BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Pennsylvania-American Water Company under Section 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. §§ 1102(a) and 1329, for approval of (1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties and rights related to the wastewater collection and conveyance system owned by Borough of Brentwood, (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the Borough of Brentwood in Allegheny County, Pennsylvania	:	Docket No. A-2021-3024058 *et al.*

DIRECT TESTIMONY OF DANIEL J. HUFTON, P.E. ON BEHALF OF PENNSYLVANIA-AMERICAN WATER COMPANY

Date: March 31, 2023 PAWC Statement No. 2

DIRECT TESTIMONY OF
DANIEL J. HUFTON

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.

A. My name is Daniel J. Hufton, P.E. and my business address is 60 Elrama Avenue, Elrama, PA 15038.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Pennsylvania-American Water Company ("PAWC" or the "Company") as an Engineering Manager.

Q. WHAT ARE YOUR RESPONSIBILITIES AS AN ENGINEERING MANAGER?

A. As an Engineering Manager for PAWC, I am responsible for the performance of due diligence activities related to potential water and wastewater acquisitions in the Commonwealth of Pennsylvania. These activities cover a broad range of operational topics including environmental compliance, health and safety, security, system capacity analyses, system condition assessments, operations and maintenance expense planning, and capital expenditure planning.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EDUCATION AND EXPERIENCE.

A. A copy of my curriculum vitae is attached as **PAWC Exhibit DJH-1**. I received my Bachelor of Science degree in civil engineering in 1987 from The Pennsylvania State University and a Master of Engineering degree in civil engineering in 1988 from Cornell University. I have over 34 years of experience in the civil and environmental engineering discipline related to municipal and industrial water and wastewater treatment and solid

waste management. I worked in various consulting engineering roles for 12 years prior to joining PAWC in 2000. Since joining PAWC, I have worked in various roles in Water Quality, Production Operations, Maintenance Services, and Engineering. I am a registered Professional Engineer, certified Water Operator, and certified Wastewater Operator in the Commonwealth of Pennsylvania.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION ("COMMISSION")?

A. Yes. I testified as a witness for PAWC during proceedings in *Petition of PAWC for a Finding on an Expedited Basis that Two Buildings to Shelter Booster Pumps to be Constructed in Dunbar Township, Fayette County, Pennsylvania, are Reasonably Necessary for the Convenience or Welfare of the Public,* Commission Docket No. P-2015-2513587, and *Application of PAWC for Approval to Acquire the Wastewater Collection and Treatment System Owned by the Butler Area Sewer Authority,* Commission Docket No. A-2022-3037047.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. My testimony will describe the wastewater collection and conveyance system ("System") currently owned by the Borough of Brentwood ("Brentwood" or the "Borough") that PAWC has agreed to acquire (the "Transaction"). I will also explain how the acquired system will be integrated into PAWC's existing operations, describe PAWC's technical fitness to run the System, and discuss the public benefits of the Transaction.

Q. PLEASE DESCRIBE THE SYSTEM.

A. The Brentwood System is a sanitary sewer collection system that collects and ultimately conveys all sewage to the Allegheny County Sanitary Authority ("ALCOSAN") sewage treatment facility along Woods Run in Pittsburgh, PA. ALCOSAN treats the sewage and discharges treated effluent into the Ohio River under NPDES Permit No. PA0025984. The System's pipe network is split into two sewer sheds which connect into the ALCOSAN regional system at Points of Connection ("POC") MH-89 (Saw Mill Run) and POC MH-42 (Streets Run). The System is only comprised of gravity sewers, manhole structures and service laterals. There are no sewage pumping stations in the System. The Brentwood System services approximately 3,974 active public, commercial, and residential customers.

The main trunk sanitary sewer system started construction in 1919. Approximately 7% of the Borough's total sewer line length was installed between the years of 1919-1924. The majority of the System was built between the years of 1925-1930 where approximately 75% of the network was installed. Approximately 18% of the System has been installed between 1931-present.

Q. PLEASE DESCRIBE THE SYSTEM'S SERVICE AREA.

A. The System directly serves only customers located in the Borough. The service area is approximately 1.4 square miles. See **Appendix A-16-a through A-16-e**.

The Borough's collection system is comprised of two (2) separate sewersheds. The two (2) sewersheds are MH-89 (Saw Mill Run) and M-42 (Streets Run).

In the MH-89 sewershed, upstream flow is received from Whitehall Borough and the Pittsburgh Water and Sewer Authority ("PWSA"). The flow is then conveyed by

gravity through Whitehall Borough and the City of Pittsburgh to the POC for Saw Mill Run at the connection to the ALCOSAN Interceptor. Castle Shannon Borough is also tributary to MH-89 through Whitehall Borough (downstream of Brentwood).

In the MH-42 sewershed, flow is conveyed by gravity from Brentwood into Baldwin Borough and then travels down the main trunk line through Baldwin Borough and the City of Pittsburgh to the POC for Streets Run at the connection to the ALCOSAN Interceptor. West Mifflin Sanitary Sewer Municipal Authority and Whitehall Borough are also tributary to M-42 through Baldwin Borough (downstream of Brentwood).

Q. WHAT IS AN "MS4" SYSTEM?

A. An MS4 system is a "municipal separate storm sewer system."

Q. IS PAWC ACQUIRING AN MS4 SYSTEM?

A. No. PAWC will not be acquiring the MS4 system of Brentwood.

Q. IS THE BRENTWOOD SYSTEM A COMBINED SEWER SYSTEM?

A. No. The Brentwood System is not a combined sewer system.

Q. PLEASE DESCRIBE THE PIPE SIZES AND MATERIALS USED FOR THE CONSTRUCTION OF THE COLLECTION SYSTEM.

A. The pipes within the System total approximately 200,000 linear feet of gravity collection main lines with depths ranging from approximately 2-26 feet deep. Pipe sizes and materials within the system are described as follows:

Cast Iron Pipe ("CAS") – 8"

Ductile Iron Pipe ("DIP") – 8"

Polyvinyl Chloride Pipe ("PVC") – 8", 10", 12", 15"

Vitrified Clay Pipe ("VCP") – 8", 10", 12", 15", 18"

There are approximately 1,050 brick/concrete manholes within the System with approximate depths varying from 2-26 feet. The average manhole depth throughout the System is approximately 8 feet.

There are approximately 3,974 sanitary laterals (8") within the System.

Q. PLEASE STATE WHETHER THE SYSTEM CAN PROVIDE ADEQUATE CONVEYANCE, TREATMENT AND DISPOSAL CAPACITY TO MEET PRESENT AND FUTURE CUSTOMER DEMANDS.

A. Yes, based on Brentwood's 2022 Chapter 94 Annual Wasteload Management Report included in **Appendix A-20-c**, the sewer system is functioning adequately for dry weather flows and there are no present or future sewer extensions planned. Based on the built-out nature of the Borough and the surrounding upstream municipalities, little to no growth is expected in the quantity of sewage handled by the Brentwood System in the future. The System is impacted by high inflow and infiltration ("I/I") during wet weather events.

Q. PLEASE STATE THE ELEVATIONS OF THE MAJOR FACILITIES IN THE SERVICE AREA.

A. There are no above-ground facilities in the System's service area. Please see **Appendix A-16-f (CONFIDENTIAL)** for a map showing the approximate ground elevations in the Service Area.

Q. DOES BRENTWOOD RECEIVE SEWAGE FLOW FROM ANY SURROUNDING SYSTEMS AND/OR DISCHARGE SEWAGE FLOW INTO ANY SURROUNDING SYSTEMS?

A. Yes. As stated above, the Brentwood sewersheds are considered two of the many multi-municipal systems in the ALCOSAN regional service area. Brentwood receives upstream sewage flow from Whitehall Borough and the City of Pittsburgh (via PWSA). Likewise, Brentwood discharges sewage into the sewer systems of Baldwin Borough, Whitehall Borough, and the City of Pittsburgh and utilizes these sewers for conveyance to the ALCOSAN plant for treatment. There are no intermunicipal agreements governing the terms of discharge of sewage between these various municipalities. Brentwood does not charge the upstream municipalities of Whitehall Borough or City of Pittsburgh for their flows into Brentwood's System, nor do the downstream municipalities of Baldwin Borough, Whitehall Borough or the City of Pittsburgh charge Brentwood for Brentwood's sewage flows into the downstream systems. There are, however, cost-sharing arrangements for capital improvement projects, which are discussed later in this testimony.

Q. DOES BRENTWOOD RECEIVE BULK TREATMENT SERVICE FROM ANY SURROUNDING SYSTEMS?

A. Yes. Brentwood receives bulk treatment services from ALCOSAN under an agreement dated December 1, 1949. This agreement provides for sewage treatment and disposal service for Brentwood from ALCOSAN and is commonly referred to as the "Z Agreement."

DOES THE SYSTEM HAVE AN INDUSTRIAL PRETREATMENT PROGRAM ("IPP")?

A. No, Brentwood does not implement its own IPP. Brentwood's sewer system falls under the IPP administered by the wastewater treatment facility owner (ALCOSAN).

Q. PLEASE DESCRIBE HOW BRENTWOOD COMPLIES WITH THE ALCOSAN IPP.

A. Paragraph 12 of the Z Agreement provides ALCOSAN the authority to levy surcharges based on the character of commercial, manufacturing or industrial wastewaters or to require the owner, tenant or occupant of such commercial, manufacturing or industrial plant to pretreat the wastewater in such manner as specified by ALCOSAN. Furthermore, Paragraph 19 of the Z Agreement provides ALCOSAN with the right to promulgate, issue, publish and enforce rules and regulations governing its activities and carrying into effect the provisions of the Z Agreement. Such rules and regulations may include provisions prohibiting or regulating the discharge into the Borough's sewerage system of oils, acids and other substances which may be harmful to ALCOSAN's sewers, pumping stations or other structures or which may interfere with the sewage treatment processes at

ALCOSAN's plant. Paragraph 19 further stipulates that the Borough agrees on request of ALCOSAN, to enact an ordinance incorporating all or designated portions of ALCOSAN's rules and regulations and providing appropriate penalties for the violation thereof, to amend such ordinance from time to time as requested by ALCOSAN, and to enforce the provisions thereof fully and prosecute all violators thereof diligently. Brentwood adopted Ordinance Number 1066 on December 6, 1994, to establish requirements for allowable discharges to the sanitary sewer system and adopt the ALCOSAN Pretreatment Regulations by reference. Ordinance Number 1066 also outlines the penalties for violation of the ALCOSAN Pretreatment Regulations. In Paragraph 2.e.(i) of the Cooperation and Allocation of Responsibilities Agreement executed between PAWC and Brentwood on March 2, 2003 ("Cooperation Agreement"), the Borough's obligations under Paragraph 19 of the Z Agreement will continue after closing of the Transaction ("Closing").

In Paragraph 2.d.(iv) of the Cooperation Agreement, PAWC acknowledges the rights of ALCOSAN in Paragraphs 12 and 19 of the Z Agreement described above and, subject to PUC approval, agrees to include in its tariff provisions that all customers and users connected to the System comply with the applicable ALCOSAN regulations and to use commercially reasonable efforts to cooperate with ALCOSAN in the enforcement of such ALCOSAN regulations in accordance with the provisions and enforcement methods available to PAWC under the tariff. PAWC shall also, subject to approval by the PUC, include in its tariff a provision that no user whose connection requires approval from ALCOSAN under the ALCOSAN regulations shall be allowed to connect to the System until ALCOSAN approves such connection.

Q. DOES PAWC PROVIDE WATER SERVICE IN THE SERVICE AREA?

A. Yes. The PAWC Pittsburgh Water District services the entire Brentwood sewer service area.

Q. PLEASE PROVIDE AN OVERVIEW OF THE EXISTING WATER OPERATIONS FACILITIES IN THE SERVICE AREA.

A. The PAWC Pittsburgh water system (PWSID # PA5020039) serves an approximate population of 510,000 people through 214,800 metered connections in 79 municipalities located in Allegheny, Beaver, and Washington Counties. The source of supply is obtained from the Monongahela River and treated at two water treatment facilities. The Hays Mine water treatment plant is a 60 million gallons per day ("MGD") facility located in Baldwin Borough, Allegheny County. The E.H. Aldrich water treatment plant is a 50-MGD rated facility located in Elrama, Washington County. The system's distribution network consists of approximately 3,157 miles of water main, 57,291 main valves and 12,818 fire hydrants. In addition to the two treatment plants, there are operations centers located in Carnegie, Bethel Park, Elizabeth, and McMurray, Pennsylvania. The closest facility to the Brentwood Borough municipal office is the Hays Mine water treatment plant, which is approximately 2 miles away. The closest wastewater operations center is the McKeesport wastewater treatment facility located approximately 8 miles away.

Q. PLEASE DESCRIBE HOW PAWC WILL MANAGE THE DAY-TO-DAY OPERATIONS OF THE SYSTEM ONCE IT IS ACQUIRED.

A. The Brentwood System will be incorporated as an operating district into PAWC's Southwest Area operations. Staff hired to support the Brentwood operation will report into the Operations team that oversees the nearby McKeesport wastewater operations. The McKeesport management team consists of a Senior Operations Superintendent, Senior Operations Supervisor, Operations Supervisor, and Water Quality Supervisor who are solely focused on wastewater operations. This will facilitate the integration of the Brentwood System into the local wastewater operations strategy and culture, leverage synergies between the two wastewater systems, provide cross functional support, and offer enhanced availability of shared resources for day-to-day and emergency situations.

Q. ARE OTHER PAWC EMPLOYEES AVAILABLE TO ASSIST WITH WASTEWATER OPERATIONS, AS NEEDED?

A. Yes. Current PAWC employees in the McKeesport operation and future Brentwood employees will be under the same area management and supported by a shared support team supporting common functions such as external affairs, supply chain, environmental compliance, health and safety, customer service, human resources and engineering. Employees in both districts will support each other when appropriate and necessary, particularly in emergency situations. All operations and employees within PAWC and within the broader American Water Works Company, Inc. ("American Water") footprint have access to each other when circumstances require or when a very specialized skill or experience is required to support all local issues.

Q. WILL THERE BE ANY UNNECESSARY DUPLICATION OF OPERATIONS FACILITIES FOLLOWING THE ACQUISITION?

A. No, the System will be operated as a stand-alone system. It will, however, have the support of PAWC's surrounding wastewater operations as well as PAWC's operations throughout the Commonwealth and American Water's nationwide resources.

Q. DOES PAWC PLAN TO INTERCONNECT THE SYSTEM TO ANOTHER PAWC WASTEWATER SYSTEM?

A. No.

Q. DOES THE PENNSYLVANIA CONSTITUTION ADDRESS ENVIRONMENTAL RIGHTS?

A. I am advised by counsel that the Pennsylvania Constitution, Article I, Section 27, guarantees the right to a clean environment, and requires the Commonwealth to conserve and maintain environmental resources for the benefit of the public.

Q. DOES THE BRENTWOOD SYSTEM CURRENTLY FACE ENVIRONMENTAL CHALLENGES?

A. Yes. The Brentwood System has a long history of non-compliance with environmental regulations due to excessive I/I. As far back as 1983, the Pennsylvania Department of Environmental Protection ("PADEP") put the Borough under a Corrective Action Plan to address deficiencies in the Saw Mill Run sewershed. More recently, the entire service area for the ALCOSAN Woods Run Treatment Facility is now under a Federal Consent Decree

to address wet weather overflow issues throughout the sewer system. The original Consent Decree was executed on January 23, 2008 between ALCOSAN, the United States Environmental Protection Agency ("USEPA"), PADEP, and the Allegheny County Health Department ("ACHD"), collectively the "Regulatory Agencies." As part of its obligations under the 2008 Consent Decree, ALCOSAN conducted a Regional Collection System Flow Monitoring Program to measure flows in its sewer system and municipal trunk sewers leading to points of connections to the ALCOSAN sewer system. This work culminated in ALCOSAN submitting its draft Wet Weather Plan to the Regulatory Agencies in 2013. In its Wet Weather Plan, ALCOSAN reported that it could not affordably convey, store, and treat all flows from its customer municipalities. In consideration of the reported financial constraints, the Regulatory Agencies and ALCOSAN negotiated a modification to the 2008 Consent Decree. On May 14, 2020, the Regulatory Agencies and ALCOSAN entered into an amended Consent Decree that allows ALCOSAN, among other things, to submit a revised Wet Weather Plan and to develop flow targets for its contributing municipalities, which has led to Consent Orders and Agreements ("COA") with Brentwood and other contributing municipalities.

In February 2016, Brentwood entered into a COA with ACHD requiring the Borough to, *inter alia*, conduct a Source Reduction Study to identify the types of projects, or a combination of projects, that would most effectively reduce flows within areas of Brentwood's sanitary sewer system with high flows, to eliminate Brentwood's sanitary sewer overflows ("SSOs"), and to reduce flows downstream from Brentwood's sanitary sewer system and/or at its connection with the ALCOSAN interceptor system ("Phase I

COA"). The Source Reduction Study and associated work was completed by Brentwood and the obligations of the Phase I COA terminated on June 1, 2018.

On October 6, 2022, Brentwood entered into a Phase II COA with ACHD. The Phase II COA identifies the metrics associated with required source flow reduction, specifically the Interim Investigative Flow Target Metric Threshold ("Threshold"). The Phase II COA further identifies the municipal boundary POCs, indicates whether the Borough's sewer system POCs exceed the Threshold, and also indicates whether the Borough contributes to an active municipal SSO prior to or tributary to a POC. Brentwood is listed as the primary municipality for: one (1) POC that exceeds the Threshold (along with Whitehall Borough and the City of Pittsburgh as contributing municipalities); and one (1) POC that both exceeds the Threshold and is tributary to a municipal SSO (along with Whitehall Borough as a contributing municipality). Brentwood is also listed as a contributing municipality for one (1) POC that exceeds the Threshold (where Whitehall Borough is the primary municipality).

These ALCOSAN POCs that receive flow from more than one municipality are considered to be "multi-municipal" systems because more than one municipality contributes flow, and a solution for flow reduction would have to consider each of the contributing municipalities. There are over one hundred such multi-municipal sewersheds contributing to the ALCOSAN System. Paragraph 12.d of Brentwood's Phase II COA requires Brentwood to reasonably cooperate to reduce sanitary sewer system ("SSS") flows with other municipalities and sewer operating authorities located or operating within any sewershed within which Brentwood's SSS is located. The other municipalities in these multi-municipal sewersheds will or have already executed their own Phase II COA's with

ACHD that will require them to address their portion of the flow reduction responsibility for each POC and to reasonably cooperate with other municipalities similar to Brentwood's Paragraph 12.d above. In the past, this type of multi-municipal cooperation on sewer rehabilitation and I/I reduction projects has led to cost-sharing arrangements designed to hold each system owner financially responsible for their portion of the capital improvement costs based on a pro-rated share of the sewage flow contribution from each municipality (reference the July 19, 2000 Streets Run Sewer Joint Management Agreement in **Appendix A-25.2**). PAWC expects to use a similar approach after closing to facilitate multi-municipal cooperation and participation in the capital projects that will be required to comply with the COA requirements, as outlined below.

Under the Phase II COA, because Brentwood has one or more POCs above the Threshold and has flows tributary to an SSO, the Borough must implement a Source Flow Reduction project(s) designed to reduce I/I below the Threshold at each POC, and eliminate its SSO or implement a Source Flow Reduction project designed to reduce its flows in its sanitary sewer system tributary to its SSO by at least ten percent ("Ten Percent Project"), under the following timelines in the COA. By April 6, 2023, the Borough shall complete baseline monitoring to confirm or deny the existence of POCs exceeding the Threshold and/or the existence of POCs tributary to a municipal SSO, and to update baseline flow data related to these POCs. By May 31, 2023, the Borough shall identify and locate excess flows by conducting POC flow monitoring and tributary system sub-unit level flow isolation studies. By May 31, 2023, the Borough shall also conduct flow monitoring and field surveys sufficient to update a comprehensive hydrologic and hydraulic model of the sewer system in areas tributary to an SSO. By December 31, 2023, the Borough shall

develop a continuous simulation calibrated hydrologic and hydraulic model to identify causation of its SSO and shall complete and submit to ACHD, with a copy to PADEP and ALCOSAN, an Alternative Analysis identifying the chosen alternative and the date that the SSO will be eliminated. By September 30, 2024, the Borough shall, if applicable, complete a design for facilities for its Source Flow Reduction project(s) and submit a complete and accurate Water Quality Management ("WQM") Permit application to PADEP to authorize the construction of these facilities. By September 30, 2024, the Borough shall also complete a design for facilities for its Ten Percent Project and, if applicable, submit a complete and accurate WQM Permit application to PADEP to authorize the construction of these facilities. By December 31, 2025, the Borough shall complete implementation and construction of the Source Flow Reduction project(s). By December 31, 2025, the Borough shall also complete implementation and construction of the Ten Percent Project. By June 30, 2026, the Borough shall complete post-construction flow monitoring of its Source Flow Reduction project(s) to determine the new unitized annual volumetric I/I rate contributing to the POCs and the effectiveness of the Source Flow Reduction project(s). By June 30, 2026, the Borough shall also complete post-construction flow monitoring of its Ten Percent project to determine the new unitized annual volumetric I/I rate contributing to the SSO and the effectiveness of the Ten Percent Project. By December 31, 2026, the Borough shall submit to ACHD, with a copy to PADEP and ALCOSAN, a Phase II Source Reduction Study reporting on the results of its Source Flow Reduction project(s) and any other flow reduction efforts taken by the Borough. By December 31, 2026, the Borough shall also eliminate its SSO or have implemented a Ten Percent Project, and shall submit to ACHD, with a copy to PADEP and

ALCOSAN, a Ten Percent Study reporting on the results of its Ten Percent Project and any other flow reduction efforts taken by the Borough.

In addition to the above-described corrective actions, the Phase II COA requires the Borough to continue its implementation of its ACHD-approved Operations and Maintenance ("O&M") Program Plan and SSO Response Plan and self-regulate connections to portions of its sanitary sewer system tributary to the ALCOSAN system through a Tap Control Plan. The O&M Program Plan requires a series of important tasks and measures be performed regularly to ensure the effective operation of the System, including: provisions for adequate maintenance of facilities and equipment, routine maintenance and upkeep of sewer system mapping, SSO overflow tracking and reporting, preventative operation and maintenance, designation of priority and non-priority sanitary sewer lines, sewer line televising, sewer repairs, cleaning and preventative maintenance of sewer lines, manhole inspections, system capacity determination, identification and repair of structural deficiencies, and continued formal training of employees.

Q. DOES PAWC HAVE COPIES OF ALL ENVIRONMENTAL PERMITS REQUIRED TO OPERATE THE SYSTEM?

A. Yes. PAWC conducted a file review on March 21, 2023 at the PADEP Southwest Regional Office to obtain copies of all permits related to the Brentwood System. Copies of the permits are provided in **Appendix A-20-b**. PAWC will submit permit transfer application to PADEP to transfer the permits into PAWC's name upon Closing.

Q. HOW WILL PAWC ADDRESS BRENTWOOD'S ENVIRONMENTAL CHALLENGES AFTER CLOSING?

A. PAWC will negotiate a new 3-way Phase II COA between PAWC, ACHD and Brentwood prior to Closing. PAWC will be responsible for the source flow reduction projects described previously while Brentwood would remain responsible for the municipal elements including adoption and enforcement of ordinances. PAWC has developed a five-year capital plan designed to address the project-related obligations of the Phase II COA. Furthermore, the PAWC Operations staff will immediately commence the required work tasks and activities under the O&M Program Plan and SSO Response Plan to ensure efficient operations and maintain compliance with the COA and all environmental laws and regulations.

PAWC will immediately incorporate the Brentwood System into its comprehensive and proactive environmental compliance program. The Water Quality Supervisor in the McKeesport operations district will assume day-to-day responsibility for compliance of the Brentwood System. This employee is part of PAWC's statewide Water Quality and Environmental Compliance Department and reports to PAWC's Manager of Wastewater Compliance, a new position that was created solely to focus on compliance at the Company's twenty-four wastewater treatment plants. This will benefit the Brentwood System by integrating it into PAWC's larger compliance organization, which will help staff assimilate PAWC's proactive compliance culture, and provide access to statewide compliance expertise, shared resources, and improved work management tools. Examples of these tools include MapCall – a computerized maintenance and workorder management system, Environmental Management Plans – a written comprehensive compliance plan for

each water and wastewater system that is reviewed and confirmed quarterly, and Internal Audits – a corporate oversight program that focuses on critical operating priorities for state operating companies, including environmental compliance matters**.**

Q. WHAT ARE THE ESTIMATED CAPITAL COSTS FOR THE SYSTEM?

A. The five-year capital plan for the System is shown on **PAWC Exhibit DJH-2**.

Q. HOW DID PAWC ARRIVE AT THIS FIGURE?

A. The capital plan estimate is based on preliminary cost estimates of individual source flow reduction projects that will be required for compliance under the Phase II COA, and other recurring capital work needed to comply with obligations in the O&M Program Plan and in the ordinary course of business.

Q. DOES THE TRANSACTION INCLUDE ALL OF BRENTWOOD'S SEWER ASSETS?

A. Yes. Paragraph 12.a. of the Phase II COA requires Brentwood to reasonably cooperate with ALCOSAN to facilitate the transfer of trunk sewers currently owned by Brentwood to ALCOSAN. PAWC has held several meetings with ALCOSAN, PADEP and ACHD to discuss this asset transfer clause in the Phase II COA, and PAWC has received assurances that neither Agency will require PAWC to transfer any assets to ALCOSAN in the forthcoming 3-way Phase II COA, as long as PAWC is in compliance with its source flow reduction project obligations in the Phase II COA. ALCOSAN representatives have made consistent public statements.

Q. PLEASE DESCRIBE PAWC'S SYSTEM PLANNING, CAPITAL BUDGETING, AND CONSTRUCTION MANAGEMENT PROCESS, WHICH WILL APPLY TO BRENTWOOD AFTER CLOSING.

A. PAWC has an established track record of successfully managing large capital investment projects in order to provide reliable service to the communities it serves. PAWC has an ongoing program of capital investment focused on systematically replacing and adding new pipes, treatment and pumping facilities, and other water and wastewater infrastructure; thereby minimizing customer disruption caused by infrastructure failure. PAWC has funded in excess of $1 billion in capital construction over the past five years with expenditures expected to total $470 million to $600 million per year for the next five years. Capital planning is performed on a five-year planning horizon by in-house engineering staff and operations to establish capacity needs, regulatory impacts, service adequacy and reliability for PAWC's wastewater systems. As projects are delivered, project costs, alternatives and risks are further developed, and competitive bidding for consulting engineering design/permitting services and construction is utilized to keep costs as low as possible. Comprehensive periodic oversight of water and wastewater assets during the annual budgeting process and ongoing governance reviews gives PAWC a clear and objective view of needs and potential capital project solutions. Once approved through the capital governance process, the individual capital projects will be led and managed by PAWC engineers working in the local Southwest Operations area, which will allow them to maintain clear visibility to the projects and react to conditions as they develop.

Q. IF THE TRANSACTION WOULD NOT OCCUR, DO YOU BELIEVE THAT BRENTWOOD WOULD HAVE THE FINANCIAL AND TECHNICAL CAPABILITIES TO IMPROVE MATERIALLY ITS ENVIRONMENTAL PERFORMANCE IN THE FUTURE?

A. No. Based on past history, Brentwood has not proactively addressed environmental compliance issues before they rose to the level of compliance orders from the Regulatory Agencies. This is a reactive approach to environmental compliance and does not proactively address the underlying problem of lack of regular infrastructure renewal and replacement. Without a well-funded program to upgrade aging collection system assets, I believe that Brentwood will continue to experience hydraulic overloading and SSOs in portions of its System. Furthermore, I expect that environmental regulations will continue to become more stringent in the future, with the potential for new or more stringent source reduction targets that could require substantial new investment in the future. As an experienced public utility, PAWC has extensive experience in complying with current environmental regulations and being proactive with capital investments to maintain system integrity and reliability, while planning ahead for new regulations.

Q. IN YOUR OPINION, IS PAWC BETTER EQUIPPED THAN BRENTWOOD TO OPERATE AND MAINTAIN THE SYSTEM IN COMPLIANCE WITH APPLICABLE ENVIRONMENTAL STATUTES AND REGULATIONS?

A. Yes. PAWC can draw upon a much broader range of engineering and operational experience, as well as deeper operational and financial resources, to address the environmental compliance challenges of the System. In addition, given PAWC's

experience with operation of similar wastewater systems, particularly those facing extensive I/I issues like Brentwood, I believe that PAWC is best positioned to provide those services on a cost-effective basis.

PAWC is the Commonwealth's largest investor-owned provider of water and wastewater services. As a leading wastewater provider in Pennsylvania, PAWC brings industry leading expertise and has extensive technical experience in upgrading, operating, and maintaining sewer facilities. PAWC is a recognized leader in providing communities in the Commonwealth with well-maintained and reliable water and wastewater services and has extensive local knowledge due to PAWC's decades of experience providing water service to Brentwood.

PAWC currently employs approximately 1,150 professionals with expertise in all areas of water and wastewater utility operations including engineering, regulatory compliance, water and wastewater treatment plant operation and maintenance, distribution and collection system operation and maintenance, material management, risk management, human resources, legal, accounting, and customer service. As a subsidiary of American Water, PAWC has available to it additional resources of highly trained professionals who have expertise in various specialized areas. American Water currently owns or operates approximately 160 wastewater plants through its subsidiaries in a number of states. American Water's experience includes the full breadth of treatment processes, from facultative ponds to membrane biological reactors in every climate zone across the U.S. More-advanced technologies allow a number of American Water's plants to utilize effluent for reuse applications, eliminating discharge to receiving streams. These diverse facilities have provided American Water operators and process experts with deep experience in the

operation and maintenance of every possible type of wastewater treatment technology. This experience is available to support PAWC's operations staff and facilities.

A 50-person team of American Water corporate engineers has handled a wide variety of system assessments, treatment process evaluations and design reviews for water and wastewater treatment systems in order to improve operations and prioritize capital improvements. For example, PAWC successfully leveraged its corporate engineering expertise following two recent acquisitions, the Steelton water system, and the Exeter wastewater system. For both of these systems, subject matter experts from the corporate engineering team conducted process evaluations of the water and wastewater treatment processes and identified solutions to remedy on-going operational challenges.

PAWC has demonstrated its ability to improve troubled municipal wastewater systems following acquisition through improving operational efficiencies, fostering a proactive environmental compliance culture in the local workforce, and investing capital to replace and renew assets. PAWC has successfully addressed PADEP and USEPA compliance orders requiring operational improvements and substantial capital investments in several recent wastewater acquisitions, including Clarion, Claysville, Dravosburg, Duquesne, Exeter, Kane, McKeesport, Port Vue, Scranton, and York. From 2018 through 2021, PAWC has made capital investments in its wastewater systems averaging $762 per year per customer connection. This is over three times the level of investment made by Brentwood into its System over the last 10 years, averaging $236 per year per customer connection. This lower investment level is in spite of the ongoing environmental non-compliance events and the known deficiencies in the System. Prudent renewal and replacement of the aging System infrastructure through capital investment is the key to

achieving and maintaining long-term environmental compliance, and it is clear that PAWC is much more equipped than Brentwood to make those ongoing capital commitments.

Furthermore, as the public water provider in the Brentwood service area, PAWC can leverage synergies between the water and sewer infrastructure networks to the benefit of customers and the general public. For example, PAWC will evaluate needed infrastructure upgrades holistically from both the water and wastewater perspectives, and can plan water distribution system improvements and sewer system rehabilitation projects together when feasible, reducing the number of street openings, lessening the inconvenience to the public, and lowering overall construction and restoration costs.

Q. PLEASE DESCRIBE PAWC'S TECHNICAL FITNESS TO PROVIDE WASTEWATER SERVICE TO BRENTWOOD'S CUSTOMERS.

A. In addition to the points that I just mentioned, PAWC has approximately 97,521 wastewater customers across the Commonwealth, with customers in Adams, Allegheny, Beaver, Berks, Chester, Clarion, Cumberland, Lackawanna, Luzerne, McKean, Monroe, Montgomery, Northumberland, Pike, Washington, and York Counties. A map of PAWC's current service territories is attached to my testimony as **PAWC Exhibit DJH-3.** In comparison, Brentwood furnishes wastewater services to only approximately 3,974 customers. PAWC has had no material issues in complying with the Pennsylvania Public Utility Code ("Code"), the Clean Streams Law, or other regulatory requirements. Moreover, PAWC has the resources, skills, and expertise to respond to ever-increasing environmental standards for the treatment of wastewater and to manage the long-term infrastructure renewal and replacement needs inherent in wastewater systems.

Q. PLEASE DISCUSS PAWC'S SERVICE INTERRUPTION HISTORY.

A. PAWC plans its maintenance and capital improvement projects in a manner that avoids creating service interruptions. Care is taken to provide a continuous free flow of sanitary waste from customer connections, even during disruptive events. For main repairs, crews will use bypass pumping arrangements so that sewage flow is captured and relocated around the work area while repairs are being made. For pump station work, crews will use bypass pumping similar to that described above, or pumper trucks to remove accumulated wastewater in the pump station holding tanks and haul the contents to the plant or other collection system location. PAWC also builds redundancy into its systems to provide continued operational reliability in the event of equipment failures.

In comparison, Brentwood's preventative maintenance plan to avoid service interruptions is not as robust and is limited to regular sewer cleaning for sediment removal, root removal and grease removal to ensure free-flowing sewer service. In 2022 the Borough performed 61 linear feet of open cut sewer line repairs, 4 broken wye-connection repairs, and replacement of one manhole.

Q. PLEASE DESCRIBE PAWC'S RESPONSE TO RECENT MAJOR STORM EVENTS.

A. PAWC has effective Emergency Response Plans ("ERPs") in place at its water and wastewater systems to prepare for, withstand, and recover from major storm events. The ERPs are updated annually, and table-top exercises are conducted annually to test the plans. For wastewater systems, emergency preparedness activities typically include: fueling vehicles and emergency generators, ensuring staff has adequate personal protective

equipment for the conditions, rescheduling field staff for indoors work if possible to avoid dangerous conditions, refreshing contact information and account numbers for local electricity companies, activating flood protection plans for heavy rainfall events, planning for snow removal/salting of parking lots, roads and sidewalks for winter storms, and making operational adjustments to put treatment plants in storm mode to handle increased flows.

PAWC is experienced in making strategic capital investments to improve the ability of its wastewater systems to handle the increased flows from storm events. In the Clarion wastewater system, acquired in 2008 from the Clarion Area Authority, PAWC has successfully executed projects under a COA with PADEP to reduce illegal discharges to waters of the Commonwealth. The work included Act 537 planning, design and construction of new facilities, replacement of inadequate infrastructure, and modifications to long standing operational procedures. Specifically, PAWC upgraded the collection system by replacing approximately 10,000 lineal feet of 8" to 36" interceptor sewers and replacing/upgrading the main lift station (Liberty Street) and equipping it with a new 1.3 MG equalization tank to capture excess storm flows. PAWC also made major hydraulic improvements to the wastewater treatment plant by increasing its design capacity from 1.75 to 4.0 MGD and installing a new 3.8 MG equalization tank. Construction began in July 2013 and was completed by the COA deadline of February 2015. The COA was lifted in January 2016. Under the Clarion Area Authority's ownership, the system experienced approximately 30 SSOs per year and storm flows were routinely bypassed at the wastewater treatment plant with no treatment. Since the new facilities were placed online by PAWC, the SSOs have been reduced to an average of one per year, mainly caused by

damaged or clogged/blocked sewer mains, and there have been no bypasses of untreated sewage at the wastewater treatment plant.

In the Scranton wastewater system acquired in late 2016, PAWC has completed 30 of 72 combined sewer overflow ("CSO") control upgrades required under the system's approved Long Term Control Plan ("LTCP"). The remainder will be addressed during the remaining 15 years of the 25-year LTCP. These improvements have reduced the total number of system-wide CSOs from a high of 1,293 in 2018 to 915 in 2022. On average per completed CSO Outfall, the improvements have reduced the number of CSOs during a typical year from 25 to four and the total CSO discharge volume from 121 MG to 36 MG (a 70% reduction). These numbers will continue to improve each year as PAWC installs additional CSO control structures. At the treatment plant, PAWC increased the peak capacity from 39 MGD to 60 MGD in 2020, which has resulted in a reduction in non-compliance bypass events from a total of nearly 60 in 2019, to only six in 2021 and 2022 combined.

In comparison, Brentwood has a long history of hydraulic overloading and SSOs in its collection system, as described previously. While the Borough has made progress in portions of its System through projects completed under prior COAs with the Regulatory Agencies, the System remains out of compliance with state and federal regulations regarding SSOs and hydraulic overloading. With PAWC's previous experience in successfully remedying similar non-compliance situations in other large sewer systems, PAWC is well equipped to handle the challenges presented by the current condition of the Brentwood System.

Q. DOES PAWC MAINTAIN CYBER SECURITY, PHYSICAL SECURITY, BUSINESS CONTINUITY AND EMERGENCY PLANS?

A. Yes. Cyber and physical security plans are maintained and monitored by American Water for each of its subsidiaries. PAWC maintains ERPs and O&M Manuals, both of which have operational business continuity included within the plans and are updated each year. These plans are tested each year through emergency response tabletop exercises. Each plan is overseen and managed by various groups and individuals to provide overarching support to PAWC. These groups are responsible for testing, reviewing, and updating their respective plan(s).

The departments assigned to Physical Security, Emergency Response, Business Continuity, and Cyber Security plans are as follows:

- Physical Security Plan - Operational Risk Management Security (American Water Works Service Company, Inc. ("AWWSC"));
- Cyber Security Plan - Operational Risk Management Security (AWWSC);
- Emergency Response Plan - Operations (PAWC); and
- Business Continuity Plan - Operational Risk Management (PAWC) and Operations (PAWC).

To constantly protect physical and cyber resources, the designated groups have developed procedures to ensure that PAWC operates in a safe, secure, and reliable environment. A major commitment in assuring plans are kept current is performing various testing on an annual basis. Types of testing performed by AWWSC and PAWC include vulnerability assessments, system operational testing, full scale exercises, media backups, and real-life events.

In contrast, Brentwood does not have a physical security plan because they have no above-ground assets, and their cyber security plan is limited to multi-factor authentication access control to the Borough's servers.

Q. PLEASE DESCRIBE PAWC'S CYBERSECURITY CONTROLS.

A. PAWC's cybersecurity controls are consistent with the National Institute of Standards and Technology ("NIST") cyber security framework and the American Water Works Association ("AWWA") Process Control System Security Guidance for the Water Sector.

Q. PLEASE EXPLAIN PAWC'S POLICIES AND PROCEDURES REGARDING SERVICE CALLS.

A. PAWC's 24/7/365 customer service call center is available for routine customer interactions from 7:00 a.m. to 7:00 p.m., Monday through Friday, and at all other times for customer emergencies. When a customer calls the call center in an emergency situation, they can speak with a representative 24/7/365. Field service crews are on-call and available for emergency field work (main breaks, sewer backups, overflows) 24/7/365 outside of the normal work hours.

In contrast, Brentwood's regular business hours for customer interactions are only from 8 a.m. to 4:30 p.m. Monday through Friday. Customers calling after hours can leave a message for a sewer backup or any other type of sewage related emergency, or they can call 911. If the issue involves public safety, the police will call public works. If the issue is not an emergency, the Borough has to call in their engineer the next day to explore the issue.

In summary, I would say that PAWC provides better service than Brentwood in terms of service calls.

Q. PLEASE DESCRIBE PAWC'S RELATIONSHIPS WITH COMMISSION EMERGENCY RESPONSE STAFF, PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY ("PEMA") STAFF, AND LOCAL FIRST RESPONDERS.

A. PAWC has a strong working relationship with the Commission's Emergency Response Staff. PAWC provides the Commission with emergency response numbers for all PAWC operating areas each year. The Commission provides emergency numbers for its staff, which PAWC distributes to all of PAWC's operating areas for inclusion in the PAWC Emergency Response Plans. For those emergencies that warrant communication to the Commission's Emergency Preparedness Liaison Officer ("EPLO"), PAWC has contacted Commission staff in the past to advise them of situations and actions taken by PAWC. Each year, PAWC conducts emergency response tabletop exercises to test responses to emergency situations, including weather emergencies, slug discharges of industrial wastes into the sewer system, damage to facilities, cyber-attack, and other perils. The Commission's emergency response staff has participated in those exercises each year since 2006. We also invite local first responders to participate, such as fire departments, police departments, hazmat responders, local prison personnel, as well as PADEP and the Governor's Office of Homeland Security personnel. PAWC has a strong working relationship with the Commission's Emergency Response staff.

PAWC has participated in Pennsylvania Water/Wastewater Agency Response Network ("PaWARN") and PEMA-sponsored exercises over the years. PAWC's current relationship with PEMA is through the Commission's EPLO and PaWARN. PAWC is a member in good standing of PaWARN.

In contrast, Brentwood is not a member of PaWARN. I would say that PAWC is better than Brentwood in terms of emergency preparedness.

Q. PLEASE DESCRIBE PAWC'S PARTICIPATION IN PENNSYLVANIA'S "ONE CALL" SYSTEM AND THE RESOURCES THAT PAWC DEDICATES TO THE PROGRAM.

A. All of PAWC's operating districts are members of Pennsylvania One Call System Inc. and complete excavator requested mark outs on a daily basis. Each district has a minimum of one person dedicated to completing dig notifications utilizing a third party internet-based One Call ticket management system, known as Korweb, that is accessible via vehicle mounted computers for real time response to any PA One Call dig notification.

PAWC has an excellent track record of compliance with the requirements of the "One Call" system. PAWC achieved a 99.997 percent ticket completion rate in 2022. PAWC's late ticket completion date for 2022 was 0.68 percent. Through February 2023 PAWC has achieved a 100 percent ticket completion rate for 10 consecutive months.

Brentwood has limited resources and manpower to respond timely to One Call tickets in contrast to PAWC which has dedicated resources.

Q. DOES PAWC HAVE AN EMPLOYEE SAFETY PROGRAM?

A. Yes. American Water and PAWC have made safety a value and not just a goal. It is very important to us that every employee and contractor return home safely every day. We make safety a value instead of a goal because goals change, but values do not change.

Safety performance is fundamental to the Company's culture and key to its success. Employees are expected to conduct themselves in a safe manner, in accordance with PAWC's Health and Safety Policy and with the Health and Safety Procedures and Practices Manual. PAWC establishes, implements, promotes, and manages safety programs, activities and training that enable continued safety improvement, injury reduction and compliance with applicable Federal, State, and local requirements. Safety programs are developed and implemented in accordance with Company policy and applicable practices and include:

- Supporting practices that are developed, reviewed, and updated to provide guidance on safe performance of activities in the workplace and are reflective of changes in organizational, operational, and regulatory needs;

- Strategic and priority development and implementation of safety improvements based on risk analysis of workplaces, work tasks and related potential injuries and incidents;

- Near-miss reporting and corrective action program to identify and remove safety hazards from the workplace;

- Development of, and measurement against, specific Company and external safety performance targets and safety accountabilities for all employees;

- Ongoing assessment and review of safety processes, activities and supporting programs (including those related to other Company policies, such as the Workplace Conduct and Behavior Policy) to gauge effectiveness, identify program gaps and pinpoint opportunities for continued improvement;

- Consistency of implementation and compliance with Company and regulatory requirements across the enterprise; and,

- Defined and monitored contractor qualifications and requirements for safety performance in accordance with approved contract documents, applicable laws, and regulations.

PAWC has an excellent safety record. Moreover, PAWC has committed to achieving zero injuries and has made great strides in changing the Company culture to

believe that such a target is achievable. Over the last 20 years, PAWC has consistently reduced its number of recordable injuries and corresponding OSHA Recordable Incident Rate, as shown in the figure below:

Q. WHAT EFFORTS, IF ANY, WILL PAWC UNDERTAKE TO EDUCATE BRENTWOOD'S CUSTOMERS REGARDING PAWC OWNERSHIP OF THE SYSTEM?

A. As the Transaction is nearing Closing, PAWC plans to produce bill inserts or onserts and/or letters to customers to explain the transition, billing, payment options and other items associated with the change in ownership. PAWC's website will also add content to help educate customers and to address frequently asked questions.

Q. WHAT, IF ANY, CUSTOMER ENHANCEMENTS CAN BRENTWOOD'S CUSTOMERS EXPECT AS A RESULT OF THE TRANSACTION?

A. PAWC prides itself on providing superior customer service. As part of its commitment to customer service, PAWC offers its customers a number of enhanced services, including extended call center hours, additional bill payment options, enhanced customer information and education programs, and access to PAWC's customer assistance program.

Q. PLEASE PROVIDE ADDITIONAL DETAIL ON EACH OF THESE CUSTOMER SERVICE ENHANCEMENTS.

A. ***Customer Service***. As discussed above, PAWC's call center is available from 7:00 a.m. to 7:00 p.m., Monday through Friday for routine business and 24/7/365 for emergency situations such as sewer back-ups or overflows. At all times, customers dealing with emergency situations can make direct contact with a live customer service representative. Customers can also reach a customer service representative via email at infopa@amwater.com. In addition, PAWC's customers have the ability to manage their account via PAWC's "My H20" online portal. Finally, PAWC offers local field service support 24 hours a day, seven days a week for customer emergencies. All of this means that PAWC is very responsive to its customers and any issues they may have. PAWC will provide the same responsive approach to Brentwood's customers once PAWC acquires the System.

In comparison, as discussed above, Brentwood customers experiencing service issues can speak to a Borough representative only between 8 a.m. and 4:30 p.m. weekdays and must leave a voicemail message for emergencies occurring after hours.

Bill Payment Options. PAWC offers a number of bill payment options. Customers have the option to receive paper bills through the mail or go paperless and receive their bills electronically via the "My H20" on-line portal. Either way, customers can pay their bill by mail, online, or over the phone with a debit or credit card. They can also pay by e-check or an electronic funds transfer (which can be set up at the "My H20" online portal) or pay in-person at multiple authorized payment locations across the state.

Brentwood's bill payment choices include by mail, on-line, by phone, and by drop off payment box.

Customer Information and Education Programs. PAWC provides extensive customer information and education programs that will be available to Brentwood's current customers through brochures, bill inserts, and educational videos posted on PAWC's website. PAWC's customers always have full access to a wide range of topics, including information on preventing sewer overflows, preventing frozen pipes, beneficially re-using residuals from water treatment plants for community gardens, detecting and fixing silent toilet leaks, properly disposing of unused pharmaceuticals to keep them out of the wastewater system, conserving water, installing expansion tanks, obtaining Fire Department Grants, and protecting customers from utility imposters.

In comparison, Brentwood only provides limited public education on its MS4 Stormwater program, and nothing on its sanitary sewer system.

Customer Assistance Programs. Finally, as new PAWC customers, Brentwood's customers will have access to PAWC's customer assistance program called the "H20 Help

to Others Program." For wastewater customers, this program offers two main services: (1) grants of up to $500 per year and (2) a tiered discount on total wastewater charges based on percentage of Federal Poverty Level (Tier 1 0%-50% of FPL 80% discount; Tier 2 51%-100% of FPL 55% discount; Tier 3 101%-150% of FPL 30% discount). Additionally, PAWC offers payment arrangements and budget billing to residential customers who qualify for the programs.

PAWC's strong collaboration and coordination with the Pennsylvania Department of Human Services ("DHS"), and its significant customer outreach, have allowed PAWC's customers to enjoy significant benefits from the low-income household water assistance program ("LIHWAP"). In 2022, over 13,000 LIHWAP grants were processed by the DHS for PAWC customers providing $7.6 million in assistance.

In comparison, Brentwood has no low-income customer service assistance program nor any income-based repayment options.

Q. DOES PAWC HAVE A PROGRAM TO PROTECT ITS CUSTOMERS AGAINST UTILITY EMPLOYEE IMPOSTERS?

A. Yes, PAWC has developed communications tools and programs to regularly educate customers about the tactics used by utility employee imposters and what homeowners need to know to protect themselves. The communications vehicles include bill inserts, news releases, social media posts and website information about imposter-related crimes and precautions that customers can take. In addition, PAWC helped form the Keystone Alliance to Stop Utility Imposters, a coalition of water, gas, and electric utilities, along with the Commission, Pennsylvania District Attorneys Association and Pennsylvania

Chiefs of Police Association, to launch a public awareness campaign using public service announcements, print materials, posters, and community presentations.

Q. PLEASE DESCRIBE PAWC'S CUSTOMER DISPUTE RESOLUTION PROCEDURE.

A. I am advised by counsel that PAWC is governed by Chapter 14 of the Code, the Responsible Utility Customer Protection Act, 66 Pa. C.S. §§ 1401 *et seq.*, and the Commission's regulations commonly known as Chapter 56, 52 Pa. Code §§ 56.1 *et seq.* The law and regulations provide the procedures for public utilities to follow with regard to customer billing, collections, payment arrangements, medical certifications, Protection from Abuse Orders, termination of service, reconnection of service, and customer dispute resolution procedures.

PAWC has a customer compliance team located in the Mechanicsburg, PA office responsible for ensuring that customer disputes and complaints are resolved in compliance with the Commission's regulations. Additionally, the Company has a customer advocacy team located in the Mechanicsburg office responsible for addressing any customer disputes and escalated concerns.

Brentwood's customer dispute process appears to be more informal. There are no dedicated customer service resources and disputes are handled by Borough staff. Customer disputes may be eventually escalated to the Borough manager. Because Brentwood does not own the water meters upon which usage wastewater bills are based, they often are not able to address customer billing issues. Following Closing, PAWC will be better equipped than Brentwood to respond to billing disputes because it is also the water provider. If

adjustments are made in water usage (by PAWC) or treatment services (by ALCOSAN) the Borough makes an adjustment on the next billing cycle, but Brentwood has a limited ability to resolve billing disputes on its own.

Q. CAN YOU BRIEFLY COMPARE PAWC'S TERMINATION PROCESS TO BRENTWOOD'S TERMINATION PROCESS?

A. Yes. As discussed above, PAWC must comply with the Code and the Commission's regulations with regard to customer termination. The Code and the Commission's regulations do not apply to Brentwood. Instead, Brentwood follows the laws that apply to municipal entities, including the Water Services Act, which do not contain the extensive procedural safeguards that are set forth in the Code and Commission regulations. Brentwood can terminate a customer's sewer service by having water service to the customer terminated. Brentwood can also impose a lien on the property as a collection instrument, rather than terminating service. The Borough has a standardized delinquency payment arrangement regardless of amount. The only option is a 50 percent down 12-month payment plan. For terminations, the customer is mailed a 10-day notice before enforcement.

Q. DID THE COMMISSION ISSUE DIRECTIVES TO PUBLIC UTILITIES REGARDING THE TERMINATION OF UTILITY SERVICE DURING THE COVID-19 PANDEMIC?

A. Yes. The Commission established a moratorium on terminating utility service, which has now expired. The Commission also established temporary rules modifying the regulations

regarding payment arrangements for customers who have arrearages. In response to the COVID-19 Pandemic, Brentwood temporarily waived shut-offs, but has resumed the process in 2023.

Q. TO THE BEST OF YOUR KNOWLEDGE, DO BRENTWOOD'S CUSTOMERS CURRENTLY HAVE A PUBLIC OMBUDSMAN TO REPRESENT THEIR INTERESTS?

A. No.

Q. DO PAWC'S CUSTOMERS HAVE A PUBLIC OMBUDSMAN TO REPRESENT THEIR INTERESTS?

A. Yes. The Office of Consumer Advocate ("OCA") represents residential customers of public utilities; the Office of Small Business Advocate ("OSBA") represents small commercial customers of public utilities; and the Commission's Bureau of Investigation & Enforcement ("I&E") represents the general public interest. Moreover, the Commission, an independent regulatory agency, has regulatory oversight of matters involving public utilities. The Commission and all of the public advocates are funded by regulatory assessments on public utilities.

Q. IS PAWC SUBJECT TO COMMISSION JURISDICTION?

A. Yes. PAWC's service and rates are subject to Commission regulation and oversight. If the Transaction is approved, future rate cases for Brentwood customers will be evaluated by the Commission to ensure that rates are just and reasonable. The PUC also conducts

audits and reviews PAWC filings. This oversight helps ensure that service is safe and reliable. Brentwood customers will be protected by the Code and by PAWC's Commission-approved tariff.

Q. IS BRENTWOOD SUBJECT TO COMMISSION JURISDICTION?

A. I am advised by counsel that it is not. If a customer is dissatisfied with the service or rates of Brentwood, the customer must seek redress in a court of common pleas.

CONCLUSION

Q. DO YOU BELIEVE PAWC HAS THE ABILITY TO PROVIDE SAFE, ADEQUATE, AND RELIABLE WASTEWATER SERVICE TO BRENTWOOD'S CUSTOMERS?

A. Yes.

Q. DO YOU BELIEVE THAT THE PROPOSED TRANSACTION WOULD RESULT IN AN AFFIRMATIVE PUBLIC BENEFIT OF A SUBSTANTIAL NATURE?

A. Yes. For the reasons stated in my testimony, PAWC, as the largest investor-owned water and wastewater company in the Commonwealth, will be able to provide an enhanced level of operational expertise and customer service. The Transaction will also improve the System's environmental compliance. Approval of the Transaction would be consistent with the Pennsylvania Constitution, Article I Section 27.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes. However, I reserve the right to supplement my testimony as additional issues and facts arise during the course of the proceeding. Thank you.

Dan.Hufton@Amwater.com
412-398-5492

DANIEL J. HUFTON, P.E.

PROFESSIONAL SUMMARY

22+ years of progressively responsible Water & Wastewater Utility operations, management, and regulatory compliance experience.

12 years of client-focused Consulting Engineering and Design experience.

CORE QUALIFICATIONS

- Experienced in conducting due diligence of potential water and wastewater system acquisitions
- In depth knowledge of regulated water and wastewater utility operations
- Thorough knowledge of water and wastewater treatment technologies and compliance challenges
- Well versed on USEPA and PA DEP regulatory requirements

PA AMERICAN WATER EXPERIENCE

ENGINEERING MGR
2021 - Present

DIR. WATER QUALITY & ENVIRONMENTAL COMPLIANCE
2020 - 2021

SR. OPERATIONS MGR, O&M STRATEGY
2015 – 2021

SR. DIRECTOR, PRODUCTION
2004 – 2015

OPERATIONS MGR, SW PA
2002 – 2004

WATER QUALITY SUPERINTENDENT
2000 – 2002

PRIOR EXPERIENCE

BRANCH OFFICE MGR, BLAZOSKY ASSOCIATES, INC.
1992 – 2000
Client-focused consultant providing design and permitting services to solid waste management and industrial wastewater clients, including PAWC.

SR STAFF ENGINEER, CHAMBERS DEVELOPMENT CO.
1991 – 1992
Corporate engineer for regional solid waste management firm, focused on design, permitting and operation of company's landfill leachate treatment plants.

PROJECT ENGINEER, EARTH SCIENCES CONSULTANTS, INC.

1988 – 1991
Entry level engineering position, responsible for design and permitting of solid waste disposal facilities and industrial wastewater treatment plants.

EDUCATION	CORNELL UNIVERSITY —Ithaca, NY —M. Eng., Civil Engineering —1988 PENN STATE UNIVERSITY —Univ. Park, PA —B.S., Civil Engineering —1987
REGISTRATIONS & CERTIFICATIONS	REGISTERED PROFESSIONAL ENGINEER, PENNSYLVANIA CERTIFIED WATER & WASTEWATER OPERATOR, PENNSYLVANIA
MEMBERSHIPS	AMERICAN WATER WORKS ASSOCIATION WATER ENVIRONMENT FEDERATION PAWARN

EXHIBIT DJH-2

Brentwood Borough WW 5-Year Capital Estimate
3/24/2023

IP Level CAPEX	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5	Total
Collection system						
MH8900 Ten-Percent project	$ 128,000	$ 723,000	$ -	$ -	$ -	$ 851,000
MH4200 Ten-Percent project	$ 339,000	$ 1,915,000	$ -	$ -	$ -	$ 2,254,000
Total Yearly IP CAPEX	**$ 467,000**	**$ 2,638,000**	**$ -**	**$ -**	**$ -**	**$ 3,105,000**

RP Level CAPEX	Year 1	Year 2	Year 3	Year 4	Year 5	Total
A - Mains - New						
B - Mains - Replaced / Restored	$ 706,000	$ 706,000	$ 706,000	$ 706,000	$ 706,000	$ 3,530,000
C - Mains - Unscheduled	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 75,000
D - Mains - Relocated	$ 66,000	$ 66,000	$ 66,000	$ 66,000	$ 66,000	$ 330,000
E - Hydrants, Valves, and Manholes - New						
F - Hydrants, Valves, and Manholes - Replaced	$ 143,000	$ 143,000	$ 143,000	$ 143,000	$ 143,000	$ 715,000
G - Services and Laterals - New						
H - Services and Laterals - Replaced	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 130,000
I - Meters - New						
J - Meters - Replaced						
K - ITS Equipment and Systems	$ 5,000	$ -	$ -	$ -	$ 5,000	$ 10,000
L - SCADA Equipment and Systems						
M - Security Equipment and Systems						
N - Offices and Operations Centers						
O - Vehicles	$ 70,000	$ -	$ -	$ -	$ -	$ 70,000
P - Tools and Equipment	$ 50,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 90,000
Q - Process Plant Facilities and Equipment	.					
R - Capitalized Tank Rehab & Painting						
S - Engineering Studies						
Total Yearly RP CAPEX	**$ 1,081,000**	**$ 966,000**	**$ 966,000**	**$ 966,000**	**$ 971,000**	**$ 4,950,000**

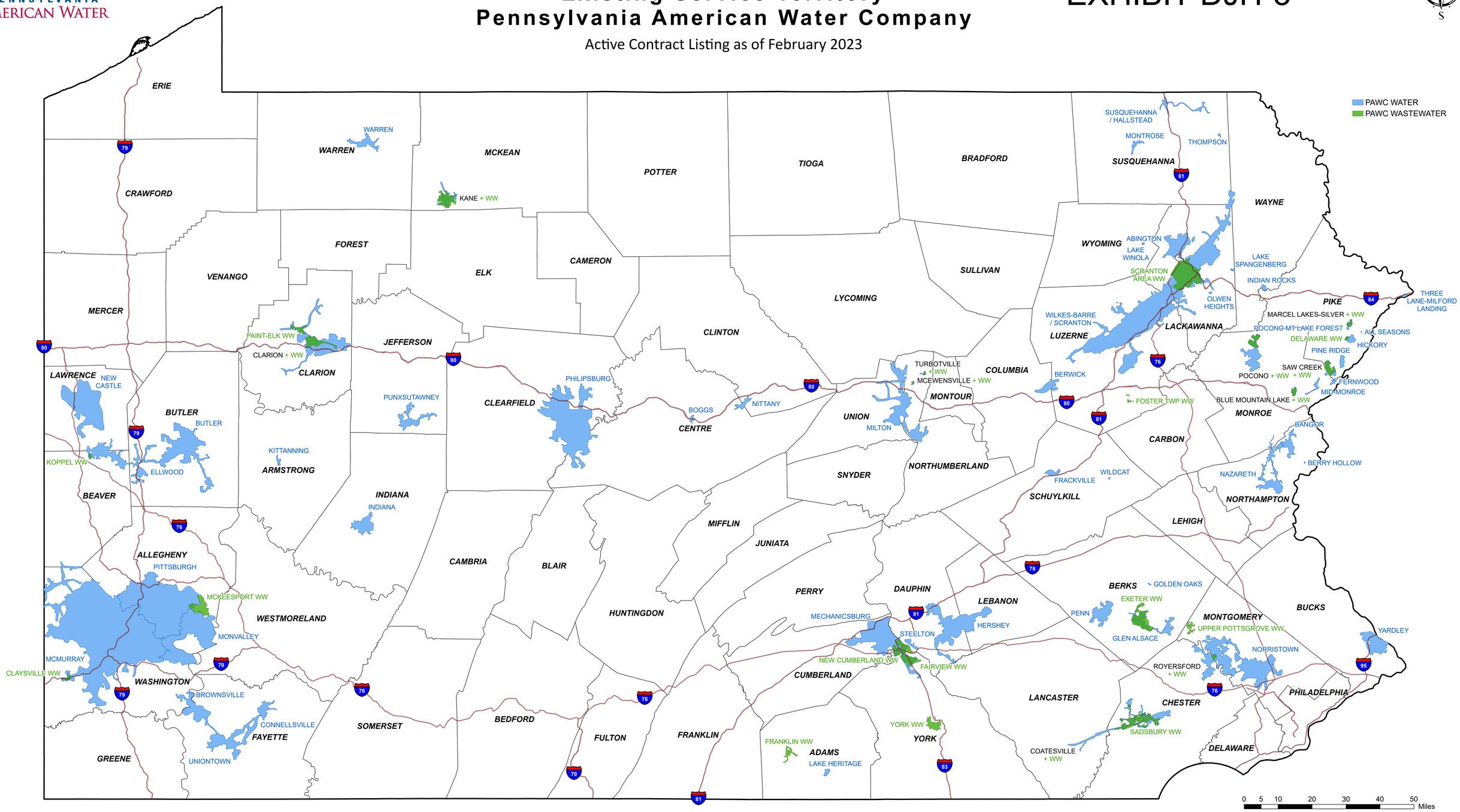
Total Yearly IP and RP CAPEX	**$ 1,548,000**	**$ 3,604,000**	**$ 966,000**	**$ 966,000**	**$ 971,000**	**$ 8,055,000**

PENNSYLVANIA AMERICAN WATER

Existing Service Territory
Pennsylvania American Water Company

Active Contract Listing as of February 2023

EXHIBIT DJH-3



PA-Pittsburgh 2411	136,764	PA-NewCastle/Ellwood 2431	26,842	PA-Steelton 2414	2,354	PA-Abington 2453	6,348	PA-Norristown 2451	33,226
TOTAL PITTSBURGH 2401	**136,764**	PA-Butler 2433	19,626	PA-Mechanicsburg 2461	42,070	PA-Susquehanna 2454	2,523	PA-Yardley 2452	12,930
PA-McMurray 2421	58,106	PA-Indiana 2441	7,514	PA-Hershey/Palmyra 2462	20,402	PA-Bangor 2455	3,748	PA-Glen 2459	9,509
PA-MonValley/Elizabeth 2422	21,390	PA-Punxsutawney 2442	3,615	PA-Coatesville 2465	14,776	PA-Nazareth 2456	10,168	PA-Penn/Wyomissing 2463	12,666
PA-Uniontown/Connellsville 2423	13,513	PA-Clarion 2443	4,230	PA-Lake Heritage 2466	873	PA-Pocono 2457	8,457	PA-Royersford 2464	19,181
PA-Brownsville/California 2425	4,674	PA-Kittanning 2444	1,957	PA-Milton 2471	12,881	PA-Lehman Pike 2468	8,396	**TOTAL SOUTHEAST 2405**	**87,512**
TOTAL SOUTHWEST 2402	**97,683**	PA-Warren 2445	5,428	PA-Philipsburg 2472	7,916	**TOTAL NORTHEAST 2404**	**39,640**		
		PA-Kane 2446	2,066	PA-Berwick 2473	6,287	PA-WB/Scranton 2491	136,310		
		TOTAL NORTHWEST 2402	**71,278**	PA-Frackville 2474	2,342	**TOTAL WB / SCRANTON 2404**	**136,310**		
				PA-Boggs 2477	23				
				PA-Nittany 2478	579				
				PA-McEwensville 2484	130				
				PA-Turbotville 2489	324				
				TOTAL CENTRAL 2403	**110,957**				
TOTAL WATER / FIRE: 680,144									

PA-McKeesport WW 2412	10,523	PA-Lehman Pike WW 2469	2,762
PA-Exeter WW 2413	7,885	PA-Foster Twp WW 2470	509
PA-Coatesville-Sadsbury WW 2415	1,410	PA-Winona Lake WW 2475	83
PA-Royersford WW 2417	1,494	PA-Pocono BlueMtn WW 2476	878
PA-Upper Pottsgrove WW 2418	1,546	PA-Franklin/Hamiltonban WW 2483	350
PA-Kane WW 2419	2,005	PA-McEwensville WW 2485	130
PA-Claysville WW 2426	488	PA-New Cumberland WW 2487	3,106
PA-Koppel WW 2435	363	PA-Turbotville WW 2489	308
PA-Delaware/Clean Treatment WW 2436	360	PA-Scranton WW 2492	29,813
PA-Paint Elk WW 2438	431	PA-York WW 2494	13,121
PA-Clarion WW 2447	2,468		
PA-Pocono WW 2458	3,784		
PA-Fairview WW 2460	4,127		
PA-Coatesville WW 2467	9,381		
TOTAL SEWER: 97,325			

VERIFICATION

I, Daniel J. Hufton hereby state that the facts above set forth above are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. Cons. Stat. §4904 relating to unsworn falsification to authorities.

Daniel J. Hufton, P.E. Engineering Manager
Pennsylvania-American Water Company

Dated: 3/28/2023