Line No.	Equity Risk Premium Measure	Proxy Group of Seven Water Companies
	Ibbotson-Based Equity Risk Premiums:	
1.	Ibbotson Equity Risk Premium (1)	5.92 %
2.	Regression on Ibbotson Risk Premium Data (2)	8.73
3.	Ibbotson Equity Risk Premium based on PRPM (3)	8.42
4.	Equity Risk Premium Based on Value Line Summary and Index (4)	6.04
5.	Equity Risk Premium Based on Value Line S&P 500 Companies (5)	12.76
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies (6)	13.12
7.	Conclusion of Equity Risk Premium	9.16 %
8.	Adjusted Beta (7)	0.87
9.	Forecasted Equity Risk Premium	7.97 %

Notes provided on page 21 of this Appendix.

Notes:

(1) Based on the arithmetic mean historical monthly returns on large company common stocks from Ibbotson® SBBI® 2021 Market Report minus the arithmetic mean monthly yield of Moody's average Aaa and Aa2 corporate bonds from 1928-2020.

(2) This equity risk premium is based on a regression of the monthly equity risk premiums of large company common stocks relative to Moody's average Aaa and Aa2 rated corporate bond yields from 1928-2020 referenced in Note 1 above.

(3) The Predictive Risk Premium Model (PRPM) is discussed in the accompanying direct testimony. The Ibbotson equity risk premium based on the PRPM is derived by applying the PRPM to the monthly risk premiums between Ibbotson large company common stock monthly returns and average Aaa and Aa2 corporate monthly bond yields, from January 1928 through November 2021.

(4) The equity risk premium based on the Value Line Summary and Index is derived by subtracting the average consensus forecast of Aaa corporate bonds of 3.53% (from page 15 of this Appendix) from the projected 3-5 year total annual market return of 9.57% (described fully in note 1 on page 26 of this Appendix).

(5) Using data from Value Line for the S&P 500, an expected total return of 16.29% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 3.53% results in an expected equity risk premium of 12.76%

(6) Using data from the Bloomberg Professional Service for the S&P 500, an expected total return of 16.65% was derived based upon expected dividend yields and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 3.53% results in an expected equity risk premium of 13.12%.

(7) Average of mean and median beta from Page 25 of this Appendix.

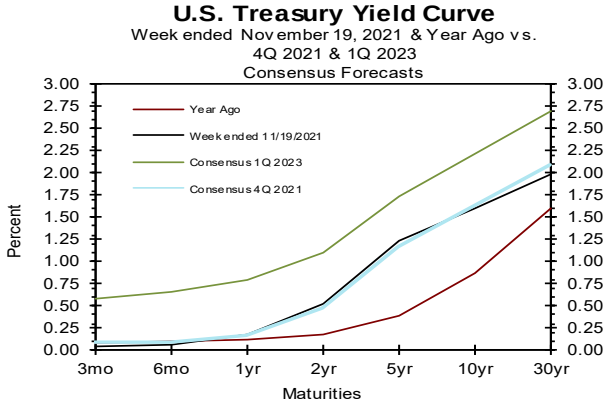
Sources of Information:

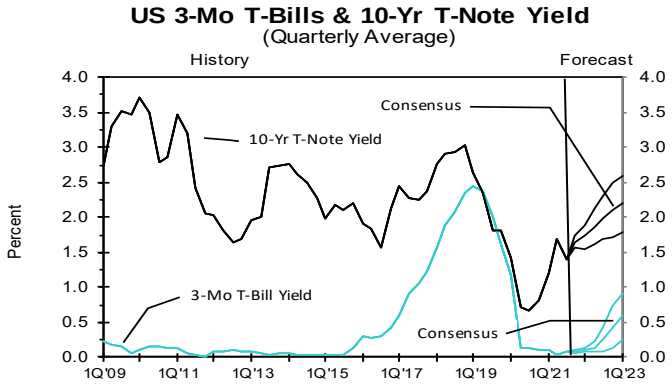
Stocks, Bonds, Bills, and Inflation - 2021 SBBI Yearbook, John Wiley & Sons, Inc.
Industrial Manual and Mergent Bond Record Monthly Update.
Value Line Summary and Index
Blue Chip Financial Forecasts, December 1, 2021
Bloomberg Professional Service

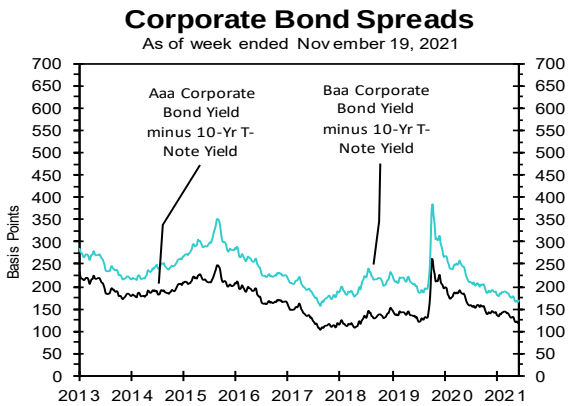
Consensus Forecasts of U.S. Interest Rates and Key Assumptions

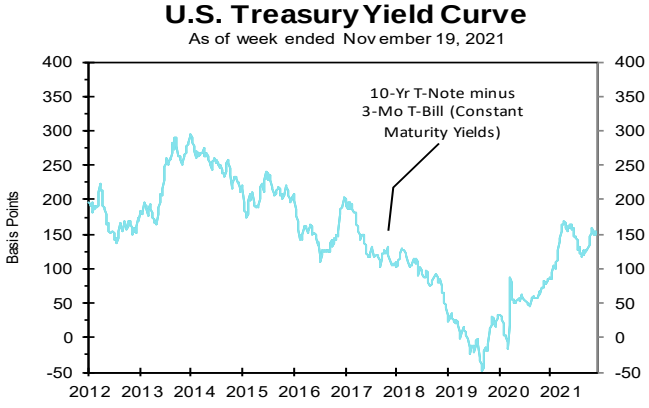
	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week Ending				Average For Month			*Latest Qtr*	4Q	1Q	2Q	3Q	4Q	1Q
Interest Rates	Nov 19	Nov 12	Nov 5	Oct 29	Oct	Sep	Aug	3Q 2021	2021	2022	2022	2022	2022	2023
Federal Funds Rate	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	**0.1**	**0.1**	**0.1**	**0.3**	**0.4**	**0.6**
Prime Rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	**3.3**	**3.3**	**3.3**	**3.4**	**3.5**	**3.7**
LIBOR, 3-mo.	0.16	0.15	0.14	0.13	0.13	0.12	0.12	0.13	**0.2**	**0.2**	**0.3**	**0.4**	**0.6**	**0.7**
Commercial Paper, 1-mo.	0.06	0.05	0.07	0.06	0.05	0.05	0.05	0.05	**0.1**	**0.1**	**0.2**	**0.3**	**0.5**	**0.6**
Treasury bill, 3-mo.	0.05	0.05	0.05	0.06	0.05	0.04	0.05	0.05	**0.1**	**0.1**	**0.1**	**0.2**	**0.4**	**0.6**
Treasury bill, 6-mo.	0.06	0.07	0.07	0.06	0.06	0.05	0.06	0.05	**0.1**	**0.1**	**0.2**	**0.3**	**0.5**	**0.7**
Treasury bill, 1 yr.	0.18	0.16	0.15	0.14	0.11	0.08	0.07	0.08	**0.2**	**0.2**	**0.3**	**0.4**	**0.6**	**0.8**
Treasury note, 2 yr.	0.53	0.48	0.45	0.48	0.39	0.24	0.22	0.23	**0.5**	**0.6**	**0.7**	**0.8**	**1.0**	**1.1**
Treasury note, 5 yr.	1.24	1.17	1.14	1.18	1.11	0.86	0.77	0.80	**1.2**	**1.3**	**1.4**	**1.5**	**1.6**	**1.7**
Treasury note, 10 yr.	1.60	1.53	1.54	1.59	1.58	1.37	1.28	1.32	**1.6**	**1.7**	**1.9**	**2.0**	**2.1**	**2.2**
Treasury note, 30 yr.	1.98	1.90	1.95	2.00	2.06	1.94	1.92	1.93	**2.1**	**2.2**	**2.3**	**2.5**	**2.6**	**2.7**
Corporate Aaa bond	2.82	2.72	2.77	2.80	2.85	2.72	2.72	2.72	**2.7**	**2.9**	**3.1**	**3.2**	**3.4**	**3.6**
Corporate Baa bond	3.29	3.18	3.22	3.25	3.31	3.16	3.16	3.16	**3.4**	**3.6**	**3.8**	**4.0**	**4.2**	**4.4**
State & Local bonds	2.56	2.56	2.60	2.61	2.59	2.67	2.64	2.64	**2.4**	**2.6**	**2.7**	**2.9**	**3.0**	**3.1**
Home mortgage rate	3.10	2.98	3.09	3.14	3.07	2.90	2.84	2.87	**3.1**	**3.2**	**3.4**	**3.5**	**3.7**	**3.8**
	History								Consensus Forecasts-Quarterly					
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Key Assumptions	2019	2020	2020	2020	2020	2021	2021	2021	2021	2022	2022	2022	2022	2023
Fed's AFE $ Index	110.5	111.4	112.4	107.3	105.2	103.4	102.9	105.0	**106.5**	**106.9**	**106.8**	**106.6**	**106.3**	**106.1**
Real GDP	1.9	-5.1	-31.2	33.8	4.5	6.3	6.7	2.1	**5.1**	**4.4**	**3.8**	**3.3**	**2.6**	**2.4**
GDP Price Index	1.5	1.6	-1.5	3.6	2.2	4.3	6.1	5.9	**4.6**	**3.4**	**2.8**	**2.7**	**2.5**	**2.5**
Consumer Price Index	2.6	1.0	-3.1	4.7	2.4	3.7	8.4	6.6	**5.6**	**3.3**	**2.9**	**2.6**	**2.5**	**2.4**
PCE Price Index	1.7	1.3	-1.6	3.7	1.5	3.8	6.5	5.3	**4.5**	**2.9**	**2.5**	**2.5**	**2.3**	**2.3**

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index, PCE Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data: Treasury rates from the Federal Reserve Board's H.15; AAA-AA and A-BBB corporate bond yields from Bank of America-Merrill Lynch and are 15+ years, yield to maturity; State and local bond yields from Bank of America-Merrill Lynch, A-rated, yield to maturity; Mortgage rates from Freddie Mac, 30-year, fixed; LIBOR quotes from Intercontinental Exchange. All interest rate data are sourced from Haver Analytics. Historical data for Fed's Major Currency Index are from FRSR H.10. Historical data for Real GDP, GDP Price Index and PCE Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index history is from the Department of Labor's Bureau of Labor Statistics (BLS).









Long-Range Survey:

The table below contains the results of our twice-annual long-range CONSENSUS survey. There are also Top 10 and Bottom 10 averages for each variable. Shown are consensus estimates for the years 2023 through 2027 and averages for the five-year periods 2023-2027 and 2028-2032. Apply these projections cautiously. Few if any economic, demographic and political forces can be evaluated accurately over such long time spans.

		Average For The Year					Five-Year Averages	
		2023	2024	2025	2026	2027	2023-2027	2028-2032
1. Federal Funds Rate	**CONSENSUS**	**0.8**	**1.6**	**2.0**	**2.2**	**2.3**	**1.8**	**2.2**
	Top 10 Average	1.2	2.2	2.7	2.7	2.8	2.3	2.9
	Bottom 10 Average	0.4	1.0	1.4	1.7	1.8	1.2	1.5
2. Prime Rate	**CONSENSUS**	**4.0**	**4.7**	**5.1**	**5.3**	**5.4**	**4.9**	**5.3**
	Top 10 Average	4.3	5.3	5.8	5.8	5.9	5.4	6.0
	Bottom 10 Average	3.6	4.1	4.5	4.9	5.0	4.4	4.6
3. LIBOR, 3-Mo.	**CONSENSUS**	**1.0**	**1.7**	**2.2**	**2.4**	**2.5**	**1.9**	**2.4**
	Top 10 Average	1.3	2.1	2.7	2.9	3.0	2.4	3.1
	Bottom 10 Average	0.7	1.2	1.6	1.9	2.0	1.5	1.8
4. Commercial Paper, 1-Mo	**CONSENSUS**	**0.9**	**1.6**	**2.1**	**2.3**	**2.4**	**1.9**	**2.4**
	Top 10 Average	1.2	2.0	2.6	2.8	2.9	2.3	2.9
	Bottom 10 Average	0.6	1.2	1.6	1.9	2.0	1.5	1.8
5. Treasury Bill Yield, 3-Mo	**CONSENSUS**	**0.8**	**1.4**	**1.8**	**2.0**	**2.3**	**1.7**	**2.2**
	Top 10 Average	1.2	1.9	2.5	2.6	2.8	2.2	2.9
	Bottom 10 Average	0.4	0.8	1.2	1.5	1.8	1.1	1.6
6. Treasury Bill Yield, 6-Mo	**CONSENSUS**	**0.8**	**1.4**	**1.9**	**2.1**	**2.4**	**1.7**	**2.3**
	Top 10 Average	1.2	2.0	2.6	2.7	2.9	2.3	3.0
	Bottom 10 Average	0.4	0.9	1.2	1.6	1.9	1.2	1.7
7. Treasury Bill Yield, 1-Yr	**CONSENSUS**	**1.0**	**1.6**	**2.1**	**2.4**	**2.5**	**1.9**	**2.4**
	Top 10 Average	1.4	2.1	2.7	2.8	3.0	2.4	3.1
	Bottom 10 Average	0.6	1.2	1.5	1.9	2.0	1.4	1.8
8. Treasury Note Yield, 2-Yr	**CONSENSUS**	**1.3**	**1.9**	**2.4**	**2.6**	**2.6**	**2.2**	**2.6**
	Top 10 Average	1.7	2.5	3.0	3.1	3.2	2.7	3.4
	Bottom 10 Average	0.8	1.4	1.8	2.0	2.1	1.6	1.9
9. Treasury Note Yield, 5-Yr	**CONSENSUS**	**1.9**	**2.4**	**2.8**	**2.9**	**2.9**	**2.6**	**3.0**
	Top 10 Average	2.3	3.0	3.4	3.5	3.6	3.1	3.8
	Bottom 10 Average	1.5	1.9	2.1	2.3	2.3	2.0	2.2
10. Treasury Note Yield, 10-Yr	**CONSENSUS**	**2.4**	**2.8**	**3.1**	**3.2**	**3.2**	**2.9**	**3.3**
	Top 10 Average	2.8	3.3	3.7	3.8	3.9	3.5	4.2
	Bottom 10 Average	2.0	2.3	2.4	2.5	2.5	2.3	2.4
11. Treasury Bond Yield, 30-Yr	**CONSENSUS**	**2.9**	**3.3**	**3.6**	**3.7**	**3.7**	**3.4**	**3.8**
	Top 10 Average	3.4	3.9	4.3	4.4	4.4	4.1	4.6
	Bottom 10 Average	2.4	2.8	2.9	3.0	3.0	2.8	3.0
12. Corporate Aaa Bond Yield	**CONSENSUS**	**3.7**	**4.2**	**4.5**	**4.6**	**4.8**	**4.4**	**4.9**
	Top 10 Average	4.3	4.7	5.1	5.2	5.4	4.9	5.6
	Bottom 10 Average	3.2	3.7	3.9	4.1	4.2	3.8	4.2
13. Corporate Baa Bond Yield	**CONSENSUS**	**4.6**	**5.0**	**5.3**	**5.5**	**5.6**	**5.2**	**5.7**
	Top 10 Average	5.1	5.5	5.9	6.1	6.2	5.7	6.5
	Bottom 10 Average	4.0	4.5	4.8	4.9	5.0	4.7	5.0
14. State & Local Bonds Yield	**CONSENSUS**	**3.2**	**3.7**	**3.9**	**4.1**	**4.2**	**3.8**	**4.3**
	Top 10 Average	3.8	4.3	4.5	4.7	4.8	4.4	5.0
	Bottom 10 Average	2.7	3.2	3.4	3.5	3.6	3.3	3.6
15. Home Mortgage Rate	**CONSENSUS**	**4.0**	**4.4**	**4.7**	**4.8**	**4.8**	**4.5**	**4.9**
	Top 10 Average	4.5	5.0	5.3	5.4	5.4	5.1	5.7
	Bottom 10 Average	3.6	3.9	4.1	4.1	4.2	4.0	4.1
A. Fed's AFE Nominal $ Index	**CONSENSUS**	**106.2**	**106.0**	**106.1**	**106.2**	**106.4**	**106.2**	**106.5**
	Top 10 Average	108.1	108.4	108.9	109.0	109.2	108.7	110.1
	Bottom 10 Average	104.4	104.0	103.7	103.7	103.9	103.9	103.1
		Year-Over-Year, % Change					Five-Year Averages	
		2023	2024	2025	2026	2027	2023-2027	2028-2032
B. Real GDP	**CONSENSUS**	**2.6**	**2.2**	**2.1**	**2.0**	**2.0**	**2.2**	**2.0**
	Top 10 Average	3.1	2.6	2.5	2.4	2.3	2.6	2.4
	Bottom 10 Average	2.2	1.7	1.7	1.7	1.7	1.8	1.7
C. GDP Chained Price Index	**CONSENSUS**	**2.5**	**2.2**	**2.2**	**2.1**	**2.1**	**2.2**	**2.1**
	Top 10 Average	3.0	2.7	2.5	2.4	2.4	2.6	2.4
	Bottom 10 Average	2.0	1.9	1.9	1.9	1.9	1.9	1.8
D. Consumer Price Index	**CONSENSUS**	**2.6**	**2.3**	**2.3**	**2.2**	**2.2**	**2.3**	**2.2**
	Top 10 Average	3.2	2.8	2.6	2.5	2.5	2.7	2.5
	Bottom 10 Average	2.1	2.0	2.0	2.0	2.0	2.0	1.9
E. PCE Price Index	**CONSENSUS**	**2.5**	**2.2**	**2.1**	**2.1**	**2.1**	**2.2**	**2.1**
	Top 10 Average	3.0	2.6	2.4	2.4	2.3	2.6	2.4
	Bottom 10 Average	2.0	1.9	1.9	1.9	1.9	1.9	1.9

City of Beaver Falls
Derivation of Mean Equity Risk Premium Based Studies
Using Holding Period Returns and
Projected Market Appreciation of the S&P Utility Index

Line No.		Implied Equity Risk Premium
	Equity Risk Premium based on S&P Utility Index Holding Period Returns (1):	
1.	Historical Equity Risk Premium	4.16 %
2.	Regression of Historical Equity Risk Premium (2)	6.38
3.	Forecasted Equity Risk Premium Based on PRPM (3)	4.97
4.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Value Line Data) (4)	7.18
5.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Bloomberg Data) (5)	5.52
6.	Average Equity Risk Premium (6)	5.64 %

Notes:
(1) Based on S&P Public Utility Index monthly total returns and Moody's Public Utility Bond average monthly yields from 1928-2020. Holding period returns are calculated based upon income received (dividends and interest) plus the relative change in the market value of a security over a one-year holding period.

(2) This equity risk premium is based on a regression of the monthly equity risk premiums of the S&P Utility Index relative to Moody's A2 rated public utility bond yields from 1928 - 2020 referenced in note 1 above.

(3) The Predictive Risk Premium Model (PRPM) is applied to the risk premium of the monthly total returns of the S&P Utility Index and the monthly yields on Moody's A2 rated public utility bonds from January 1928 - November 2021.

(4) Using data from Value Line for the S&P Utilities Index, an expected return of 11.12% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the expected A2 rated public utility bond yield of 3.94%, calculated on line 3 of page 15 of this Appendix results in an equity risk premium of 7.18%. (11.12% - 3.94% = 7.18%)

(5) Using data from Bloomberg Professional Service for the S&P Utilities Index, an expected return of 9.46% was derived based on expected dividend yields and long-term growth estimates as a proxy for market appreciation. Subtracting the expected A2 rated public utility bond yield of 3.94%, calculated on line 3 of page 15 of this Appendix results in an equity risk premium of 5.52%. (9.46% - 3.94% = 5.52%)

(6) Average of lines 1 through 5.

City of Beaver Falls
Indicated Common Equity Cost Rate Through Use
of the Traditional Capital Asset Pricing Model (CAPM) and Empirical Capital Asset Pricing Model (ECAPM)

Proxy Group of Seven Water Companies	[1] Value Line Adjusted Beta	[2] Bloomberg Adjusted Beta	[3] Average Beta	[4] Market Risk Premium (1)	[5] Risk-Free Rate (2)	[6] Traditional CAPM Cost Rate	[7] ECAPM Cost Rate	[8] Indicated Common Equity Cost Rate (3)
American States Water Company	0.65	0.63	0.64	10.09 %	2.70 %	9.16 %	10.06 %	9.61 %
American Water Works Company, Inc.	0.90	1.06	0.98	10.09	2.70	12.59	12.64	12.61
California Water Service Group	0.70	0.67	0.68	10.09	2.70	9.56	10.37	9.96
Essential Utilities Inc.	1.00	1.07	1.04	10.09	2.70	13.19	13.09	13.14
Middlesex Water Company	0.70	0.80	0.75	10.09	2.70	10.27	10.90	10.58
SJW Group	0.80	0.99	0.90	10.09	2.70	11.78	12.03	11.90
The York Water Company	0.85	0.99	0.92	10.09	2.70	11.98	12.18	12.08
Mean			0.84			11.22 %	11.61 %	11.41 %
Median			0.90			11.78 %	12.03 %	11.90 %
Average of Mean and Median			0.87			11.50	11.82	11.66 %

Notes on page 26 of this Appendix.

City of Beaver Falls
Notes to Accompany the Application of the CAPM and ECAPM

Notes:

(1) The market risk premium (MRP) is derived by using six different measures from three sources: Ibbotson, Value Line, and Bloomberg as illustrated below:

Historical Data MRP Estimates:

Measure 1: Ibbotson Arithmetic Mean MRP (1926-2020)

Arithmetic Mean Monthly Returns for Large Stocks 1926-2020:	12.20 %
Arithmetic Mean Income Returns on Long-Term Government Bonds:	5.05
MRP based on Ibbotson Historical Data:	7.15 %

Measure 2: Application of a Regression Analysis to Ibbotson Historical Data (1926-2020) 9.57 %

Measure 3: Application of the PRPM to Ibbotson Historical Data: (January 1926 - November 2021) 9.39 %

Value Line MRP Estimates:

Measure 4: Value Line Projected MRP (Thirteen weeks ending December 03, 2021)

Total projected return on the market 3-5 years hence*:	9.57 %
Projected Risk-Free Rate (see note 2):	2.70
MRP based on Value Line Summary & Index:	6.87 %

*Forcasted 3-5 year capital appreciation plus expected dividend yield

Measure 5: Value Line Projected Return on the Market based on the S&P 500

Total return on the Market based on the S&P 500:	16.29 %
Projected Risk-Free Rate (see note 2):	2.70
MRP based on Value Line data	13.59 %

Measure 6: Bloomberg Projected MRP

Total return on the Market based on the S&P 500:	16.65 %
Projected Risk-Free Rate (see note 2):	2.70
MRP based on Bloomberg data	13.95 %

Average of Value Line, Ibbotson, and Bloomberg MRP: 10.09 %

(2) For reasons explained in the direct testimony, the appropriate risk-free rate for cost of capital purposes is the average forecast of 30 year Treasury Bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts. (See pages 22-23 of this Appendix.) The projection of the risk-free rate is illustrated below:

Fourth Quarter 2021	2.10 %
First Quarter 2022	2.20
Second Quarter 2022	2.30
Third Quarter 2022	2.50
Fourth Quarter 2022	2.60
First Quarter 2023	2.70
2023-2027	3.40
2028-2032	3.80
	2.70 %

(3) Average of Column 6 and Column 7.

Sources of Information:
Value Line Summary and Index
Blue Chip Financial Forecasts, December 1, 2021
Stocks, Bonds, Bills, and Inflation - 2021 SBBI Yearbook, John Wiley & Sons, Inc.
Bloomberg Professional Services

City of Beaver Falls
Basis of Selection of the Group of Non-Price Regulated Companies
Comparable in Total Risk to the Utility Proxy Group

The criteria for selection of the Non-Price Regulated Proxy Group was that the non-price regulated companies be domestic and reported in Value Line Investment Survey (Standard Edition).

The Non-Price Regulated Proxy Group companies were then selected based on the unadjusted beta range of 0.49 – 0.81 and residual standard error of the regression range of 2.8601 – 3.4113 of the Utility Proxy Group.

These ranges are based upon plus or minus two standard deviations of the unadjusted beta and standard error of the regression. Plus or minus two standard deviations captures 95.50% of the distribution of unadjusted betas and residual standard errors of the regression.

The standard deviation of the Water Utility Proxy Group's residual standard error of the regression is 0.1378. The standard deviation of the standard error of the regression is calculated as follows:

$$\text{Standard Deviation of the Std. Err. of the Regr.} = \frac{\text{Standard Error of the Regression}}{\sqrt{2N}}$$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

$$\text{Thus, } 0.1378 = \frac{3.1357}{\sqrt{518}} = \frac{3.1357}{22.7596}$$

Source of Information: Value Line, Inc., September 2021
Value Line Investment Survey (Standard Edition)

City of Beaver Falls
Basis of Selection of Comparable Risk
Domestic Non-Price Regulated Companies

Proxy Group of Seven Water Companies	[1] Value Line Adjusted Beta	[2] Unadjusted Beta	[3] Residual Standard Error of the Regression	[4] Standard Deviation of Beta
American States Water Company	0.65	0.43	2.4316	0.0610
American Water Works Company, Inc.	0.90	0.78	3.2060	0.0805
California Water Service Group	0.70	0.48	3.0679	0.0770
Essential Utilities Inc.	1.00	0.92	2.7436	0.0689
Middlesex Water Company	0.70	0.52	3.4980	0.0878
SJW Group	0.80	0.69	3.4937	0.0877
The York Water Company	0.85	0.72	3.5092	0.0881
Average	0.80	0.65	3.1357	0.0787
Beta Range (+/- 2 std. Devs. of Beta)	0.49	0.81		
2 std. Devs. of Beta	0.16			
Residual Std. Err. Range (+/- 2 std. Devs. of the Residual Std. Err.)	2.8601	3.4113		
Std. dev. of the Res. Std. Err.	0.1378			
2 std. devs. of the Res. Std. Err.	0.2756			

Source of Information: Valueline Proprietary Database, September 2021

City of Beaver Falls
Proxy Group of Non-Price Regulated Companies
Comparable in Total Risk to the
Proxy Group of Seven Water Companies

Proxy Group of Thirty-One Non-Price Regulated Companies	[1] VL Adjusted Beta	[2] Unadjusted Beta	[3] Residual Standard Error of the Regression	[4] Standard Deviation of Beta
Adobe Inc.	0.75	0.55	3.1978	0.0803
ANSYS, Inc.	0.85	0.75	3.3031	0.0829
Becton, Dickinson	0.75	0.62	2.8923	0.0726
Bio-Rad Labs. 'A'	0.75	0.58	3.3904	0.0851
Bristol-Myers Squibb	0.85	0.76	3.3431	0.0839
Casey's Gen'l Stores	0.90	0.81	3.1690	0.0795
C.H. Robinson	0.75	0.55	2.9724	0.0746
CSG Systems Int'l	0.75	0.60	3.1345	0.0787
CSW Industrials	0.90	0.80	2.8605	0.0718
Quest Diagnostics	0.85	0.70	2.9807	0.0748
Exponent, Inc.	0.90	0.79	2.8942	0.0726
FirstCash, Inc.	0.90	0.79	3.2553	0.0817
Heartland Express	0.75	0.56	2.9213	0.0733
Iron Mountain	0.90	0.80	3.1804	0.0798
Henry (Jack) & Assoc	0.85	0.70	2.8714	0.0721
Lancaster Colony	0.70	0.52	2.9659	0.0744
Lilly (Eli)	0.75	0.60	3.2505	0.0816
ManTech Int'l 'A'	0.85	0.75	3.1404	0.0788
Monster Beverage	0.85	0.74	3.0420	0.0764
Northrop Grumman	0.85	0.74	2.9028	0.0729
Progressive Corp.	0.80	0.63	2.8764	0.0722
PerkinElmer Inc.	0.90	0.81	3.1146	0.0782
Pool Corp.	0.85	0.74	3.3291	0.0836
RLI Corp.	0.80	0.67	3.0414	0.0763
Rollins, Inc.	0.85	0.71	3.0047	0.0754
Selective Ins. Group	0.90	0.80	2.9915	0.0751
TriMas Corp.	0.85	0.77	3.3219	0.0834
Tyler Technologies	0.70	0.54	3.2020	0.0804
United Parcel Serv.	0.80	0.63	3.2463	0.0815
Werner Enterprises	0.75	0.59	3.3015	0.0829
West Pharmac. Svcs.	0.80	0.69	3.3126	0.0831
Average	0.82	0.69	3.1100	0.0781
Proxy Group of Seven Water Companies	0.80	0.65	3.1357	0.0787

Source of Information: Valueline Proprietary Database, September 2021

City of Beaver Falls
Summary of Cost of Equity Models Applied to
Proxy Group of Thirty-One Non-Price Regulated Companies
Comparable in Total Risk to the
Proxy Group of Seven Water Companies

Principal Methods		Proxy Group of Thirty-One Non-Price Regulated Companies	
Discounted Cash Flow Model (DCF) (1)		13.03	%
Risk Premium Model (RPM) (2)		11.98	
Capital Asset Pricing Model (CAPM) (3)		11.33	
	Mean	12.11	%
	Median	11.98	%
	Average of Mean and Median	12.05	%

Notes:
(1) From page 31 of this Appendix.
(2) From page 32 of this Appendix.
(3) From page 35 of this Appendix.

City of Beaver Falls
DCF Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Seven Water Companies

	[1]	[2]	[3]	[4]	[6]	[7]	[8]
Proxy Group of Thirty-One Non-Price Regulated Companies	Average Dividend Yield	Value Line Projected Five Year Growth in EPS	Zack's Five Year Projected Growth Rate in EPS	Yahoo! Finance Projected Five Year Growth in EPS	Average Projected Five Year Growth Rate in EPS	Adjusted Dividend Yield	Indicated Common Equity Cost Rate (1)
Adobe Inc.	- %	15.50 %	19.10 %	18.28 %	17.63 %	- %	NA %
ANSYS, Inc.	-	8.00	11.90	11.18	10.36	-	NA
Becton, Dickinson	1.41	7.50	7.30	9.10	7.97	1.47	9.44
Bio-Rad Labs. 'A'	-	11.50	NA	NMF	11.50	-	NA
Bristol-Myers Squibb	3.31	12.50	7.10	5.97	8.52	3.45	11.97
Casey's Gen'l Stores	0.73	10.50	NA	7.40	8.95	0.76	9.71
C.H. Robinson	2.20	9.00	9.00	12.70	10.23	2.31	12.54
CSG Systems Int'l	1.99	11.00	NA	(5.00)	11.00	2.10	13.10
CSW Industrials	0.45	11.50	NA	12.00	11.75	0.48	12.23
Quest Diagnostics	1.68	7.50	NA	(7.78)	7.50	1.74	9.24
Exponent, Inc.	0.69	12.50	NA	15.00	13.75	0.74	14.49
FirstCash, Inc.	1.43	10.00	NA	23.00	16.50	1.55	18.05
Heartland Express	0.48	10.00	NA	13.30	11.65	0.51	12.16
Iron Mountain	5.40	8.50	NA	6.44	7.47	5.60	13.07
Henry (Jack) & Assoc	1.12	10.50	14.00	14.00	12.83	1.19	14.02
Lancaster Colony	1.91	5.50	NA	3.00	4.25	1.95	6.20
Lilly (Eli)	1.39	11.00	15.80	16.82	14.54	1.49	16.03
ManTech Int'l 'A'	1.94	9.00	3.80	5.38	6.06	2.00	8.06
Monster Beverage	-	11.50	13.90	14.21	13.20	-	NA
Northrop Grumman	1.71	7.50	9.00	6.00	7.50	1.77	9.27
Progressive Corp.	0.43	7.00	6.00	(10.00)	6.50	0.44	6.94
PerkinElmer Inc.	0.16	12.00	44.20	37.90	31.37	0.19	31.56
Pool Corp.	0.65	17.00	NA	17.00	17.00	0.71	17.71
RLI Corp.	0.94	12.00	NA	NMF	12.00	1.00	13.00
Rollins, Inc.	1.09	11.50	NA	8.20	9.85	1.14	10.99
Selective Ins. Group	1.43	12.00	13.40	13.40	12.93	1.52	14.45
TriMas Corp.	0.48	10.50	NA	9.34	9.92	0.50	10.42
Tyler Technologies	-	14.00	NA	10.00	12.00	-	NA
United Parcel Serv.	2.06	11.50	12.10	16.23	13.28	2.20	15.48
Werner Enterprises	1.05	10.50	11.10	13.60	11.73	1.11	12.84
West Pharmac. Svcs.	0.17	17.00	27.60	27.60	24.07	0.19	24.26
						Mean	13.36 %
						Median	12.69 %
						Average of Mean and Median	13.03 %

NA= Not Available
NMF= Not Meaningful Figure

(1) The application of the DCF model to the domestic, non-price regluated comparable risk companies is identical to the application of the DCF to the utility proxy group. The dividend yield is derived by using the 60 day average price and the spot indicated dividend as of November 30, 2021. The dividend yield is then adjusted by 1/2 the average projected growth rate in EPS, which is calculated by averaging the 5 year projected growth in EPS provided by Value Line, www.zacks.com, and www.yahoo.com (excluding any negative growth rates) and then adding that growth rate to the adjusted dividend yield.

Source of Information:
Value Line Investment Survey
www.zacks.com Downloaded on 11/30/2021
www.yahoo.com Downloaded on 11/30/2021
Bloomberg Professional Services

City of Beaver Falls
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

Line No.		Proxy Group of Thirty-One Non-Price Regulated Companies
1.	Prospective Yield on Baa2 Rated Corporate Bonds (1)	4.29 %
2.	Equity Risk Premium (3)	7.69
3.	Risk Premium Derived Common Equity Cost Rate	11.98 %

Notes: (1) Average forecast of Baa2 corporate bonds based upon the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts dated December 1, 2021 (See pages 22-23 of this Appendix). The estimates are detailed below.

Fourth Quarter 2021	3.40 %
First Quarter 2022	3.60
Second Quarter 2022	3.80
Third Quarter 2022	4.00
Fourth Quarter 2022	4.20
First Quarter 2023	4.40
2023-2027	5.20
2028-2032	5.70
Average	4.29 %

(3) From page 34 of this Appendix.

City of Beaver Falls
Comparison of Long-Term Issuer Ratings for the
Proxy Group of Thirty-One Non-Price Regulated Companies of Comparable risk to the
Proxy Group of Seven Water Companies

	Moody's Long-Term Issuer Rating November 2021		Standard & Poor's Long-Term Issuer Rating November 2021	
Proxy Group of Thirty-One Non-Price Regulated Companies	Long-Term Issuer Rating	Numerical Weighting (1)	Long-Term Issuer Rating	Numerical Weighting (1)
Adobe Inc.	A2	6.0	A+	5.0
ANSYS, Inc.	NR	--	NR	--
Becton, Dickinson	Baa3	10.0	BBB	9.0
Bio-Rad Labs. 'A'	Baa2	9.0	BBB	9.0
Bristol-Myers Squibb	A2	6.0	A+	5.0
Casey's Gen'l Stores	NR	--	NR	--
C.H. Robinson	Baa2	9.0	BBB+	8.0
CSG Systems Int'l	NR	--	BB+	11.0
CSW Industrials	NR	--	NR	--
Quest Diagnostics	Baa2	9.0	BBB+	8.0
Exponent, Inc.	NR	--	NR	--
FirstCash, Inc.	Ba2	12.0	BB	12.0
Heartland Express	NR	--	NR	--
Iron Mountain	Ba3	13.0	BB-	13.0
Henry (Jack) & Assoc	NR	--	NR	--
Lancaster Colony	NR	--	NR	--
Lilly (Eli)	A2	6.0	A+	5.0
ManTech Int'l 'A'	WR	--	BB+	11.0
Monster Beverage	NR	--	NR	--
Northrop Grumman	Baa1	8.0	BBB+	8.0
Progressive Corp.	A2	6.0	A	6.0
PerkinElmer Inc.	Baa3	10.0	BBB	9.0
Pool Corp.	NR	--	NR	--
RLI Corp.	Baa2	9.0	BBB	9.0
Rollins, Inc.	NR	--	NR	--
Selective Ins. Group	Baa2	9.0	BBB	9.0
TriMas Corp.	Ba3	13.0	BB	12.0
Tyler Technologies	NR	--	NR	--
United Parcel Serv.	A2	6.0	A-	7.0
Werner Enterprises	NR	--	NR	--
West Pharmac. Svcs.	NR	--	NR	--
Average	Baa2	8.8	BBB	8.7

Notes:
(1) From page 18 of this Appendix.

Source of Information:
Bloomberg Professional Services

City of Beaver Falls
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for
Proxy Group of Thirty-One Non-Price Regulated Companies of Comparable risk to the
Proxy Group of Seven Water Companies

Line No.	Equity Risk Premium Measure	Proxy Group of Thirty-One Non-Price Regulated Companies
	Ibbotson-Based Equity Risk Premiums:	
1.	Ibbotson Equity Risk Premium (1)	5.92 %
2.	Regression on Ibbotson Risk Premium Data (2)	8.73
3.	Ibbotson Equity Risk Premium based on PRPM (3)	8.42
4.	Equity Risk Premium Based on Value Line Summary and Index (4)	6.04
5	Equity Risk Premium Based on Value Line S&P 500 Companies (5)	12.76
6.	Equity Risk Premium Based on Bloomberg S&P 500 Companies (6)	13.12
7.	Conclusion of Equity Risk Premium	9.16 %
8.	Adjusted Beta (7)	0.84
9.	Forecasted Equity Risk Premium	7.69 %

Notes:
(1) From note 1 of page 21 of this Appendix.
(2) From note 2 of page 21 of this Appendix.
(3) From note 3 of page 21 of this Appendix.
(4) From note 4 of page 21 of this Appendix.
(5) From note 5 of page 21 of this Appendix.
(6) From note 6 of page 21 of this Appendix.
(7) Average of mean and median beta from page 35 of this Appendix.

Sources of Information:
Stocks, Bonds, Bills, and Inflation - 2021 SBBI Yearbook, John Wiley & Sons, Inc.
Value Line Summary and Index
Blue Chip Financial Forecasts, December 1, 2021
Bloomberg Professional Services

City of Beaver Falls
Traditional CAPM and ECAPM Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Seven Water Companies

Proxy Group of Thirty-One Non-Price Regulated Companies	[1] Value Line Adjusted Beta	[2] Bloomberg Beta	[3] Average Beta	[4] Market Risk Premium (1)	[5] Risk-Free Rate (2)	[6] Traditional CAPM Cost Rate	[7] ECAPM Cost Rate	[8] Indicated Common Equity Cost Rate (3)
Adobe Inc.	0.75	0.87	0.81	10.09 %	2.70 %	10.87 %	11.35 %	11.11 %
ANSYS, Inc.	0.85	0.98	0.92	10.09	2.70	11.98	12.18	12.08
Becton, Dickinson	0.75	0.57	0.66	10.09	2.70	9.36	10.22	9.79
Bio-Rad Labs. 'A'	0.75	0.71	0.73	10.09	2.70	10.06	10.74	10.40
Bristol-Myers Squibb	0.85	0.79	0.82	10.09	2.70	10.97	11.43	11.20
Casey's Gen'l Stores	0.90	0.93	0.92	10.09	2.70	11.98	12.18	12.08
C.H. Robinson	0.75	0.68	0.71	10.09	2.70	9.86	10.59	10.23
CSG Systems Int'l	0.75	0.90	0.83	10.09	2.70	11.07	11.50	11.29
CSW Industrials	0.90	1.04	0.97	10.09	2.70	12.48	12.56	12.52
Quest Diagnostics	0.85	0.95	0.90	10.09	2.70	11.78	12.03	11.90
Exponent, Inc.	0.90	0.97	0.94	10.09	2.70	12.18	12.33	12.26
FirstCash, Inc.	0.90	0.94	0.92	10.09	2.70	11.98	12.18	12.08
Heartland Express	0.75	0.77	0.76	10.09	2.70	10.37	10.97	10.67
Iron Mountain	0.90	1.06	0.98	10.09	2.70	12.59	12.64	12.61
Henry (Jack) & Assoc	0.85	0.88	0.87	10.09	2.70	11.48	11.80	11.64
Lancaster Colony	0.70	0.71	0.70	10.09	2.70	9.76	10.52	10.14
Lilly (Eli)	0.75	0.76	0.75	10.09	2.70	10.27	10.90	10.58
ManTech Int'l 'A'	0.85	1.11	0.98	10.09	2.70	12.59	12.64	12.61
Monster Beverage	0.85	0.97	0.91	10.09	2.70	11.88	12.11	11.99
Northrop Grumman	0.85	0.78	0.82	10.09	2.70	10.97	11.43	11.20
Progressive Corp.	0.80	0.77	0.79	10.09	2.70	10.67	11.20	10.93
PerkinElmer Inc.	0.90	0.79	0.85	10.09	2.70	11.27	11.65	11.46
Pool Corp.	0.85	0.98	0.91	10.09	2.70	11.88	12.11	11.99
RLI Corp.	0.80	0.92	0.86	10.09	2.70	11.37	11.73	11.55
Rollins, Inc.	0.85	0.69	0.77	10.09	2.70	10.47	11.05	10.76
Selective Ins. Group	0.90	1.00	0.95	10.09	2.70	12.28	12.41	12.35
TriMas Corp.	0.85	0.96	0.91	10.09	2.70	11.88	12.11	11.99
Tyler Technologies	0.70	0.79	0.74	10.09	2.70	10.16	10.82	10.49
United Parcel Serv.	0.80	0.83	0.82	10.09	2.70	10.97	11.43	11.20
Werner Enterprises	0.75	0.78	0.76	10.09	2.70	10.37	10.97	10.67
West Pharmac. Svcs.	0.80	0.74	0.77	10.09	2.70	10.47	11.05	10.76
Mean			0.84			11.17 %	11.57 %	11.37 %
Median			0.83			11.07 %	11.50 %	11.29 %
Average of Mean and Median			0.84			11.12 %	11.54 %	11.33 %

Notes:
(1) From page 26 of this Appendix, note 1.
(2) From page 26 of this Appendix, note 2.
(3) Average of CAPM and ECAPM cost rates.

City of Beaver Falls Wastewater System
Cost Approach
Summary of Assets

[1] Account	[2] Description	[3] Original Cost	[4] Net Book Value	[5] Reproduction Cost New Less Depreciation
353 - Land and Land Rights				
353.2	Land & ROW - Collection Sewers	$ 109	$ 109	$ 109
353.3	Land & ROW - Pumping Station (Eastvale)	$ 1	$ 1	$ 1
353.4	Land & ROW - Treatment Plant	$ 36,900	$ 36,900	$ 36,900
	Subtotal - Land and Land Rights	$ 37,010	$ 37,010	$ 37,010
354 - Structures and Improvements				
354.3	Structures & Imp. - Pumping Station (Eastvale)	$ 133,168	$ 93,218	$ 162,943
354.4	Structures & Imp. - WWTP	$ 4,471,176	$ 1,879,246	$ 4,549,835
	Subtotal - Structures and Improvements	$ 4,604,344	$ 1,972,463	$ 4,712,779
355 - Power Generation Equipment				
355.3	Power Gen. Equip. - Pumping Station	$ 3,842	$ 3,586	$ 4,853
355.4	Power Gen. Equip. - WWTP	$ 87,502	$ -	$ -
	Subtotal - Power Generation Equipment	$ 91,344	$ 3,586	$ 4,853
360 - Collection Sewers - Force				
360	Collection Sewers - Force	$ 234,542	$ 187,634	$ 342,382
361 - Collection Sewers - Gravity				
361	Collection Sewers - Gravity	$ 3,880,841	$ 2,125,701	$ 4,804,350
363 - Services to Customers				
363	Services to Customers	$ 171,404	$ -	$ -
364 - Flow Measuring Devices				
364	Flow Measuring Devices	$ 57,141	$ 9,344	$ 9,800
371 - Pumping Equipment				
371.3	Pumping Equip. - Pumping Station	$ 235,843	$ 94,337	$ 221,392
371.4	Pumping Equip. - WWTP	$ 351,654	$ 41,310	$ 42,336
371.4	Pumping Equip. - WWTP Raw Influent Pumping Station	$ 142,799	$ -	$ -
	Subtotal - Pumping Equipment	$ 730,297	$ 135,647	$ 263,728

Cost Approach
Summary of Assets

[1] Account	[2] Description	[3] Original Cost	[4] Net Book Value	[5] Reproduction Cost New Less Depreciation
380 - Treatment and Disposal Equipment				
380.4	Treatment & Disp. - WWTP	$ 1,910,837	$ 12,600	$ 13,344
381 - Plant Sewers				
381.4	Plant Sewers - WWTP	$ 700,785	$ 348,714	$ 1,082,396
382 - Outfall Sewer Lines				
382.4	Outfall Sewer Lines - WWTP	$ 3,453	$ -	$ -
389 - Other Plant and Misc Equipment				
389.4	Other Plant & Misc. Equip. - WWTP	$ 27,490	$ 15,000	$ 15,317
390 - Office Furniture and Equipment				
390.7	Office Furniture & Equip. - General Plant	$ 8,976	$ 7,429	$ 7,450
391 - Transportation Equipment				
391.7	Transportation Equip. - General Plant	$ 194,295	$ 46,133	$ 47,892
392 - Stores Equipment				
392.7	Stores Equip. - General Plant	$ 17,902	$ -	$ -
393 - Tools, Shop, and Garage Equipment				
393.7	Tools, Shop, & Garage Equip. - General Plant	$ 105,953	$ 84,762	$ 87,704
394 - Laboratory Equipment				
394	Laboratory Equip. - General Plant	$ 79,907	$ 6,581	$ 6,581
396 - Communication Equipment				
396.7	Communication Equip. - General Plant	$ 11,600	$ 9,880	$ 9,930
397 - Miscellaneous Equipment				
397.7	Misc. Equip. - General Plant	$ 2,000	$ 1,360	$ 1,411
	Total - Beaver Falls Wastewater System	**$ 12,870,121**	**$ 5,003,844**	**$ 11,446,928**

City of Beaver Falls Wastewater System
Cost Approach
Wastewater Treatment Plant

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
353.4	**Land & ROW - Treatment Plant**														
353.4	Parcel 01-001-0100.002	1930	1	EA											
353.4	Parcel 01-001-0100.003	1930	1	EA											
353.4	Parcel 01-001-0100.004 - DBV 865, pg 279	1964	1	EA		$ 10,800.00	NA	NA	$ -	$ 10,800.00	NA	NA	NA	NA	$ 10,800.00
353.4	Parcel 01-001-0100.001- DBV 1005, pg 137	1973	1	EA		$ 26,100.00	NA	NA	$ -	$ 26,100.00	NA	NA	NA	NA	$ 26,100.00
353.4	Parcel 01-001-0100.007- DBV 1005, pg 137	1973	1	EA											
353.4	Parcel 01-001-0111.000 - DBV 1005, pg 137	1973	1	EA											
353.4	Parcel 01-002-0100.001 - DBV 1005, pg 137	1973	1	EA											
353.4	Parcel 01-002-0101.000 - DBV 1005, pg 137	1973	1	EA											
	Subtotal					**$ 36,900.00**				**$ 36,900.00**					**$ 36,900.00**
354.4	**Structures & Imp. - WWTP**														
354.4	Architect's plans and specifications	1974	1	LS		$ 150,878.66	50	47	$ 141,825.94	$ 9,052.72	304.0	117.00	815.00	6.97	$ 63,059.54
354.4	Legal	1974	1	LS		$ 10,000.00	50	47	$ 9,400.00	$ 600.00	304.0	117.00	815.00	6.97	$ 4,179.49
354.4	Adminstration	1974	1	LS		$ 3,000.00	50	47	$ 2,820.00	$ 180.00	304.0	117.00	815.00	6.97	$ 1,253.85
354.4	Indirect Costs	1974	1	LS		$ 8,000.00	50	47	$ 7,520.00	$ 480.00	304.0	117.00	815.00	6.97	$ 3,343.59
354.4	Site	1974	1	LS		$ 25,000.00	50	47	$ 23,500.00	$ 1,500.00	304.0	117.00	815.00	6.97	$ 10,448.72
354.4	Architect's plans and specifications	1996	1	LS		$ 487,083.25	50	25	$ 243,541.63	$ 243,541.63	304.0	321.00	815.00	2.54	$ 618,337.77
354.4	Legal	1996	1	LS		$ 26,460.48	50	25	$ 13,230.24	$ 13,230.24	304.0	321.00	815.00	2.54	$ 33,590.80
354.4	Permits	1996	1	LS		$ 20,500.00	50	25	$ 10,250.00	$ 10,250.00	304.0	321.00	815.00	2.54	$ 26,024.14
354.4	Land	1996	1	LS		$ 10,737.50	50	25	$ 5,368.75	$ 5,368.75	304.0	321.00	815.00	2.54	$ 13,630.94
354.4	Erosion Control	1996	1	LS		$ 5,800.00	50	25	$ 2,900.00	$ 2,900.00	304.0	321.00	815.00	2.54	$ 7,362.93
354.4	Landscaping/Final Grade	1996	1	LS		$ 14,600.00	50	25	$ 7,300.00	$ 7,300.00	304.0	321.00	815.00	2.54	$ 18,534.27
354.4	Paving/Subbase	1996	1	LS		$ 36,000.00	50	25	$ 18,000.00	$ 18,000.00	304.0	321.00	815.00	2.54	$ 45,700.93
354.4	Ongrade Slab/Sidewalk	1996	1	LS		$ 17,800.00	50	25	$ 8,900.00	$ 8,900.00	304.0	321.00	815.00	2.54	$ 22,596.57
354.4	Fences	1996	1	LS		$ 11,600.00	50	25	$ 5,800.00	$ 5,800.00	304.0	321.00	815.00	2.54	$ 14,725.86
354.4	Main Equipment Building Original Remaining in Service-Above Grade	1964	1	LS	$ 391,800.00	$ 26,921.23	50	57	$ 26,921.23	$ -	304.0	56.00	815.00	14.55	$ -
354.4	Main Equipment Building Original Remaining in Service-Below Grade	1964	1	LS	$ 467,000.00	$ 32,088.34	50	57	$ 32,088.34	$ -	304.0	56.00	815.00	14.55	$ -
354.4	Power Feed Mains	1964	1	LS	$ 95,000.00	$ 6,527.61	50	57	$ 6,527.61	$ -	304.0	56.00	815.00	14.55	$ -
354.4	Grit Chamber Rebuild CO#1	1996	1	LS		$ 5,791.10	50	25	$ 2,895.55	$ 2,895.55	304.0	321.00	815.00	2.54	$ 7,351.63
354.4	Grit Chamber Painting CO#1	1996	1	LS		$ 1,412.82	50	25	$ 706.41	$ 706.41	304.0	321.00	815.00	2.54	$ 1,793.53
354.4	Replace Roof Over Existing Bldg CO#3	1996	1	LS		$ 39,768.12	50	25	$ 19,884.06	$ 19,884.06	304.0	321.00	815.00	2.54	$ 50,484.45
354.4	Roof Improvements CO#5	1996	1	LS		$ 20,000.00	50	25	$ 10,000.00	$ 10,000.00	304.0	321.00	815.00	2.54	$ 25,389.41
354.4	Ex. Primary Settling Tank Mech Mods.	1996	1	LS		$ 11,000.00	50	25	$ 5,500.00	$ 5,500.00	304.0	321.00	815.00	2.54	$ 13,964.17
354.4	Primary Settling Tanks 1, 2,3 original Remaining in Service	1964	1	LS	$ 410,000.00	$ 28,171.78	50	57	$ 28,171.78	$ -	304.0	56.00	815.00	14.55	$ -
354.4	Ex. Primary Settling Tank General Mods.	1996	1	LS		$ 20,000.00	50	25	$ 10,000.00	$ 10,000.00	304.0	321.00	815.00	2.54	$ 25,389.41
354.4	Electrical - Primary Settling Tanks	1996	1	LS		$ 5,020.00	50	25	$ 2,510.00	$ 2,510.00	304.0	321.00	815.00	2.54	$ 6,372.74
354.4	Ex Prim Eff Pump Station Gratings/Supports	1996	1	LS		$ 6,000.00	50	25	$ 3,000.00	$ 3,000.00	304.0	321.00	815.00	2.54	$ 7,616.82
354.4	Ex Pump Stations Grating & Supports	1996	1	LS		$ 1,000.00	50	25	$ 500.00	$ 500.00	304.0	321.00	815.00	2.54	$ 1,269.47
354.4	Expansion of existing Secondary Pump Station wetwell	2010	1	LS	$ 200,000.00	$ 137,361.96	50	11	$ 30,219.63	$ 107,142.33	304.0	559.75	815.00	1.46	$ 156,000.00
354.4	Oxidation Tower 1 - Remaining in Service	1996	1	LS		$ 136,300.00	50	25	$ 68,150.00	$ 68,150.00	304.0	321.00	815.00	2.54	$ 173,028.82
354.4	Oxidation Tower 1 - Modification/EPDM	1996	1	LS		$ 12,095.00	50	25	$ 6,047.50	$ 6,047.50	304.0	321.00	815.00	2.54	$ 15,354.24
354.4	Oxidation Tower 1 -Brick/Mortar Work	1996	1	LS		$ 4,800.00	50	25	$ 2,400.00	$ 2,400.00	304.0	321.00	815.00	2.54	$ 6,093.46
354.4	Ex Ox Tower Stairs/Railings	1996	1	LS		$ 14,200.00	50	25	$ 7,100.00	$ 7,100.00	304.0	321.00	815.00	2.54	$ 18,026.48
354.4	Oxidation Tower 2 - Excavate	1996	1	LS		$ 5,600.00	50	25	$ 2,800.00	$ 2,800.00	304.0	321.00	815.00	2.54	$ 7,109.03
354.4	Oxidation Tower 2 - Reinforce Steel	1996	1	LS		$ 26,900.00	50	25	$ 13,450.00	$ 13,450.00	304.0	321.00	815.00	2.54	$ 34,148.75
354.4	Oxidation Tower 2 - Pipe Encase & Fottomg	1996	1	LS		$ 8,200.00	50	25	$ 4,100.00	$ 4,100.00	304.0	321.00	815.00	2.54	$ 10,409.66
354.4	Oxidation Tower 2 - Trough Pour	1996	1	LS		$ 7,600.00	50	25	$ 3,800.00	$ 3,800.00	304.0	321.00	815.00	2.54	$ 9,647.98
354.4	Oxidation Tower 2 - Sub-base	1996	1	LS		$ 6,300.00	50	25	$ 3,150.00	$ 3,150.00	304.0	321.00	815.00	2.54	$ 7,997.66
354.4	Oxidation Tower 2 - Base slab	1996	1	LS		$ 41,100.00	50	25	$ 20,550.00	$ 20,550.00	304.0	321.00	815.00	2.54	$ 52,175.23
354.4	Oxidation Tower 2 - Ring Wall	1996	1	LS		$ 16,600.00	50	25	$ 8,300.00	$ 8,300.00	304.0	321.00	815.00	2.54	$ 21,073.21
354.4	Oxidation Tower 2 - Beams	1996	1	LS		$ 12,600.00	50	25	$ 6,300.00	$ 6,300.00	304.0	321.00	815.00	2.54	$ 15,995.33
354.4	Oxidation Tower 2 - Vent Walls	1996	1	LS		$ 5,200.00	50	25	$ 2,600.00	$ 2,600.00	304.0	321.00	815.00	2.54	$ 6,601.25
354.4	Oxidation Tower 2 - Grout	1996	1	LS		$ 1,600.00	50	25	$ 800.00	$ 800.00	304.0	321.00	815.00	2.54	$ 2,031.15
354.4	Oxidation Tower 2 - Anchor bolts/Tank Plate	1996	1	LS		$ 4,600.00	50	25	$ 2,300.00	$ 2,300.00	304.0	321.00	815.00	2.54	$ 5,839.56

City of Beaver Falls Wastewater System
Cost Approach
Wastewater Treatment Plant

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
354.4	Oxidation Tower 2 - Stair System Piers/Excavate/Reinforce/Pou	1996	1	LS		$ 8,400.00	50	25	$ 4,200.00	$ 4,200.00	304.0	321.00	815.00	2.54	$ 10,663.55
354.4	New Ox Tower#2 Grating/frames/ Stairs/Railings	1996	1	LS		$ 17,500.00	50	25	$ 8,750.00	$ 8,750.00	304.0	321.00	815.00	2.54	$ 22,215.73
354.4	Ladders Ox Tower CO#3	1996	1	LS		$ 1,741.30	50	25	$ 870.65	$ 870.65	304.0	321.00	815.00	2.54	$ 2,210.53
354.4	Electrical - Oxidation Towers 1 and 2	1996	1	LS		$ 3,220.00	50	25	$ 1,610.00	$ 1,610.00	304.0	321.00	815.00	2.54	$ 4,087.69
354.4	Recirculation/Distribution Structure	1996	1	LS		$ 19,000.00	50	25	$ 9,500.00	$ 9,500.00	304.0	321.00	815.00	2.54	$ 24,119.94
354.4	Manhole "A"	1996	1	LS		$ 3,700.00	50	25	$ 1,850.00	$ 1,850.00	304.0	321.00	815.00	2.54	$ 4,697.04
354.4	Recirc/Dist STR. Grating & Supports	1996	1	LS		$ 4,800.00	50	25	$ 2,400.00	$ 2,400.00	304.0	321.00	815.00	2.54	$ 6,093.46
354.4	Fin. Settling Tanks - Excavate	1996	1	LS		$ 9,600.00	50	25	$ 4,800.00	$ 4,800.00	304.0	321.00	815.00	2.54	$ 12,186.92
354.4	Fin. Settling Tanks - Gravel Base	1996	1	LS		$ 5,600.00	50	25	$ 2,800.00	$ 2,800.00	304.0	321.00	815.00	2.54	$ 7,109.03
354.4	Fin. Settling Tanks - Slab Reinforcement	1996	1	LS		$ 21,000.00	50	25	$ 10,500.00	$ 10,500.00	304.0	321.00	815.00	2.54	$ 26,658.88
354.4	Fin. Settling Tanks - Slab Form & Pour	1996	1	LS		$ 62,600.00	50	25	$ 31,300.00	$ 31,300.00	304.0	321.00	815.00	2.54	$ 79,468.85
354.4	Fin. Settling Tanks - Hoppers/Reinforcement	1996	1	LS		$ 13,000.00	50	25	$ 6,500.00	$ 6,500.00	304.0	321.00	815.00	2.54	$ 16,503.12
354.4	Fin. Settling Tanks - Hoppers/Form & Pour	1996	1	LS		$ 21,600.00	50	25	$ 10,800.00	$ 10,800.00	304.0	321.00	815.00	2.54	$ 27,420.56
354.4	Fin. Settling Tanks - Walls/Reinforcement	1996	1	LS		$ 24,000.00	50	25	$ 12,000.00	$ 12,000.00	304.0	321.00	815.00	2.54	$ 30,467.29
354.4	Fin. Settling Tanks - Walls/Form & Pour	1996	1	LS		$ 74,000.00	50	25	$ 37,000.00	$ 37,000.00	304.0	321.00	815.00	2.54	$ 93,940.81
354.4	Fin. Settling Tanks - Grout	1996	1	LS		$ 9,600.00	50	25	$ 4,800.00	$ 4,800.00	304.0	321.00	815.00	2.54	$ 12,186.92
354.4	Fin. Settling Tanks - Walkways/Form & Pour Embedded Items	1996	1	LS		$ 13,600.00	50	25	$ 6,800.00	$ 6,800.00	304.0	321.00	815.00	2.54	$ 17,264.80
354.4	Fin. Settling Tanks - Embedded Items	1996	1	LS		$ 3,600.00	50	25	$ 1,800.00	$ 1,800.00	304.0	321.00	815.00	2.54	$ 4,570.09
354.4	Fin. Settling Tanks - Offsite Dirt Handling - All	1996	1	LS		$ 22,000.00	50	25	$ 11,000.00	$ 11,000.00	304.0	321.00	815.00	2.54	$ 27,928.35
354.4	Final Sed Tanks-Grating/ Frames/Stairs/Railings	1996	1	LS		$ 34,000.00	50	25	$ 17,000.00	$ 17,000.00	304.0	321.00	815.00	2.54	$ 43,161.99
354.4	Ground Stabilization at Final Tanks CO#1	1996	1	LS		$ 10,343.30	50	25	$ 5,171.65	$ 5,171.65	304.0	321.00	815.00	2.54	$ 13,130.51
354.4	Electrical - Final Settling Tanks	1996	1	LS		$ 9,551.00	50	25	$ 4,775.50	$ 4,775.50	304.0	321.00	815.00	2.54	$ 12,124.71
354.4	Electrical - Settling Tank Lighting	1996	1	LS		$ 8,611.00	50	25	$ 4,305.50	$ 4,305.50	304.0	321.00	815.00	2.54	$ 10,931.41
354.4	Utility Water from Chlorine Tanks to Belt Press Bldg.	1996	1	LS		$ 13,400.00	50	25	$ 6,700.00	$ 6,700.00	304.0	321.00	815.00	2.54	$ 17,010.90
354.4	Electrical - Sampler	1996	1	LS		$ 9,465.00	50	25	$ 4,732.50	$ 4,732.50	304.0	321.00	815.00	2.54	$ 12,015.54
354.4	Grit Washer/ScumConcentrator/Stairs,Platforms, Railing	1996	1	LS		$ 4,200.00	50	25	$ 2,100.00	$ 2,100.00	304.0	321.00	815.00	2.54	$ 5,331.78
354.4	Electrical - Grit Washer	1996	1	LS		$ 2,265.00	50	25	$ 1,132.50	$ 1,132.50	304.0	321.00	815.00	2.54	$ 2,875.35
354.4	Aerated Sludge Holding Tank - Excavation	1996	1	LS		$ 17,600.00	50	25	$ 8,800.00	$ 8,800.00	304.0	321.00	815.00	2.54	$ 22,342.68
354.4	Aerated Sludge Holding Tank - Gravel Base	1996	1	LS		$ 9,900.00	50	25	$ 4,950.00	$ 4,950.00	304.0	321.00	815.00	2.54	$ 12,567.76
354.4	Aerated Sludge Holding Tank - Slab Reinforcement	1996	1	LS		$ 39,000.00	50	25	$ 19,500.00	$ 19,500.00	304.0	321.00	815.00	2.54	$ 49,509.35
354.4	Aerated Sludge Holding Tank - Slab Form & Pour	1996	1	LS		$ 49,600.00	50	25	$ 24,800.00	$ 24,800.00	304.0	321.00	815.00	2.54	$ 62,965.73
354.4	Aerated Sludge Holding Tank - Wall Reinforcement	1996	1	LS		$ 31,000.00	50	25	$ 15,500.00	$ 15,500.00	304.0	321.00	815.00	2.54	$ 39,353.58
354.4	Aerated Sludge Holding Tank - Wall Form & Pour	1996	1	LS		$ 77,000.00	50	25	$ 38,500.00	$ 38,500.00	304.0	321.00	815.00	2.54	$ 97,749.22
354.4	Aerated Sludge Holding Tank - Footer Drainage	1996	1	LS		$ 6,000.00	50	25	$ 3,000.00	$ 3,000.00	304.0	321.00	815.00	2.54	$ 7,616.82
354.4	Aerated Sludge Holding Tank - Grout	1996	1	LS		$ 11,000.00	50	25	$ 5,500.00	$ 5,500.00	304.0	321.00	815.00	2.54	$ 13,964.17
354.4	Thickened Sludge/Belt Press - Reinforcement	1996	1	LS		$ 12,900.00	50	25	$ 6,450.00	$ 6,450.00	304.0	321.00	815.00	2.54	$ 16,376.17
354.4	Thickened Sludge/Belt Press - Form & Pour	1996	1	LS		$ 36,800.00	50	25	$ 18,400.00	$ 18,400.00	304.0	321.00	815.00	2.54	$ 46,716.51
354.4	Thickened Sludge/Belt Press - Slab on Decking	1996	1	LS		$ 12,600.00	50	25	$ 6,300.00	$ 6,300.00	304.0	321.00	815.00	2.54	$ 15,995.33
354.4	Thickened Sludge/Belt Press - Excavation	1996	1	LS		$ 6,800.00	50	25	$ 3,400.00	$ 3,400.00	304.0	321.00	815.00	2.54	$ 8,632.40
354.4	Thickened Sludge/Belt Press - Gravel Base	1996	1	LS		$ 2,800.00	50	25	$ 1,400.00	$ 1,400.00	304.0	321.00	815.00	2.54	$ 3,554.52
354.4	Thickened Sludge/Belt Press - Slab Reinforcement	1996	1	LS		$ 18,000.00	50	25	$ 9,000.00	$ 9,000.00	304.0	321.00	815.00	2.54	$ 22,850.47
354.4	Thickened Sludge/Belt Press - Form & Pour	1996	1	LS		$ 38,600.00	50	25	$ 19,300.00	$ 19,300.00	304.0	321.00	815.00	2.54	$ 49,001.56
354.4	Thickened Sludge/Belt Press - Sump/Reinforce/Pour	1996	1	LS		$ 3,100.00	50	25	$ 1,550.00	$ 1,550.00	304.0	321.00	815.00	2.54	$ 3,935.36
354.4	Thickened Sludge/Belt Press - Wall Reinforcement	1996	1	LS		$ 12,900.00	50	25	$ 6,450.00	$ 6,450.00	304.0	321.00	815.00	2.54	$ 16,376.17
354.4	Thickened Sludge/Belt Press - Wall Form & Pour	1996	1	LS		$ 22,000.00	50	25	$ 11,000.00	$ 11,000.00	304.0	321.00	815.00	2.54	$ 27,928.35
354.4	Anerobic Digesters 1 & 2 Original Remaining in Service	1937	1	LS	$ 300,105.00	$ 6,628.09	50	84	$ 6,628.09	$ -	304.0	18.00	815.00	45.28	$ -
354.4	Remove Sludge from Digestor #2 CO#3	1996	1	LS		$ 29,447.05	50	25	$ 14,723.53	$ 14,723.53	304.0	321.00	815.00	2.54	$ 37,382.16
354.4	Add Clean/Patch/Paint Interior Wall s of Digestor #2 CO#3	1996	1	LS		$ 7,746.40	50	25	$ 3,873.20	$ 3,873.20	304.0	321.00	815.00	2.54	$ 9,833.83
354.4	Sludge Drying Bed (one) Remaining in Service	1937	1	LS	$ 150,000.00	$ 3,312.88	50	84	$ 3,312.88	$ -	304.0	18.00	815.00	45.28	$ -
354.4	Digester Control Building Remaining in Service	1937	1	LS	$ 159,000.00	$ 3,511.66	50	84	$ 3,511.66	$ -	304.0	18.00	815.00	45.28	$ -
354.4	Belt Press Bldg - Doors & Windows	1996	1	LS		$ 21,265.00	50	25	$ 10,632.50	$ 10,632.50	304.0	321.00	815.00	2.54	$ 26,995.29
354.4	Belt Press Bldg- Access Hatch	1996	1	LS		$ 4,600.00	50	25	$ 2,300.00	$ 2,300.00	304.0	321.00	815.00	2.54	$ 5,839.56
354.4	Belt Press Bldg - Ceiling	1996	1	LS		$ 2,600.00	50	25	$ 1,300.00	$ 1,300.00	304.0	321.00	815.00	2.54	$ 3,300.62
354.4	Belt Press Bldg - HVAC & Gas Lines	1996	1	LS		$ 26,300.00	50	25	$ 13,150.00	$ 13,150.00	304.0	321.00	815.00	2.54	$ 33,387.07
354.4	Belt Press Bldg - Roof/Flr Drains and Plumbing	1996	1	LS		$ 19,400.00	50	25	$ 9,700.00	$ 9,700.00	304.0	321.00	815.00	2.54	$ 24,627.73

City of Beaver Falls Wastewater System
Cost Approach
Wastewater Treatment Plant

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
354.4	Belt Prss Bldg - Carpet Paint/Finishers	1996	1	LS		$ 12,000.00	50	25	$ 6,000.00	$ 6,000.00	304.0	321.00	815.00	2.54	$ 15,233.64
354.4	Belt Press Bldg - pipe encasement	1996	1	LS		$ 5,800.00	50	25	$ 2,900.00	$ 2,900.00	304.0	321.00	815.00	2.54	$ 7,362.93
354.4	Belt Press Bldg - Roof/Flash	1996	1	LS		$ 34,000.00	50	25	$ 17,000.00	$ 17,000.00	304.0	321.00	815.00	2.54	$ 43,161.99
354.4	Belt Press Bldg - Concrete Masonry Unit	1996	1	LS		$ 48,000.00	50	25	$ 24,000.00	$ 24,000.00	304.0	321.00	815.00	2.54	$ 60,934.58
354.4	Belt Press Bldg - Insulation	1996	1	LS		$ 4,000.00	50	25	$ 2,000.00	$ 2,000.00	304.0	321.00	815.00	2.54	$ 5,077.88
354.4	Belt Filter Press Bldg- Walkways/Railings/Support Access Hatches/Platforms & Railings at Press/Alum Ladder Steel Joists	1996	1	LS		$ 79,000.00	50	25	$ 39,500.00	$ 39,500.00	304.0	321.00	815.00	2.54	$ 100,288.16
354.4	Electrical - Belt Filter Press	1996	1	LS		$ 15,220.00	50	25	$ 7,610.00	$ 7,610.00	304.0	321.00	815.00	2.54	$ 19,321.34
354.4	Utility Water Booster System	1996	1	LS		$ 57,800.00	50	25	$ 28,900.00	$ 28,900.00	304.0	321.00	815.00	2.54	$ 73,375.39
354.4	Electrical - BFP/Garge, Misc.	1996	1	LS		$ 12,658.00	50	25	$ 6,329.00	$ 6,329.00	304.0	321.00	815.00	2.54	$ 16,068.96
354.4	Laboratory/Garage - Excavate & Pour	1996	1	LS		$ 6,600.00	50	25	$ 3,300.00	$ 3,300.00	304.0	321.00	815.00	2.54	$ 8,378.50
354.4	Laboratory/Garage - Slab Complete	1996	1	LS		$ 13,600.00	50	25	$ 6,800.00	$ 6,800.00	304.0	321.00	815.00	2.54	$ 17,264.80
354.4	Electrical - Lab Office	1996	1	LS		$ 4,177.00	50	25	$ 2,088.50	$ 2,088.50	304.0	321.00	815.00	2.54	$ 5,302.58
354.4	Electrical - Garage	1996	1	LS		$ 4,177.00	50	25	$ 2,088.50	$ 2,088.50	304.0	321.00	815.00	2.54	$ 5,302.58
354.4	Painting	1996	1	LS		$ 94,600.00	50	25	$ 47,300.00	$ 47,300.00	304.0	321.00	815.00	2.54	$ 120,091.90
354.4	Electrical Lighting	1996	1	LS		$ 7,703.00	50	25	$ 3,851.50	$ 3,851.50	304.0	321.00	815.00	2.54	$ 9,778.73
354.4	Electrical - Entrance Area Lighting	1996	1	LS		$ 6,931.00	50	25	$ 3,465.50	$ 3,465.50	304.0	321.00	815.00	2.54	$ 8,798.70
354.4	Road Between Existing Bldg & Primary Tanks CO#3	1996	1	LS		$ 2,384.32	50	25	$ 1,192.16	$ 1,192.16	304.0	321.00	815.00	2.54	$ 3,026.82
354.4	Replace Existing Handrail CO#3	1996	1	LS		$ 36,563.98	50	25	$ 18,281.99	$ 18,281.99	304.0	321.00	815.00	2.54	$ 46,416.89
354.4	Additional Fence CO#5	1996	1	LS		$ 24,926.85	50	25	$ 12,463.43	$ 12,463.43	304.0	321.00	815.00	2.54	$ 31,643.90
354.4	Electrical - Panel MCP	1996	1	LS		$ 66,306.00	50	25	$ 33,153.00	$ 33,153.00	304.0	321.00	815.00	2.54	$ 84,173.50
354.4	Electrical - Blowers	1996	1	LS		$ 2,975.00	50	25	$ 1,487.50	$ 1,487.50	304.0	321.00	815.00	2.54	$ 3,776.67
354.4	Electrical - Breaker Panels - 2	1996	1	LS		$ 4,175.00	50	25	$ 2,087.50	$ 2,087.50	304.0	321.00	815.00	2.54	$ 5,300.04
354.4	Electrical - Transformers	1996	1	LS		$ 1,555.00	50	25	$ 777.50	$ 777.50	304.0	321.00	815.00	2.54	$ 1,974.03
354.4	Electrical - Panel DP-2	1996	1	LS		$ 66,306.00	50	25	$ 33,153.00	$ 33,153.00	304.0	321.00	815.00	2.54	$ 84,173.50
354.4	Electrical - Square D Breakers - 2	1996	1	LS		$ 3,998.00	50	25	$ 1,999.00	$ 1,999.00	304.0	321.00	815.00	2.54	$ 5,075.34
354.4	Electrical - Main Pump Building Misc.	1996	1	LS		$ 12,058.00	50	25	$ 6,029.00	$ 6,029.00	304.0	321.00	815.00	2.54	$ 15,307.27
354.4	Electrical - Panel DP-1	1996	1	LS		$ 66,306.00	50	25	$ 33,153.00	$ 33,153.00	304.0	321.00	815.00	2.54	$ 84,173.50
354.4	Electrical - Westinghouse Breaker	1996	1	LS		$ 1,999.00	50	25	$ 999.50	$ 999.50	304.0	321.00	815.00	2.54	$ 2,537.67
354.4	Electrical - Duct Banks	1996	1	LS		$ 11,369.00	50	25	$ 5,684.50	$ 5,684.50	304.0	321.00	815.00	2.54	$ 14,432.61
354.4	Electrical - ESP System	1996	1	LS		$ 24,710.00	50	25	$ 12,355.00	$ 12,355.00	304.0	321.00	815.00	2.54	$ 31,368.61
354.4	Electrical - Interlink RTU	1996	1	LS		$ 11,097.00	50	25	$ 5,548.50	$ 5,548.50	304.0	321.00	815.00	2.54	$ 14,087.31
354.4	Electrical Secondary Pump Station Power Feed Mains	2020	1	LS	$ 73,000.00	$ 65,856.75	50	1	$ 1,317.13	$ 64,539.61	304.0	735.25	815.00	1.11	$ 71,540.00
354.4	Secondary Pump Station, Garage, Oxidation Tower, Final Settling Tanks 1 & 2 and Chlorine Contact Tanks 1 & 2 original to remain in service	1974	1	LS		$ 874,793.45	50	47	$ 822,305.84	$ 52,487.61	304.0	117.00	815.00	6.97	$ 365,618.80
354.4	Three-Bay Metal Vehicle and Equipment Storgae Building with Interior Office Space	2010	1	LS	$ 513,250.00	$ 352,505.14	50	11	$ 77,551.13	$ 274,954.01	304.0	559.75	815.00	1.46	$ 400,335.00
	Subtotal					**$ 4,471,176.01**				**$ 1,879,245.51**					**$ 4,549,835.14**
355.4	**Power Gen. Equip. - WWTP**														
355.4	Electrical - Generator	1996	1	LS		$ 87,502.00	15	25	$ 87,502.00	$ -		348.25	742.00	2.13	$ -
	Subtotal					**$ 87,502.00**				**$ -**					**$ -**
371.3	**Pumping Equip. - WWTP**														
371.3	Mission - Grit Pump	1996	1	EA		$ 10,700.00	25	25	$ 10,700.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Electrical - Grit Pump	1996	1	LS		$ 1,910.00	25	25	$ 1,910.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Flygt Model CT3300 Centrifugal Primary Effluent Pumps	1996	4	EA		$ 88,000.00	25	25	$ 88,000.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Ex. Primary Eff. Pump Mods/Control Valve/Mtrs	1996	1	LS		$ 14,100.00	25	25	$ 14,100.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Electrical - Primary Pumps	1996	1	LS		$ 7,641.00	25	25	$ 7,641.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Install Sewage Sump Simplex system	1996	1	LS		$ 12,400.00	25	25	$ 12,400.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Install Sewage Sump Duplex system Zoeller Model #282	1996	1	LS		$ 18,900.00	25	25	$ 18,900.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Electrical - Sump Pumps	1996	1	LS		$ 1,430.00	25	25	$ 1,430.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Digester Recirculation Pumps	1996	2	EA		$ 27,000.00	25	25	$ 27,000.00	$ -	311.0	450.00	1465.00	3.26	$ -

City of Beaver Falls Wastewater System
Cost Approach
Wastewater Treatment Plant

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
371.3	Moyno Progressive Cavity Pump, 2000 Series, Model 1G090G1CDQAAA, #AS4702896A, 200GPM, 25', 235RPM, Single Stage, 8 X 8, 7.5HP AC Totally Enclosed Fan Cooled Motor, 1200RPM, Extreme Duty, Unit Base Steel, Complete with piping, connections, wiring and controls.	2020	1	LS	$ 7,000.00	$ 6,830.38	25	1	$ 273.22	$ 6,557.16	311.0	1429.50	1465.00	1.02	$ 6,720.00
371.3	PIONEER Self-Priming Pump, Model SBHCP3F-0036DD, #2462, 4 X 4, 3HP with wiring, conrols, piping and connections	2020	1	LS	$ 3,000.00	$ 2,927.30	25	1	$ 117.09	$ 2,810.21	311.0	1429.50	1465.00	1.02	$ 2,880.00
371.3	Yale 2-ton capacity spur geared chain hoist with 4 wheel trolley and rail	2020	1	LS	$ 900.00	$ 878.19	25	1	$ 35.13	$ 843.06	311.0	1429.50	1465.00	1.02	$ 864.00
371.3	Moyno Progressive Cavity Primary Sludge Pumps, Model #IHII5	1996	2	EA		$ 32,000.00	25	25	$ 32,000.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Electrical - Primary Sludge Pumps	1996	1	LS		$ 3,820.00	25	25	$ 3,820.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Mission - 4" x 3" x 13" Secondary Sludge Pumps	1996	2	EA		$ 30,300.00	25	25	$ 30,300.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Electrical - Secondary Pumps	1996	1	LS		$ 3,820.00	25	25	$ 3,820.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Moyno Model #IHII5GICDQAAA - Gravity Belt Thickener Pumps	1996	2	EA		$ 15,600.00	25	25	$ 15,600.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Moyno Model IG065GICDQAAA Thickened Sludge Pumps	1996	2	EA		$ 29,100.00	25	25	$ 29,100.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Electrical - Sludge Pumps (4)	1996	1	LS		$ 11,902.00	25	25	$ 11,902.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Monorail Crane With coffing electric chain hoist and crane rail	2020	1	LS	$ 2,000.00	$ 1,951.54	25	1	$ 78.06	$ 1,873.47	311.0	1429.50	1465.00	1.02	$ 1,920.00
371.3	Monorail Crane, 2 ton capacity with Little Mule 2 Ton Capacity Electric Chain Hoist, 4 wheel trolley & 6' tank lift beam	2020	1	LS	$ 2,800.00	$ 2,732.15	25	1	$ 109.29	$ 2,622.86	311.0	1429.50	1465.00	1.02	$ 2,688.00
371.3	Wright Safeway 2 Ton Capacity Spur Geared Chain Hoist on 4 Wheel Trolley, complete with Rail and Yale Electric Chain Hoist.	2020	1	LS	$ 3,400.00	$ 3,317.61	25	1	$ 132.70	$ 3,184.91	311.0	1429.50	1465.00	1.02	$ 3,264.00
371.3	Flygt Submersible Sewage Pump, Model 3201.180-131011, 320	2020	1	LS	$ 25,000.00	$ 24,394.20	25	1	$ 975.77	$ 23,418.43	311.0	1429.50	1465.00	1.02	$ 24,000.00
	Subtotal					**$ 351,654.37**				**$ 41,310.11**					**$ 42,336.00**
371.3	**Raw Sewage Pump Station**														
371.3	Flygt dry pit submersible pumps - Raw	1996	4	EA		$ 112,400.00	25	25	$ 112,400.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Concrete Pump Supports Raw Sewage and Prime Sludge Pump	1996	1	LS		$ 3,900.00	25	25	$ 3,900.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Core holes and install water seal for pumps	1996	1	LS		$ 3,600.00	25	25	$ 3,600.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Chain Hoist filler Plates	1996	1	LS		$ 3,200.00	25	25	$ 3,200.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Electrical - Pump Station Misc.	1996	1	LS		$ 12,058.00	25	25	$ 12,058.00	$ -	311.0	450.00	1465.00	3.26	$ -
371.3	Electrical - Raw Sewage Pumps	1996	1	LS		$ 7,641.00	25	25	$ 7,641.00	$ -	311.0	450.00	1465.00	3.26	$ -
	Subtotal					**$ 142,799.00**				**$ -**					**$ -**
380.4	**Treatment & Disp. - WWTP**														
380.4	**Preliminary Treatment Building**														
380.4	Fine Screen #1 Remaining in Service	1964	1	EA	$ 542,000.00	$ 34,376.32	25	57	$ 34,376.32	$ -	320.0	60.00	946.00	15.77	$ -
380.4	Fine Screen #2 Remaining in Service	1964	1	EA	$ 542,000.00	$ 34,376.32	25	57	$ 34,376.32	$ -	320.0	60.00	946.00	15.77	$ -
380.4	Install Self Cleaning Wiese-Flo Mechanical Bar Screen & Compa	1996	1	LS		$ 56,000.00	25	25	$ 56,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Auxiliary Auger for Bar Screen CO#3	1996	1	LS		$ 41,342.37	25	25	$ 41,342.37	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Grit Chamber Equipment	1996	1	LS		$ 36,000.00	25	25	$ 36,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Worthington Air Compressor	2020	1	LS	$ 450.00	$ 424.91	25	1	$ 17.00	$ 407.91	320.0	893.25	946.00	1.06	$ 432.00
380.4	Manning Sampler, Model 6901-DC, #980213AA690102 with ref	2020	1	LS	$ 1,200.00	$ 1,133.09	25	1	$ 45.32	$ 1,087.76	320.0	893.25	946.00	1.06	$ 1,152.00
380.4	Chlorine Gas Monitoring System - Siemens W&T Acute 35 with	2020	1	LS	$ 3,600.00	$ 3,399.26	25	1	$ 135.97	$ 3,263.29	320.0	893.25	946.00	1.06	$ 3,456.00
380.4	Chlorination System - 2 chlorinators/regulators, 1-Halogen Valve System, 2 - Chlorinators and wiring and controls	2020	1	LS	$ 7,000.00	$ 6,609.67	25	1	$ 264.39	$ 6,345.29	320.0	893.25	946.00	1.06	$ 6,720.00
380.4	Exhaust Fan, Thru-Wall, 1/3 HP complete with conduit and wiring	2020	1	LS	$ 150.00	$ 141.64	25	1	$ 5.67	$ 135.97	320.0	893.25	946.00	1.06	$ 144.00
380.4	ROOTS Connerville Blower, Type FF-Size 610	2020	1	LS	$ 1,500.00	$ 1,416.36	25	1	$ 56.65	$ 1,359.70	320.0	893.25	946.00	1.06	$ 1,440.00
380.4	**Primary Settling Tanks 1,2 & 3**		3	EA											
380.4	Install Weir/Troughs Ex Prim	1996	1	LS		$ 36,500.00	25	25	$ 36,500.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	**Oxidation Towers 1**														
380.4	Install Media EX tower	1974	1	LS		$ 155,974.50	25	47	$ 155,974.50	$ -	320.0	118.00	946.00	8.02	$ -
380.4	Rotary Distributors	1974	1	LS		$ 23,907.00	25	47	$ 23,907.00	$ -	320.0	118.00	946.00	8.02	$ -
380.4	Install Oxidation Tower Recycle Control Valve	1974	1	LS	$ 17,067.49	$ 2,128.93	25	47	$ 2,128.93	$ -	320.0	118.00	946.00	8.02	$ -

City of Beaver Falls Wastewater System
Cost Approach
Wastewater Treatment Plant

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
380.4	**Oxidation Towers 2**														
380.4	Install Syn Media New Tower	1996	1	LS		$ 205,000.00	25	25	$ 205,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Rotary Distributors	1996	1	LS		$ 65,400.00	25	25	$ 65,400.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Oxidation Tower Recycle Control Valve	1996	1	LS		$ 8,000.00	25	25	$ 8,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	**Final Settling Tanks 1 and 2**														
380.4	Equipment for Final Settling Tanks 1 & 2	1974	1	LS		$ 92,435.00	25	47	$ 92,435.00	$ -	320.0	118.00	946.00	8.02	$ -
380.4	**Final Settling Tanks 3, 4 &5**														
380.4	Install Fiberglass Troughs/Weirs	1996	1	LS		$ 36,500.00	25	25	$ 36,500.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Elec and Manual Telescoping Valves	1996	1	LS		$ 18,000.00	25	25	$ 18,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Sluice Gates	1996	1	LS		$ 19,000.00	25	25	$ 19,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Collectors Final Clarifiers piping	1996	1	LS		$ 120,000.00	25	25	$ 120,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	**Chlorine Contact Tanks 1 & 2 Remaining in Service**		2	EA											
380.4	1-ton cylinder/scale - Remaining in Service	1996	1	EA	$ 3,500.00	$ 1,355.97	25	25	$ 1,355.97	$ -	320.0	366.50	946.00	2.58	$ -
380.4	150# cylinders and scale - Remaining in Service	1996	4	EA	$ 2,500.00	$ 968.55	25	25	$ 968.55	$ -	320.0	366.50	946.00	2.58	$ -
380.4	**Anaerobic Digesters 1&2**		2	EA											
380.4	Install Digester Meters	1996	1	LS		$ 11,000.00	25	25	$ 11,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Comp Heater & Heat Exchanger (Envirex)	1996	1	LS		$ 76,000.00	25	25	$ 76,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Duo Deck Conversion	1996	1	LS		$ 110,000.00	25	25	$ 110,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Digester Mixer	1996	1	LS		$ 48,000.00	25	25	$ 48,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Polytron 2XP Digital Meter	1996	1	LS	$ 250.00	$ 96.86	25	25	$ 96.86	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Polysonic Hydra SX40 DFD Flowmeter, Digital Readout	1996	1	LS	$ 2,600.00	$ 1,007.29	25	25	$ 1,007.29	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Siemens Hydra Ranger 200 Flow meter, Digital Readout	1996	1	LS	$ 1,900.00	$ 736.10	25	25	$ 736.10	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Maxus Air Compressor, Model EX840100AJ, #10/16/06-00340, 3.2 HP, 60 Gallon Capacity Vertical Tank With Wiring and Controls	1996	1	LS	$ 550.00	$ 213.08	25	25	$ 213.08	$ -	320.0	366.50	946.00	2.58	$ -
380.4	**Sludge Holding Tank**														
380.4	Sludge Holding Tank aeration system	1996	1	LS		$ 28,500.00	25	25	$ 28,500.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Blower System	1996	1	LS		$ 33,600.00	25	25	$ 33,600.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	**Belt Filter Press Building**														
380.4	1.2 meter Roediger Belt Filter Press	1996	1	LS		$ 165,000.00	25	25	$ 165,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Belt Filter Press Conveyors	1996	1	LS		$ 67,000.00	25	25	$ 67,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Kent Taylor Mag Master Flow Meter, Digital Readout	1996			$ 800.00	$ 309.94	25	25	$ 309.94	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Polymer Feed & Chlorination Equipment	1996	1	LS		$ 63,800.00	25	25	$ 63,800.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Floor Drains - Grit Washer	1996	1	LS		$ 1,500.00	25	25	$ 1,500.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Scum & Grease Floatation/Removal System	1996	1	LS		$ 47,600.00	25	25	$ 47,600.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Grit Separation Classification System	1996	1	LS		$ 52,000.00	25	25	$ 52,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Sewage Sump Simplex system	1996	1	LS		$ 12,400.00	25	25	$ 12,400.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Sewage Sump Duplex system	1996	1	LS		$ 18,900.00	25	25	$ 18,900.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Trickling Filter Tank	1996	1	LS		$ 89,000.00	25	25	$ 89,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install submersible Mixer	1996	1	LS		$ 20,000.00	25	25	$ 20,000.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Install Odor Control Scrubber System	1996	1	LS		$ 28,500.00	25	25	$ 28,500.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Scrubber at Sludge Storage Tank	1996	1	LS		$ 2,600.00	25	25	$ 2,600.00	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Exhaust Hood CO#5	1996	1	LS		$ 1,843.84	25	25	$ 1,843.84	$ -	320.0	366.50	946.00	2.58	$ -
380.4	PFT Gas Burner	1996	1	EA	$ 2,400.00	$ 929.81	25	25	$ 929.81	$ -	320.0	366.50	946.00	2.58	$ -
380.4	Equipment for Secondary Pumping Station	1974	1	LS		$ 29,910.00	25	47	$ 29,910.00	$ -	320.0	118.00	946.00	8.02	$ -
	Subtotal					**$ 1,910,836.80**				**$ 12,599.92**					**$ 13,344.00**
381.4	**Plant Sewers - WWTP**														
381.4	6" Thickened Sludge Line	1996	1	LS		$ 1,400.00	75	25	$ 466.67	$ 933.33	331.0	338.75	911.00	2.69	$ 2,510.01
381.4	24" DIP Oxidation Tower 2 FM	1996	1	LS		$ 33,500.00	75	25	$ 11,166.67	$ 22,333.33	331.0	338.75	911.00	2.69	$ 60,061.01
381.4	24" & 30" DIP Oxidation Tower Effluent	1996	1	LS		$ 37,100.00	75	25	$ 12,366.67	$ 24,733.33	331.0	338.75	911.00	2.69	$ 66,515.33
381.4	16" DIP Oxidation Tower Recirculation	1996	1	LS		$ 11,000.00	75	25	$ 3,666.67	$ 7,333.33	331.0	338.75	911.00	2.69	$ 19,721.53
381.4	24" DIP Overflow	1996	1	LS		$ 9,700.00	75	25	$ 3,233.33	$ 6,466.67	331.0	338.75	911.00	2.69	$ 17,390.80
381.4	24" DIP Final Sed. Tank 3,4&5 Effluent	1996	1	LS		$ 4,300.00	75	25	$ 1,433.33	$ 2,866.67	331.0	338.75	911.00	2.69	$ 7,709.32
381.4	30" DIP Final Sed. Tank Effluent	1996	1	LS		$ 26,000.00	75	25	$ 8,666.67	$ 17,333.33	331.0	338.75	911.00	2.69	$ 46,614.51
381.4	6" Scum Drain/Final Settling Tanks	1996	1	LS		$ 1,300.00	75	25	$ 433.33	$ 866.67	331.0	338.75	911.00	2.69	$ 2,330.73
381.4	6" DIP Primary Sludge to Sludge Holding Tank	1996	1	LS		$ 5,200.00	75	25	$ 1,733.33	$ 3,466.67	331.0	338.75	911.00	2.69	$ 9,322.90
381.4	6" DIP Primary Sludge from aerated S1 to digesters	1996	1	LS		$ 7,700.00	75	25	$ 2,566.67	$ 5,133.33	331.0	338.75	911.00	2.69	$ 13,805.07
381.4	6" DIP Primary Sludge Well Decant	1996	1	LS		$ 1,900.00	75	25	$ 633.33	$ 1,266.67	331.0	338.75	911.00	2.69	$ 3,406.45

City of Beaver Falls Wastewater System
Cost Approach
Wastewater Treatment Plant

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
381.4	6" DIP Primary Sludge Pump Suction	1996	1	LS		$ 2,600.00	75	25	$ 866.67	$ 1,733.33	331.0	338.75	911.00	2.69	$ 4,661.45
381.4	6" DIP Primary Sludge pump Discharge	1996	1	LS		$ 4,200.00	75	25	$ 1,400.00	$ 2,800.00	331.0	338.75	911.00	2.69	$ 7,530.04
381.4	6" DIP Secondary Sludge Discharge	1996	1	LS		$ 6,300.00	75	25	$ 2,100.00	$ 4,200.00	331.0	338.75	911.00	2.69	$ 11,295.06
381.4	8" DIP Secondary Sludge Suction	1996	1	LS		$ 8,300.00	75	25	$ 2,766.67	$ 5,533.33	331.0	338.75	911.00	2.69	$ 14,880.79
381.4	Ex. 8" DIP Tank Drain	1996	1	LS		$ 9,000.00	75	25	$ 3,000.00	$ 6,000.00	331.0	338.75	911.00	2.69	$ 16,135.79
381.4	8" DIP Tank Drain	1996	1	LS		$ 11,100.00	75	25	$ 3,700.00	$ 7,400.00	331.0	338.75	911.00	2.69	$ 19,900.81
381.4	6" & 4" DIP Oxidation Tower FM drain	1996	1	LS		$ 3,400.00	75	25	$ 1,133.33	$ 2,266.67	331.0	338.75	911.00	2.69	$ 6,095.74
381.4	4" DIP Grit Slurry Discharge	1996	1	LS		$ 1,900.00	75	25	$ 633.33	$ 1,266.67	331.0	338.75	911.00	2.69	$ 3,406.45
381.4	8" DIP Utility Water Service	1996	1	LS		$ 3,300.00	75	25	$ 1,100.00	$ 2,200.00	331.0	338.75	911.00	2.69	$ 5,916.46
381.4	Scum Concentrator/Grit Washer Drains	1996	1	LS		$ 4,750.00	75	25	$ 1,583.33	$ 3,166.67	331.0	338.75	911.00	2.69	$ 8,516.11
381.4	Scum Concentrator frm existing line	1996	1	LS		$ 2,106.00	75	25	$ 702.00	$ 1,404.00	331.0	338.75	911.00	2.69	$ 3,775.78
381.4	8" PVC Storm Sewer	1996	1	LS		$ 4,400.00	75	25	$ 1,466.67	$ 2,933.33	331.0	338.75	911.00	2.69	$ 7,888.61
381.4	6" PVC Storm Sewer	1996	1	LS		$ 2,700.00	75	25	$ 900.00	$ 1,800.00	331.0	338.75	911.00	2.69	$ 4,840.74
381.4	4" , 3", 2" PVC Utility Water	1996	1	LS		$ 8,600.00	75	25	$ 2,866.67	$ 5,733.33	331.0	338.75	911.00	2.69	$ 15,418.65
381.4	2" PVC Potable Water	1996	1	LS		$ 1,500.00	75	25	$ 500.00	$ 1,000.00	331.0	338.75	911.00	2.69	$ 2,689.30
381.4	Scum Drain to Final Tank Drain	1996	1	LS		$ 2,000.00	75	25	$ 666.67	$ 1,333.33	331.0	338.75	911.00	2.69	$ 3,585.73
381.4	Belt Filter Press Feed Pump Suction	1996	1	LS		$ 7,700.00	75	25	$ 2,566.67	$ 5,133.33	331.0	338.75	911.00	2.69	$ 13,805.07
381.4	Belt Filter Press Feed Discharge	1996	1	LS		$ 6,000.00	75	25	$ 2,000.00	$ 4,000.00	331.0	338.75	911.00	2.69	$ 10,757.20
381.4	Belt Filter Press Filtrate	1996	1	LS		$ 3,100.00	75	25	$ 1,033.33	$ 2,066.67	331.0	338.75	911.00	2.69	$ 5,557.88
381.4	Thickened Sludge Pump suction	1996	1	LS		$ 1,450.00	75	25	$ 483.33	$ 966.67	331.0	338.75	911.00	2.69	$ 2,599.66
381.4	8" DIP Belt Filter Press Building Drain, 4" DIP Dumpster Area Drain, 4" DIP Garage/Lab Area Drain, 6" DIP Primary Sludge tank drain & 10" DIP drain	1996	1	LS		$ 9,500.00	75	25	$ 3,166.67	$ 6,333.33	331.0	338.75	911.00	2.69	$ 17,032.23
381.4	Digester Sludge frm Ex to Belt Press Pumps	1996	1	LS		$ 3,700.00	75	25	$ 1,233.33	$ 2,466.67	331.0	338.75	911.00	2.69	$ 6,633.60
381.4	Grit Pump Suction/Discharge	1996	1	LS		$ 2,800.00	75	25	$ 933.33	$ 1,866.67	331.0	338.75	911.00	2.69	$ 5,020.02
381.4	Grit Washer Overflow	1996	1	LS		$ 1,600.00	75	25	$ 533.33	$ 1,066.67	331.0	338.75	911.00	2.69	$ 2,868.59
381.4	Scum Conc. Influent	1996	1	LS		$ 1,400.00	75	25	$ 466.67	$ 933.33	331.0	338.75	911.00	2.69	$ 2,510.01
381.4	Scum Conc. Drain	1996	1	LS		$ 1,200.00	75	25	$ 400.00	$ 800.00	331.0	338.75	911.00	2.69	$ 2,151.44
381.4	Scum Conc. Effluent	1996	1	LS		$ 1,200.00	75	25	$ 400.00	$ 800.00	331.0	338.75	911.00	2.69	$ 2,151.44
381.4	Replacement Drain	1996	1	LS		$ 1,600.00	75	25	$ 533.33	$ 1,066.67	331.0	338.75	911.00	2.69	$ 2,868.59
381.4	Secondary Sludge to Sludge Holding Tank	1996	1	LS		$ 2,200.00	75	25	$ 733.33	$ 1,466.67	331.0	338.75	911.00	2.69	$ 3,944.31
381.4	Primary Effluent Pump Suction	1996	1	LS		$ 9,100.00	75	25	$ 3,033.33	$ 6,066.67	331.0	338.75	911.00	2.69	$ 16,315.08
381.4	Primary Effluent Pump Discharge	1996	1	LS		$ 16,000.00	75	25	$ 5,333.33	$ 10,666.67	331.0	338.75	911.00	2.69	$ 28,685.85
381.4	Manhole A	1996	1	LS		$ 3,300.00	75	25	$ 1,100.00	$ 2,200.00	331.0	338.75	911.00	2.69	$ 5,916.46
381.4	Sludge Recirc Pumps Suction	1996	1	LS		$ 1,800.00	75	25	$ 600.00	$ 1,200.00	331.0	338.75	911.00	2.69	$ 3,227.16
381.4	Sludge Recirc Pumps Discharge	1996	1	LS		$ 2,900.00	75	25	$ 966.67	$ 1,933.33	331.0	338.75	911.00	2.69	$ 5,199.31
381.4	Thickened/Primary Sludge (Dwg 53)	1996	1	LS		$ 1,400.00	75	25	$ 466.67	$ 933.33	331.0	338.75	911.00	2.69	$ 2,510.01
381.4	Aerated Sludge Blowers Intakes	1996	1	LS		$ 7,300.00	75	25	$ 2,433.33	$ 4,866.67	331.0	338.75	911.00	2.69	$ 13,087.92
381.4	Aerated Sludge Blowers Discharge	1996	1	LS		$ 3,600.00	75	25	$ 1,200.00	$ 2,400.00	331.0	338.75	911.00	2.69	$ 6,454.32
381.4	16 yard Hydrants and Gate Valves	1996	1	LS		$ 19,800.00	75	25	$ 6,600.00	$ 13,200.00	331.0	338.75	911.00	2.69	$ 35,498.75
381.4	27-inch VCP Plant Infl Sewer	1974	300	LF	$ 60,000.00	$ 7,244.79	75	47	$ 4,540.07	$ 2,704.72	331.0	110.00	911.00	8.28	$ 22,400.00
381.4	24-inch DIP Primary Sedimentation Tank Effluent	1974	92	LF	$ 18,400.00	$ 2,221.73	75	47	$ 1,392.29	$ 829.45	331.0	110.00	911.00	8.28	$ 6,869.33
381.4	18-inch DIP Oxidation Tower Force Main	1974	178	LF	$ 35,600.00	$ 4,298.57	75	47	$ 2,693.77	$ 1,604.80	331.0	110.00	911.00	8.28	$ 13,290.67
381.4	24-inch DIP Oxidation Tower Effluent	1974	20	LF	$ 4,000.00	$ 482.99	75	47	$ 302.67	$ 180.31	331.0	110.00	911.00	8.28	$ 1,493.33
381.4	24-inch DIP Overflow	1974	26	LF	$ 5,200.00	$ 627.88	75	47	$ 393.47	$ 234.41	331.0	110.00	911.00	8.28	$ 1,941.33
381.4	24-inch DIP Final Sedimentation Tanks Effluent	1974	20	LF	$ 4,000.00	$ 482.99	75	47	$ 302.67	$ 180.31	331.0	110.00	911.00	8.28	$ 1,493.33
381.4	24-inch DIP Chlorine Contact Tank Effluent	1974	266	LF	$ 53,200.00	$ 6,423.71	75	47	$ 4,025.53	$ 2,398.19	331.0	110.00	911.00	8.28	$ 19,861.33
381.4	24-inch DIP Chlorine Contact Tank Effluent Overflow	1974	30	LF	$ 6,000.00	$ 724.48	75	47	$ 454.01	$ 270.47	331.0	110.00	911.00	8.28	$ 2,240.00
381.4	6-inch DIP Primary Sludge Decant	1974	25	LF	$ 3,750.00	$ 452.80	75	47	$ 283.75	$ 169.05	331.0	110.00	911.00	8.28	$ 1,400.00
381.4	8-inch DIP Secondary Sludge Suction	1974	8	LF	$ 1,200.00	$ 144.90	75	47	$ 90.80	$ 54.09	331.0	110.00	911.00	8.28	$ 448.00
381.4	8-inch DIP Scum Suction	1974	56	LF	$ 8,400.00	$ 1,014.27	75	47	$ 635.61	$ 378.66	331.0	110.00	911.00	8.28	$ 3,136.00
381.4	8-inch DIP Tank Drain	1974	88	LF	$ 13,200.00	$ 1,593.85	75	47	$ 998.81	$ 595.04	331.0	110.00	911.00	8.28	$ 4,928.00
381.4	4-inch DIP Force Main Drain	1974	22	LF	$ 3,300.00	$ 398.46	75	47	$ 249.70	$ 148.76	331.0	110.00	911.00	8.28	$ 1,232.00
381.4	8-inch DIP Digested Sludge Discharge	1974	195	LF	$ 29,250.00	$ 3,531.83	75	47	$ 2,213.28	$ 1,318.55	331.0	110.00	911.00	8.28	$ 10,920.00
381.4	6-inch DIP Scum Discharge	1974	61	LF	$ 9,150.00	$ 1,104.83	75	47	$ 692.36	$ 412.47	331.0	110.00	911.00	8.28	$ 3,416.00
381.4	2.5-inch PVC Chlorine Solution Discharge	1974	114	LF	$ 11,400.00	$ 1,376.51	75	47	$ 862.61	$ 513.90	331.0	110.00	911.00	8.28	$ 4,256.00
381.4	10-inch DIP Sewer from Digester Building and Drying Beds	1937	29	LF	$ 4,350.00	$ 100.27	75	84	$ 100.27	$ -	331.0	21.00	911.00	43.38	$ -
381.4	8-inch DIP Sewer from Digester Building and Drying Beds	1937	51	LF	$ 7,650.00	$ 176.34	75	84	$ 176.34	$ -	331.0	21.00	911.00	43.38	$ -
381.4	8-inch DIP Digester Supernatant Drain	1937	5	LF	$ 750.00	$ 17.29	75	84	$ 17.29	$ -	331.0	21.00	911.00	43.38	$ -

City of Beaver Falls Wastewater System
Cost Approach
Wastewater Treatment Plant

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
381.4	4-inch DIP Sanitary Drain	1937	7	LF	$ 1,050.00	$ 24.20	75	84	$ 24.20	$ -	331.0	21.00	911.00	43.38	$ -
381.4	8-inch DIP Sludge Drying Bed Drain	1937	73	LF	$ 10,950.00	$ 252.41	75	84	$ 252.41	$ -	331.0	21.00	911.00	43.38	$ -
381.4	8-inch DIP Potable Water Main	1974	107	LF	$ 16,050.00	$ 1,937.98	75	47	$ 1,214.47	$ 723.51	331.0	110.00	911.00	8.28	$ 5,992.00
381.4	6-inch Potable Water Main	1974	262	LF	$ 39,300.00	$ 4,745.33	75	47	$ 2,973.74	$ 1,771.59	331.0	110.00	911.00	8.28	$ 14,672.00
381.4	4-inch Potable Water Main to Main Equipment Building	1974	110	LF	$ 16,500.00	$ 1,992.32	75	47	$ 1,248.52	$ 743.80	331.0	110.00	911.00	8.28	$ 6,160.00
381.4	4-inch Potable Water Main to Primary Effluent Pump Station	1974	301	LF	$ 45,150.00	$ 5,451.70	75	47	$ 3,416.40	$ 2,035.30	331.0	110.00	911.00	8.28	$ 16,856.00
381.4	24-inch DIP Plant Bypass	1974	45	LF	$ 9,000.00	$ 1,086.72	75	47	$ 681.01	$ 405.71	331.0	110.00	911.00	8.28	$ 3,360.00
381.4	24-inch Primary Tank Bypass	1974	26	LF	$ 5,200.00	$ 627.88	75	47	$ 393.47	$ 234.41	331.0	110.00	911.00	8.28	$ 1,941.33
381.4	24-inch Abandoned Plant Effluent	1974	19	LF	$ 3,800.00	$ 458.84	75	47	$ 287.54	$ 171.30	331.0	110.00	911.00	8.28	$ 1,418.67
381.4	24-inch DIP Plant/Primary Tank Bypass	1974	67	LF	$ 13,400.00	$ 1,618.00	75	47	$ 1,013.95	$ 604.05	331.0	110.00	911.00	8.28	$ 5,002.67
381.4	24-inch Storm Sewer Line	1974	42	LF	$ 7,350.00	$ 887.49	75	47	$ 556.16	$ 331.33	331.0	110.00	911.00	8.28	$ 2,744.00
381.4	18-inch Storm Sewer Line	1974	18	LF	$ 2,700.00	$ 326.02	75	47	$ 204.30	$ 121.71	331.0	110.00	911.00	8.28	$ 1,008.00
381.4	8-inch Storm Sewer Line	1974	25	LF	$ 2,500.00	$ 301.87	75	47	$ 189.17	$ 112.70	331.0	110.00	911.00	8.28	$ 933.33
381.4	**Plug Valves**														
381.4	Raw Sewage Pump Suction	1996	1	LS		$ 4,500.00	50	25	$ 2,250.00	$ 2,250.00	331.0	338.75	911.00	2.69	$ 6,050.92
381.4	Raw Pump Sewage Discharge	1996	1	LS		$ 3,500.00	50	25	$ 1,750.00	$ 1,750.00	331.0	338.75	911.00	2.69	$ 4,706.27
381.4	Primary Sludge Pump	1996	1	LS		$ 2,700.00	50	25	$ 1,350.00	$ 1,350.00	331.0	338.75	911.00	2.69	$ 3,630.55
381.4	Primary Sludge Pump Header	1996	1	LS		$ 1,500.00	50	25	$ 750.00	$ 750.00	331.0	338.75	911.00	2.69	$ 2,016.97
381.4	Primary Sludge Pump Drain	1996	1	LS		$ 2,200.00	50	25	$ 1,100.00	$ 1,100.00	331.0	338.75	911.00	2.69	$ 2,958.23
381.4	Primary Sludge Pump Holding Tank	1996	1	LS		$ 2,400.00	50	25	$ 1,200.00	$ 1,200.00	331.0	338.75	911.00	2.69	$ 3,227.16
381.4	Primary/Secondary Sludge Connection	1996	1	LS		$ 1,700.00	50	25	$ 850.00	$ 850.00	331.0	338.75	911.00	2.69	$ 2,285.90
381.4	Grit Pump (6")	1996	1	LS		$ 1,500.00	50	25	$ 750.00	$ 750.00	331.0	338.75	911.00	2.69	$ 2,016.97
381.4	Grit Pump (3")	1996	1	LS		$ 1,200.00	50	25	$ 600.00	$ 600.00	331.0	338.75	911.00	2.69	$ 1,613.58
381.4	Scum/Ex Concentrator Feed	1996	1	LS		$ 2,800.00	50	25	$ 1,400.00	$ 1,400.00	331.0	338.75	911.00	2.69	$ 3,765.02
381.4	Scum/Drain	1996	1	LS		$ 1,600.00	50	25	$ 800.00	$ 800.00	331.0	338.75	911.00	2.69	$ 2,151.44
381.4	Scum Cone/Influent	1996	1	LS		$ 1,500.00	50	25	$ 750.00	$ 750.00	331.0	338.75	911.00	2.69	$ 2,016.97
381.4	Scum Cone/Drain	1996	1	LS		$ 1,200.00	50	25	$ 600.00	$ 600.00	331.0	338.75	911.00	2.69	$ 1,613.58
381.4	Secondary Sludge Pump	1996	1	LS		$ 2,800.00	50	25	$ 1,400.00	$ 1,400.00	331.0	338.75	911.00	2.69	$ 3,765.02
381.4	Secondary Sludge/Header	1996	1	LS		$ 1,600.00	50	25	$ 800.00	$ 800.00	331.0	338.75	911.00	2.69	$ 2,151.44
381.4	Secondary Sludge/Line	1996	1	LS		$ 2,200.00	50	25	$ 1,100.00	$ 1,100.00	331.0	338.75	911.00	2.69	$ 2,958.23
381.4	Effluent Pump/Suction	1996	1	LS		$ 12,000.00	50	25	$ 6,000.00	$ 6,000.00	331.0	338.75	911.00	2.69	$ 16,135.79
381.4	Effluent Pump/Discharge	1996	1	LS		$ 8,000.00	50	25	$ 4,000.00	$ 4,000.00	331.0	338.75	911.00	2.69	$ 10,757.20
381.4	Oxidation Twr Force Mn	1996	1	LS		$ 9,000.00	50	25	$ 4,500.00	$ 4,500.00	331.0	338.75	911.00	2.69	$ 12,101.85
381.4	Ox Twr Force Main Drain	1996	1	LS		$ 2,200.00	50	25	$ 1,100.00	$ 1,100.00	331.0	338.75	911.00	2.69	$ 2,958.23
381.4	Final Tank Drain-off	1996	1	LS		$ 8,500.00	50	25	$ 4,250.00	$ 4,250.00	331.0	338.75	911.00	2.69	$ 11,429.52
381.4	Utility Water	1996	1	LS		$ 1,500.00	50	25	$ 750.00	$ 750.00	331.0	338.75	911.00	2.69	$ 2,016.97
381.4	Belt Press Pumps	1996	1	LS		$ 3,700.00	50	25	$ 1,850.00	$ 1,850.00	331.0	338.75	911.00	2.69	$ 4,975.20
381.4	Belt Press Feed Header	1996	1	LS		$ 2,600.00	50	25	$ 1,300.00	$ 1,300.00	331.0	338.75	911.00	2.69	$ 3,496.09
381.4	Heat Exchanger Sludge Recirc	1996	1	LS		$ 3,500.00	50	25	$ 1,750.00	$ 1,750.00	331.0	338.75	911.00	2.69	$ 4,706.27
381.4	Overflow Supernatent at Digester	1996	1	LS		$ 12,000.00	50	25	$ 6,000.00	$ 6,000.00	331.0	338.75	911.00	2.69	$ 16,135.79
381.4	Digested Sludge (8")	1996	1	LS		$ 2,100.00	50	25	$ 1,050.00	$ 1,050.00	331.0	338.75	911.00	2.69	$ 2,823.76
381.4	Digested Sludge (6")	1996	1	LS		$ 1,800.00	50	25	$ 900.00	$ 900.00	331.0	338.75	911.00	2.69	$ 2,420.37
381.4	Pumping Station: 14-inch DIP eccentric plug valve	1974	1	EA	$ 5,000.00	$ 603.73	50	47	$ 567.51	$ 36.22	331.0	110.00	911.00	8.28	$ 300.00
381.4	**Check Valves**														
381.4	Raw Sewage Pump Discharge	1996	1	LS		$ 4,700.00	50	25	$ 2,350.00	$ 2,350.00	331.0	338.75	911.00	2.69	$ 6,319.85
381.4	Primary Sludge Pump Discharge	1996	1	LS		$ 2,300.00	50	25	$ 1,150.00	$ 1,150.00	331.0	338.75	911.00	2.69	$ 3,092.69
381.4	Secondary Sludge Pumps	1996	1	LS		$ 2,300.00	50	25	$ 1,150.00	$ 1,150.00	331.0	338.75	911.00	2.69	$ 3,092.69
381.4	Primary Effluent Pumps	1996	1	LS		$ 12,000.00	50	25	$ 6,000.00	$ 6,000.00	331.0	338.75	911.00	2.69	$ 16,135.79
381.4	Belt Press Pumps	1996	1	LS		$ 2,300.00	50	25	$ 1,150.00	$ 1,150.00	331.0	338.75	911.00	2.69	$ 3,092.69
381.4	Thickened Sludge Pumps	1996	1	LS		$ 2,300.00	50	25	$ 1,150.00	$ 1,150.00	331.0	338.75	911.00	2.69	$ 3,092.69
381.4	Recirculated Pumps	1996	1	LS		$ 1,900.00	50	25	$ 950.00	$ 950.00	331.0	338.75	911.00	2.69	$ 2,554.83
381.4	Air Cushioned Check Valves	1974	1	LS		$ 2,228.00	50	47	$ 2,094.32	$ 133.68	331.0	110.00	911.00	8.28	$ 1,107.11
381.4	**Air Check Valves**														
381.4	Blower Discharges	1996	1	LS		$ 2,500.00	50	25	$ 1,250.00	$ 1,250.00	331.0	338.75	911.00	2.69	$ 3,361.62

City of Beaver Falls Wastewater System
Cost Approach
Wastewater Treatment Plant

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
381.4	**Mud Valves**														
381.4	Final Tank Scum Box	1996	1	LS		$ 2,000.00	50	25	$ 1,000.00	$ 1,000.00	331.0	338.75	911.00	2.69	$ 2,689.30
381.4	Chlorine Tank Drains	1996	1	LS		$ 3,500.00	50	25	$ 1,750.00	$ 1,750.00	331.0	338.75	911.00	2.69	$ 4,706.27
381.4	Utility Water	1996	1	LS		$ 2,000.00	50	25	$ 1,000.00	$ 1,000.00	331.0	338.75	911.00	2.69	$ 2,689.30
381.4	Aeration Sludge Hldg Tank	1996	1	LS		$ 4,500.00	50	25	$ 2,250.00	$ 2,250.00	331.0	338.75	911.00	2.69	$ 6,050.92
381.4	**Butterfly Valves**														
381.4	Ox Twr Recycle Line	1996	1	LS		$ 6,200.00	50	25	$ 3,100.00	$ 3,100.00	331.0	338.75	911.00	2.69	$ 8,336.83
381.4	**Hydrostatic PRV's**														
381.4	Final Tanks	1996	1	LS		$ 2,800.00	50	25	$ 1,400.00	$ 1,400.00	331.0	338.75	911.00	2.69	$ 3,765.02
381.4	**Gate Valves**														
381.4	Final Tank Drains	1996	1	LS		$ 3,300.00	50	25	$ 1,650.00	$ 1,650.00	331.0	338.75	911.00	2.69	$ 4,437.34
381.4	Sludge Drain-Off From Final Tanks	1996	1	LS		$ 4,200.00	50	25	$ 2,100.00	$ 2,100.00	331.0	338.75	911.00	2.69	$ 5,647.53
381.4	Pumping Station- Gate Valve	1974	1	EA	$ 5,000.00	$ 603.73	50	47	$ 567.51	$ 36.22	331.0	110.00	911.00	8.28	
381.4	**Butterfly Air Line Valves**														
381.4	Blower Intakes	1996	1	LS		$ 2,100.00	50	25	$ 1,050.00	$ 1,050.00	331.0	338.75	911.00	2.69	$ 2,823.76
381.4	Blower Discharge	1996	1	LS		$ 1,400.00	50	25	$ 700.00	$ 700.00	331.0	338.75	911.00	2.69	$ 1,882.51
381.4	Air Header at Sludge Tank	1996	1	LS		$ 1,500.00	50	25	$ 750.00	$ 750.00	331.0	338.75	911.00	2.69	$ 2,016.97
381.4	Reinsulate pipe at Digester Control Bldg CO#1	1996	1	LS		$ 4,092.50	50	25	$ 2,046.25	$ 2,046.25	331.0	338.75	911.00	2.69	$ 5,502.98
381.4	Gas Line CO#2	1996	1	LS		$ 6,367.59	50	25	$ 3,183.80	$ 3,183.80	331.0	338.75	911.00	2.69	$ 8,562.18
381.4	Water Line CO#2	1996	1	LS		$ 5,827.66	50	25	$ 2,913.83	$ 2,913.83	331.0	338.75	911.00	2.69	$ 7,836.16
381.4	Decant Line CO#2	1996	1	LS		$ 1,940.27	50	25	$ 970.14	$ 970.14	331.0	338.75	911.00	2.69	$ 2,608.98
381.4	Replace 24" Pipe From Primary Tanks CO#3	1996	1	LS		$ 11,429.52	50	25	$ 5,714.76	$ 5,714.76	331.0	338.75	911.00	2.69	$ 15,368.70
381.4	Piping to Provide Water for Mech Screen CO#3	1996	1	LS		$ 9,544.15	50	25	$ 4,772.08	$ 4,772.08	331.0	338.75	911.00	2.69	$ 12,833.54
381.4	Sampler Valves CO#5	1996	1	LS		$ 8,933.43	50	25	$ 4,466.72	$ 4,466.72	331.0	338.75	911.00	2.69	$ 12,012.33
381.4	Pumping Station: 20-inch DIP	1974	11	LF	$ 880.00	$ 106.26	50	47	$ 99.88	$ 6.38	331.0	110.00	911.00	8.28	$ 52.80
381.4	Pumping Station: 18-inch C.I.	1974	3	LF	$ 225.00	$ 27.17	50	47	$ 25.54	$ 1.63	331.0	110.00	911.00	8.28	$ 13.50
381.4	Pumping Station: 14-inch DIP	1974	2	LF	$ 140.00	$ 16.90	50	47	$ 15.89	$ 1.01	331.0	110.00	911.00	8.28	$ 8.40
381.4	Control Building: 4-inch sludge feed line	1974	1	LF	$ 50.00	$ 6.04	50	47	$ 5.68	$ 0.36	331.0	110.00	911.00	8.28	$ 3.00
381.4	Primary Sedimentation Tank: 2.5-inch chlorine feed line	1974	67	LF	$ 1,675.00	$ 202.25	50	47	$ 190.12	$ 12.14	331.0	110.00	911.00	8.28	$ 100.50
381.4	Chlorine Contact Tank: 8-inch DIP drain	1974	18	LF	$ 1,800.00	$ 217.34	50	47	$ 204.30	$ 13.04	331.0	110.00	911.00	8.28	$ 108.00
381.4	Secondary Pump Station Process Piping, Chlorine Tanks, Final Settling Tanks 1 & 2, Oxidation Tower No. 1 Exterior Piping	1974	1	LS		$ 71,673.00	50	47	$ 67,372.62	$ 4,300.38	331.0	110.00	911.00	8.28	$ 35,614.97
381.4	Sluice Gates	1974	1	LS		$ 21,995.00	50	47	$ 20,675.30	$ 1,319.70	331.0	110.00	911.00	8.28	$ 10,929.52
381.4	Misc. Sewage Treatment Plant Equipment	1974	1	LS		$ 13,335.00	50	47	$ 12,534.90	$ 800.10	331.0	110.00	911.00	8.28	$ 6,626.28
	Subtotal					**$ 700,784.80**				**$ 348,714.35**					**$ 1,082,396.25**
382.4	**Outfall Sewer Lines - WWTP**														
382.4	24-inch DIP	1937	827	LF	$ 149,794.51	$ 3,453.00	75	84	$ 3,453.00	$ -	331.0	21.00	911.00	43.38	$ -
	Subtotal					**$ 3,453.00**				**$ -**					**$ -**
389.4	**Other Plant & Misc. Equip. - WWTP**														
389.4	Asbestos Abatement	1996	1	LS		$ 12,490.27	15	25	$ 12,490.27	$ -	320.0	366.50	946.00	2.58	$ 317.42
389.4	Asbestos Abatement	2021	1	LS		$ 15,000.00	15	0	$ -	$ 15,000.00	320.0	946.00	946.00	1.00	$ 15,000.00
	Subtotal					**$ 27,490.27**				**$ 15,000.00**					**$ 15,317.42**
				TOTALS		**$ 7,732,596.25**				**$ 2,333,769.90**					**$ 5,740,128.81**

City of Beaver Falls Wastewater System

Cost Approach

Pumping Station

NARUC Account	Description	Year	Quantity	Unit	Unit Price	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
353.3	**Land & ROW**															
353.3	Land & ROW - Pumping Station		1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
354.3	**Structures & Imp. - Pumping Station**															
354.3	Trash Basket and Hoist Assembly	2006	1	LS	$ 6,468.00		$ 6,468.00	50	15	$ 1,940.40	$ 4,527.60	304	466.25	815.00	1.7	$ 7,914.20
354.3	12-inch Drain in front of PS	2006	1	LS	$ 6,125.00		$ 6,125.00	50	15	$ 1,837.50	$ 4,287.50	304	466.25	815.00	1.7	$ 7,494.50
354.3	Pump Station Pit Conversion	2006	1	LS	$ 4,500.00		$ 4,500.00	50	15	$ 1,350.00	$ 3,150.00	304	466.25	815.00	1.7	$ 5,506.17
354.3	Sandblasting/Painting of Pump Station Wet Well	2006	1	LS	$ 18,200.00		$ 18,200.00	50	15	$ 5,460.00	$ 12,740.00	304	466.25	815.00	1.7	$ 22,269.38
354.3	16" SDR 35 PVC	2006	10	LF	$ 300.00		$ 3,000.00	50	15	$ 900.00	$ 2,100.00	304	466.25	815.00	1.7	$ 3,670.78
354.3	16" SDR 35 PVC 45° elbow	2006	1	EA	$ 650.00		$ 650.00	50	15	$ 195.00	$ 455.00	304	466.25	815.00	1.7	$ 795.34
354.3	1" Copper Tube	2006	100	LF	$ 17.00		$ 1,700.00	50	15	$ 510.00	$ 1,190.00	304	466.25	815.00	1.7	$ 2,080.11
354.3	Water Service Connection	2006	1	LS	$ 1,000.00		$ 1,000.00	50	15	$ 300.00	$ 700.00	304	466.25	815.00	1.7	$ 1,223.59
354.3	Yard Hydrants, Lockable	2006	1	EA	$ 375.00		$ 375.00	50	15	$ 112.50	$ 262.50	304	466.25	815.00	1.7	$ 458.85
354.3	Natural Gas Service	2006	1	LS	$ 1,000.00		$ 1,000.00	50	15	$ 300.00	$ 700.00	304	466.25	815.00	1.7	$ 1,223.59
354.3	1-1/2 " Gas Line	2006	100	LF	$ 25.00		$ 2,500.00	50	15	$ 750.00	$ 1,750.00	304	466.25	815.00	1.7	$ 3,058.98
354.3	Fencing	2006	150	LF	$ 75.00		$ 11,250.00	50	15	$ 3,375.00	$ 7,875.00	304	466.25	815.00	1.7	$ 13,765.42
354.3	Site Preparation	2006	1	LS	$ 5,000.00		$ 5,000.00	50	15	$ 1,500.00	$ 3,500.00	304	466.25	815.00	1.7	$ 6,117.96
354.3	Bituminous Pavement/Driveway Restoration	2006	60	LF	$ 55.00		$ 3,300.00	50	15	$ 990.00	$ 2,310.00	304	466.25	815.00	1.7	$ 4,037.86
354.3	Final Seeding, grading, mulching	2006	1	LS	$ 2,500.00		$ 2,500.00	50	15	$ 750.00	$ 1,750.00	304	466.25	815.00	1.7	$ 3,058.98
354.3	Portable Bypass Pump System	2006	1	LS	$ 42,000.00		$ 42,000.00	50	15	$ 12,600.00	$ 29,400.00	304	466.25	815.00	1.7	$ 51,390.88
354.3	Bypass pumping	2006	60	Days	$ 325.00		$ 19,500.00	50	15	$ 5,850.00	$ 13,650.00	304	466.25	815.00	1.7	$ 23,860.05
354.3	Erosion and Sedimentation Control	2006	1	LS	$ 4,100.00		$ 4,100.00	50	15	$ 1,230.00	$ 2,870.00	304	466.25	815.00	1.7	$ 5,016.73
	Subtotal						**$ 133,168.00**				**$ 93,217.60**					**$ 162,943.37**
355.3	**Power Gen. Equip. - Pumping Station**															
355.3	Kohler Generator 7KW with transfer switch	2020	1	EA		$ 5,200.00	$ 3,842.18	15	1	$ 256.15	$ 3,586.04	TG	548.25	742.00	1.4	$ 4,853.33
	Subtotal						**$ 3,842.18**				**$ 3,586.04**					**$ 4,853.33**
371.3	**Pumping Equip. - Pumping Station**															
371.3	Gorman Rupp Package Pump Unt consisting of 2-self priming pumps, model T6A3s-B/WWS, #1355279, 15 Hp, belt dirven, backup natural gas engine, 4 cylinder with cntrols, related piping and 1 control panel model D4-11174, JPP No. GR-8103-1, #06-990-AR4	2006	1	LS			$ 221,670.00	25	15	$ 133,002.00	$ 88,668.00	311	624.25	1465.00	2.3	$ 208,087.50
371.3	Electrical Service	2006	1	LS			$ 12,000.00	25	15	$ 7,200.00	$ 4,800.00	311	624.25	1465.00	2.3	$ 11,264.72
371.3	Hach Sigma 950 rain gauge/controller monitor with wiring	2006	1	LS		$ 2,600.00	$ 1,107.88	25	15	$ 664.73	$ 443.15	311	624.25	1465.00	2.3	$ 1,040.00
371.3	Mission RTU Unit	2006	1	EA		$ 2,000.00	$ 852.22	25	15	$ 511.33	$ 340.89	311	624.25	1465.00	2.3	$ 800.00
371.3	Stainless Steel Davit Crane	2006	1	EA		$ 500.00	$ 213.05	25	15	$ 127.83	$ 85.22	311	624.25	1465.00	2.3	$ 200.00
	Subtotal						**$ 235,843.16**				**$ 94,337.26**					**$ 221,392.21**
				TOTALS			**$372,854.34**				**$191,141.90**					**$389,189.91**

City of Beaver Falls Wastewater System
Cost Approach
Collection Force - Sewers

NARUC Account	Description	Year	Quantity	Unit	Unit Price	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
360.0	8" Ductile Iron Pipe	2006	600	LF	$ 44.00	$ 26,400.00	75	15	$ 5,280.00	$ 21,120.00	331.0	499.25	911.00	1.82	$ 38,538.45
360.0	8" DIP 90 Degree Long Radius Bends	2006	2	EA	$ 500.00	$ 1,000.00	75	15	$ 200.00	$ 800.00	331.0	499.25	911.00	1.82	$ 1,459.79
360.0	8" DIP 45 Degree Bends	2006	4	EA	$ 480.00	$ 1,920.00	75	15	$ 384.00	$ 1,536.00	331.0	499.25	911.00	1.82	$ 2,802.80
360.0	8" DIP 22.5 Degree Bends	2006	2	EA	$ 490.00	$ 980.00	75	15	$ 196.00	$ 784.00	331.0	499.25	911.00	1.82	$ 1,430.59
360.0	8" DIP 11.25 Degree Bends	2006	2	EA	$ 490.00	$ 980.00	75	15	$ 196.00	$ 784.00	331.0	499.25	911.00	1.82	$ 1,430.59
360.0	8" DI Pipe (with mc-urethane primer)	2006	800	LF	$ 130.00	$ 104,000.00	75	15	$ 20,800.00	$ 83,200.00	331.0	499.25	911.00	1.82	$ 151,818.13
360.0	8"x 6" DIP Tee (with mc-urethane primer)	2006	1	EA	$ 1,500.00	$ 1,500.00	75	15	$ 300.00	$ 1,200.00	331.0	499.25	911.00	1.82	$ 2,189.68
360.0	8"x 8" Cross Fittings (with mc-urethane primer)	2006	2	EA	$ 1,750.00	$ 3,500.00	75	15	$ 700.00	$ 2,800.00	331.0	499.25	911.00	1.82	$ 5,109.26
360.0	Concrete Pedestals	2006	2	EA	$ 2,800.00	$ 5,600.00	75	15	$ 1,120.00	$ 4,480.00	331.0	499.25	911.00	1.82	$ 8,174.82
360.0	Manhole Connection	2006	1	EA	$ 1,000.00	$ 1,000.00	75	15	$ 200.00	$ 800.00	331.0	499.25	911.00	1.82	$ 1,459.79
360.0	Expansion Joints	2006	2	EA	$ 3,500.00	$ 7,000.00	75	15	$ 1,400.00	$ 5,600.00	331.0	499.25	911.00	1.82	$ 10,218.53
360.0	Pipe Guide Hangers	2006	150	EA	$ 175.00	$ 26,250.00	75	15	$ 5,250.00	$ 21,000.00	331.0	499.25	911.00	1.82	$ 38,319.48
360.0	Pipe Insulation Assembly	2006	40	LF	$ 50.00	$ 2,000.00	75	15	$ 400.00	$ 1,600.00	331.0	499.25	911.00	1.82	$ 2,919.58
360.0	Painting DIP	2006	1	LS	$ 37,000.00	$ 37,000.00	75	15	$ 7,400.00	$ 29,600.00	331.0	499.25	911.00	1.82	$ 54,012.22
360.0	Air/Vacuum Breaker Valves	2006	3	EA	$ 2,600.00	$ 7,800.00	75	15	$ 1,560.00	$ 6,240.00	331.0	499.25	911.00	1.82	$ 11,386.36
360.0	Additional Cost for Deep Bury for Force Main	2006	1	LS		$ 7,612.22	75	15	$ 1,522.44	$ 6,089.78	331.0	499.25	911.00	1.82	$ 11,112.24
					TOTAL	**$ 234,542.22**				**$ 187,633.78**					**$ 342,382.31**

City of Beaver Falls Wastewater System
Cost Approach
Collection Sewers - Gravity

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
353.2	Land & ROW: Parcel 10010100006	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 10010101000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 10020200000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 10030203000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 10030303000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20020102000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20020105000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20020713000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20020800000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030101000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030200000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030313000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030314000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030315000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030317000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030318000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030416000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030417000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030419000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20030431000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20050107000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060200000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060300000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060301000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060302000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060303000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060305000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060600000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060700000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060702000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060902000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 20060923000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 40020600000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 40030104000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 40030109000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 40040103000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 50010100001	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 05001010000E	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 50040200000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 50040308000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 50040400000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 50040604000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 50050100002	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 50050200000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 50050314000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00

City of Beaver Falls Wastewater System
Cost Approach
Collection Sewers - Gravity

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
353.2	Land & ROW: Parcel 05006010000E	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 60020301000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 60030702000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 60050100000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 06005040000E	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 60060901000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 60061402000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 60061901000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 60070601000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 60070602000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70010202000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70010300000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70021510001	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70021510002	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70021600000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70021610000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70022000000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70022002000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70022100001	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70022101000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70022102000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70022102001	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70022102002	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70022102003	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 07002220000E	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030101000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030101001	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030103000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030105000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030108000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030112000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030115000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030123000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030124000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030125000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030126000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030137000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030138000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030250000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030251000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030252000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030253000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030254000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030255000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030256000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00

City of Beaver Falls Wastewater System
Cost Approach
Collection Sewers - Gravity

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
353.2	Land & ROW: Parcel 70030257000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030258000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030259000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030260000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030261000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70030262000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70041400000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70041900000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70042000000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70042009000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 07004230000E	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70050200000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70050201000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70050203000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70050208000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70050209001	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70050209002	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70050209003	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
353.2	Land & ROW: Parcel 70050500000	1936-38	1	EA	$ 1.00		$ 1.00	NA	NA	$ -	$ 1.00	NA	NA	NA	NA	$ 1.00
	Subtotal						**$ 109.00**				**$ 109.00**					**$ 109.00**
361	8-inch VCP Sewer	1937	145,990	LF	$ 165.00	$ 24,088,350.00	$ 555,274.81	75	84	$ 555,274.81	$ -	331.00	21.00	911.00	43.38	$ -
361	8-inch PVC Sewer	1990	1,800	LF	$ 165.00	$ 297,000.00	$ 132,611.76	75	31	$ 54,812.86	$ 77,798.90	331.00	210.75	472.00	2.24	$ 174,240.00
361	8-inch PVC Sewer	1993	370	LF	$ 165.00	$ 61,050.00	$ 24,963.24	75	28	$ 9,319.61	$ 15,643.63	331.00	193.00	472.00	2.45	$ 38,258.00
361	8-inch PVC Sewer	1998	815	LF	$ 165.00	$ 134,475.00	$ 61,396.95	75	23	$ 18,828.40	$ 42,568.56	331.00	215.50	472.00	2.19	$ 93,236.00
361	8-inch CIP Sewer	1998	2,700	LF	$ 165.00	$ 445,500.00	$ 165,979.53	75	23	$ 50,900.39	$ 115,079.14	331.00	364.00	977.00	2.68	$ 308,880.00
361	8-inch CIP Sewer	2008	2,100	LF	$ 165.00	$ 346,500.00	$ 207,385.75	75	13	$ 35,946.86	$ 171,438.88	331.00	584.75	977.00	1.67	$ 286,440.00
361	8-inch CIP Sewer	2011	300	LF	$ 165.00	$ 49,500.00	$ 33,629.09	75	10	$ 4,483.88	$ 29,145.21	331.00	663.75	977.00	1.47	$ 42,900.00
361	10-inch VCP Sewer	1937	4,000	LF	$ 180.00	$ 720,000.00	$ 16,597.15	75	84	$ 16,597.15	$ -	331.00	21.00	911.00	43.38	$ -
361	12-inch VCP Sewer	1937	1,400	LF	$ 195.00	$ 273,000.00	$ 6,293.08	75	84	$ 6,293.08	$ -	331.00	21.00	911.00	43.38	$ -
361	12-inch PVC Sewer	1991	4,800	LF	$ 195.00	$ 936,000.00	$ 395,618.64	75	30	$ 158,247.46	$ 237,371.19	331.00	199.50	472.00	2.37	$ 561,600.00
361	12-inch PVC Sewer	1993	960	LF	$ 195.00	$ 187,200.00	$ 76,545.76	75	28	$ 28,577.08	$ 47,968.68	331.00	193.00	472.00	2.45	$ 117,312.00
361	15-inch VCP Sewer	1937	4,200	LF	$ 225.00	$ 945,000.00	$ 21,783.75	75	84	$ 21,783.75	$ -	331.00	21.00	911.00	43.38	$ -
361	15-inch PVC Sewer	1990	1,700	LF	$ 225.00	$ 382,500.00	$ 170,787.87	75	31	$ 70,592.32	$ 100,195.55	331.00	210.75	472.00	2.24	$ 224,400.00
361	18-inch SDR 35 PVC Sewer	1996	7,700	LF			$ 638,937.00	75	25	$ 212,979.00	$ 425,958.00	331.00	211.25	472.00	2.23	$ 951,726.28
361	24-inch SDR 35 PVC Sewer	1996	11,607	LF			$ 1,036,038.00	75	25	$ 345,346.00	$ 690,692.00	331.00	211.25	472.00	2.23	$ 1,543,226.62
361	Brick Manholes	1937	536	EA	$ 5,100.00	$ 2,733,600.00	$ 63,013.83	75	84	$ 63,013.83	$ -	331.00	21.00	911.00	43.38	$ -
361	Concrete Manholes	1937	138	EA	$ 5,100.00	$ 703,800.00	$ 16,223.71	75	84	$ 16,223.71	$ -	331.00	21.00	911.00	43.38	$ -
361	Project Development	1996	1	LS			$ 257,761.25	75	25	$ 85,920.42	$ 171,840.83	331.00	338.75	911.00	2.69	$ 462,131.36
	Subtotal						**$ 3,880,841.19**				**$ 2,125,700.57**					**$ 4,804,350.26**
					TOTALS		**$ 3,880,950.19**				**$ 2,125,809.57**					**$ 4,804,459.26**

City of Beaver Falls Wastewater System
Cost Approach
Services to Customers

NARUC Account	Description	Year	Quantity	Unit	Replacement Cos Per Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
363	6-inch Sanitary Service Laterals	1937	60,318	LF	$ 150.00	$9,047,700.00	$ 171,404.33	20	84	$ 171,404.33	$ -	333.00	14.00	739.00	52.79	$ -
	TOTAL						**$ 171,404.33**				**$ -**					**$ -**

City of Beaver Falls Wastewater System
Cost Approach
Flow Measuring Device

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	Handy Whitman Code	Handy Whitman In-Service	Handy Whitman Current	Handy Whitman Ratio	Replacement Cost New Less Depreciation
364.3	Chart Recorder for Flow Meters (Secondary PS)	2012	1	EA		$ 2,738.00	10	9	$ 2,464.20	$ 273.80	334.00	379.25	485.00	1.28	$ 350.15
364.3	Healy-Ruff Co. Depthin feet indicator, #45279-1 with steel tape unit	2020	1	EA	$ 100.00	$ 95.98	10	1	$ 9.60	$ 86.38	334.00	465.50	485.00	1.04	$ 90.00
364.3	Endress+Hauser Flow Rate Meter	2020	1	EA	$ 3,000.00	$ 2,879.38	10	1	$ 287.94	$ 2,591.44	334.00	465.50	485.00	1.04	$ 2,700.00
364.3	Analog Level Meter with Tape	2020	1	EA	$ 100.00	$ 95.98	10	1	$ 9.60	$ 86.38	334.00	465.50	485.00	1.04	$ 90.00
364.3	Seimens Sitrans LUT400 Flow Meter Digital Readout	2020	1	EA	$ 4,700.00	$ 4,511.03	10	1	$ 451.10	$ 4,059.93	334.00	465.50	485.00	1.04	$ 4,230.00
364.3	Echo Flow Hunter II flow and level indicator with Transducer and Wiring	2020	1	EA	$ 2,600.00	$ 2,495.46	10	1	$ 249.55	$ 2,245.92	334.00	465.50	485.00	1.04	$ 2,340.00
364.4	Electrical Flow Meter	1996	1	LS		$ 1,555.00	10	25	$ 1,555.00	$ -	334.00	206.75	485.00	2.35	$ -
364.4	Electrical Flow Meters - 2	1996	1	LS		$ 10,070.00	10	25	$ 10,070.00	$ -	334.00	206.75	485.00	2.35	$ -
364.4	Electrical Level Transmitter	1996	1	LS		$ 4,315.00	10	25	$ 4,315.00	$ -	334.00	206.75	485.00	2.35	$ -
364.4	Electrical Flow Meters - 2	1996	1	LS		$ 10,070.00	10	25	$ 10,070.00	$ -	334.00	206.75	485.00	2.35	$ -
364.4	Electrical Level Transmitter	1998	1	LS		$ 4,315.00	10	23	$ 4,315.00	$ -	334.00	197.00	485.00	2.46	$ -
364.4	Eastvale PS Flow Meters and Chart Recorder	2006	1	LS		$ 14,000.00	10	15	$ 14,000.00	$ -	334.00	247.75	485.00	1.96	$ -
				TOTAL		**$ 57,140.84**				**$ 9,343.85**					**$ 9,800.15**

City of Beaver Falls Wastewater System
Cost Approach
Office Equipment

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	PPI In-Service	PPI Current	PPI Ratio	Replacement Cost New Less Depreciation
390.7	Office Furniture and fixtures - workstations	2020	1	LS	$ 2,500.00	$ 2,478.84	10	1	$ 247.88	$ 2,230.95	264.64	266.90	1.01	$ 2,250.00
390.7	Computers, laptops, printers, etc.	2020	1	LS	$ 5,000.00	$ 4,998.16	5	1	$ 999.63	$ 3,998.52	62.08	62.11	1.00	$ 4,000.00
390.7	Miscellaneous EDP Equipment, computers, printers	2020	1	LS	$ 1,500.00	$ 1,499.45	5	1	$ 299.89	$ 1,199.56	62.08	62.11	1.00	$ 1,200.00
	TOTAL					**$ 8,976.44**				**$ 7,429.03**				**$ 7,450.00**

City of Beaver Falls Wastewater System
Cost Approach
Transportation Equipment

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	PPI In-Service	PPI Current	PPI Ratio	Replacement Cost New Less Depreciation
391.7	Ford F250 4x4 Truck, 1,466 miles.	2020	EA	1		$ 42,707.00	10	1	$ 4,270.70	$ 38,436.30	111.24	114.46	1.03	$ 39,549.45
391.7	Ford F150 4x4 Truck, VIN NO. 1FTMF1EM4EKG07810, 36,779 Miles	2014	EA	1		$ 25,656.00	10	7	$ 17,959.20	$ 7,696.80	105.61	114.46	1.08	$ 8,342.16
391.7	Ford F350 1-ton Dump Truck YEAR 1992, VIN No. 1FDKF37GXNNA08298, 90,687Miles, Manual Transmission	1992	EA	1	$ 70,000.00	$ 34,593.69	15	29	$ 34,593.69	$ -	316.29	640.00	2.02	$ -
391.7	Case Backhoe/Loader Model 580 SUPER L EXTEND-A-HOE, #JJG0195825, 5,828 Hrs, 4 X 4	1998	EA	1	$ 100,000.00	$ 59,375.00	15	23	$ 59,375.00	$ -	380.00	640.00	1.68	$ -
391.7	Bobcat Skid Steer Loader, Model 553 C Series, #513012370, 864 Hrs.	1999	EA	1	$ 40,000.00	$ 23,812.50	15	22	$ 23,812.50	$ -	381.00	640.00	1.68	$ -
391.7	Car Mate Trailer VIN NO. 5A3Y510S12L003959, 5 X 10, 13" Sidewalls	2002	EA	1	$ 5,900.00	$ 3,249.78	15	19	$ 3,249.78	$ -	155.56	282.42	1.82	$ -
391.7	Mansfield Flatbed Trailer, VIN NO. 1M9BU142X6M620139, 6 X 10 Diamond Plate Deck, Tandem Axle	2006	EA	1	$ 7,500.00	$ 4,900.55	15	15	$ 4,900.55	$ -	184.53	282.42	1.53	$ -
				TOTAL		**$ 194,294.52**				**$ 46,133.10**				**$ 47,891.61**

City of Beaver Falls Wastewater System
Cost Approach
Stores Equipment

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	PPI In-Service	PPI Current	PPI Ratio	Replacement Cost New Less Depreciation
392.7	Misc	1996	1	LS	$ 5,000.00	$ 2,797.24	15	25	$ 2,797.24	$ -	102.56	183.32	1.79	$ -
392.7	Chlorine Scales	1996	2	LS	$ 15,000.00	$ 8,391.72	15	25	$ 8,391.72	$ -	102.56	183.32	1.79	$ -
392.6	Lockers	1996	3	LS	$ 2,000.00	$ 1,118.90	15	25	$ 1,118.90	$ -	102.56	183.32	1.79	$ -
392.8	Shelving	1996	4	LS	$ 5,000.00	$ 2,797.24	15	25	$ 2,797.24	$ -	102.56	183.32	1.79	$ -
392.9	Storage bins	1996	5	LS	$ 5,000.00	$ 2,797.24	15	25	$ 2,797.24	$ -	102.56	183.32	1.79	$ -
				TOTAL		**$ 17,902.33**				**$ -**				**$ -**

City of Beaver Falls Wastewater System
Cost Approach
Tools, Shop, and Garage Equipment

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	CPI In-Service	CPI Current	CPI Ratio	Replacement Cost New Less Depreciation
393.7	Gorman-Rupp Trailer Mounted Pump	2020	1	EA	$ 18,000.00	$ 17,396.24	5	1	$ 3,479.25	$ 13,916.99	92.57	95.78	1.03	$ 14,400.00
393.7	Cub Cadet Zero Turn Mower	2020	1	EA	$ 5,000.00	$ 4,832.29	5	1	$ 966.46	$ 3,865.83	92.57	95.78	1.03	$ 4,000.00
393.7	Lawn Tractor, Toro Wheel Horse Model 73542, #000000111, Hydrostatic, 1071 HRS	2020	1	EA	$ 10,600.00	$ 10,244.45	5	1	$ 2,048.89	$ 8,195.56	92.57	95.78	1.03	$ 8,480.00
393.7	Capital Equipment TP300 Industrial Trash Pump, 3", Gas 208 CC Engine	2020	1	EA	$ 2,000.00	$ 1,932.92	5	1	$ 386.58	$ 1,546.33	92.57	95.78	1.03	$ 1,600.00
	Industrial Plus Industrial Trash Pump, 3", 8HP, Gas Fired	2020	1	EA	$ 2,000.00	$ 1,932.92	5	1	$ 386.58	$ 1,546.33	92.57	95.78	1.03	$ 1,600.00
393.7	Drill Press DELTA ModelL 17-900, #8810	2020	1	EA	$ 1,500.00	$ 1,449.69	5	1	$ 289.94	$ 1,159.75	92.57	95.78	1.03	$ 1,200.00
393.7	Miller MIG Welder, Multimatic 220	2020	1	EA	$ 3,000.00	$ 2,899.37	5	1	$ 579.87	$ 2,319.50	92.57	95.78	1.03	$ 2,400.00
393.7	Lincoln Welder, Gas Fired	2020	1	EA	$ 1,200.00	$ 1,159.75	5	1	$ 231.95	$ 927.80	92.57	95.78	1.03	$ 960.00
393.7	Capital Equipment PW3000 Industrial Pressure Washer	2020	1	EA	$ 1,000.00	$ 966.46	5	1	$ 193.29	$ 773.17	92.57	95.78	1.03	$ 800.00
393.7	Stihl TS800 Cutoff Saw with 16-inch wheel	2020	1	EA	$ 1,700.00	$ 1,642.98	5	1	$ 328.60	$ 1,314.38	92.57	95.78	1.03	$ 1,360.00
393.7	Toro CCR3650 Snow blower 6Hp	2020	1	EA	$ 1,700.00	$ 1,642.98	5	1	$ 328.60	$ 1,314.38	92.57	95.78	1.03	$ 1,360.00
393.7	I-R Air Compressor, Gas Fired T10 Series	2020	1	EA	$ 700.00	$ 676.52	5	1	$ 135.30	$ 541.22	92.57	95.78	1.03	$ 560.00
393.7	Capital Equipment 7500D Portable Generator, Diesel Fired, 10 Hrs	2020	1	EA	$ 2,200.00	$ 2,126.21	5	1	$ 425.24	$ 1,700.97	92.57	95.78	1.03	$ 1,760.00
393.7	I-R Portable Air Compressor, Gas Fired, T10 SERIES	2020	1	EA	$ 300.00	$ 289.94	5	1	$ 57.99	$ 231.95	92.57	95.78	1.03	$ 240.00
393.7	Porter Cable Portable Air Compressor, Jet Stream Series, Model CPL55GH810, 55HP Gas Engine, 8 Gallon Tank	2020	1	EA	$ 850.00	$ 821.49	5	1	$ 164.30	$ 657.19	92.57	95.78	1.03	$ 680.00
393.7	BOSCH Brute Electric Demolition Jackhammer with hand truck and tooling	2020	1	EA	$ 950.00	$ 918.13	5	1	$ 183.63	$ 734.51	92.57	95.78	1.03	$ 760.00
393.7	HONDA Portable Generator, 8HP, 4000 Watt	2020	1	EA	$ 1,700.00	$ 1,642.98	5	1	$ 328.60	$ 1,314.38	92.57	95.78	1.03	$ 1,360.00
393.7	Ridgid KOLLMANN K1500 Sectional Sewer Cleaning Machine	2020	1	EA	$ 2,600.00	$ 2,512.79	5	1	$ 502.56	$ 2,010.23	92.57	95.78	1.03	$ 2,080.00
393.7	WEN Construction Zone Series Plate Compactor, 212 CC Gas Engine	2020	1	EA	$ 700.00	$ 676.52	5	1	$ 135.30	$ 541.22	92.57	95.78	1.03	$ 560.00
393.7	I-R Air Compressor, Model TS5, #NAR10524662, 5HP, Vertical Tank With Wiring, Control and Hose Reel	2020	1	EA	$ 2,000.00	$ 1,932.92	5	1	$ 386.58	$ 1,546.33	92.57	95.78	1.03	$ 1,600.00
393.7	Shop Crane	2020	1	EA	$ 250.00	$ 241.61	5	1	$ 48.32	$ 193.29	92.57	95.78	1.03	$ 200.00
393.7	VENTUR Electric Truck Bed	2020	1	EA	$ 300.00	$ 289.94	5	1	$ 57.99	$ 231.95	92.57	95.78	1.03	$ 240.00
393.7	Rotary Automotive Lift, Model DP10AN100BBL, #NEP11E0057, 10,000# Capacity with Wiring and Controls	2020	1	EA	$ 3,700.00	$ 3,575.89	5	1	$ 715.18	$ 2,860.71	92.57	95.78	1.03	$ 2,960.00
393.7	Western Snowplow Model ProPlow$60390, 8' with mount	2020	1	EA	$ 3,600.00	$ 3,479.25	5	1	$ 695.85	$ 2,783.40	92.57	95.78	1.03	$ 2,880.00
393.7	Minor Equipment - shelves, fire ext., time clock, vacuum, floor machine, valet, spare motors, lockers, fans, etc.	2020	1	LS	$ 5,000.00	$ 4,832.29	5	1	$ 966.46	$ 3,865.83	92.57	95.78	1.03	$ 4,000.00
393.7	Minor Equipment	2020	1	LS	$ 120.00	$ 115.97	5	1	$ 23.19	$ 92.78	92.57	95.78	1.03	$ 96.00
393.7	Fairbanks Morse, No. 27 Platform Scale, Twin Beams, 4 x 5 Platform with Mettler Toledo Digital Readout	2020	1	LS	$ 1,200.00	$ 1,159.75	5	1	$ 231.95	$ 927.80	92.57	95.78	1.03	$ 960.00
393.7	Minor Equipment consisting of fire extinguisher and shelving	2020	1	LS	$ 400.00	$ 386.58	5	1	$ 77.32	$ 309.27	92.57	95.78	1.03	$ 320.00
393.7	Minor Equipment - Fire extinguisher , ladder, etc.	2020	1	LS	$ 150.00	$ 144.97	5	1	$ 28.99	$ 115.97	92.57	95.78	1.03	$ 120.00
393.7	Minor Equipment - Trucks, chairs, Fire extinguisher , etc.	2020	1	LS	$ 260.00	$ 251.28	5	1	$ 50.26	$ 201.02	92.57	95.78	1.03	$ 208.00
393.7	Minor Equipment	2020	1	LS	$ 120.00	$ 115.97	5	1	$ 23.19	$ 92.78	92.57	95.78	1.03	$ 96.00
393.7	Minor Equipment yard tools, cabinets, vacuum, shelf/Cabinet, respirators	2020	1	LS	$ 1,600.00	$ 1,546.33	5	1	$ 309.27	$ 1,237.07	92.57	95.78	1.03	$ 1,280.00
393.7	Confined Space Set complete with tripod and lift	2020	1	LS	$ 2,000.00	$ 1,932.92	5	1	$ 386.58	$ 1,546.33	92.57	95.78	1.03	$ 1,600.00
393.7	Kellogg-America Air Compressor, single stage, 5HP with vertical 60 gallong capacity Tank, complete with piping, connectins, wiring and controls	2020	1	LS	$ 800.00	$ 773.17	5	1	$ 154.63	$ 618.53	92.57	95.78	1.03	$ 640.00
393.7	Continental Shop Press Model HV100, #10776, 30 ton capacity, hydraulic	2020	1	LS	$ 500.00	$ 483.23	5	1	$ 96.65	$ 386.58	92.57	95.78	1.03	$ 400.00
393.7	Minor equipment consisting of hand tools, power tools, jack, racks, fire extinguisher, etc.	2020	1	LS	$ 2,900.00	$ 2,802.73	5	1	$ 560.55	$ 2,242.18	92.57	95.78	1.03	$ 2,320.00
393.7	Rigid 535 Pipe Threader with tooling	2020	1	LS	$ 2,400.00	$ 2,319.50	5	1	$ 463.90	$ 1,855.60	92.57	95.78	1.03	$ 1,920.00
393.7	Steel shop table, 8 x 5 with Jib Crane, Vise and Pipe Vise	2020	1	LS	$ 800.00	$ 773.17	5	1	$ 154.63	$ 618.53	92.57	95.78	1.03	$ 640.00
393.7	Proto tool chest, 4x2x5 1/2 with hand tools	2020	1	LS	$ 7,000.00	$ 6,765.20	5	1	$ 1,353.04	$ 5,412.16	92.57	95.78	1.03	$ 5,600.00
393.7	Lincoln Idealarc 250 Welder	2020	1	LS	$ 800.00	$ 773.17	5	1	$ 154.63	$ 618.53	92.57	95.78	1.03	$ 640.00

City of Beaver Falls Wastewater System
Cost Approach
Tools, Shop, and Garage Equipment

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	CPI In-Service	CPI Current	CPI Ratio	Replacement Cost New Less Depreciation
393.7	Jet Drill Press Model JDP-20MF, #14046692	2020	1	LS	$ 850.00	$ 821.49	5	1	$ 164.30	$ 657.19	92.57	95.78	1.03	$ 680.00
393.7	Jet Horizontal Band Saw, Model HBS-916W, #414468	2020	1	LS	$ 2,900.00	$ 2,802.73	5	1	$ 560.55	$ 2,242.18	92.57	95.78	1.03	$ 2,320.00
393.7	Minor Equipment - Fire extinguisher , fan, pump, etc.	2020	1	LS	$ 300.00	$ 289.94	5	1	$ 57.99	$ 231.95	92.57	95.78	1.03	$ 240.00
393.7	Minor Equipment - Desk, Chair, File, Bookcase, Vaccum, Fire extinguisher , air conditioner, etc.	2020	1	LS	$ 1,800.00	$ 1,739.62	5	1	$ 347.92	$ 1,391.70	92.57	95.78	1.03	$ 1,440.00
393.7	Minor equipment consisting of ladder, yard tools and fire extinguisher, etc.	2020	1	LS	$ 180.00	$ 173.96	5	1	$ 34.79	$ 139.17	92.57	95.78	1.03	$ 144.00
393.7	Minor equipment consisting of life ring, floatation Devicefor Primary Settling Tanks	2020	1	LS	$ 600.00	$ 579.87	5	1	$ 115.97	$ 463.90	92.57	95.78	1.03	$ 480.00
393.7	Minor equipment consisting of life ring, floatation Device ffor Final Settling Tanks 1 & 2	2020	1	LS	$ 400.00	$ 386.58	5	1	$ 77.32	$ 309.27	92.57	95.78	1.03	$ 320.00
393.7	Minor equipment consisting of life ring, floatation Device for Final Settling Tanks 3, 4 and 5	2020	1	LS	$ 600.00	$ 579.87	5	1	$ 115.97	$ 463.90	92.57	95.78	1.03	$ 480.00
393.7	Minor equipment consisting of life ring, floatation Device for chlorine tanks	2020	1	LS	$ 400.00	$ 386.58	5	1	$ 77.32	$ 309.27	92.57	95.78	1.03	$ 320.00
393.7	Minor equipment consisting of battery chargers. Drum pumps, airless painter, counters, sprayers, ladders, pressure washer, space heaters, air compressor, hand and power tools, hand trucks, fire extinguishers, shop lights, jacks, refrigerators, chain saw, leaf blowers, string trimmers, utility cart, sandblaster, yard tools, files credenza, chairs, vacuum, safety cabinets	2020	1	LS	$ 8,000.00	$ 7,731.66	5	1	$ 1,546.33	$ 6,185.33	92.57	95.78	1.03	$ 6,400.00
				TOTAL		**$ 105,952.76**				**$ 84,762.21**				**$ 87,704.00**

City of Beaver Falls Wastewater System
Cost Approach
Laboratory Equipment

NARUC Account	Description	Year	Quantity	Unit	Replacement Value Today	Original Cost	Useful Life	Age	Depreciation	Net Book Value	PPI In-Service	PPI Current	PPI Ratio	Replacement Cost New Less Depreciation
394	Orio Ph/ RDO/DO meter	1996	1	LS	$ 2,500.00	$ 1,824.04	10	25	$ 1,824.04	$ -	118.40	162.28	1.37	$ -
394	Glassware	1996	1	LS	$ 2,000.00	$ 1,459.23	10	25	$ 1,459.23	$ -	118.40	162.28	1.37	$ -
394	Refrigerator	1996	1	LS	$ 1,000.00	$ 729.61	10	25	$ 729.61	$ -	118.40	162.28	1.37	$ -
394	Manning effluent composite sampler	2021	1	LS	$ 6,581.00	$ 6,581.00	10	0	$ -	$ 6,581.00	162.28	162.28	1.00	$ 6,581.00
394	Process Control Equipment	1996	1	LS	$ 10,000.00	$ 7,296.14	10	25	$ 7,296.14	$ -	118.40	162.28	1.37	$ -
394	Lab Equip & Furniture	1996	1	LS	$ 85,000.00	$ 62,017.22	10	25	$ 62,017.22	$ -	118.40	162.28	1.37	$ -
				TOTAL		**$ 79,907.25**				**$ 6,581.00**				**$ 6,581.00**

City of Beaver Falls Wastewater System
Cost Approach
Communication Equipment

NARUC Account	Description	Year	Quantity	Unit	Unit Cost	Original Cost	Useful Life	Age	Depreciation	Net Book Value	PPI In-Service	PPI Current	PPI Ratio	Replacement Cost New Less Depreciation
396.7	iPhone XR's	2021	2	EA	$ 500.00	$ 1,000.00	5	0	$ -	$ 1,000.00	94.33	94.33	1.00	$ 1,000.00
396.7	iPads (4G)	2021	5	EA	$ 400.00	$ 2,000.00	5	0	$ -	$ 2,000.00	94.33	94.33	1.00	$ 2,000.00
396.7	NEC Master Telephone System With PA, Amplifier and phones	2020	1	LS	$ 8,600.00	$ 8,600.00	5	1	$ 1,720.00	$ 6,880.00	93.66	94.33	1.01	$ 6,929.58
	TOTAL					**$ 11,600.00**				**$ 9,880.00**				**$ 9,929.58**

City of Beaver Falls Wastewater System
Cost Approach
Miscellaneous Equipment

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Useful Life	Age	Depreciation	Net Book Value	PPI In-Service	PPI Current	PPI Ratio	Replacement Cost New Less Depreciation
397.9	Surveillance System - 4-cameras, 2-monitor, 1-controller	2020	1	LS	$ 1,400.00	5	1	$ 280.00	$ 1,120.00	123.82	127.92	1.03	$ 1,157.09
397.9	DVR Recorder	2018	2	LS	$ 600.00	5	3	$ 360.00	$ 240.00	120.83	127.92	1.06	$ 254.09
				TOTAL	**$ 2,000.00**				**$ 1,360.00**				**$ 1,411.18**

City of Beaver Falls Wastewater System
Conclusion of Value using the Market Approach

Application of Purchase Price to Customer Multiples to Customer

Average Multiple	PA Average Multiple
39,667,838.98	62,260,397.97

Recommended Value	
$	50,964,118

Recommended Weight
90%

Application of Market Value of Invested Capital to Net Plant

Recommended Value	
$	9,496,121

Recommended Weight
10%

Conclusion of Value using the Market Approach and

$	**46,817,319**

City of Beaver Falls Wastewater System
Market Value of Invested Capital to Net Plant of Publicly-Traded Water Utilities
as of December 31, 2020

Company Name	Market Value of Invested Capital to Net PP&E at December 31, 2020
American States Water Company	2.4940
American Water Works Company, Inc.	2.0108
California Water Service Group	1.3723
Essential Utilities Inc.	1.8853
Middlesex Water Company	1.7917
SJW Group	1.5210
The York Water Company	2.2092
Average	1.8978
Median	1.8853
Low	1.3723
High	2.4940

Source: Bloomberg Professional Services, Company Annual Reports

City of Beaver Falls Wastewater System
Application of Market Value of Invested Captial to
the Net Sewer Plant of the Beaver Falls Municipal Sewer System

		Net Plant
Net Position	$	5,003,844
Average Market Value Invested Captial to Net Plant of Publicly-Traded Water Utilities		1.898
High Market Value Invested Captial to Net Plant of Publicly-Traded Water Utilities		2.494
Low Market Value Invested Captial to Net Plant of Publicly-Traded Water Utilities		1.372
Indicated Market Value of Net Plant Based on Average Market Value Invested Capital to Net Plant Ratio:	$	9,496,121
Indicated Market Value of Net Plant Based on High Market Value Invested Capital to Net Plant Ratio:	$	12,479,523
Indicated Market Value of Net Plant Based on Low Market Value Invested Capital to Net Plant Ratio:	$	6,866,665

City of Beaver Falls Wastewater System
Market Approach - Comparable Water and Sewer Transactions
2016 to Present

Target State	Target	Buyer	Water Connections	Wastewater Connections	Implied Enterprise Value ($000)	Implied Enterprise Value ($000)/Customer	Date
PA	Superior Water Company, Inc.	Aqua America, Inc.	3,868		16,800	4.34	1/4/2016
IL	Dana/Long Point/Reading/Ancona Public Water District System	Illinois American	150		1,075	7.17	1/26/2016
TX	Latigo Ranch	Bandera East Utility, LP	20		80	4.00	4/11/2016
IL	Village of Ransom	Illinois American	170		175	1.03	4/26/2016
PA	Tobyhanna Township	Aqua Pennsylvania		800	5,500	6.88	4/30/2016
PA	Borough of New Cumberland Wastewater Assets	Pennsylvania-American Water Company, Inc.		3,100	23,000	7.42	5/5/2016
AZ	Willow Valley Water Company	EPCOR Water Arizona Inc.	1,600		2,270	1.42	5/9/2016
TX	Brushy Creek Municipal Utility District	Aqua Texas, Inc.	207		50	0.24	6/17/2016
IN	White Oak Sewage Treatment, LLC	Aqua Indiana, Inc.	52		10	0.19	7/1/2016
TX	Westwood Utility Corporation	City of Fairfield	420		3,000	7.14	7/5/2016
IN	Wedgewood Park Water Company, Inc.	Aqua Indiana, Inc.	216		210	0.97	7/11/2016
PA	McKeesport Wastewater System	Pennsylvania-American Water Company, Inc.		22,000	159,000	7.23	9/9/2016
PA	Scranton Sewer Authority	Pennsylvania-American Water Company, Inc.		31,000	195,000	6.29	12/29/2016
CT	The Heritage Village Water Company	Connecticut Water Service Inc.	4,700	3,000	20,700	2.69	2/27/2017
NJ	Shorelands Water Company	New Jersey-American Water Company, Inc.	11,000		33,000	3.00	4/3/2017
TX	Oak Hollow Utility Company, Inc.	Utilities Investment Company, Inc.	690		897	1.30	4/20/2017
MO	Village of Wardsville	Missouri-American Water Company, Inc.	475	406	2,750	3.12	5/23/2017
PA	New Garden Township	Aqua Pennsylvania		2,100	29,500	14.05	6/14/2017
CT	The Avon Water Company	Connecticut Water Service Inc.	4,800		40,100	8.35	7/7/2017
IL	Piasa Township Sanitary District	Illinois American		120	60	0.50	8/25/2017
IN	Georgetown Water	Indiana American	1,300		6,400	4.92	11/15/2017
CT	Aquarion Water Company	Eversource Energy	226,000		1,675,000	7.41	12/4/2017
TX	Deer Creek Ranch Water Co., LLC	SJWTX, Inc.	756		2,700	3.57	12/20/2017
TX	Dal-High Water LLC	Monarch Utilities I, L.P.	46		55	1.20	1/3/2018
KY	Eastern Rockcastle Water Association	Kentucky American Water Co.	610		770	1.26	1/19/2018
IN	Town of Sheridan	Indiana American	1,261	1,233	10,750	4.31	2/16/2018
IN	Charlestown Water System	Indiana American	2,900		13,404	4.62	3/14/2018
IL	City of Farmington	Illinois American	1,125		3,750	3.33	3/21/2018
IL	Village of Fisher	Illinois American	850		6,800	8.00	3/28/2018
IL	Alton Regional Wastewater System	Illinois American		23,000	53,800	2.34	4/13/2018
IL	Sundale Utilities	Illinois American	475	1,415	2,000	1.06	5/2/2018
TX	Patton Village Water Company, Inc.	City of Patton Village	550		900	1.64	6/8/2018
TX	Mustang Creek Estates PWS	Crest Water Company/Shelcon Services	79		50	0.63	7/2/2018
PA	Cheltenham Township	Aqua Pennsylvania		10,500	50,250	4.79	7/4/2018
IL	Village of Manteno	Aqua Illinois, Inc.		3,800	25,000	6.58	7/5/2018
TX	J&S Water Company, LLC	Nerro Supply, LLC	533	333	1,485	1.71	7/18/2018
TX	Summit Ridge, LLC	Bandera East Utility, LP	17		100	5.88	7/24/2018
TX	Chambers Meadow Estate Water Company	HILCO United Services, Inc.	57		45	0.79	7/25/2018
TX	Aqua Texas, Inc.	Town of Buffalo Gap, Texas	269		397.5	1.48	8/2/2018
CT	Connecticut Water Service, Inc.	SJW Group	139,574	3,000	1,100,000	7.72	8/5/2018
PA	Limerick Township	Aqua Pennsylvania		5,400	75,100	13.91	8/8/2018
MO	Lawson Water and Wastewater Systems	Missouri-American Water Company, Inc.	968	913	4,000	2.13	8/27/2018
PA	Delaware Sewer Company	Pennsylvania-American Water Company, Inc.		40	62	1.54	9/19/2018
TX	Kamira Water System	Arimak Water Supply Corporation	34		12	0.35	9/19/2018
IL	Peotone Village	Aqua Illinois, Inc.	3,000		12,300	4.10	10/2/2018
TX	Brookshires Camp Joy	TWS Holdings	119		90	0.76	11/9/2018
PA	East Norriton Township	Aqua Pennsylvania		4,950	21,000	4.24	11/13/2018
ID	Eagle Water Company	Suez Water Idaho	4,200		10,000	2.38	12/10/2018
PA	East Bradford Township	Aqua Pennsylvania		1,250	5,000	4.00	12/13/2018
TX	Ponder Enterprises, Inc.	Lone Star Water Company	332		1,345.0	4.05	2/15/2019
TX	Beverly Lee Minaldi	Simply Aquatics Inc	47		35.0	0.74	2/15/2019
PA	Sadsbury Township	Pennsylvania-American Water Company, Inc.		1,000	8,600	8.60	3/7/2019
PA	Mahoning Township	SUEZ	1,200		9,500	7.92	4/3/2019
TX	San Antonio Water System	Yancey Water Supply Corporation	269		750	2.79	4/8/2019
NJ	Borough of Mount Ephraim	New Jersey-American Water Company, Inc.		1,800	1,400	0.78	7/3/2019
TX	Paul B Hill	Megan Estes	50		112.5	2.25	7/9/2019
TX	Stephenville MHP, Ltd.	HB Shady Oaks TX, LP	200	200	2,000	5.00	7/24/2019
PA	Turbotville Borough	Pennsylvania-American Water Company, Inc.	320	290	1,000	1.64	7/25/2019
OH	City of Campbell, Mahoning County	Aqua Ohio, Inc.	3,200		7,500	2.34	8/5/2019
WV	Boone-Raleigh Public Service District	West Virginia-American Water Company	470		115	0.24	8/8/2019
WV	Town of Glasgow	West Virginia-American Water Company	300		200	0.67	9/6/2019
PA	Delaware County Regional Water Quality Control Authority	Aqua Pennsylvania		165,000	276,500	1.68	9/17/2019
IL	Village of Glasford	Illinois American	492	482	1,900	1.95	9/19/2019
IL	Village of Godfrey	Illinois American		6,200	13,550	2.19	10/2/2019
PA	Steelton Borough Authority	Pennsylvania-American Water Company, Inc.	2,400		21,750	9.06	10/9/2019
TX	Castle Water	Horseshoe Bend Water Company	507		500.0	0.99	10/10/2019
IN	Lake Station Water System	Indiana American	3,270		20,680	6.32	10/22/2019
TX	Madera Valley WSC	Town of Pecos City	66		968.3	14.67	10/23/2019

City of Beaver Falls Wastewater System
Market Approach - Comparable Water and Sewer Transactions
2016 to Present

Target State	Target	Buyer	Water Connections	Wastewater Connections	Implied Enterprise Value ($000)	Implied Enterprise Value ($000)/Customer	Date
PA	Exeter Township Wastewater	Pennsylvania-American Water Company, Inc.		9,000	93,500	10.39	10/24/2019
IL	Fox River Waer Reclamation District (Skyline)	Aqua Illinois, Inc.	376	376	3,500	4.65	11/1/2019
TX	Wolfforth Place Water System	City of Wolfforth	183		200.0	1.09	11/6/2019
PA	Borough of Kane Authority	Pennsylvania-American Water Company, Inc.		2,100	17,500	8.33	11/14/2019
TX	Clear Water Estates Water System LLC	SJWTX, Inc.	230		1,500	6.52	11/15/2019
NY	New York American Water	Liberty Utilities Co.	125,000		608,000	4.86	11/20/2019
TX	Twin Creek Park Water System	Creedmoor-Maha Water Supply Corp	92		210.0	2.28	11/22/2019
IL	Village of Grant Park	Aqua Illinois, Inc.		540	2,300	4.26	12/1/2019
PA	Phoenixville Borough	Aqua Pennsylvania	535		3,500	6.54	12/4/2019
TX	City of Kaufman	College Mound Special Utility District	153		75.0	0.49	12/11/2019
PA	Royersford Borough	Pennsylvania-American Water Company, Inc.		1,600	13,000	8.13	12/18/2019
PA	Valley Township	Pennsylvania-American Water Company, Inc.	1,700	3,100	21,275	4.43	12/18/2019
IL	City of Jerseyville	Illinois American	4,100	4,100	43,250	5.27	12/20/2019
IL	Granite City	Illinois American		12,500	18,000	1.44	12/26/2019
NJ	Township of Long Hill	New Jersey-American Water Company, Inc.		2,800	12,700	4.54	1/2/2020
CA	Fruitridge Vista Water Company	California-American Water Company, Inc.	4,800		20,750	4.32	2/5/2020
TX	Hammond Mound Utilities, Inc.	Rosehill Utilities, Inc.	18	15	70	2.12	4/3/2020
DE	Town of Frankford Water System	Artesian Water Co.	350		3,600	10.29	4/14/2020
IL	Village of Sidney Water System	Illinois American	560		2,300	4.11	4/17/2020
IL	Village of Leonore	Illinois American	68		100	1.47	4/22/2020
PA	Upper Pottsgrove Township	Pennsylvania-American Water Company, Inc.		1,600	13,750	8.59	4/28/2020
IL	Village of Shiloh Wastewater System	Illinois American		1,515	3,600	2.38	5/15/2020
IL	Village of Andalusia	Illinois American	480	480	3,300	3.44	5/27/2020
IL	City of Rosiclare	Illinois American		377	600	1.59	5/29/2020
FL	Pasco Aqua Utility	Pasco County	3,600	3,100	29,300	4.37	6/29/2020
TX	The Commons Water Supply, Inc.	Aqua Texas, Inc.	992		4,000	4.03	8/3/2020
DE	Delaware City Water System	Artesian Water Co.	800		2,100	2.63	8/7/2020
PA	Brentwood Borough Wastewater System	Pennsylvania-American Water Company, Inc.		4,100	19,000	4.63	12/8/2020
TN	Jasper Highlands Water Distribution System	Tennessee American Water Company	600		2,400	4.00	12/31/2020
PA	East Whiteland Township	Aqua Pennsylvania		8,200	55,000	6.71	1/13/2021
PA	York City Sewer Authority	Pennsylvania-American Water Company		45,000	235,000	5.22	1/20/2021
PA	Willistown Township	Aqua Pennsylvania		2,300	17,500	7.61	1/31/2021
WV	Town of East Bank's Water Distribution System	West Virginia-American Water Company	400		760	1.90	2/3/2021
IL	Concordia Water Cooperative Water Distribution System	Illinois American Water Company	150		1,700	11.33	2/11/2021
CT	New England Service Company, Inc	Aquarion Water Company	10,000		40,500	4.05	4/8/2021
IN	River's Edge	Indiana American	100	80	420	2.33	8/12/2021
IL	Village of Bourbonnais	Aqua Illinois, Inc.		6,500	32,100	4.94	9/20/2021
PA	Lower Makefield Township	Aqua Pennsylvania		11,000	53,000	4.82	3/4/2022
IL	Village of Hardin	Illinois American Water Company	435	405	3,300	3.93	6/7/2022

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Nationwide Average: 4.22

Pennsylvania Average: 6.63

	Target	Buyer	Water Connections	Wastewater Connections	Implied Enterprise Value ($000) Based on Nationwide Transaction Multiple	Implied Enterprise Value ($000) Based on Pennsylvania Transaction Multiple
PA	City of Beaver Falls	Aqua Pennsylvania, Inc.		9,392	$ 39,667.839	$ 62,260.398

City of Beaver Falls Wastewater System
Potential Purchase - DCF Analysis
Traditionally Financed Investor-Owned Entity

Assumptions:

WACC	6.62%
Inflation	2.25%
Rate Increasees 2023-2032	10.00%
Rate Increases 2033 Onwards	3.00%

	ACTUAL						PROJECTED	PROJECTED	PROJECTED
	2018		2019		2020		2021	2022	2023
							Rate Increase	Rate Increase	Rate Increase
REVENUES									
City Sewer Users	$ 1,446,894	47.35%	$ 1,589,785	50.30%	$ 1,506,821	49.75%	$ 1,552,026	$ 1,598,586	$ 1,758,445
Joint Sewer Users	1,607,524	52.60%	1,557,579	49.28%	1,516,345	50.06%	1,561,835	1,608,690	1,769,559
Tap-In Fees	-	0.00%	11,700	0.37%	3,510	0.12%	3,615	3,724	4,096
Miscellaneous Income	1,577	0.05%	1,337	0.04%	2,249	0.07%	2,316	2,386	2,625
Total Operating Revenues	$ 3,055,995		$ 3,160,401		$ 3,028,925		$ 3,119,793	$ 3,213,387	$ 3,534,725
EXPENSES									
Contractual Services	$ 705,420	23.08%	$ 704,155	22.28%	$ 676,100	22.32%	$ 691,312	$ 706,867	$ 722,771
Wages and Benefits	730,461	23.90%	893,120	28.26%	926,870	30.60%	947,725	969,048	990,852
Administrative	221,053	7.23%	209,507	6.63%	270,210	8.92%	276,290	282,506	288,863
Office	3,533	0.12%	1,947	0.06%	5,315	0.18%	5,435	5,557	5,682
Repair and Maintenance	115,042	3.76%	246,620	7.80%	193,667	6.39%	252,169	257,843	263,644
Billing Expense	20,187	0.66%	18,635	0.59%	20,015	0.66%	20,465	20,926	21,397
Engineering	9,394	0.31%	6,387	0.20%	7,574	0.25%	7,744	7,919	8,097
Utilities	134,647	4.41%	134,699	4.26%	137,700	4.55%	140,798	143,966	147,205
Chemicals/Chlorine	24,827	0.81%	29,195	0.92%	24,286	0.80%	24,832	25,391	25,962
Sludge/Grit Removal	56,054	1.83%	55,940	1.77%	61,270	2.02%	62,649	64,058	65,499
Janitorial Supplies	2,589	0.08%	3,349	0.11%	2,995	0.10%	3,062	3,131	3,202
Gas and Oil	6,533	0.21%	2,211	0.07%	1,721	0.06%	1,760	1,799	1,840
Equipment	5,732	0.19%	16,674	0.53%	8,195	0.27%	8,379	8,568	8,761
Small Tools	40	0.00%	-	0.00%	4,745	0.16%	4,852	4,961	5,073
Uniforms	2,244	0.07%	2,586	0.08%	2,317	0.08%	2,369	2,422	2,477
Permits and Testing	14,542	0.48%	22,996	0.73%	16,650	0.55%	17,025	17,408	17,799
Certification & Training	480	0.02%	1,359	0.04%	440	0.01%	450	460	470
Insurance	30,273	0.99%	30,273	0.96%	30,273	1.00%	30,954	31,651	32,363
Line Rental Expense	40,000	1.31%	40,000	1.27%	40,000	1.32%	40,900	41,820	42,761
Sewer Line Reimbursement	100,000	3.27%	200,000	6.33%	200,000	6.60%	200,000		
Miscellaneous	1,048	0.03%	598	0.02%	351	0.01%	359	367	375
TOTAL OPERATING EXPENSES	$ 2,224,099	72.78%	$ 2,620,251	82.91%	$ 2,630,694	86.85%	$ 2,739,529	$ 2,596,668	$ 2,655,094
Income Before Taxes							$ 380,264	$ 616,718	$ 879,632
TOTAL CAPITAL EXPENDITURES								$ 569,250	$ 830,500
CASH FLOW								$ 47,468	$ 49,132
Period								0.5	1.5
PW Factor								0.9685	0.9083
PWCF								45,971	44,628
Value - Perpetuity								**39,970,803**	

City of Beaver Falls Wastewater System
Potential Purchase - DCF Analysis
Traditionally Financed Investor-Owned Entity

Assumptions:

WACC	6.62%
Inflation	2.25%
Rate Increasees 2023-2032	10.00%
Rate Increases 2033 Onwards	3.00%

	PROJECTED 2024 Rate Increase	PROJECTED 2025 Rate Increase	PROJECTED 2026 Rate Increase	PROJECTED 2027 Rate Increase	PROJECTED 2028 Rate Increase	PROJECTED 2029 Rate Increase	PROJECTED 2030 Rate Increase	PROJECTED 2031 Rate Increase	PROJECTED 2032 Rate Increase	PROJECTED 2033 Rate Increase	PROJECTED 2034 Rate Increase
REVENUES											
City Sewer Users	$ 1,934,290	$ 2,127,718	$ 2,340,490	$ 2,574,539	$ 2,651,776	$ 2,731,329	$ 2,813,269	$ 2,897,667	$ 2,984,597	$ 3,074,135	$ 3,166,359
Joint Sewer Users	1,946,515	2,141,167	2,355,284	2,590,812	2,668,536	2,748,592	2,831,050	2,915,982	3,003,461	3,093,565	3,186,372
Tap-In Fees	4,506	4,956	5,452	5,997	6,177	6,362	6,553	6,750	6,952	7,161	7,376
Miscellaneous Income	2,887	3,176	3,493	3,843	3,958	4,077	4,199	4,325	4,455	4,588	4,726
Total Operating Revenues	$ 3,888,198	$ 4,277,017	$ 4,704,719	$ 5,175,191	$ 5,330,447	$ 5,490,360	$ 5,655,071	$ 5,824,723	$ 5,999,465	$ 6,179,449	$ 6,364,832
EXPENSES											
Contractual Services	$ 739,034	$ 755,662	$ 772,664	$ 790,049	$ 807,825	$ 826,001	$ 844,586	$ 863,590	$ 883,020	$ 902,888	$ 923,203
Wages and Benefits	1,013,146	1,035,942	1,059,251	1,083,084	1,107,453	1,132,371	1,157,849	1,183,901	1,210,539	1,237,776	1,265,626
Administrative	295,362	302,008	308,803	315,751	322,855	330,120	337,547	345,142	352,908	360,848	368,967
Office	5,810	5,940	6,074	6,211	6,351	6,493	6,640	6,789	6,942	7,098	7,258
Repair and Maintenance	269,576	275,642	216,457	221,328	226,307	231,399	236,606	241,929	247,373	252,939	258,630
Billing Expense	21,878	22,370	22,874	23,388	23,915	24,453	25,003	25,565	26,141	26,729	27,330
Engineering	8,279	8,465	8,656	8,851	9,050	9,253	9,461	9,674	9,892	10,115	10,342
Utilities	150,518	153,904	157,367	160,908	164,528	168,230	172,015	175,886	179,843	183,890	188,027
Chemicals/Chlorine	26,547	27,144	27,755	28,379	29,018	29,671	30,338	31,021	31,719	32,432	33,162
Sludge/Grit Removal	66,973	68,480	70,021	71,596	73,207	74,854	76,539	78,261	80,022	81,822	83,663
Janitorial Supplies	3,274	3,347	3,423	3,500	3,579	3,659	3,741	3,826	3,912	4,000	4,090
Gas and Oil	1,881	1,924	1,967	2,011	2,056	2,103	2,150	2,198	2,248	2,298	2,350
Equipment	8,958	9,159	9,365	9,576	9,792	10,012	10,237	10,468	10,703	10,944	11,190
Small Tools	5,187	5,303	5,423	5,545	5,669	5,797	5,927	6,061	6,197	6,337	6,479
Uniforms	2,533	2,590	2,648	2,708	2,768	2,831	2,894	2,960	3,026	3,094	3,164
Permits and Testing	18,200	18,609	19,028	19,456	19,894	20,342	20,799	21,267	21,746	22,235	22,735
Certification & Training	481	492	503	514	526	538	550	562	575	588	601
Insurance	33,091	33,835	34,597	35,375	36,171	36,985	37,817	38,668	39,538	40,428	41,337
Line Rental Expense	43,723	44,707	45,713	46,742	47,793	48,869	49,968	51,092	52,242	53,417	54,619
Sewer Line Reimbursement											
Miscellaneous	384	392	401	410	419	429	438	448	458	469	479
TOTAL OPERATING EXPENSES	$ 2,714,833	$ 2,775,917	$ 2,772,989	$ 2,835,381	$ 2,899,177	$ 2,964,408	$ 3,031,108	$ 3,099,308	$ 3,169,042	$ 3,240,345	$ 3,313,253
Income Before Taxes	$ 1,173,365	$ 1,501,101	$ 1,931,731	$ 2,339,810	$ 2,431,270	$ 2,525,952	$ 2,623,963	$ 2,725,416	$ 2,830,423	$ 2,939,103	$ 3,051,579
TOTAL CAPITAL EXPENDITURES	$ 1,100,000	$ 192,500	$ 308,000	$ 2,095,500	$ 253,000	$ 110,000	$ 2,502,500	$ 165,000	$ 1,072,500	$ 727,109	$ 743,469
CASH FLOW	$ 73,365	$ 1,308,601	$ 1,623,731	$ 244,310	$ 2,178,270	$ 2,415,952	$ 121,463	$ 2,560,416	$ 1,757,923	$ 2,211,994	$ 2,308,110
Period	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5
PW Factor	0.8519	0.7990	0.7494	0.7029	0.6592	0.6183	0.5799	0.5439	0.5101	0.4785	0.4488
PWCF	62,501	1,045,615	1,216,858	171,723	1,436,019	1,493,820	70,440	1,392,653	896,796	1,058,374	1,035,793
Value - Perpetuity											

City of Beaver Falls Wastewater System
Potential Purchase - DCF Analysis
Traditionally Financed Investor-Owned Entity

Assumptions:

WACC	6.62%
Inflation	2.25%
Rate Increasees 2023-2032	10.00%
Rate Increases 2033 Onwards	3.00%

	PROJECTED 2035 Rate Increase	PROJECTED 2036 Rate Increase	PROJECTED 2037 Rate Increase	PROJECTED 2038 Rate Increase	PROJECTED 2039 Rate Increase	PROJECTED 2040 Rate Increase	PROJECTED 2041 Rate Increase	PROJECTED 2042 Rate Increase	PROJECTED 2043 Rate Increase	PROJECTED 2044 Rate Increase	PROJECTED 2045 Rate Increase
REVENUES											
City Sewer Users	$ 3,261,349	$ 3,359,190	$ 3,459,966	$ 3,563,765	$ 3,670,678	$ 3,780,798	$ 3,894,222	$ 4,011,048	$ 4,131,380	$ 4,255,321	$ 4,382,981
Joint Sewer Users	3,281,963	3,380,422	3,481,835	3,586,290	3,693,878	3,804,695	3,918,836	4,036,401	4,157,493	4,282,217	4,410,684
Tap-In Fees	7,597	7,825	8,060	8,301	8,551	8,807	9,071	9,343	9,624	9,912	10,210
Miscellaneous Income	4,868	5,014	5,164	5,319	5,479	5,643	5,812	5,987	6,166	6,351	6,542
Total Operating Revenues	$ 6,555,777	$ 6,752,451	$ 6,955,024	$ 7,163,675	$ 7,378,585	$ 7,599,943	$ 7,827,941	$ 8,062,779	$ 8,304,663	$ 8,553,802	$ 8,810,417
EXPENSES											
Contractual Services	$ 943,975	$ 965,215	$ 986,932	$ 1,009,138	$ 1,031,844	$ 1,055,060	$ 1,078,799	$ 1,103,072	$ 1,127,891	$ 1,153,269	$ 1,179,217
Wages and Benefits	1,294,102	1,323,220	1,352,992	1,383,434	1,414,562	1,446,389	1,478,933	1,512,209	1,546,234	1,581,024	1,616,597
Administrative	377,269	385,758	394,437	403,312	412,386	421,665	431,153	440,854	450,773	460,915	471,286
Office	7,421	7,588	7,759	7,933	8,112	8,294	8,481	8,672	8,867	9,066	9,270
Repair and Maintenance	264,449	270,399	276,483	282,704	289,065	295,569	302,219	309,019	315,972	323,081	330,351
Billing Expense	27,945	28,574	29,217	29,874	30,546	31,234	31,936	32,655	33,390	34,141	34,909
Engineering	10,575	10,813	11,056	11,305	11,559	11,819	12,085	12,357	12,635	12,919	13,210
Utilities	192,258	196,583	201,007	205,529	210,154	214,882	219,717	224,661	229,715	234,884	240,169
Chemicals/Chlorine	33,908	34,671	35,451	36,249	37,065	37,899	38,751	39,623	40,515	41,426	42,358
Sludge/Grit Removal	85,546	87,470	89,438	91,451	93,508	95,612	97,764	99,963	102,213	104,512	106,864
Janitorial Supplies	4,182	4,276	4,372	4,470	4,571	4,674	4,779	4,886	4,996	5,109	5,224
Gas and Oil	2,403	2,457	2,512	2,569	2,627	2,686	2,746	2,808	2,871	2,936	3,002
Equipment	11,442	11,699	11,963	12,232	12,507	12,788	13,076	13,370	13,671	13,979	14,293
Small Tools	6,625	6,774	6,926	7,082	7,242	7,405	7,571	7,742	7,916	8,094	8,276
Uniforms	3,235	3,308	3,382	3,458	3,536	3,616	3,697	3,780	3,865	3,952	4,041
Permits and Testing	23,247	23,770	24,305	24,852	25,411	25,982	26,567	27,165	27,776	28,401	29,040
Certification & Training	614	628	642	657	672	687	702	718	734	751	767
Insurance	42,267	43,218	44,191	45,185	46,202	47,241	48,304	49,391	50,502	51,639	52,801
Line Rental Expense	55,848	57,105	58,390	59,703	61,047	62,420	63,825	65,261	66,729	68,231	69,766
Sewer Line Reimbursement											
Miscellaneous	490	501	512	524	536	548	560	573	586	599	612
TOTAL OPERATING EXPENSES	$ 3,387,801	$ 3,464,027	$ 3,541,968	$ 3,621,662	$ 3,703,149	$ 3,786,470	$ 3,871,666	$ 3,958,778	$ 4,047,851	$ 4,138,927	$ 4,232,053
Income Before Taxes	$ 3,167,976	$ 3,288,424	$ 3,413,057	$ 3,542,013	$ 3,675,436	$ 3,813,473	$ 3,956,275	$ 4,104,001	$ 4,256,812	$ 4,414,875	$ 4,578,363
TOTAL CAPITAL EXPENDITURES	$ 760,197	$ 777,301	$ 794,791	$ 812,674	$ 830,959	$ 849,655	$ 868,772	$ 888,320	$ 908,307	$ 928,744	$ 949,641
CASH FLOW	$ 2,407,779	$ 2,511,122	$ 2,618,266	$ 2,729,340	$ 2,844,477	$ 2,963,817	$ 3,087,503	$ 3,215,681	$ 3,348,505	$ 3,486,131	$ 3,628,723
Period	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5
PW Factor	0.4209	0.3948	0.3703	0.3473	0.3257	0.3055	0.2865	0.2687	0.2520	0.2364	0.2217
PWCF	1,013,432	991,304	969,425	947,806	926,458	905,390	884,613	864,132	843,955	824,088	804,535
Value - Perpetuity											

City of Beaver Falls Wastewater System
Potential Purchase - DCF Analysis
Traditionally Financed Investor-Owned Entity

Assumptions:

WACC	6.62%
Inflation	2.25%
Rate Increasees 2023-2032	10.00%
Rate Increases 2033 Onwards	3.00%

	PROJECTED 2046 Rate Increase	PROJECTED 2047 Rate Increase	PROJECTED 2048 Rate Increase	PROJECTED 2049 Rate Increase	PROJECTED Perpetuity Rate Increase
REVENUES					
City Sewer Users	$ 4,514,470	$ 4,649,905	$ 4,789,402	$ 4,933,084	$ 5,081,076
Joint Sewer Users	4,543,005	4,679,295	4,819,673	4,964,264	5,113,192
Tap-In Fees	10,516	10,832	11,156	11,491	11,836
Miscellaneous Income	6,738	6,940	7,148	7,363	7,584
Total Operating Revenues	$ 9,074,729	$ 9,346,971	$ 9,627,380	$ 9,916,201	$ 10,213,687
EXPENSES					
Contractual Services	$ 1,205,750	$ 1,232,879	$ 1,260,619	$ 1,288,983	$ 1,317,985
Wages and Benefits	1,652,970	1,690,162	1,728,191	1,767,075	1,806,834
Administrative	481,890	492,732	503,819	515,155	526,746
Office	9,479	9,692	9,910	10,133	10,361
Repair and Maintenance	337,784	345,384	353,155	361,101	369,226
Billing Expense	35,695	36,498	37,319	38,159	39,017
Engineering	13,507	13,811	14,122	14,440	14,765
Utilities	245,573	251,098	256,748	262,525	268,431
Chemicals/Chlorine	43,311	44,286	45,282	46,301	47,343
Sludge/Grit Removal	109,268	111,727	114,241	116,811	119,439
Janitorial Supplies	5,341	5,461	5,584	5,710	5,838
Gas and Oil	3,069	3,138	3,209	3,281	3,355
Equipment	14,615	14,944	15,280	15,624	15,975
Small Tools	8,462	8,653	8,847	9,046	9,250
Uniforms	4,132	4,225	4,320	4,417	4,517
Permits and Testing	29,693	30,362	31,045	31,743	32,457
Certification & Training	785	802	820	839	858
Insurance	53,989	55,203	56,445	57,715	59,014
Line Rental Expense	71,336	72,941	74,582	76,260	77,976
Sewer Line Reimbursement					
Miscellaneous	626	640	654	669	684
TOTAL OPERATING EXPENSES	$ 4,327,274	$ 4,424,638	$ 4,524,192	$ 4,625,987	$ 4,730,071
Income Before Taxes	$ 4,747,455	$ 4,922,333	$ 5,103,188	$ 5,290,215	$ 5,483,616
TOTAL CAPITAL EXPENDITURES	$ 971,008	$ 992,855	$ 1,015,195	$ 1,038,036	$ 1,061,392
CASH FLOW	$ 3,776,447	$ 3,929,478	$ 4,087,993	$ 4,252,178	$ 4,422,224
					101,195,053
Period	24.5	25.5	26.5	27.5	28.5
PW Factor	0.2079	0.1950	0.1829	0.1716	0.1609
PWCF	785,300	766,388	747,800	729,538	16,995,449
Value - Perpetuity					

City of Beaver Falls Wastewater System

Potential Purchase - DCF Analysis
Capital Expenditures

System Component	Description	2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4	2027 Year 5	2028 Year 6	2029 Year 7	2030 Year 8	2031 Year 9	2032 Year 10	TOTAL
Safety Measures (Safety)	Miscellaneous	$ 75,000										$ 75,000
Collection (Compliance)	MH Inspections / GIS Based Map Creation	$ 80,000										$ 80,000
Collection (Compliance)	Temporary Metering Program	$ 100,000										$ 100,000
Collection (Compliance)	CCTV Main Inspections				$ 125,000	$ 125,000	$ 125,000					$ 375,000
Collection (Compliance)	MH Rehabilitation								$ 100,000	$ 100,000	$ 200,000	$ 400,000
Collection (Compliance)	Prioritized Main Rehabilitaton and replacement				$ 30,000	$ 30,000	$ 30,000		$ 1,300,000		$ 650,000	$ 2,040,000
Collection	New Customer Connections		$ 25,000		$ 25,000		$ 25,000		$ 25,000		$ 25,000	$ 125,000
Collection (Compliance)	Existing Lateral Repairs	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 500,000
Treatment (Safety / Compliance)	Replace Trickling Filter Tower #1		$ 125,000	$ 125,000								$ 250,000
Treatment (Safety)	HVAC Upgrades in Headworks	$ 175,000										$ 175,000
Treatment (Safety)	Headwork Room Upgrades		$ 250,000									$ 250,000
Treatment (Safety / Compliance)	Screen Replacement					$ 350,000						$ 350,000
Treatment (Safety / Compliance)	Electrical Upgrades / Arc Flash remediation		$ 250,000			$ 750,000			$ 750,000			$ 1,750,000
Treatment (Safety)	Convert from Cl Gas to Hypo					$ 300,000						$ 300,000
												$ -
Treatment (Compliance)	Replace primary clarifier sludge collector gear drives					$ 250,000						$ 250,000
Treatment (Compliance)	SCADA System	$ 50,000	$ 250,000									$ 300,000
Treatment (Compliance)	Miscellaneous Repairs	$ 50,000	$ 50,000		$ 50,000	$ 50,000		$ 50,000	$ 50,000		$ 50,000	$ 350,000
												$ -
Transportation	Replace Dump Truck (if needed)	$ 75,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 75,000
Safety Measures (Safety)	PHASE II Site Assess	$ 100,000										$ 100,000
	Sum Before Contingency	$ 755,000	$ 1,000,000	$ 175,000	$ 280,000	$ 1,905,000	$ 230,000	$ 100,000	$ 2,275,000	$ 150,000	$ 975,000	$ 7,845,000
Contingency 10%	10% of items above	$ 75,500	$ 100,000	$ 17,500	$ 28,000	$ 190,500	$ 23,000	$ 10,000	$ 227,500	$ 15,000	$ 97,500	$ 784,500
	TOTALS	**$ 830,500**	**$ 1,100,000**	**$ 192,500**	**$ 308,000**	**$ 2,095,500**	**$ 253,000**	**$ 110,000**	**$ 2,502,500**	**$ 165,000**	**$ 1,072,500**	**$ 8,629,500**