

EXHIBIT S2

CITY OF BEAVER FALLS

ORDINANCE NO. 4028

AN ORDINANCE OF THE CITY OF BEAVER FALLS (THE "CITY"), BEAVER COUNTY, PENNSYLVANIA, APPROVING THE ~~CONTRACT~~/AGREEMENT BETWEEN THE CITY OF BEAVER FALLS AND Gannett Fleming *, PROVIDING FOR appraisal valuation engineer- ing analysis services.

BE IT ORDAINED AND ENACTED by the Council of the City of Beaver Falls, a Third Class City under the laws of the Commonwealth of Pennsylvania, and it is hereby ordained and enacted by virtue of the authority of the same as follows:

SECTION I. That the contract/agreement between the City of Beaver Falls and GFV & RC, LLC., a true and correct copy of which is attached hereto, and by reference made a part hereof, is hereby approved.

SECTION II. That the Mayor and City Clerk are hereby authorized to execute duplicate counterparts of the attached contract/agreement and to affix the Seal of the City of Beaver Falls.

SECTION III. That following the execution, attestation and ensembling of said duplicate counterparts of said contract/agreement, the City Clerk is hereby directed to provide one duplicate counterpart to each of the parties and to file the remaining counterpart in the appropriate City Office.

SECTION IV. That City Council, from time to time by Resolution, amend and/or enter into similar agreements in the future.

SECTION V. This Ordinance shall take effect immediately on final passage.

SECTION VI. Any ordinance, or parts of any ordinance inconsistent herewith are hereby repealed.

PASSED AND ADOPTED BY THE COUNCIL of the City of Beaver Falls, this 28th day of December, 2020.

ATTEST:

Paula J. Smith
City Clerk

CITY OF BEAVER FALLS:

George B. [Signature]
Mayor

* Valuation & Rate Consultants, LLC



*Excellence Delivered **As Promised***

October 1, 2020

Via email to CJones@beaverfallspa.org

Mr. Charles R. Jones, Jr.
City Manager
City of Beaver Falls
715 15th Street
Beaver Falls, PA 15010

Dear Mr. Jones:

Fair Market Value Appraisal

In response to your request, Gannett Fleming Valuation and Rate Consultants, LLC ("Gannett Fleming") is pleased to submit this cost proposal to provide the City of Beaver Falls ("City") with a fair market value appraisal of the Beaver Falls' Wastewater System assets ("Wastewater System") consistent with the date of the Engineer's Assessment.

SCOPE OF SERVICES

Gannett Fleming proposes to conduct a fair market value appraisal of the Wastewater System in compliance with the Uniform Standards of Professional Appraisal Practices, employing the cost, market and income approaches. It should be noted that Gannett Fleming will utilize asset cost information provided by the Engineering Assessment of the Wastewater System's assets.

Fair market value is defined as "the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."

As stated, the standard of value for this engagement is fair market value. The premise of value is going concern. The going concern premise of business value assumes that the business will continue running normally using all of its assets to produce income and will continue operating beyond the valuation date.

Gannett Fleming Valuation and Rate Consultants, LLC

1010 Adams Avenue • Audubon, PA 19403-2402

t: 610.650.8101 • f: 610.650.8190

www.GFVRC.com

Gannett Fleming will value the Wastewater System's assets as a group under the premise that they collectively comprise an ongoing operating business enterprise. In accordance with 66 Pa. C.S. Section 1329, the original source of funding for any part of the assets of the selling utility will not be relevant to the determination of the value of said assets.

We will accept all information and data provided by the Wastewater System as it pertains to this assignment "as is" after a limited review. That is, we will neither audit nor verify any data, original cost study, financial records or operating data provided for this assignment.

We will provide direct testimony summarizing our fair market value appraisal suitable for filing before the Pennsylvania Public Utility Commission (PaPUC).

SITE INSPECTION

We will visit or inspect the Wastewater System's facilities and rely on the information provided by the Engineering Assessment of the Wastewater System's assets provided by the Wastewater System.

APPRAISAL REPORT

We will prepare a written document to substantiate our opinion. Our appraisal will be developed consistent with the Uniform Standards of Professional Appraisal Practices. Our valuation will include a detailed analysis and will be presented in a narrative comprehensive, "stand-alone" document for your use. The estimate of value that results from a valuation engagement will be expressed as a conclusion of value to be used for the purposes stated above.

Although our valuation is intended to estimate fair market value, we assume no responsibility for the inability of a seller or buyer to obtain a sale or purchase contract at that price.

QUALIFICATIONS

Since 1915, Gannett Fleming and its predecessors have been helping clients in public pricing policy and related financial matters for managerial purposes, before regulatory commissions and in courts of law. Our staff has considerable experience in providing an array of specialized financial services to support the core needs and objectives of our clients.

Our specialized financial services encompass utility valuations, economic valuation studies, cost of capital studies, depreciation studies, rate studies, lead lag studies, analyses of public utility accounting systems, debt financing reports, economic and demographic studies, financial decision studies, optimum capital structure, debt service levels, dividend policy, private placement of debt, financial benchmarking, and conducting property inventories.

We design each study and its related report to meet the specific requirements of our clients. These studies require objective analyses of basic data, informed professional judgment, and clear presentation of the results. Our staff includes professionals specialized in public utility accounting and ratemaking, valuation, cost of capital, lead lag, depreciation, associated technical services, and financial analysis. We are experienced utility valuation experts who determine fair market value using the cost, market and income approaches in accordance with 66 Pa. C.S. Section 1329. We are a registered Municipal Advisor with the Securities & Exchange Commission (SEC); and are a subsidiary of Gannett Fleming, Inc.

Gannett Fleming is approved as a "Utility Valuation Expert" by the PaPUC within the context of 66 Pa. C.S. Section 1329, Valuation of Acquired Water and Wastewater Systems.

FIDUCIARY DUTY

Gannett Fleming has a fiduciary duty to, and will, provide a thorough, objective, and fair market valuation using the cost, market and income approaches in accordance with 66 Pa. C.S. Section 1329 and Pennsylvania laws.

Gannett Fleming attests that it does not derive any material financial benefit from the sale of, or purchase of, a selling utility other than fees for services rendered. Gannett Fleming also verifies it does not have any immediate family members who are directors, officers or employees of either an acquiring public utility, entity or selling utility within a 12-month period of the date of hire to perform an appraisal. We further affirm that Gannett Fleming is not directly or indirectly owned, partnered or in any way affiliated with a water/wastewater distribution company.

BASIS FOR COMPENSATION

Gannett Fleming will perform the above services, and other related services that you may authorize, based on hourly billing rates for our personnel in effect when we perform the work, plus the reimbursement of direct expenses. Direct expenses include transportation, meals, lodging and incidental expenses incurred while traveling and any other expenses required as a result of the assignment that are not incidental to the normal conduct of business. Attached is a copy of our billing rates currently in effect. We will render invoices monthly for services performed during the preceding month.

Based on our experience, we estimate that the cost for a complete study, direct testimony, and other filing requirements will range from \$30,000 to \$35,000. The actual charges for these services will, of course, depend on the time required to complete the assignment and the extent to which data are provided. The availability and quality of the required data sources of information will affect the final cost.

SCHEDULE

The fair market value appraisal should be completed within 45 to 60 days of completion of the Engineering Assessment, and timely receipt of an executed proposal and the requested data.

Based on the understanding outlined in this letter, we propose that the City of Beaver Falls retain Gannett Fleming Valuation and Rate Consultants, LLC to perform the services as outlined in this letter. If this letter proposal is acceptable, please have it executed below by an individual authorized to bind the City of Beaver Falls, and then scan and email a copy to me at hwalker@gfnet.com, with a copy to Cheryl Rutter at crutter@gfnet.com.

We thank the City of Beaver Falls for this opportunity to provide valuation services in connection with the fair market value appraisal of the Wastewater System's assets. We look forward to acceptance of our proposal and to a successful project.

Respectfully Submitted,


GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC



HAROLD WALKER, III
Manager, Financial Studies

The City of Beaver Falls accepts the foregoing Proposal and authorizes Gannett Fleming Valuation and Rate Consultants, LLC to proceed with the services described herein.

ACCEPTED BY:



(Signature)

Charles R Jones Jr.

(Printed Name)

City Manager

(Title)

12-28-2020

(Date)

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

BILLING RATES

<u>Personnel</u>	<u>Hourly Rate</u>
SUPERVISORY STAFF	
J. J. Spanos, President	\$280.00
H. Walker, III, Manager, Financial Studies	250.00
J. F. Wiedmayer, Jr., Project Manager, Depreciation	230.00
N. W. Allis, Vice President	230.00
C. E. Heppenstall, Senior Project Manager, Rate Studies	230.00
STAFF	
Senior Project Engineer	250.00
Analysts and Engineers	180.00
Associate Analysts and Engineers	170.00
Assistant Analysts and Engineers	160.00
Senior Technicians	120.00
Support Staff	120.00



June 13, 2022

Via email to CJones@beaverfallspa.org

Mr. Charles R. Jones, Jr., City Manager
City of Beaver Falls
715 15th Street
Beaver Falls, PA 15010

Dear Mr. Jones:

Official Notification to Begin Fair Market Value Appraisal of
Beaver Falls' Wastewater System Assets

As you are aware, on December 28, 2020, the Council of City of Beaver Falls passed and adopted Ordinance No. 4028 approving the agreement between Gannett Fleming Valuation and Rate Consultants, LLC (Gannett Fleming) and City of Beaver Falls regarding our fair market value appraisal of the Beaver Falls' Wastewater System assets (Wastewater System) consistent with the date of the Engineer's Assessment. It is our understanding that the Engineer's Assessment will be completed later in June 2022.

The purpose of this letter is to request your official notification, via signature and date, for Gannett Fleming to begin the fair market value appraisal of the Wastewater System as soon as the Engineer's Assessment is completed. Please email a signed copy of this document to me at hwalker@gfnet.com, with a copy to Cheryl Rutter at crutter@gfnet.com.

We thank the City of Beaver Falls for this opportunity to provide valuation services in connection with the fair market value appraisal of the Wastewater System's assets, and we look forward to a successful project.

Respectfully Submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

HAROLD WALKER, III
Manager, Financial Studies

This is official notification that the Engineer's Assessment of the Beaver Falls' Wastewater System assets has been completed and Gannett Fleming Valuation and Rate Consultants, LLC should proceed with the services previously described herein, in accordance with Council's Ordinance No. 4028.

AUTHORIZED AND NOTIFIED BY:

(Signature)

Charles R Jones Jr.

(Printed Name)

City Manager

(Title)

6-16-22

(Date)



Check Payment Information:
 Gannett Fleming Valuation and Rate Consultants, LLC
 PO Box 829160, Philadelphia, PA 19182-9160 Federal EIN: 46-4413705
ACH/EFT Payment Information:
 Account Name: Gannett Fleming Companies ABA: 031312738
 Account No.: 5003165655
 Send Remit Info: AccountsReceivable@gfnet.com

Attention: Charles R. Jones
City of Beaver Falls
715 15th Street
Beaver Falls, PA 15010
UNITED STATES

Invoice : 0000011675
Invoice Date : 8/2/2022
Project : 069306
Project Name : CityBeaverFalls-FairMktValAppr-
 WWtr
Bill Term : 01

For Professional Services Rendered For 6/4/2022 Through 7/1/2022

Fair Market Value Appraisal - Wastewater System

	Current
	Billings
000 - FairMrktValAppr-Wastewater	915.00
Total :	915.00
	Current Billings
	915.00
Amount Due This Bill	US <u><u>915.00</u></u>

Harold Walker III

000 - FairMrktValAppr-Wastewater

Rate Labor

<i>Class</i>	<i>Hours</i>	<i>Rate</i>	<i>Amount</i>
Harold Walker III	2.00	270.000	540.00
Support Staff	3.00	125.000	375.00
Total Rate Labor	5.00		915.00

Total Bill Task : 000 - FairMrktValAppr-Wastewater **915.00**

Total Project : 069306 - CityBeaverFalls-FairMktValAppr-WWtr **915.00**



Check Payment Information:
 Gannett Fleming Valuation and Rate Consultants, LLC
 PO Box 829160, Philadelphia, PA 19182-9160 Federal EIN: 46-4413705
ACH/EFT Payment Information:
 Account Name: Gannett Fleming Companies ABA: 031312738
 Account No.: 5003165655
 Send Remit Info: AccountsReceivable@gfnet.com
 Send Audit Inquiries: GovtContractAudit@gfnet.com
 All Other Inquires Contact the Project Team

Attention: Charles R. Jones
City of Beaver Falls
715 15th Street
Beaver Falls, PA 15010
UNITED STATES

Invoice : 0000012373
Invoice Date : 8/16/2022
Project : 069306
Project Name : CityBeaverFalls-FairMktValAppr-
 WWtr
Bill Term : 01

For Professional Services Rendered For 7/2/2022 Through 7/29/2022

Fair Market Value Appraisal - Wastewater System

		Current
		Billings
000 - FairMrktValAppr-Wastewater		16,845.00
Total :		16,845.00
	Current Billings	16,845.00
	Amount Due This Bill	US 16,845.00

Harold Walker III

	Outstanding Receivables	<u>Invoice Number</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Due</u>
		0000011675	8/2/2022	915.00	915.00
					915.00

000 - FairMrktValAppr-Wastewater

Rate Labor

<i>Class</i>	<i>Hours</i>	<i>Rate</i>	<i>Amount</i>
Associate Analyst	3.00	180.000	540.00
Harold Walker III	59.00	270.000	15,930.00
Support Staff	3.00	125.000	375.00
Total Rate Labor	65.00		16,845.00

Total Bill Task : 000 - FairMrktValAppr-Wastewater **16,845.00**

Total Project : 069306 - CityBeaverFalls-FairMktValAppr-WWtr **16,845.00**



Check Payment Information:
 Gannett Fleming Valuation and Rate Consultants, LLC
 PO Box 829160, Philadelphia, PA 19182-9160 Federal EIN: 46-4413705
ACH/EFT Payment Information:
 Account Name: Gannett Fleming Companies ABA: 031312738
 Account No.: 5003165655
 Send Remit Info: AccountsReceivable@gfnet.com
 Send Audit Inquiries: GovtContractAudit@gfnet.com
 All Other Inquires Contact the Project Team

Attention: Charles R. Jones
City of Beaver Falls
715 15th Street
Beaver Falls, PA 15010
UNITED STATES

Invoice : 0000012908
Invoice Date : 9/6/2022
Project : 069306
Project Name : CityBeaverFalls-FairMktValAppr-
 WWtr
Bill Term : 01

For Professional Services Rendered For 7/30/2022 Through 8/26/2022

Fair Market Value Appraisal - Wastewater System

		Current
		<u>Billings</u>
000 - FairMrktValAppr-Wastewater		16,482.50
Total :		<u>16,482.50</u>
	Current Billings	<u>16,482.50</u>
	Amount Due This Bill	US <u><u>16,482.50</u></u>

Harold Walker III

	Outstanding Receivables	<u>Invoice Number</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Due</u>
		0000011675	8/2/2022	915.00	<u>915.00</u>
					915.00

000 - FairMrktValAppr-Wastewater

Rate Labor

<i>Class</i>	<i>Hours</i>	<i>Rate</i>	<i>Amount</i>
Associate Analyst	6.00	180.000	1,080.00
Harold Walker III	54.50	270.000	14,715.00
Support Staff	5.50	125.000	687.50
Total Rate Labor	66.00		16,482.50

Total Bill Task : 000 - FairMrktValAppr-Wastewater

16,482.50

Total Project : 069306 - CityBeaverFalls-FairMktValAppr-WWtr

16,482.50