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File #: 196374

June 7, 2024

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Application of Aqua Pennsylvania Wastewater, Inc. Pursuant to Sections 507, 508, 1102 and 1329 of the Public Utility Code for Approval of its Acquisition of the Wastewater System Assets of the City of Beaver Falls
Docket No. A-2022-3033138

Dear Secretary Chiavetta:

On behalf of Aqua Pennsylvania Wastewater, Inc. (“Aqua PA WW”), attached for filing please find the responses and associated materials in response to the Pennsylvania Public Utility Commission’s (“Commission”) Bureau of Technical Utility Services’ (“TUS”) requests for additional information. Aqua PA WW notes that, on May 8, 2024, the Commission issued a Secretarial Letter granting a time extension for these materials from May 8, 20924, to May 15, 2024. Aqua PA WW was then asked to create two separate filings of the materials provided on May 15 – one public and one confidential. Thus, enclosed are the public materials responsive to TUS’s recent request. The **CONFIDENTIAL** materials are being filed under separate cover.

Copies are being provided as indicated on the Certificate of Service.

Respectfully submitted,

Michael W. Hassell

Michael W. Hassell

MWH/kls

Attachments

cc: Paul Diskin (*via email*)
Sean Donnelly (*via email*)
Daniel Searfoorce (*via email*)
Matthew Lamb (*via email*)
Certificate of Service

66 Pa. C.S. Section 1329 Application Completeness Review
Aqua Pennsylvania Wastewater, Inc. Acquisition of City of Beaver Falls
Wastewater System Assets at Docket No. A-2022-3033138

Missing Application Information – Set 3

16. Application Filing Checklist – Pursuant to the Commission's Tentative Supplemental Implementation Order, entered September 20, 2018, the Commission requires applicants to attach to the application at the time of submitting a Section 1329 Application Filing Checklist. On March 29, 2024, Aqua Pennsylvania Wastewater, Inc. (APW) submitted an amendment to its Section 1329 Application (Amended Application) for the acquisition of the City of Beaver Falls' wastewater system assets. Correspondingly, the Amended Application included revised and new exhibits which need to be referenced in Aqua's Application Filing Checklist responses included in the Application's Appendix 1. Please provide a revised Appendix 1 that references all new and revised exhibits for the Amended Application.

    RESPONSE: Included with this letter is an updated Appendix 1 to the Application.

17. Checklist Item No. 4 – The Application's Exhibit AA included APW's Section 1329 Application Standard Data Requests responses (SDR Responses). However, the Amended Application included new and revised exhibits that need to be referenced in APW's SDR Responses. Please provide an amended Exhibit AA that provides revised SDR Responses for the Amended Application.

    RESPONSE: Included with this letter is an updated Exhibit AA.

18. Checklist Item Nos. 15.a. and 16.a. – APW's response to Application Completeness Review No. 5 specified that Beaver Falls does not provide service to customers located in West Mayfield Borough from Manhole #4 and included an updated Application Exhibit D removing Manhole #4 and the pipe connecting Manhole #4 and Manhole #5. However, the Amended Application's Exhibit F15, Exhibit A_2 included a connection point map depicting the pipe segment and Manhole #4 (Manhole #4 Facilities) within the jurisdictional limits of West Mayfield Borough as part of the Beaver Falls wastewater system assets (Beaver Falls System). Please provide responses to the following:

    a. Clarify whether the Manhole #4 Facilities are included as part of the Beaver Falls System inventoried in the Application's Exhibit D, Engineering Assessment;

    b. If the Manhole #4 Facilities are not included as part the Beaver Falls System, submit revised connection point maps remove those facilities for all connection point maps that include Manhole #4 Facilities for Exhibits F9 through F15; or

    c. If the Manhole #4 Facilities are included as part the Beaver Falls System, clarify whether these assets have been abandoned or will be included as plant held for future use.

    RESPONSE: Upon further field visits and investigation, Manhole #4 does receive some flow from West Mayfield, the Company is providing an amended Engineering Assessment that includes Manhole #4 and the length of pipe between Manhole #4 and #5. The Exhibit A_2 to Application Exhibit F15 will remain unchanged. Please see the

response to Information Request No. 20 for an updated Application Exhibit A (Service Territory Map) that includes these assets in the Requested Territory.

19. Checklist Item No. 16.a. – Application Completeness Review No. 6 indicated that the Beaver Falls Maps appeared to depict points of service between Beaver Falls and West Mayfield Borough at Flow Meter #6 and requested that APW provide a revised Exhibit A that included all points of service between Beaver Falls and the seven contributing municipalities within the boundaries of the requested service territory. In response, APW provided an Updated Exhibit A which included Flow Meter #6. However, the Amended Application's Exhibit F15, Exhibit A_1 appears to depict that the West Mayfield Borough's connection point to Beaver Falls' wastewater facilities is located downstream of Flow Meter #6 and an unnumbered manhole east of Flow Meter #6 at the jurisdictional limit of the City of Beaver Falls. Please provide responses to the following:

    a. Provide an amended Updated Exhibit A that corrects the boundaries of the requested service territory to conform with Exhibit F15; and

    b. If APW will not provide wastewater service to customers located in West Mayfield Borough, including from Manhole #4 Facilities, revise the Amended Application's Amended Exhibit G to remove West Mayfield Borough from APW's *pro forma* tariff supplement.

    RESPONSE: Included with this letter is an updated Exhibit A_1 and B1 to Application Exhibit F15 that shows the point of connection at Meter #6.

20. Checklist Item No. 16.f. – The map provided as the Application's Updated Exhibit A Requested Territory Map did not include a depiction of the location or route of the wastewater collection, treatment or disposal facilities. Instead, APW filed a map as part of Exhibit D, that depicted the location or route of the facilities. However, Checklist Item No. 16 requires a single map that includes all requirements. Please provide a revised copy of Updated Exhibit A that depicts the requested territory and includes a depiction of the location or route of the wastewater collection, treatment or disposal facilities.

    RESPONSE: Included with this letter is an updated CONFIDENTIAL Application Exhibit A.

21. Checklist Item No. 19.a. – The Application's Exhibits J1 and J2 included copies of the City of Beaver Falls' audited financial statements for the years 2020 and 2021, respectively. The Amended Application is required to meet the requirements of the Section 1329 Application Checklist as of the filing date. Correspondingly, Checklist Item No. 19.a. requires a copy of the seller's two most recent audited financial statement. Please submit revised exhibits that provide the seller's audited financial statement for the year 2022.

    RESPONSE: Included with this letter are amended Exhibits J1 and J2 which are the 2021 and 2022 audited financial statements.

22. Checklist Item No. 19.b. – The Application's Exhibits J3 and J4 included copies of the City of Beaver Falls' adopted budgets for 2022 and 2023, respectively. The Amended Application is required to meet the requirements of the Section 1329 Application Checklist as of the filing date. Correspondingly, Checklist Item No. 19.b. requires a copy of the seller's two most recent adopted budgets. Please submit a revised exhibit that provides the seller's adopted budget for 2024.

    RESPONSE: Included with this letter are amended Exhibits J3 and J4 which are the 2023 and 2024 adopted budgets.

23. Checklist Item No. 19.c. – The Application's Exhibit K included a copy of the City of Beaver Falls' 2021 annual report filed with the Commonwealth's Department of Community and Economic Development (DCED). The Amended Application is required to meet the requirements of the Section 1329 Application Checklist as of the filing date. Correspondingly, Checklist Item No. 19.c. requires a copy of the seller's most recent annual report filed with the Commonwealth's DCED. Please submit a revised exhibit that provides the seller's 2022 annual report filed with the Commonwealth's DCED.

    RESPONSE: Included with this letter is an amended Exhibit K which is the 2023 annual report filed with the DCED.

UPDATED APPENDIX 1

APPLICATION CHECKLIST

1.	Transmittal letter with caption and statement that the filing is pursuant to 66 Pa. C.S. § 1329.		Yes	
2.	Verification form that is signed by an officer or authorized employee of the company, is dated, and accurately references the case.		Yes	
3.	Certificate of Service indicating that a complete copy of the application with exhibits was served by registered or certified mail, return receipt requested, or by hand delivery, upon the statutory advocates (OCA, OSBA) and the Bureau of Investigation and Enforcement.		Yes	A Certificate of Service is included with the Application
4.	Provide responses to Section 1329 Application Standard Data Requests, including electronic working documents (i.e., Excel spreadsheets) for all the filing's schedules, studies, and working papers to the extent practicable.		Yes	Section XI, Paragraph 68, and Updated Exhibit AA
5.	Provide copies of two independent appraisals by separate utility valuation experts for use in establishing the fair market value of the Selling Utility.		Yes	Section XI, Paragraph 54, and Exhibits Q and R
6.	State the purchase price of the seller as agreed to by the buyer and seller.		Yes	Section XI, Paragraph 55
7.	State the total fees paid to the utility valuation experts for providing the completed appraisals for the acquisition and provide documentation, i.e., the valuation service agreement and all associated invoices, supporting the subject fee amounts.		Yes	Section XI, Paragraph 60, and Exhibits S1 and S2
8.	Buyer and Seller Verification Statements:			
	a. Provide a verification statement of the Buyer that its utility valuation expert was selected by the Buyer.		Yes	Section XI, Paragraph 59, and Exhibit BB1
	b. Provide a verification statement of the Seller that its utility valuation expert was selected by the Seller.		Yes	Section XI, Paragraph 59, and Exhibit BB2
9.	Utility Valuation Expert Verification Statements:			
	a. Buyer Utility Valuation Expert has no affiliation with the buyer or seller		Yes	Section XI, Paragraph 61, and Exhibit T1
	b. Buyer Utility Valuation Expert determined fair market value in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practice as of the date of the report employing the cost, market, and income approaches.		Yes	Section XI, Paragraph 61, and Exhibit T1

	c. Buyer Utility Valuation Expert applied applicable jurisdictional exceptions to the submitted appraisal.		Yes	Section XI, Paragraph 61, and Exhibit T1
	d. Seller Utility Valuation Expert has no affiliation with the buyer or seller		Yes	Section XI, Paragraph 61, and Exhibit T2
	e. Seller Utility Valuation Expert determined fair market value in compliance with the most recent edition of the Uniform Standards of Professional Appraisal Practice as of the date of the report employing the cost, market, and income approaches.		Yes	Section XI, Paragraph 61, and Exhibit T2
	f. Seller Utility Valuation Expert applied applicable jurisdictional exceptions to the submitted appraisal.		Yes	Section XI, Paragraph 61, and Exhibit T2
10.	Estimated or, if available, actual transaction and closing costs incurred by the buyer that will be included in its rate base.		Yes	Section XI, Paragraph 57
11.	State the ratemaking rate base as required in 66 Pa. C.S. § 1329 and specify whether it is based on either the fair market value determined by the valuation experts or the asset purchase price.		Yes	Section XI, Paragraph 56
12.	Provide a proposed tariff containing a rate equal to the existing rates of the seller at the time of the acquisition and a rate stabilization plan, if applicable to the acquisition.		Yes	Section VI, Paragraph 33, and Revised Exhibit G
13.	Seller Testimony			
	a. Provide seller direct testimony supporting the application, if any.		Yes	Section XI, Paragraph 65, Exhibit X and Supplemental Exhibit X
	b. Provide seller UVE direct testimony.		Yes	Section XI, Paragraph 67, and Exhibit Z
14.	Buyer Testimony:			
	a. Provide buyer direct testimony supporting the application.		Yes	Section XI, Paragraphs 62-64, and Exhibits U, Supplemental U, V, W and Supplemental W
	b. Provide buyer UVE direct testimony.		Yes	Section XI, Paragraph 66, and Exhibit Y

APPLICATION CHECKLIST

15.	Plant in Service:			
	a. Provide an inventory of the used and useful plant assets to be transferred. Identify separately any utility plant that is held for future use.		Yes	Section III, Paragraphs 11, 12 and 13, and Exhibit D
	b. Provide a list of all non-depreciable property such as land and rights-of-way.		Yes	Section III, Paragraph 13, and Exhibit D (Appendix A thereto)
	c. State the DEP-permitted productive or treatment capacity of sources or treatment facility and the pipe sizes and material used for construction for all transmission and distribution or collection facilities.		Yes	Section III, Paragraphs 12, 15 and 16, Exhibits D, E and V
	d. State the elevations of major facilities and service areas.		Yes	Section III, Paragraph 17, and Exhibit V
	e. State the approximate time schedule for installation of the various component facilities.		Yes	Section III, Paragraph 14, and Exhibits D and V
	f. State the tentative journal entries for booking the acquisition.		Yes	Section IV, Paragraph 29
16.	Map of Service Area - provide a scalable map or plan of suitable scale highlighting the boundaries of the proposed service area that includes:			
	a. The extent of the proposed service area with any existing adjoining service areas identified.		Yes	Section I, Paragraph 3, and Updated Exhibit A
	b. A north arrow depicting map orientation.		Yes	Section I, Paragraph 4, and Updated Exhibit A
	c. A written description of the boundaries for the service territory utilizing bearing angles and distances.		Yes	Section I, Paragraph 4, and Updated Exhibit A
	d. Size of the service territory area in terms of acres or square miles.		Yes	Section I, Paragraph 4, and Updated Exhibit A
	e. Identification and depiction of all municipal boundaries relative to the service area.		Yes	Section I, Paragraph 4, and Updated Exhibit A

APPLICATION CHECKLIST

	f. Depiction of the location or route of the waterworks or wastewater collection, treatment or disposal facilities.		Yes	Section III, Paragraph 11, Exhibit D and Confidential Sewage Facilities Maps
17.	Customers:			
	a. State the seller's actual number of customers by class and quantify the related consumption or gallons treated in the current calendar year and future number of connections anticipated for the next 5 years and, if available, the next 10 years.		Yes	Section V, Paragraph 30, and Exhibits U (Appendix A), Supplemental U, V and W
	b. Buyer shall demonstrate its ability to provide adequate water supply, treatment, storage and distribution or adequate wastewater collection, treatment or disposal capacity to meet present and future customer demands.		Yes	Exhibit V
	c. For **water** system acquisitions, quantify the number of public and private fire hydrants.		N/A	
18.	Rates:			
	a. State the current rates of the seller.		Yes	Section VI, Paragraph 34, and Exhibit H
	b. Provide a copy of the seller's current rules and regulations for service.		Yes	Section VI, Paragraph 34, and Exhibit H
	c. Provide a proposed tariff or tariff supplement showing the rates, proposed rules, and conditions of service.		Yes	Section VI, Paragraph 33, and Revised Exhibit G
	d. Provide a copy of the notification sent, or which will be sent, to affected customers describing the filing and the anticipated effect on rates.		Yes	Section VI, Paragraph 36, and Revised Exhibits I1, I2 and I3
19.	Cost of Service:			
	a. Provide a copy of the seller's two most recent audited financial statements.		Yes	Section VII, Paragraph 37, and Revised Exhibits J1 and J2
	b. Provide a copy of the seller's two most recent adopted budgets.		Yes	Section VII, Paragraph 38, and Revised Exhibits J3 and J4

	c. Provide a copy of the seller's most recent annual report filed with the Commonwealth's Department of Community and Economic Development.		Yes	Section VII, Paragraph 39, and Revised Exhibit K
	d. Provide calculations quantifying the projected revenues and expenses for the acquisition.		Yes	Section VII, Paragraph 40
	e. State whether the seller has any outstanding loans on the utility plant and identify the nature, terms, and payment history.		Yes	Section VII, Paragraph 37
20.	Proof of Compliance - provide proof of compliance with applicable design, construction and operation standards of DEP or of the county health department, or both, including:			
	a. For **water** system acquisitions, provide copies of the public water supply/water quality management permits for the utility plant.		N/A	
	b. For **wastewater** system acquisitions, provide copies of the water quality management and National Pollution Discharge Elimination System (NPDES) permits for the utility plant.		Yes	Section VIII, Paragraph 43, Exhibits M1 and M2 and Exhibits N1 and N2
	c. For **wastewater** system acquisitions, provide a copy of the Chapter 94 Municipal Wasteload Management Report that was most recently submitted to DEP.		Yes	Section III, Paragraphs 15 and 16, Exhibit E
	d. Valid buyer's certified operators' certificates appropriate to the facilities being acquired.		Yes	Section VIII, Paragraph 42, and Exhibit L
	e. Provide documentation evidencing a 5-year compliance history with DEP with an explanation of each violation for the seller's utilities that have been providing service as well as provide a copy of any DEP-approved corrective action plans.		Yes	Section VIII, Paragraph 44, and Exhibits O1-O7, O11, and V
	f. Provide documentation of all Notices of Violation issued to seller by DEP for the last 5 years, an explanation of each, including a description of any corrective or compliance measures taken.		Yes	Section VIII, Paragraph 44, and Exhibits O1-O7 and O11
	g. Statement attesting to Aqua's compliance history with DEP		Yes	Section VIII, Paragraph 45
	h. Provide a statement clarifying whether the acquired plant will be physically interconnected to the buyer's system or be operated as a standalone system.		Yes	Section VIII, Paragraph 42
	i. Provide a statement that explains how the acquisition will fit into the current operations of the buyer.		Yes	Section VIII, Paragraph 48
	j. Provide a statement that identifies the staff, district or division of the buyer that will operate and manage the acquisition.		Yes	Section VIII, Paragraphs 42 and 48
	k. Provide a statement quantifying the distance in miles the acquisition is from the buyer's existing system or facilities.		Yes	Section VIII, Paragraphs 42 and 48

APPLICATION CHECKLIST

	l. Provide a statement that identifies all planned physical, operational and managerial changes of the buyer that will occur after closing and state the timeframe and cost for each.		Yes	Section VIII, Paragraph 49, and Exhibit V
21.	Affected Persons. State the identity of all public utilities, municipalities, municipal authorities, cooperatives and associations which provide public water service or wastewater collection, treatment or disposal service within each municipality, or a municipality directly adjacent to the municipality(ies), in which the applicant seeks to provide service that abuts or is situated within one mile of the applicant's proposed facilities.		Yes	Section IX, Paragraph 51
22.	Other requirements - demonstrate compliance with the following:			
	a. For **wastewater** system acquisitions, demonstrate compliance with the DEP-approved Act 537 Official Sewage Facilities Plans for the affected municipalities (including the extent of the requested service territory).		Yes	Section VIII, Paragraph 46
	b. For **wastewater** system acquisitions, provide a copy of the DEP-approved Act 537 Official Sewage Facilities Plans for the affected municipalities.		Yes	Section VIII, Paragraph 46, and Exhibit P1
	c. For **wastewater** system acquisitions, state the method of water service being provided in the requested wastewater service territory (i.e., public water or private wells) and identify the name of water utility, if applicable.		Yes	Section III, Paragraph 18
	d. For **water** system acquisitions, state the method of wastewater service being provided in the requested water service territory (i.e., public wastewater or private on-lot) and identify the name of wastewater utility, if applicable.		N/A	
	e. Provide evidence the filing is consistent with the affected municipality and county comprehensive plans if the filing proposes to expand service beyond the existing plant footprint.		Yes	Section VIII, Paragraphs 46 and 47
23.	Verification:			
	a. For **water** system acquisitions, provide a verification that the water sources and customers are metered in accordance with 52 Pa. Code § 65.7 (relating to metered service). If unmetered water service is currently provided, the applicant shall provide a metering plan to the Commission.		N/A	
	b. Include a statement that there is no affiliation between the buyer and seller.		Yes	Section IV, Paragraph 22
	c. Include a statement that the agreement was conducted at arm's length.		Yes	Section IV, Paragraph 22

	d. Include a statement explaining how the customers will benefit from the Buyer's ownership.		Yes	Section X and Exhibits U, Supplemental U, V, W and Supplemental W.
24.	Asset Purchase Agreement (APA):			
	a. Provide a copy of the APA that is signed by all parties.		Yes	Section I, Paragraph 5, and Exhibit B
	b. APA clearly states the purchase price and terms.		Yes	Section IV, Paragraph 21, Exhibit B
	c. APA clearly states whether all assets or only a portion of the assets are to be purchased (e.g., water treatment and distribution or wastewater collection and treatment).		Yes	Section IV, Paragraph 24, and Exhibit B
	d. APA adequately describes the assets to be acquired.		Yes	Section IV, Paragraphs 24, 25 and 26, and Exhibit B
	e. APA adequately describes the assets to be excluded.		Yes	Section IV, Paragraph 27, and Exhibit B
25.	Provide a copy of all municipal and affiliate contracts to be assumed by buyer as part of the acquisition and a list and annual dollar value of other contracts.		Yes	Section IV, Paragraph 25, and Exhibits F1 through F18, including updated Exhibits A1 and B1 to Exhibit F15.

UPDATED EXHIBIT AA

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Rates/Ratemaking

1. Estimate the potential monthly incremental cost impact on existing and acquired customers following the actual results of the Buyer's most recently adjudicated base rate proceeding, whether litigated or settled, allocating the fair market value of the acquired system according to the Buyer's previously approved single-tariff pricing model.

   a. In the case of a wastewater acquisition, a Buyer that employs a combined revenue requirement pursuant to 66 Pa. C.S. § 1311 will provide information assuming a combined water and wastewater revenue requirement consistent with its most recent adjudicated base rate proceeding.

   b. If a Buyer has filed the thirty-day notice of 52 Pa. Code § 53.45(a), or has filed a rate case, it should calculate the above using data as proposed in its upcoming or filed rate case.

Response: Regarding a. and b. above, please refer to Appendix A of Supplemental Aqua Statement No. 1, Supplemental Direct Testimony of William C. Packer, included as Supplemental Exhibit U to the Application.

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Rates/Ratemaking

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

Response: Aqua has no present intention to increase the customers inside the City of Beaver Falls ("City" or "Beaver Falls") rates to a targeted rate. Please also see the New Wastewater Service Agreements, included as Application Exhibits F9-F15.

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Rates/Ratemaking

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

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

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Rates/Ratemaking

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

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

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Rates/Ratemaking

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

Response: Aqua has a Distribution System Improvement Charge ("DSIC") in its current wastewater tariff.

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Rates/Ratemaking

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

Response: There are no entities that receive free wastewater service from Beaver Falls.

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Rates/Ratemaking

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

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

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Rates/Ratemaking

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

Response: Beaver Falls' currently effective rate ordinance imposes a 3% increase per year to both inside City customers and the Contributing Municipalities. This rate increase was effective January 1, 2024. Please see Application Exhibit X, the Direct Testimony of Charles R. Jones, Jr., Aqua Statement No. 4, page 10. Please see Application Supplemental Exhibit U, the Supplemental Direct Testimony of William C. Packer, Supplemental Aqua Statement No. 1, Appendix A for total annual revenues under the new rates. Please see Application Exhibit H for the City's rate ordinance.

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Rates/Ratemaking

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

Response: The Company is not presently aware of any needed leases, easements or access to public rights-of-way that will not be transferred at closing. The City of Beaver Falls is presently able to convey/assign certain recorded express easements to Aqua as well as easements over City-owned properties and public rights-of-way. However, the City must still acquire and/or otherwise confirm its existing property interests in certain easements and/or properties where pipes or other facilities exist outside of the public right-of-way but there are no express easements of record. The City is currently in the process of developing easement documents for existing sewer line locations where existing easements were not discovered. The Eastvale Pump Station owned by Beaver Falls is located in Eastvale Borough. The pump station is located on a paper street in Eastvale. Beaver Falls is currently surveying the area and developing an easement plat. Beaver Falls is in the process of developing a quiet title action for the property that the pump station is on.

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Costs/Benefits

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

Response: The estimated total transaction and closing costs are included in the application at paragraph 57. Please see below for a breakdown of costs projected through closing. Please see Application Exhibit S1 for ScottMadden UVE invoices. Please see the attachments to updated SDR-10 for copies of other invoices incurred from the date of the Application through present.

Legal	$650,000
UVE	$50,000
Engineering Assessment	$14,980
Total	**$714,980**

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

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

April 30, 2024
353274

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of March 2024 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$4,845.00
Expenses billed	$0.00
Current charges	$4,845.00
PLEASE PAY THIS AMOUNT	**$4,845.00**

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

April 1, 2024
352306

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of February 2024 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$1,720.00
Expenses billed	$0.00
Current charges	$1,720.00
PLEASE PAY THIS AMOUNT	**$1,720.00**

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

February 26, 2024
351246

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of January 2024 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$3,169.00
Expenses billed	$0.00
Current charges	$3,169.00
PLEASE PAY THIS AMOUNT	**$3,169.00**

Houston Harbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

January 31, 2024
350351

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of December 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$9,234.00
Expenses billed	$0.00
Current charges	$9,234.00
PLEASE PAY THIS AMOUNT	**$9,234.00**

HH

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

December 22, 2023
349412

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of November 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$7,980.00
Expenses billed	$0.00
Current charges	$7,980.00
PLEASE PAY THIS AMOUNT	**$7,980.00**

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060
FAX 412/281-4499

File Number 41751-0001

November 3, 2023
348236

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of October 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$3,374.00
Expenses billed	$0.00
Current charges	$3,374.00
PLEASE PAY THIS AMOUNT	**$3,374.00**

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

October 23, 2023
347286

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of September 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$2,988.00
Expenses billed	$0.00
Current charges	$2,988.00
PLEASE PAY THIS AMOUNT	**$2,988.00**

HH
Houston Harbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060
FAX 412/281-4499

File Number 41751-0001

September 18, 2023
346388

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of August 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$3,302.00
Expenses billed	$0.00
Current charges	$3,302.00
PLEASE PAY THIS AMOUNT	**$3,302.00**

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ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

August 23, 2023
345535

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of July 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$5,256.00
Expenses billed	$0.00
Current charges	$5,256.00
PLEASE PAY THIS AMOUNT	**$5,256.00**

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

July 28, 2023
344882

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of June 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$2,740.00
Expenses billed	$0.00
Current charges	$2,740.00
PLEASE PAY THIS AMOUNT	**$2,740.00**

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ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060
FAX 412/281-4499

File Number 41751-0001

June 30, 2023
343951

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of May 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$1,824.00
Expenses billed	$0.00
Current charges	$1,824.00
PLEASE PAY THIS AMOUNT	**$1,824.00**

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

May 19, 2023
342847

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of April 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$4,826.00
Expenses billed	$0.00
Current charges	$4,826.00
PLEASE PAY THIS AMOUNT	**$4,826.00**

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

April 18, 2023
341794

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of March 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$2,856.00
Expenses billed	$0.00
Current charges	$2,856.00
PLEASE PAY THIS AMOUNT	**$2,856.00**

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

March 22, 2023
340968

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of February 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$11,423.00
Expenses billed	$0.00
Current charges	$11,423.00
PLEASE PAY THIS AMOUNT	**$11,423.00**

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ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

February 3, 2023
340109

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of January 2023 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$11,235.00
Expenses billed	$0.00
Current charges	$11,235.00
PLEASE PAY THIS AMOUNT	**$11,235.00**

HH
HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

January 27, 2023
339267

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of December 2022 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$10,709.00
Expenses billed	$0.00
Current charges	$10,709.00
PLEASE PAY THIS AMOUNT	**$10,709.00**

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

December 16, 2022
338341

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of November 2022 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$7,638.00
Expenses billed	$0.00
Current charges	$7,638.00
PLEASE PAY THIS AMOUNT	**$7,638.00**

HoustonHarbaugh
ATTORNEYS AT LAW
Three Gateway Center
401 Liberty Avenue, 22nd Floor
Pittsburgh, PA 15222-1005

412/281-5060 FAX 412/281-4499

File Number 41751-0001

November 3, 2022
337421

Billed via: Legal Tracker
Essential Utilities
Aqua Pennsylvania Wastewater, Inc.

Acquisition of Beaver Falls Plant

For professional services rendered to Aqua Pennsylvania Wastewater, Inc for the month of October 2022 related to the acquisition of the Beaver Falls sanity sewer system.

Fees billed	$5,476.00
Expenses billed	$0.00
Current charges	$5,476.00
PLEASE PAY THIS AMOUNT	**$5,476.00**

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1129406
INVOICE DATE	02/20/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 01/31/2023

PROFESSIONAL CHARGES	8,494.00
EXPENSES	0.00
CURRENT INVOICE	**8,494.00**

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1130608
INVOICE DATE	03/03/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 02/28/2023

PROFESSIONAL CHARGES	11,195.00
EXPENSES	4,814.03
CURRENT INVOICE	**16,009.03**
PREVIOUS BALANCE DUE	8,494.00
TOTAL AMOUNT DUE	**24,503.03**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
02/20/2023	1129406	8,494.00	0.00	0.00	8,494.00
03/03/2023	1130608	11,195.00	4,814.03	0.00	16,009.03
	Totals:	19,689.00	4,814.03	0.00	24,503.03

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1136269
INVOICE DATE	04/18/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 03/31/2023

PROFESSIONAL CHARGES	4,544.00
EXPENSES	0.00
CURRENT INVOICE	**4,544.00**

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1140587
INVOICE DATE	05/22/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 04/30/2023

PROFESSIONAL CHARGES	4,793.00
EXPENSES	44.50
CURRENT INVOICE	**4,837.50**
PREVIOUS BALANCE DUE	4,544.00
TOTAL AMOUNT DUE	**9,381.50**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
04/18/2023	1136269	4,544.00	0.00	0.00	4,544.00
05/22/2023	1140587	4,793.00	44.50	0.00	4,837.50
	Totals:	9,337.00	44.50	0.00	9,381.50

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted]	[redacted]	[redacted]	[redacted]

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1144974
INVOICE DATE	07/02/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 05/31/2023

PROFESSIONAL CHARGES	3,333.00
EXPENSES	0.00
CURRENT INVOICE	**3,333.00**
PREVIOUS BALANCE DUE	9,381.50
TOTAL AMOUNT DUE	**12,714.50**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
04/18/2023	1136269	4,544.00	0.00	0.00	4,544.00
05/22/2023	1140587	4,793.00	44.50	0.00	4,837.50
07/02/2023	1144974	3,333.00	0.00	0.00	3,333.00
	Totals:	12,670.00	44.50	0.00	12,714.50

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted]	[redacted]	[redacted]	[redacted]

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1147853
INVOICE DATE	07/24/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 06/30/2023

PROFESSIONAL CHARGES	2,867.00
EXPENSES	0.00
CURRENT INVOICE	**2,867.00**
PREVIOUS BALANCE DUE	3,333.00
TOTAL AMOUNT DUE	**6,200.00**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
07/02/2023	1144974	3,333.00	0.00	0.00	3,333.00
07/24/2023	1147853	2,867.00	0.00	0.00	2,867.00
	Totals:	6,200.00	0.00	0.00	6,200.00

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1151206
INVOICE DATE	08/18/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 07/31/2023

PROFESSIONAL CHARGES	1,281.00
EXPENSES	0.00
CURRENT INVOICE	**1,281.00**
PREVIOUS BALANCE DUE	2,867.00
TOTAL AMOUNT DUE	**4,148.00**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
07/24/2023	1147853	2,867.00	0.00	0.00	2,867.00
08/18/2023	1151206	1,281.00	0.00	0.00	1,281.00
	Totals:	4,148.00	0.00	0.00	4,148.00

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1155412
INVOICE DATE	09/27/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 08/31/2023

PROFESSIONAL CHARGES	2,906.00
EXPENSES	0.00
CURRENT INVOICE	**2,906.00**
PREVIOUS BALANCE DUE	1,281.00
TOTAL AMOUNT DUE	**4,187.00**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
08/18/2023	1151206	1,281.00	0.00	0.00	1,281.00
09/27/2023	1155412	2,906.00	0.00	0.00	2,906.00
	Totals:	4,187.00	0.00	0.00	4,187.00

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1158958
INVOICE DATE	10/20/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 09/30/2023

PROFESSIONAL CHARGES	7,616.00
EXPENSES	0.00
CURRENT INVOICE	**7,616.00**
PREVIOUS BALANCE DUE	2,906.00
TOTAL AMOUNT DUE	**10,522.00**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
09/27/2023	1155412	2,906.00	0.00	0.00	2,906.00
10/20/2023	1158958	7,616.00	0.00	0.00	7,616.00
	Totals:	10,522.00	0.00	0.00	10,522.00

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1162522
INVOICE DATE	11/18/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 10/31/2023

PROFESSIONAL CHARGES	985.00
EXPENSES	0.00
CURRENT INVOICE	**985.00**
PREVIOUS BALANCE DUE	10,522.00
TOTAL AMOUNT DUE	**11,507.00**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
09/27/2023	1155412	2,906.00	0.00	0.00	2,906.00
10/20/2023	1158958	7,616.00	0.00	0.00	7,616.00
11/18/2023	1162522	985.00	0.00	0.00	985.00
	Totals:	11,507.00	0.00	0.00	11,507.00

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

POST & SCHELL, P.C.
FOUR PENN CENTER
1600 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PENNSYLVANIA19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1166274
INVOICE DATE	12/20/2023
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 11/30/2023

PROFESSIONAL CHARGES	1,435.00
EXPENSES	0.00
CURRENT INVOICE	**1,435.00**
PREVIOUS BALANCE DUE	985.00
TOTAL AMOUNT DUE	**2,420.00**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
11/18/2023	1162522	985.00	0.00	0.00	985.00
12/20/2023	1166274	1,435.00	0.00	0.00	1,435.00
	Totals:	2,420.00	0.00	0.00	2,420.00

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

Post & Schell P.C.
ATTORNEYS AT LAW

POST & SCHELL, P.C.
THREE LOGAN SQUARE
1717 ARCH STREET
24th FLOOR
PHILADELPHIA, PA 19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1169223
INVOICE DATE	01/21/2024
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 12/31/2023

PROFESSIONAL CHARGES	1,028.00
EXPENSES	0.00
CURRENT INVOICE	**1,028.00**
PREVIOUS BALANCE DUE	1,435.00
TOTAL AMOUNT DUE	**2,463.00**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
12/20/2023	1166274	1,435.00	0.00	0.00	1,435.00
01/21/2024	1169223	1,028.00	0.00	0.00	1,028.00
	Totals:	2,463.00	0.00	0.00	2,463.00

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

POST & SCHELL, P.C.
THREE LOGAN SQUARE
1717 ARCH STREET
24th FLOOR
PHILADELPHIA, PA 19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1177356
INVOICE DATE	03/25/2024
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 01/31/2024

PROFESSIONAL CHARGES	3,132.50
EXPENSES	0.00
CURRENT INVOICE	**3,132.50**
PREVIOUS BALANCE DUE	1,028.00
TOTAL AMOUNT DUE	**4,160.50**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
01/21/2024	1169223	1,028.00	0.00	0.00	1,028.00
03/25/2024	1177356	3,132.50	0.00	0.00	3,132.50
	Totals:	4,160.50	0.00	0.00	4,160.50

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

Post & Schell P.C.
ATTORNEYS AT LAW

POST & SCHELL, P.C.
THREE LOGAN SQUARE
1717 ARCH STREET
24th FLOOR
PHILADELPHIA, PA 19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1177543
INVOICE DATE	03/28/2024
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 02/29/2024

PROFESSIONAL CHARGES	7,613.50
EXPENSES	0.00
CURRENT INVOICE	**7,613.50**
PREVIOUS BALANCE DUE	4,160.50
TOTAL AMOUNT DUE	**11,774.00**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
01/21/2024	1169223	1,028.00	0.00	0.00	1,028.00
03/25/2024	1177356	3,132.50	0.00	0.00	3,132.50
03/28/2024	1177543	7,613.50	0.00	0.00	7,613.50
	Totals:	11,774.00	0.00	0.00	11,774.00

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

Post & Schell P.C.
ATTORNEYS AT LAW

POST & SCHELL, P.C.
THREE LOGAN SQUARE
1717 ARCH STREET
24th FLOOR
PHILADELPHIA, PA 19103
215-587-1000

TAX ID # [redacted]

ALEXANDER STAHL, ESQUIRE
AQUA PENNSYLVANIA, INC.
762 W LANCASTER AVENUE
BRYN MAWR, PA 19010-3489

INVOICE NUMBER	1181188
INVOICE DATE	04/27/2024
CLIENT NUMBER	[redacted]
MATTER NUMBER	[redacted]

RE: AQUA - BEAVER FALLS SECTION 1329 ACQUISITION
[redacted]

FOR PROFESSIONAL SERVICES RENDERED THROUGH 03/31/2024

PROFESSIONAL CHARGES	5,836.50
EXPENSES	0.00
CURRENT INVOICE	**5,836.50**
PREVIOUS BALANCE DUE	11,774.00
TOTAL AMOUNT DUE	**17,610.50**

Account Statement

Date	Invoice #	Fees Due	Costs Due	Other Due	Total Due
01/21/2024	1169223	1,028.00	0.00	0.00	1,028.00
03/25/2024	1177356	3,132.50	0.00	0.00	3,132.50
03/28/2024	1177543	7,613.50	0.00	0.00	7,613.50
04/27/2024	1181188	5,836.50	0.00	0.00	5,836.50
	Totals:	17,610.50	0.00	0.00	17,610.50

WIRE INSTRUCTIONS

TAX ID [redacted]

[redacted] [redacted]

[redacted] [redacted]

INVOICE

Page: 1

ScottMadden, Inc.
2626 Glenwood Ave.
Suite 480
Raleigh, NC 27608
Tax ID: 56-1445505

Invoice Number:	PS-INV103078
Invoice Date:	3/15/2023
P.O. Number:	[redacted]
Contract Number:	[redacted]

Aqua America, Inc. (and Essential Utilities Company)
Accounts Payable
762 W. Lancaster Ave
Bryn Mawr, PA 19010
USA

In Reference To: Professional services provided in January 2023 for project 100335-1022
City of Beaver Falls Wastewater Valuation Study

	Date	Quantity	Rate	Total Price
Dylan D'Ascendis - [redacted]	01/13/23	1.5	325.00	487.50
Dylan D'Ascendis - Partner		**1.5**		**487.50**
Matthew Howard - [redacted]	01/11/23	0.5	295.00	147.50
Matthew Howard - Director		**0.5**		**147.50**

Total Fees:	**635.00**
Support Fee:	**0.00**
Total Expenses:	**0.00**
Tax:	**0.00**
Total USD:	**635.00**

By ACH (Preferred) or Bank Wire transfer as follows:

BANK INFORMATION

[redacted]

If by Check, Payable To:

ADDRESS

ScottMadden, Inc.
PO Box 935955
Atlanta , GA 31193-5955

[redacted]

INVOICE

Page: 1

ScottMadden
2626 Glenwood Ave
Suite 480
Raleigh, NC 27608-1367
Tax ID: 56-1445505

Invoice Number: PS-INV104019
Invoice Date: 8/25/2023

Aqua America, Inc. (and Essential Utilities Company)
Accounts Payable
762 W. Lancaster Ave
Bryn Mawr, PA 19010
USA

P.O. Number: [redacted]
Contract Number: [redacted]

In Reference To: Professional services provided in July 2023 for project 100335-1022
City of Beaver Falls Wastewater Valuation Study

	Date	Quantity	Rate	Total Price
Matthew Howard - [redacted]	07/31/23	0.5	295.00	147.50
Matthew Howard - Director		**0.5**		**147.50**
Paul Scarinci - [redacted]	07/26/23	2	230.00	460.00
Paul Scarinci - [redacted]	07/27/23	2	230.00	460.00
Paul Scarinci - Sr. Assoc		**4**		**920.00**

Total Fees:	**1,067.50**
Support Fee:	**0.00**
Total Expenses:	**0.00**
Tax:	**0.00**
Total USD:	**1,067.50**

By ACH (Preferred) or Bank Wire transfer as follows:

BANK INFORMATION
[redacted]

If by Check, Payable To:

ADDRESS

ScottMadden
PO Box 935955
Atlanta , GA 31193-5955

[redacted]

INVOICE

Page: 1

ScottMadden
2626 Glenwood Ave
Suite 480
Raleigh, NC 27608-1367
Tax ID: 56-1445505

Invoice Number:	PS-INV104164
Invoice Date:	9/25/2023
P.O. Number:	[redacted]
Contract Number:	[redacted]

Aqua America, Inc. (and Essential Utilities Company)
Accounts Payable
762 W. Lancaster Ave
Bryn Mawr, PA 19010
USA

In Reference To: Professional services provided in August 2023 for project 100335-1022
City of Beaver Falls Wastewater Valuation Study

	Date	Quantity	Rate	Total Price
Dylan D'Ascendis - [redacted]	08/29/23	1	325.00	325.00
Dylan D'Ascendis - Partner		**1**		**325.00**
Paul Scarinci - [redacted]	08/29/23	2	230.00	460.00
Paul Scarinci - Sr. Assoc		**2**		**460.00**

Total Fees:	**785.00**
Support Fee:	**0.00**
Total Expenses:	**0.00**
Tax:	**0.00**
Total USD:	**785.00**

By ACH (Preferred) or Bank Wire transfer as follows:

BANK INFORMATION

[redacted]

If by Check, Payable To:

ADDRESS

ScottMadden
PO Box 935955
Atlanta , GA 31193-5955

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Costs/Benefits

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

Response: Aqua estimates annual operating and maintenance expenses of approximately $1.46M based on Beaver Falls' operating expenses presented in the 2021 financial statements adjusted by the Company. This represents an approximate 29% decrease in annual expenses. The assumed reduction in operating costs is based on Aqua's experience and estimates of costs during the first year of operations. Please also refer to the direct and supplemental testimonies of William C. Packer (Aqua Statement No. 1, Supplemental Aqua Statement No .1) and Zach Martin (Aqua Statement No. 3, Supplemental Aqua Statement No. 3), included in the Application as Exhibit U, Supplemental Exhibit U, Exhibit W, and Supplemental Exhibit W, respectively, for further costs/benefits of the system under the Buyer's ownership.

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Costs/Benefits

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

Response: Please see the attachment to SDR-12.

CITY OF BEAVER FALLS

SEWER SYSTEM TRANSACTION - REQUEST FOR BIDS (“RFB”)

PRE-QUALIFIED BIDDERS ONLY

RFB Distributed: July 23, 2021

Proposals Due: August 20, 2021

1. GENERAL INFORMATION FOR THE PROPOSER:

This Request for Bids (“RFB”) is being provided to your team by the City of Beaver Falls, Beaver County (together “Beaver Falls” or the “Seller”) to solicit a final, binding proposal (the “Proposal”) to enter into the Asset Purchase Agreement (the “APA”) for the sanitary sewer collection, conveyance, and treatment system (the “Sewer System”).

The assets included in the Transaction are described in more detail in the APA. Except for removing relevant bracketed information and filling in blanks, and except as otherwise provided herein, no changes will be permitted to the APA prior to signing, without written consent from Beaver Falls.

All recipients of this RFB submitted responses to the Request for Qualifications for Sewer System Sale Exploration dated December 16, 2020 (the “RFQ”) and were determined to be eligible for consideration in moving forward with the proposed transaction process (“Pre-Qualified Proposers”). The Pre-Qualified Proposers were subsequently provided with the opportunity to conduct additional due diligence on the sewer system assets included in the APA (the “System”), including (i) access to an online data room, a tour of the wastewater treatment plant, and (ii) meetings and/or telephone or video conferences with Beaver Falls representatives and advisors. In addition, Beaver Falls solicited feedback on drafts of the APA.

2. SYSTEM DESCRIPTION:

All assets owned by the Seller comprising the System are set forth in Section 2.01 of the APA.

3. INFORMATION REQUIRED FROM PROPOSERS AND SELECTION CRITERIA:

All Pre-Qualified Proposers eligible to respond to this RFB were deemed eligible to move forward based on their demonstrated technical and financial qualifications detailed in their response to the RFQ. All Pre-Qualified Proposers who submit a response to this RFB (“Proposers”) must comply with the requirements set forth in this document for submitting a Proposal. Provided that the Proposal requirements are met, and the Proposer is found to remain qualified, responsible, and responsive, the award of the Agreement will be based what Beaver Falls deems to be the best overall bid considering the criteria set forth herein. In accordance with 62 Pa.C.S. §513(d), the contents of Proposals will not be publicly disclosed at the time of opening of the Proposals.

Each Proposal shall be in writing and formatted in accordance with the following outline:

Section 1.0 Executive Summary

Proposal Form 1:	Transmittal Letter
Proposal Form 2:	Non-Collusion Affidavit

Section 2.0 Project Team and Technical Capability Information

Proposal Form 3:	Statement of Ownership - Proposer
Proposal Form 4:	Operator Information
Proposal Form 5:	Contract and Lobbyist Disclosure

Section 3.0 Business Proposal

Proposal Form 6A:	Business Proposal – No Rate Freeze
Proposal Form 6B:	Business Proposal – 2 Year Rate Freeze

4. SUBMISSION INSTRUCTIONS AND REQUIREMENTS:

One (1) original and two (2) hard copies of the Proposal shall be submitted, with the original copy of the Proposal clearly marked as the original. The set marked as original must contain the original signature forms and other original documents. ***All packages shall be sealed and clearly marked with the legend: "RESPONSE TO BEAVER FALLS SEWER SYSTEM RFB."*** In accordance with Section 8 of this RFB, the contents of the Proposal will not be made public until after the award of a contract. The Proposal shall be submitted in a sealed envelope or package addressed to:

PFM Financial Advisors LLC
c/o Ben Kapenstein
213 Market Street
Mail Room Third Floor
Harrisburg, PA 17101

THE SEALED PROPOSAL MUST BE RECEIVED NO LATER THAN 2:00 P.M. EASTERN TIME ON AUGUST 20, 2021.

To the extent there are any questions regarding delivery of the Proposal, please contact Ben Kapenstein at kapensteinb@pfm.com or 717-232-2723.

By submitting a Proposal, Proposers acknowledge and agree to the following conditions:

- All Proposals submitted in response to this RFB shall become the property of Beaver Falls. As such, after the award of a contract, or after the opening and rejection of all Proposals, Proposals submitted will become public records subject to public review under applicable law, subject to certain exceptions as described in this RFB.

- The selection of a Proposal by Beaver Falls shall not waive or limit any assumptions of risk, provision of indemnity, or other obligations of the Proposer under the APA as may be executed between the Proposer and Beaver Falls.

- Proposers and their representatives shall comply with the communications protocol set forth in Section 5 of this RFB with respect to all communications concerning this RFB.

- Proposals shall comply with all content requirements of this RFB. Failure to comply with such requirements may result in a Proposer being deemed non-responsive.

- The pre-qualification of Proposers to receive this RFB and provide a Proposal does not waive or abridge the right of Beaver Falls to find that any Proposer is not qualified or that the Proposal is non-responsive to the requirements of this RFB.

- **Capital Lease Agreement (JSU Agreement) - Proposers should assume that either the City is able to obtain the consent to assign the agreement from all parties without changing the contract end date of 12/31/2024 or that the Agreement is terminated by all parties. If consent to assign is obtained as opposed to termination of the contract, Section 7 (requiring the municipalities to maintain and repair the lines) and Section 8(c) (providing for extension of the agreement to accommodate JSU financing) will be deleted. Additionally, the City retains the option to challenge the validity of the Capital Lease Agreement in the appropriate venue.**

- **Proposers should ensure that the written and numerical Purchase Price/Consideration in Business Proposal 6A and/or 6B (options explained later) match. Should this not be the case, the binding Purchase Price/Consideration will be assumed to be the lower of the two Purchase Price/Consideration numbers.**

- **Bids must be submitted in the form and on the date required by this RFB. No further proposals, modifications or alternative offers will be considered pursuant to this RFB.**

- **Beaver Falls reserves the right to reject any and all bids and to determine not to proceed with a sale of the Sewer System at its sole discretion.**

- **Based on the outcome of regulatory determinations (if applicable) subsequent to the award of the winning bid hereunder, the Seller reserves the right to renegotiate**

certain terms of the APA, including Purchase Price/Consideration, as it deems in its best interests and as are acceptable to the winning bidder.

5. QUESTIONS AND REQUESTS FOR CLARIFICATION:

All questions and requests for clarification concerning this RFB shall be directed in writing (e-mail) to Ben Kapenstein, whose contact information is provided below.

Ben Kapenstein
PFM Financial Advisors LLC
kapensteinb@pfm.com

6. BIDDING OPTIONS

There are two bidding options, one on Proposal Form 6A and one on Proposal Form 6B. The first option, 6A, is to bid on the Sewer System assuming no rate freeze (Option 1 of Section 7.04(a) of the APA). The second option, 6B, is to bid on the Sewer System assuming a 2 year rate freeze (Option 2 of Section 7.04(a) of the APA). Bidders are welcome to bid on one or both options. Beaver Falls reserves the right to select whichever option it determines is in its best interests.

7. APPROVAL AND SIGNING:

Beaver Falls intends to select the Proposer that offers the best overall transaction, provided that the Proposer complies with all requirements set forth in this RFB for submitting a final Proposal and is found to remain qualified, responsible, and responsive. Execution of the APA by Beaver Falls will be subject to final approval and authorization by the Seller's Board (the "Board"). After selection of a Proposal and approval by the Board, the selected Proposer and Beaver Falls shall be required to execute the APA.

8. CONFIDENTIALITY AND DISCLOSURE TO THIRD PARTIES:

The existence and contents of this letter are subject to the confidentiality agreement that you previously executed. We ask you to remind all members of your team of your obligations under such confidentiality agreement and the indemnity obligation for any violation thereof.

Proposers should be aware that records of Beaver Falls are subject to the provisions of the Pennsylvania Right-to-Know Law, 65 P.S. §67.101 et seq. ("RTK Law"), and that with certain exceptions, such records are subject to public disclosure. Beaver Falls understands that in responding to this RFB, Proposers will be submitting information, including financial data that the parties desire to be kept confidential. It is Beaver Falls' position that this RFB is part of a competitive proposal transaction process, and that prior to the award of a contract or prior to the opening and rejection of all proposals, all such submissions are confidential and exempt from disclosure under the Section 708(b)(26) of the RTK Law, 65 P.S. §67.708(b)(26).

Proposers are advised, however, that following award of a contract or the opening and rejection of all Proposals, such submissions may be subject to public disclosure unless they are otherwise exempt from disclosure under another provision of the RTK Law. Records and information submitted by Prospective Proposers that constitute "trade secrets" or "confidential proprietary information" as defined in the RTK Law are exempt from disclosure under Section 708(b)(11), 65 P.S. §67.708(b)(11). “Confidential proprietary information” includes commercial and financial information which is privileged or confidential to the submitting party and the disclosure of which would cause substantial harm to the competitive position of the person who submitted the information. Proposers are advised that if they believe any information being submitted in response to this Request for Bids constitutes or references trade secret or confidential propriety information, they should clearly so label any such information with a prominent label of either: “TRADE SECRET” or “CONFIDENTIAL PROPRIETARY INFORMATION.” Any such claims may be subject to review pursuant to the procedures set forth in the RTK Law. If Beaver Falls, the Pennsylvania Office of Open Records or a court determines that such information does not qualify as a trade secret or confidential proprietary information, such information may be subject to public disclosure.

9. RIGHT TO REJECT BIDS AND SALE; MODIFICATION OF PRICE:

Beaver Falls reserves the right to reject any and all bids and to determine not to proceed with a sale of the Sewer System. In addition, based on the outcome of regulatory determinations (if applicable) subsequent to the award of the winning bid hereunder, the Seller reserves the right to renegotiate certain terms of the APA, including Purchase Price/Consideration, as it deems in its best interests and as are acceptable to the winning bidder.

10. BID CRITERIA

All bids shall be evaluated based on the following criteria: (1) Purchase Price; (2) Rate Freeze/Expected Rates (Indicative Bills); and (3) the ability to consummate the transaction and to comply with ongoing regulatory requirements.

PROPOSAL FORMS

Proposal Form 1 – City of Beaver Falls Sewer System RFB
Transmittal Letter

{to be prepared on Proposer's Letterhead}

[Date], 2021

PFM Financial Advisors LLC
c/o Ben Kapenstein
213 Market Street
Mail Room Third Floor
Harrisburg, PA 17101

Re: Beaver Falls Sewer System Request for Bids

Dear Beaver Falls:

________________________________ (the "Proposer") hereby submits the attached Proposal in response to the City of Beaver Falls' Sewer System Request for Bids (the "RFB") issued by the City of Beaver Falls ("**Beaver Falls**") on July 23, 2021, as amended.

The undersigned Proposer hereby unconditionally and irrevocably offers to enter into the Asset Purchase Agreement (the "**APA**") for identified sewer facilities owned and operated by Beaver Falls. Capitalized terms not otherwise defined in this Proposal have the meanings set forth in the APA.

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

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

Addendum No.	Date
________________________	________________________
________________________	________________________
________________________	________________________

2. ***Due Authorization.*** The submittal of the Proposal has been duly authorized by, and in all respects is binding upon, the Proposer.

3. ***Completeness; Warranty as to Proposal Information.*** The Proposer has submitted all Proposal Forms and such Proposal Forms are a part of this Proposal. All information and statements contained in the Proposal are current, correct, and complete, and are made with full knowledge that will rely on such information and statements in determining which Proposals are responsive and responsible, and in ultimately selecting the Proposal deemed most advantageous to Beaver Falls and executing the respective APA.

4. ***Identity of Buyer***. The Buyer will be the Proposer, provided that the Proposer may, prior to the execution of the APA pursuant to paragraph 8 below, create a subsidiary to be the Buyer (the "Subsidiary"), in which event the Subsidiary shall carry out all of the obligations of the Buyer under the APA from and after such execution.

5. ***Final Agreements.*** The Proposer agrees to enter into the APA in each case in the form identified as "Binding Proposal, Execution Copy" as posted in the Virtual Data Room for this Transaction (except for filling in indicated blanks and completion of Schedules as provided therein).

6. ***Purchase Price/Consideration.*** The amount of the Purchase Price/Consideration that Proposer will pay (inclusive of the escrow funds as described in Section 6.05(e) of the APA) pursuant to Section 3.01 of the APA will be the total set forth in either Proposal Form 6A or 6B.

7. ***Proposal Effective Period.*** This Proposal and offer shall remain in effect and irrevocable until 5:00 p.m. Eastern Daylight Savings Time on December 31, 2021, unless extended to 5:00 p.m. Eastern Daylight Savings Time on January 31, 2022, by Beaver Falls or unless further extended by mutual consent of both Beaver Falls and the Proposer (the "Termination Time"). In the event that the Proposal submission date is delayed, the Termination Time will be extended for the same such period. If Beaver Falls does not give written notice to the Proposer that Beaver Falls is prepared to enter into the APA on or prior to the Termination Time, this offer, and the terms of this Proposal shall terminate at the Termination Time.

8. ***Agreement Execution.*** If at any time prior to the Termination Time, Beaver Falls gives written notice to the Proposer, at the address specified below, that they are prepared to enter into the APA with the Proposer, the Proposer will, within two Business Days of its receipt of such notice, execute and deliver the APA to Beaver Falls.

9. ***Debarment.*** Neither the Proposer, the Operator, nor any other member of Proposer's project team is currently suspended or debarred from doing business with any governmental entity.

10. ***Contract Disclosures.*** Except as disclosed in Proposal Form 5, neither Proposer nor any member of Proposer's team has entered into any arrangement with any person or entity involving a finder's fee, fee splitting, firm affiliation, or relationship with any broker-dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest.

11. ***No Litigation.*** There is no action, suit or proceeding, at law or in equity, before any court or similar governmental body, against the Proposer, wherein an unfavorable decision,

ruling or finding would have a materially adverse effect on the ability of the Proposer to perform its obligations under the APA contemplated hereby, or which, in any way, would have a materially adverse effect on the validity or enforceability of the obligations proposed to be undertaken by the Proposer, or any APA or instrument entered into by the Proposer in connection with the Transaction contemplated hereby.

12. ***Certain Representations.*** The Proposer represents and warrants that (1) Proposer has full power and authority to make this offer and submit this Proposal; (2) Proposer, or the Subsidiary, will have full power and authority to execute and deliver the APA pursuant to the terms hereof; (3) such actions do not and will not violate the terms of any of the Proposer's or the Subsidiary's organizational documents or any agreement binding upon it or the terms of any Applicable Law; (4) no further consent to this offer or Proposal or to the execution of the APA pursuant to the terms hereof is required to be obtained from any other Person or Governmental Authority; and (5) this offer and Proposal constitute, and the APA, if executed pursuant to the terms hereof, will constitute duly authorized, valid and legally binding obligations of the Proposer, or the Subsidiary, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfers, or other laws affecting creditor's rights generally, and subject to general principles of equity (regardless of whether in law or in equity).

13. ***Material Changes.*** The Proposer has disclosed as an attachment to this Proposal all material changes from the information provided in the Proposer's RFQ Response.

14. ***Principal Contact.*** The principal contact person who will serve as the interface between the Governmental Party and the Proposer for all communications is:

NAME: ______________________________

TITLE: ______________________________

ADDRESS: ______________________________

____

PHONE: ______________________________

FAX: ______________________________

EMAIL: ______________________________

Submitted by:

Name of Proposer: ______________________________

Name of Designated Signatory ______________________________

Signature ______________________________

Title: ______________________________

Proposal Form 2- City of Beaver Falls Sewer System RFB
Non-Collusion Affidavit

STATE OF ___________________)

COUNTY OF _________________)

I, [INSERT DESIGNATED SIGNATORY NAME], a resident of ___________________MUNICIPALITY OR OTHER JURISDICTION], in the State/Commonwealth of [INSERT STATE], of full age, being duly sworn according to law, on my oath depose and say that:

(1) I am the [INSERT TITLE] of [INSERT PROPOSER NAME], organized under the laws of the State/Commonwealth of [INSERT STATE NAME], the Proposer making the Proposal in response to the City of Beaver Falls Sewer System Request for Bids issued by the City of Beaver Falls on July 23, 2021, as amended, and that I executed said Proposal with full authority to do so;

(2) The pricing and other information set forth in this Proposal have been arrived at independently without collusion, fraud, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such pricing information with any other Proposer or anyone employed by or representing Beaver Falls;

(3) Unless otherwise required by law, the pricing information which has been quoted in this Proposal has not been knowingly disclosed by the Proposer and will not knowingly be disclosed by the Proposer, directly or indirectly, to any other Proposer or to any competitor prior to execution of the APA; and

(4) No attempt has been made or will be made by the Proposer to induce any other person or entity to submit or not to submit a Proposal for the purpose of restricting competition.

I, hereby affirm under the penalties of perjury that the foregoing statements are true.

____
Name of Proposer

____
Name of Designated Signatory

____
Signature

____
Title

(Notary Public)

State/Commonwealth of ____

County of ________________

On this ______ day of ___________________, 2021, before me appeared [DESIGNATED SIGNATORY], who is [INSERT TITLE] of [INSERT PROPOSER], a [INSERT STATE AND ENTITY TYPE], personally known to me to be the person described in and who executed this Non-Collusion Statement and acknowledged that she/he signed the same freely and voluntarily for the uses and purposes therein described.

In witness thereof, I have hereunto set my hand and affixed my official seal the day and year last written above.

____
Notary Public in and for the State/Commonwealth of

(seal)

____
(Name printed)

Residing at ___________________________________

Commission Number __________________________

Proposal Form 3 – City of Beaver Falls Sewer System RFB
Statement of Ownership – Proposer

Name of Proposer:

Business Address:

Legal Form of Proposer:

State of Incorporation or Organization:

If not organized in Pennsylvania, is Proposer authorized to do business in Pennsylvania? [ ] Yes
[ ] No

List Names and Titles of All Principal Officers and Directors:

Significant Equity Owners of the Proposer:

List the names, business addresses and percentage ownership interests of all Persons (individuals or entities) who own, directly or indirectly, 10% or more of the capital stock, units, partnership or membership interests, or other equity interests or securities of the Proposer (including options, warrants and other rights to acquire such equity interests) (the "Significant Equity Owners"). If none, please state "NONE." If one or more such Significant Equity Owner(s) of Proposer is an entity, then list the names and addresses of all Significant Equity Owners of such entity; if none, please state "None." This disclosure shall be continued until names and addresses of every Significant Equity Owner exceeding the ten percent ownership criteria of each entity listed has been identified. Additional pages may be attached.

Name	Address	% Interest

Proposal Form 4- City of Beaver Falls Sewer System RFB
Operator Information

If the Proposer is not the Operator, the Proposer must clearly identify the entity or entities that will serve as the Operator under the APA. For the proposed Operator, please provide the following information.

1. **Name & Address of Proposed Operator**:

2. **Operator's Primary Representative**:

3. **Operator Experience (if not previously provided in response to the RFQ)**:

4. **Operator's References (if not previously provided in response to the RFQ)**:

5. **Material Change:** Any change in condition (financial or otherwise), development, occurrence or circumstance that could be materially adverse to the Operator that has arisen after the date of the RFQ, and which would have been responsive to the RFQ if such change, development, occurrence or circumstance had arisen prior to the Proposer's response to the RFQ.

Proposal Form 5 – City of Beaver Falls Sewer System RFB

Contract and Lobbyist Disclosure

Proposer hereby certifies that except as listed below, neither Proposer nor any member of Proposer's team has entered into any arrangement with any person or entity involving a finder's fee, fee splitting, firm affiliation or relationship with any broker-dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest. (If there are no such arrangements, please write NONE)

Name of Person or Entity	*Disclosure and Description of Arrangement*

Name of Proposer

Name of Designated Signatory

Signature

Title

Proposal Form 6A (No Rate Freeze) – City of Beaver Falls Sewer System RFB Business Proposal

On this Proposal Form 6A, please provide your Purchase Price/Consideration assuming no rate freeze were to be imposed by Beaver Falls (Option 1 of Section 7.04(a) of the APA).

Beaver Falls - Anticipated Sewer Rates at Closing
(Shown with anticipated 3% Increase on 1/1/2022)

	Inside City	**Outside City**
Quarterly Service Charge (Includes 3,000 gallons/quarter)	$41.14	N/A
Usage Charge per 1,000 Gal	$8.21	$4.41

The amount of the Purchase Price/Consideration that Proposer offers to pay pursuant to Section 3.01 of the APA is:

US$ ___________ [*in numbers*], ______________________ [*in words*] United States Dollars.

Proposers should ensure that the written and numerical Purchase Price/Consideration in this Proposal exactly match. Should this not be the case, the binding Purchase Price/Consideration will be assumed to be the lower of the two Purchase Price/Consideration numbers.

Please provide nonbinding indicative rates that relate to the Purchase Price/Consideration above. For the purposes of transparency, and to aid in comparing bids, please feel free to add any clarifying remarks in the area provided below. **AT A MINIMUM**, please specify, 1) the amount of subsidization, if any, you are assuming, via Act 11; 2) whether the rates provided below include any DSIC surcharge.

Please note, completion of the indicative rate section below is required for your bid to be deemed as "compliant".

Indicative residential monthly bills for the next 10 years assuming 4,000 gallons of usage/month:

2022: _______ 2023: _______ 2024: _______ 2025: _______
2026: _______ 2027: _______ 2028: _______
2029: _______ 2030: _______ 2031: _______

Description of rates outlined above:

____

____
Name of Proposer

____
Name of Designated Signatory

____
Signature

Proposal Form 6B (2 Year Rate Freeze) – City of Beaver Falls Sewer System RFB Business Proposal

On this Proposal Form 6B, please provide your Purchase Price/Consideration assuming a rate freeze through December 31, 2024, were to be imposed by Beaver Falls (Option 2 of Section 7.04(a) of the APA).

Beaver Falls - Anticipated Sewer Rates at Closing ***(Shown with anticipated 3% Increase on 1/1/2022)***		
	Inside City	**Outside City**
Quarterly Service Charge (Includes 3,000 gallons/quarter)	$41.14	N/A
Usage Charge per 1,000 Gal	$8.21	$4.41

The amount of the Purchase Price/Consideration that Proposer offers to pay pursuant to Section 3.01 of the APA is:

US$ ___________ [*in numbers*], _______________________ [*in words*] United States Dollars.

Proposers should ensure that the written and numerical Purchase Price/Consideration in this Proposal exactly match. Should this not be the case, the binding Purchase Price/Consideration will be assumed to be the lower of the two Purchase Price/Consideration numbers.

Please provide nonbinding indicative rates that relate to the Purchase Price/Consideration above. For the purposes of transparency, and to aid in comparing bids, please feel free to add any clarifying remarks in the area provided below. **AT A MINIMUM**, please specify, 1) the amount of subsidization, if any, you are assuming, via Act 11; 2) whether the rates provided below include any DSIC surcharge (rates submitted under this Proposal Form 6B should not include a DSIC surcharge).

Please note, completion of the indicative rate section below is required for your bid to be deemed as "compliant". In addition, please note that the Rate Freeze period may allow for the inclusion of fees and charges of a one-time nature (late payments, shut-off etc.), but may not include any DSIC surcharge.

Indicative residential monthly bills for the next 10 years assuming 4,000 gallons of usage/month:

2022: _______ 2023: _______ 2024: _______ 2025: _______
2026: _______ 2027: _______ 2028: _______
2029: _______ 2030: _______ 2031: _______

Description of rates outlined above:

____

____
Name of Proposer

____
Name of Designated Signatory

____
Signature

CITY OF BEAVER FALLS
MEMO – ASBESTOS REMOVAL
July 19, 2021

This Memo is to notify potential bidders on the sale of the City of Beaver wastewater assets that the City plans to remove the asbestos pipe insulation cited in the document titled “BeaverFalls_Asbestos” in the “Memos” folder posted in the data room prior to the closing of the sale. The City is in the process of engaging the appropriate professionals to safely remove the material.

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Costs/Benefits

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

Response: Please see the attachment to SDR-13.

AQUA℠

August 26, 2021

PFM Financial Advisors LLC
c/o Ben Kapenstein
213 Market Street
Mail Room Third Floor
Harrisburg, PA 17101

Re: Beaver Falls Sewer System Request for Bids

Dear Beaver Falls:

Aqua Pennsylvania Wastewater, Inc. (the "Proposer") hereby submits the attached Proposal in response to the City of Beaver Falls Sewer System Request for Bids (the "RFB") issued by the City of Beaver Falls ("**Beaver Falls**") on July 23, 2021, as amended.

The undersigned Proposer hereby unconditionally and irrevocably offers to enter into the Asset Purchase Agreement (the "**APA**") for identified sewer facilities owned and operated by Beaver Falls. Capitalized terms not otherwise defined in this Proposal have the meanings set forth in the APA.

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

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

Addendum No.	Date

2. ***Due Authorization.*** The submittal of the Proposal has been duly authorized by, and in all respects is binding upon, the Proposer.

3. ***Completeness; Warranty as to Proposal Information.*** The Proposer has submitted all Proposal Forms and such Proposal Forms are a part of this Proposal. All information and statements contained in the Proposal are current, correct and complete, and are made with full knowledge that Beaver Falls will rely on such information and statements in determining which Proposals are responsive and responsible, and in ultimately selecting the Proposal deemed most advantageous to Beaver Falls and executing the Agreement.

4. ***Identity of Buyer***. The Buyer will be the Proposer, provided that the Proposer may, prior to the execution of the Agreement pursuant to paragraph 8 below, create a subsidiary to be the Buyer (the "Subsidiary"), in which event the Subsidiary shall carry out all of the obligations of the Buyer under the Agreement from and after such execution.

5. ***Final Agreements.*** The Proposer agrees to enter into the Agreement in each case in the form identified as "Binding Proposal, Execution Copy" as posted in the Virtual Data Room for this Transaction (except for filling in indicated blanks and completion of Schedules as provided therein).

6. ***Purchase Price/Consideration.*** The amount of the Purchase Price/Consideration that Proposer will pay (inclusive of the escrow funds as described in Section 6.05(e) of the APA) pursuant to Section 3.01 of the APA will be the total set forth in Proposal Form 6A or 6B.

7. ***Proposal Effective Period.*** This Proposal and offer shall remain in effect and irrevocable until 5:00 p.m. Eastern Daylight Savings Time on December 31, 2021, unless extended to 5:00 p.m. Eastern Daylight Savings Time on January 31, 2022 by Beaver Falls or unless further extended by mutual consent of both Beaver Falls and the Proposer (the "Termination Time"). In the event that the Proposal submission date is delayed, the Termination Time will be extended for the same such period. If Beaver Falls does not give written notice to the Proposer that Beaver Falls is prepared to enter into the APA on or prior to the Termination Time, this offer and the terms of this Proposal shall terminate at the Termination Time.

8. ***Agreement Execution.*** If at any time prior to the Termination Time, Beaver Falls gives written notice to the Proposer, at the address specified below, that they are prepared to enter into the APA with the Proposer, the Proposer will, within two Business Days of its receipt of such notice, execute and deliver the APA to Beaver Falls.

9. ***Debarment.*** Neither the Proposer, the Operator, nor any other member of Proposer's project team is currently suspended or debarred from doing business with any governmental entity.

10. ***Contract Disclosures.*** Except as disclosed in Proposal Form 5, neither Proposer nor any member of Proposer's team has entered into any arrangement with any person or entity involving a finder's fee, fee splitting, firm affiliation or relationship with any broker- dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest.

11. ***No Litigation.*** There is no action, suit or proceeding, at law or in equity, before any court or similar governmental body, against the Proposer, wherein an unfavorable decision,

ruling or finding would have a materially adverse effect on the ability of the Proposer to perform its obligations under the APA contemplated hereby, or which, in any way, would have a materially adverse effect on the validity or enforceability of the obligations proposed to be undertaken by the Proposer, or any agreement APA or instrument entered into by the Proposer in connection with the Transaction contemplated hereby.

12. ***Certain Representations.*** The Proposer represents and warrants that (1) Proposer has full power and authority to make this offer and submit this Proposal; (2) Proposer, or the Subsidiary, will have full power and authority to execute and deliver the APA pursuant to the terms hereof; (3) such actions do not and will not violate the terms of any of the Proposer's or the Subsidiary's organizational documents or any agreement binding upon it or the terms of any Applicable Law; (4) no further consent to this offer or Proposal or to the execution of the APA pursuant to the terms hereof is required to be obtained from any other Person or Governmental Authority; and (5) this offer and Proposal constitute, and the Agreement, if executed pursuant to the terms hereof, will constitute duly authorized, valid and legally binding obligations of the Proposer, or the Subsidiary, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfers, or other laws affecting creditor's rights generally, and subject to general principles of equity (regardless of whether in law or in equity).

13. ***Material Changes.*** The Proposer has disclosed as an attachment to this Proposal all material changes from the information provided in the Proposer's RFQ Response.

14. ***Principal Contact.*** The principal contact person who will serve as the interface between the Governmental Party and the Proposer for all communications is:

NAME: **Thomas F Rafferty**

TITLE: **Director, Business Development**

ADDRESS: **762 W. Lancaster Ave. Bryn Mawr, PA 19010**

PHONE: **(O): 610-645-1064 (M): 215-205-0800**

FAX: **610.645.1061**

EMAIL: **tfrafferty@aquaamerica.com**

Submitted by:

Name of Proposer
Aqua Pennsylvania Wastewater, Inc.

Name of Designated Signatory

Marc A. Lucca

Signature

Title
President

Proposal Form 2- City of Beaver Falls Sewer System RFB
Non-Collusion Affidavit

STATE OF ________________ PENNSYLVANIA)

COUNTY OF ______________ MONTGOMERY)

I, Marc A. Lucca, a resident of Lower Merion Township, in the State of Pennsylvania, of full age, being duly sworn according to law, on my oath depose and say that:

(1) I am the President of Aqua Pennsylvania Wastewater Inc., organized under the laws of the state of Pennsylvania, the Proposer making the Proposal in response to the City of Beaver Falls Sewer System Request for Bids issued by the City of Beaver Falls on July 23, 2021, as amended, and that I executed said Proposal with full authority to do so;

(2) The pricing information set forth in this Proposal have been arrived at independently without collusion, fraud, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such pricing information with any other Proposer or anyone employed by or representing Beaver Falls;

(3) Unless otherwise required by law, the pricing information which has been quoted in this Proposal has not been knowingly disclosed by the Proposer and will not knowingly be disclosed by the Proposer, directly or indirectly, to any other Proposer or to any competitor prior to execution of the AP; and

(4) No attempt has been made or will be made by the Proposer to induce any other person or entity to submit or not to submit a Proposal for the purpose of restricting competition.

I, hereby affirm under the penalties of perjury that the foregoing statements are true.

Aqua Pennsylvania Wastewater Inc.
Name of Proposer

Marc A. Lucca
Name of Designated Signatory

Signature

President
Title

(Notary Public)

State/Commonwealth of Pennsylvania

County of Montgomery

On this 26 day of August, 2021, before me appeared **Marc A. Lucca**, who is President of Aqua Pennsylvania Wastewater Inc., a Pennsylvania Corporation, personally known to me to be the person described in and who executed this Non-Collusion Statement and acknowledged that she/he signed the same freely and voluntarily for the uses and purposes therein described.

In witness thereof, I have hereunto set my hand and affixed my official seal the day and year last written above.

Heather S.D. Harrisson

Notary Public in and for the State/Commonwealth of

Pennsylvania

(seal)

Heather S D. Harrisson

(Name printed)

Residing at 762 W Lancaster Ave, Bryn Mawr, PA 19010

Commission Number 1213370

Commonwealth of Pennsylvania - Notary Seal
Heather S. D. Harrisson, Notary Public
Montgomery County
My commission expires February 3, 2025
Commission number 1213370
Member, Pennsylvania Association of Notaries

Proposal Form 3- City of Beaver Falls Sewer System RFB
Statement of Ownership – Proposer

Name of Proposer: Aqua Pennsylvania Wastewater, Inc.

Business Address: 762 W. Lancaster Avenue, Bryn Mawr, PA 19010

Legal Form of Proposer: Corporation

State of Incorporation or Organization: Pennsylvania

If not organized in Pennsylvania, is Proposer authorized to do business in Pennsylvania?

[ ] Yes
[ ] No

List Names and Titles of All Principal Officers and Directors:

Christopher H. Franklin	Chief Executive Officer (Officer & Director)
Daniel J. Schuller	EVP, Chief Financial Officer (Officer & Director)
Richard S. Fox	EVP, Chief Operating Officer (Officer & Director)
Matthew R. Rhodes	EVP, Strategy and Corporate Development (Officer & Director)
Christopher P. Luning	SVP, General Counsel and Secretary (Officer & Director)
Marc A. Lucca	President (Officer & Director)
Stan Szczygiel	Vice President and Treasurer

Significant Equity Owners of the Proposer:

List the names, business addresses and percentage ownership interests of all Persons (individuals or entities) who own, directly or indirectly, 10% or more of the capital stock, units, partnership or membership interests, or other equity interests or securities of the Proposer (including options, warrants and other rights to acquire such equity interests) (the "Significant Equity Owners"). If none, please state "NONE." If one or more such Significant Equity Owner(s) of Proposer is an entity, then list the names and addresses of all Significant Equity Owners of such entity; if none, please state "None." This disclosure shall be continued until names and addresses of every Significant Equity Owners exceeding the ten percent ownership criteria of each entity listed has been identified. Additional pages may be attached.

Name	*Address*	*Interest %*
Aqua Pennsylvania, Inc.	762 W. Lancaster Ave., Bryn Mawr, PA 19010	100%

Proposal Form 4- City of Beaver Falls Sewer System RFB
Operator Information

If the Proposer is not the Operator, the Proposer must clearly identify the entity or entities that will serve as the Operator under the APA. For the proposed Operator, please provide the following information.

1. **Name & Address of Proposed Operator**:

   PROPOSER IS THE OPERATOR

2. **Operator's Primary Representative**:

   TODD DUERR & ZACH MARTIN

3. **Operator Experience (if not previously provided in response to the RFQ)**:

   SEE RFQ

4. **Operator's References (if not previously provided in response to the RFQ)**:

   SEE RFQ

5. **Material Change:** Any change in condition (financial or otherwise), development, occurrence or circumstance that could be materially adverse to the Operator that has arisen after the date of the RFQ and which would have been responsive to the RFQ if such change, development, occurrence or circumstance had arisen prior to the Proposer's response to the RFQ.

Proposal Form 5- City of Beaver Falls Sewer System RFB

Contract and Lobbyist Disclosure

Proposer hereby certifies that except as listed below, neither Proposer nor any member of Proposer's team has entered into any arrangement with any person or entity involving a finder's fee, fee splitting, firm affiliation or relationship with any broker-dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest. (If there are no such arrangements, please write NONE)

Name of Person or Entity	*Disclosure and Description of Arrangement*
None	

Aqua Pennsylvania Wastewater, Inc.
Name of Proposer

Marc A. Lucca
Name of Designated Signatory

Signature

President
Title

Proposal Form 6A (No Rate Freeze) – City of Beaver Falls
Sewer System RFB
Business Proposal

On this Proposal Form 6A, please provide your Purchase Price/Consideration assuming no rate freeze were to be imposed by Beaver Falls (Option 1 of Section 7.04(a) of the APA).

Beaver Falls - Anticipated Sewer Rates at Closing ***(Shown with anticipated 3% Increase on 1/1/2022)***		
	Inside City	**Outside City**
Quarterly Service Charge (Includes 3,000 gallons/quarter)	$41.14	N/A
Usage Charge per 1,000 Gal	$8.21	$4.41

The amount of the Purchase Price/Consideration that Proposer offers to pay pursuant to Section 3.01 of the APA is:

US **$41,250,000**, (**Forty-one million, two-hundred and fifty thousand** in United States Dollars)

ADDITIONAL CONSIDERATION WITH BID:

Upon signing of the APA, Aqua will make a **$1,000,000** refundable deposit (to be credited against the bid price) to the City of Beaver Falls

After filing of the PUC Application and upon recognized status of "Full-Acceptance" by the PUC, Aqua will make an additional refundable deposit (to be credited against the bid price) of **$1,000,000** to the City of Beaver Falls.

Please provide nonbinding indicative rates that relate to the Purchase Price/Consideration above. For the purposes of transparency, and to aid in comparing bids, please feel free to add any clarifying remarks in the area provided below. **AT A MINIMUM**, please specify, 1) the amount of subsidization, if any, you are assuming, via Act 11; 2) whether the rates provided below include any DSIC surcharge.

Please note, completion of the indicative rate section below is required for your bid to be deemed as "compliant".

Indicative residential monthly bills for the next 10 years assuming 4,000 gallons of usage/month:

2022	**$38.49**	2023	**$38.49**	2024	**$38.49**	2025	**$58.18**	2026	**$58.18**
2027	**$58.18**	2028	**$59.32**	2029	**$59.32**	2030	**$59.32**	2031	**$60.35**

Description of rates outlined above:

1. The Company assumes approximately 30% cost allocation, and a DSIC surcharge beginning no sooner than 2024. These projections are for illustrative purposes and reflect reasonable expectations of the Company based on current industry trends, however, are subject to changes and the approval of the PA Public Utility Commission.

2.If chosen as the winning bid and upon filing the PUC approval application, customers will be notified (by customer notice in the mail) of Potential Rate Impacts assuming zero cost allocation. Those rates are estimated and shown below. While the Company believes the Indicative Rates above are supportable by precedent and policy as far as PUC rate allocation experience, the Potential Rate Impacts below are required to be noticed for all applications for acquisition approvals.

2022	**$38.49**	2023	**$38.49**	2024	**$38.49**	2025	**$83.12**	2026	**$83.12**
2027	**$83.12**	2028	**$84.44**	2029	**$84.44**	2030	**$84.44**	2031	**$85.92**

3.In addition, both the Indicative Rates and the Potential Rate Impacts assume that the Company will have the ability to uniformly increase rates among all customers, including the outside municipalities that contribute flows to the City. If rates to the outside municipalities cannot be uniformly increased, the impact to the City customers may be greater than those projections stated above.

4.The Company's choice of a "No-Rate Freeze" option avoids regulatory hurdles and potential challenges to Closing the sale due to "rate freeze" language. We believe a "No-rate freeze" option is more likely to close faster.

5.The Company's 10-year projection of rates for the costs associated with the acquisition of the Beaver Falls Wastewater system assume a base rate increase in 2025, potentially a 3-year hold on rates. This assumes an Asset Purchase Agreement is signed no later than October 31, 2021 and the regulatory process begins within a reasonable timeframe.

6.Under the Company's ownership, and with approval of the PUC, low-income families of 4 will have the opportunity to participate in our Customer Assistance Program as proposed under our current rate application. It is important to note that this program will have to first be approved by the PUC for it to become available. However, we do have in existence today our Helping Hands program which is designed to assist low-income families. Additionally, once it is finally approved by the Federal and State governments, low income families will have the opportunity to apply for assistance under a new federal program for water and wastewater customers known as LIHWAP. (Low-Income Housing Water Assistance Program).

Aqua Pennsylvania Wastewater Inc.
Name of Proposer

Marc A. Lucca
Name of Designated Signatory

Signature

PRESIDENT
Title

Respondent: William C. Packer
Vice President – Regulatory Accounting and Regional Controller of Aqua Pennsylvania, Inc.
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Costs/Benefits

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

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

ORDINANCE NO. 4049

AN ORDINANCE AUTHORIZING THE EXECUTION BY THE CITY OF BEAVER FALLS, COUNTY OF BEAVER (THE "CITY") OF AN ASSET PURCHASE AGREEMENT (THE "PURCHASE AGREEMENT") BETWEEN THE CITY AND THE PURCHASER (DEFINED HEREIN); AUTHORIZING THE ASSIGNMENT OF THE CITY'S RIGHTS AND OBLIGATIONS IN THE ASSIGNED AGREEMENTS (DEFINED HEREIN) TO THE PURCHASER; AUTHORIZING AND APPROVING ALL CONVEYANCE INSTRUMENTS (DEFINED HEREIN); AUTHORIZING COMMUNICATION OF INFORMATION AND COOPERATION WITH THE PURCHASER; AUTHORIZING ALL ACTIONS RELATING TO THE EXECUTION AND IMPLEMENTATION OF THE PURCHASE AGREEMENT AND THE ASSIGNMENT OF THE ASSIGNED AGREEMENTS AND OTHER DOCUMENTS NECESSARY TO EFFECTUATE THE FOREGOING; AUTHORIZING INCIDENTAL ACTION TO BE TAKEN BY SPECIFIED OFFICERS OF THE CITY; AND RESCINDING INCONSISTENT ORDINANCES AND RESOLUTIONS.

WHEREAS, the City, a City of the Third Class of the Commonwealth of Pennsylvania, currently owns and operates a sanitary wastewater collection and treatment system (the "System") that provides sanitary wastewater service to various individual and wholesale customers in the City of Beaver Falls, Pennsylvania, and portions of Patterson Township, North Sewickley Township, West Mayfield Borough, White Township, Big Beaver Borough, Patterson Heights Borough, and Eastvale Borough, each in Beaver County, Pennsylvania (the "Service Area"); and

WHEREAS, the City previously decided to pursue the potential sale of all of the assets, properties and rights of the City (whether tangible, real, personal or mixed) which are exclusively held and used by it in connection with the System, as set forth in the Purchase Agreement (the "System Assets") through a competitive bidding process (the "Assets Sale"); and

WHEREAS, the City has heretofore issued a Request for Qualifications (the "RFQ") and a Request for Bids (the "RFB") to solicit bids from interested and qualified companies and entities to purchase the System; and

WHEREAS, the City received responses to the RFQ and, after the opportunity for due diligence and negotiation and preparation of the Purchase Agreement, issued the RFB and received bids from three interested entities ("Potential Bidders") that were found to be qualified; and

WHEREAS, the City, by enactment of the within Ordinance, selects Aqua Pennsylvania Wastewater, Inc. as the highest bidder (the "Purchaser"), determining that such selection is in the best interests of the City, as determined by the City Council based on the advice of PFM Financial Advisors, LLC, the City's Financial Advisor; and

WHEREAS, the Council determines that the Assets Sale is in the best interests of the City, such determination to be evidenced through the execution by the City of the Purchase Agreement, and the City will sell the System Assets to the Purchaser by entering into the Purchase Agreement with the Purchaser and proceeding to the closing of the sale of the System ("Closing"); and

WHEREAS, the City has previously entered into: (i) an Intermunicipal Service Agreement with Patterson Township dated as of April 28, 1977 (the "Patterson Agreement"), (ii) an Intermunicipal Service Agreement with Big Beaver Municipal Authority dated as of November, 1998 (the "Big Beaver Municipal Authority Agreement"), (iii) an Intermunicipal Service Agreement with North Sewickley Township Sewer Authority dated as of January 9, 2003 (the "North Sewickley Authority Agreement"), (iv) a purported Capital Lease with certain municipalities designated as the "Joint Sewer Users" dated as of April 8, 2014 (the "JSU Agreement"), and (v) an Agreement with the Borough of Eastvale dated May 1, 1983 (the "Eastvale Agreement", together with the Patterson Agreement, the Big Beaver Municipal Authority Agreement, the North Sewickley Authority Agreement, and the JSU Agreement, the "Assigned Municipal Agreements"); and

WHEREAS, the City has previously entered into: (i) an Agreement between the City of Beaver Falls and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, on behalf of Local Union 9305-08, expiring December 31, 2021, as amended (the "9305-08 Agreement"); and (ii) an Agreement between the City of Beaver Falls and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, on behalf of Local Union 9305-10, expiring December 31, 2021, as amended (the "9305-10 Agreement" and, together with the 9305-08 Agreement, the "Assigned Labor Agreements"; the Assigned Labor Agreements and the Assignment Municipal Agreements are together referred to herein as the "Assigned Agreements"); and

WHEREAS, pursuant to the Purchase Agreement, the City will assign the City's rights and obligations under the Assigned Agreements to the Purchaser and the Purchaser will assume the City's rights and obligations under the Assigned Agreements as necessary and appropriate and in accordance with the Purchase Agreement; and

WHEREAS, the City will transfer to the Purchaser at Closing the ownership of the System Assets through the execution and delivery of all necessary and required bills of sale, instruments of assignment, consents to transfer, deeds, and other agreements, documents, and instruments of conveyance (collectively, the "Conveyance Instruments"); and

WHEREAS, the City currently receives information as to water consumption by customers within the service area of the System from the Beaver Falls Municipal Authority and other municipalities to facilitate accurate billing (the "System Billing Information") and intends to pass on the System Billing Information and any and all rights of the City in connection therewith, to the Purchaser and cooperate with the Purchaser as is required for the continued operation of the System;

NOW, THEREFORE, the Council of the **CITY OF BEAVER FALLS**, hereby ordains as follows:

1. Selection

The Council determines that the Assets Sale is in the best interests of the City, such determination to be evidenced through the execution by the City of the Purchase Agreement, and the City will sell the System Assets to the Purchaser by entering into the Purchase Agreement with the Purchaser and proceed to Closing of the sale of the System.

2. Approval of the Purchase Agreement

The Council hereby authorizes and approves the execution, delivery, and performance of the Purchase Agreement substantially in the form attached hereto as Exhibit A. The Mayor and City Manager are hereby authorized and directed on behalf of the City to execute any and all papers and documents and to do and cause to be done any and all actions and things necessary or proper to execute the Purchase Agreement and to implement the Assets Sale.

3. Assignment of Assigned Agreements

The Council hereby authorizes and approves the assignment of the City's rights and obligations under the Assigned Agreements to the extent necessary and appropriate pursuant to the Purchase Agreement. The Mayor and City Manager are hereby authorized and directed on behalf of the City to execute any and all papers and documents and to do and cause to be done any and all actions and things necessary or proper to effectuate such assignment, provided that the terms and conditions of all such papers and documents are satisfactory to the City Solicitor and Special Counsel to the City.

4. Approval of Deeds, Certificates, and Related Documents

The Council hereby authorizes the execution and delivery by the Mayor and the City Manager of the Conveyance Instruments necessary and required to be executed and delivered under the Purchase Agreement, provided that the terms and conditions of such Conveyance Instruments are satisfactory to the City Solicitor and Special Counsel to the City.

5. Disposition of Proceeds

The proceeds of the sale shall be utilized at the discretion of the City Council in a manner consistent with the Pennsylvania Third Class City Code and subject to the advice of the City's Financial Adviser.

6. Information and Cooperation

The Council hereby authorizes the City, its agents and employees, to communicate the System Billing Information and any and all rights of the City in connection therewith and other information required under the Purchase Agreement or desirable in the sole discretion of the Mayor or City Manager to the Purchaser and cooperate with the Purchaser for the continued operation of the System and the use of the System Assets.

7. General Authorization

The Council hereby further authorizes the City, its agents and employees, to take any and all necessary actions required by the Third Class City Code and other applicable law, to cooperate with and assist Purchaser in its application to the Pennsylvania Public Utility Commission for approval of its purchase of the System and to take such actions and to execute such other documents and agreements as may be necessary to effectuate the sale of the System Assets as contemplated herein.

8. Severability

The provisions of this Ordinance are intended to be severable, and if any section, sentence, clause, part or provision hereof shall be held illegal, invalid or unconstitutional by any court of competent jurisdiction, such decision of the court shall not affect or impair the remaining sections, sentences, clauses, parts or provisions of this Ordinance. It is hereby declared to be the intent of the Council that this Ordinance would have been adopted even if such illegal, invalid or unconstitutional section, sentence, clause, part or provisions had not been included herein.

9. Effective Date

This Ordinance shall take effect and be in force from and after its enactment as required by the law.

10. Repealer

All other ordinances and resolutions or parts thereof as they are inconsistent with this Ordinance shall be deemed repealed at the time of closing of the Assets Sale with Purchaser.

ORDAINED and **ENACTED** at the public meeting of the Beaver Falls City Council held on September 28, 2021.

CITY OF BEAVER FALLS

By: George S. Quay
George S. Quay III, Mayor

Attest: Paula J. Durish
Paula Durish, City Clerk

EXHIBIT A

ASSET PURCHASE AGREEMENT

CITY OF BEAVER FALLS
RESOLUTION 1673

A RESOLUTION OF THE CITY OF BEAVER FALLS (THE "CITY"), COUNTY OF BEAVER AND COMMONWEALTH OF PENNSYLVANIA, RATIFYING THE ASSET PURCHASE AGREEMENT BETWEEN THE CITY OF BEAVER FALLS AND AQUA PENNSYLVANIA WASTEWATER, INC. (THE "PURCHASER"), PROVIDING FOR THE SALE OF THE CITY'S SANITARY WASTEWATER COLLECTION AND TREATMENT SYSTEM (THE "SYSTEM") TO THE PURCHASER.

WHEREAS, on September 28, 2021, the Council for the City of Beaver Falls adopted Ordinance No. 4049 approving and authorizing the execution of the Asset Purchase Agreement between the City and the Purchaser (the "APA");

WHEREAS, the City and the Purchaser executed the final version of the APA, effective as of October 20, 2021, such APA attached hereto as Exhibit A.

IT IS HEREBY RESOLVED by the City of Beaver Falls, a Home Rule Municipality under the laws of the Commonwealth of Pennsylvania as follows:

Section 1. Ratification of the Approval and Execution of the Asset Purchase Agreement. The approval and execution of the APA is hereby ratified, confirmed and approved and all actions taken by the Mayor and City Manager on behalf of the City in furtherance of or concerning the APA be, and they hereby are, ratified, confirmed and approved in all respects.

Section 2. Repeal of Inconsistent Resolutions. All prior resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 3. Effective Date. This Resolution shall take effect immediately.

ADOPTED BY THE COUNCIL of the City of Beaver Falls, this 24th day of January, 2023.

ATTEST:

Paula J. Durish

Paula J. Durish
City Clerk

CITY OF BEAVER FALLS:

Kenya Johns, Ph.D.
Mayor

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

By and Between

City of Beaver Falls, Beaver County,

As Seller

and

Aqua Pennsylvania Wastewater, Inc.,

As Buyer

Dated as of October 20, 2021

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of October 20, 2021 (the "Effective Date"), is made and entered into by and between the City of Beaver Falls, Beaver County, a municipality and a city of the Third Class of the Commonwealth of Pennsylvania duly organized and existing under the Constitution and laws of said Commonwealth, (the "Seller"), and Aqua Pennsylvania Wastewater, Inc., (the "Buyer"), a Pennsylvania corporation.

WITNESSETH:

WHEREAS, the Seller owns that certain sanitary wastewater collection and treatment system (the "System") that provides sanitary wastewater service to various individual and wholesale customers in the City of Beaver Falls, Pennsylvania and portions of Patterson Township, North Sewickley Township, West Mayfield Borough, White Township, Big Beaver Borough, Patterson Heights Borough, and Eastvale Borough, each in Beaver County, Pennsylvania (the "Service Area"); and

WHEREAS, Buyer is a regulated public utility that furnishes water and wastewater service to the public in various counties throughout Pennsylvania; and

WHEREAS, Buyer, in reliance upon the representations, warranties and covenants of the Seller herein, desires to purchase and acquire from the Seller, and the Seller, in reliance upon the representations, warranties and covenants of Buyer herein, desires to sell, transfer and convey to Buyer all of the assets of the System (other than the Excluded Assets), and in connection therewith, Buyer has agreed to assume certain ongoing obligations and liabilities of the Seller related to such acquired assets, all on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual representations, warranties, covenants, and agreements contained in this Agreement, the receipt and sufficiency of which are acknowledged, intending to be legally bound, the Parties agree as follows:

ARTICLE I.

DEFINITIONS

In addition to the capitalized terms defined elsewhere in this Agreement, the following terms, as used in this Agreement (unless otherwise specified herein), have the meanings set forth in this Article I:

"Acquired Assets" has the meaning specified in Section 2.01.

"Act 537" has the meaning specified in Section 7.10.

"Act 537 Plan" has the meaning specified in Section 7.10.

"**Affiliate**" means, when used to indicate a relationship with a specified Person, a Person that, directly or indirectly, through one or more intermediaries has a 10% or more voting or economic interest in such specified Person or controls, is controlled by or is under common control with (which include, with respect to a managed fund or trust, the right to direct or cause the direction of the management and policies of such managed fund or trust as manager, advisor, supervisor, sponsor or trustee pursuant to relevant contractual arrangements) such specified Person, and a Person is deemed to be controlled by another Person if controlled in any manner whatsoever that results in control in fact by that other Person (or that other Person and any Person or Persons with whom that other Person is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise (and for purposes of this definition, a managed fund or trust is deemed to be an Affiliate of the Person managing, supervising, sponsoring or advising such fund or trust and a limited partner in a managed fund or trust is deemed to be an Affiliate of such fund or trust and of the Person managing, supervising, sponsoring or advising such fund or trust).

"**Agreement**" has the meaning specified in the preamble to this Agreement (and includes all Schedules and Exhibits referred to herein), as amended, modified and supplemented from time to time in accordance with the terms hereof.

"**Allocation Schedule**" has the meaning specified in Section 3.03.

"**Assigned Contracts**" has the meaning specified in Section 4.15.

"**Assignment and Assumption Agreement**" has the meaning specified in Section 13.02(c).

"**Assumed Liabilities**" has the meaning specified in Section 2.04(a).

"**Authorizations and Permits**" mean all licenses, permits, franchises, authorizations, certificates, registrations, consents, orders, adjudications, variances, waivers and approvals currently in effect issued or granted by Governmental Authorities, including without limitation, environmental permits, operating permits and approvals that are held by the Seller that primarily relate directly or indirectly to the operation of the System, including those set forth on Schedule 4.14.

"**Business Day**" means any day that is neither a Saturday, a Sunday nor a day observed as a holiday by either the Commonwealth of Pennsylvania or the United States government.

"**Buyer**" has the meaning specified in the preamble of this Agreement.

"**Buyer Fundamental Representations**" has the meaning specified in Section 8.01.

"**Buyer Indemnified Persons**" has the meaning specified in Section 8.02.

"**CERCLA**" means the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq., as amended.

"Closing" means the consummation of the sale and purchase of the Acquired Assets and assumption of the Assumed Liabilities, the release/waiver of liabilities and the other transactions contemplated by this Agreement, all in accordance with the terms and conditions of this Agreement and as provided for in Article XIII.

"Closing Date" has the meaning specified in Section 13.01.

"Closing Effective Time" has the meaning specified in Section 13.01.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collective Bargaining Agreement" means the existing collective bargaining agreements between the Seller and the Unions expiring December 31, 2021 and excludes any amendments or new collective bargaining agreements between the Seller and the Unions.

"Confidential Information" means any non-public information about Buyer, Seller or the System related to the transactions contemplated by this Agreement; except that such term does not include information which the receiving Party can demonstrate (a) is generally available to or known by the public other than as a result of improper disclosure by the receiving Party, (b) is obtained by the receiving Party from a source other than the disclosing Party, and that such source was not bound by a duty of confidentiality to the disclosing Party with respect to such information, or (c) is legally in the public domain.

"Easements" means all easements, rights of way, licenses, use agreements, occupancy agreements, leases and other agreements and appurtenances for and over the real property of third parties.

"EDU" means equivalent dwelling unit.

"Effective Date" has the meaning specified in the preamble.

"Environment" means soil, surface waters, ground waters, land, stream sediments, flora, fauna, surface or subsurface strata and ambient air.

"Environmental Claims" means all notices of investigations, warnings, notice letters, notices of violations, Liens, orders, claims, demands, suits or administrative or judicial actions for any injunctive relief, fines, penalties, third party claims, or other claims asserting violations of Environmental Requirements or responsibility for Environmental Liabilities.

"Environmental Conditions" means the Release of Hazardous Materials or the presence of Hazardous Materials on, in, under or within any property (including the presence in the Environment), other than the presence of Hazardous Materials in locations and at concentrations that are naturally occurring.

"Environmental Liabilities" means any legal obligation or liability arising under Environmental Requirements or related to or arising out of any Environmental Condition, including those consisting of or relating to any (a) duty imposed by, breach of or noncompliance with any Environmental Requirements; (b) environmental, health or safety matters or conditions (including on-site or off-site contamination, occupational safety and health and regulation of Hazardous Materials); (c) Remedial Action undertaken by any Person; (d) bodily injury (including illness, disability and death, and regardless of when any such bodily injury occurred, was incurred or manifested itself), property damage (including trespass, nuisance, wrongful eviction and deprivation of the use of real or personal property), or other losses or damages incurred by any other Person (including any employee or former employee of such Person); (e) any injury to, destruction of, or loss of natural resources, or costs of any natural resource damage assessments; (f) exposure of any Person to any Hazardous Materials; and (g) the presence or Release of any Hazardous Materials.

"**Environmental Requirements**" mean all present Laws (including common law), regulations, legally binding or otherwise enforceable requirements and Authorizations and Permits relating to human health, pollution, or protection of the Environment (including ambient air, surface water, ground water, land surface or surface strata), including (i) those relating to emissions, discharges, Releases, or threatened Releases of Hazardous Materials, and (ii) those relating to the identification, generation, manufacture, processing, distribution, use, treatment, storage, disposal, release, recovery, transport or other handling of Hazardous Materials. Without limiting the foregoing, the term "**Environmental Requirements**" includes (1) CERCLA; the Superfund Amendments and Reauthorization Act, Public Law 99-499, 100 Stat. 1613; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Sections 11001-11050; the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901-6992k ("RCRA"); the Safe Drinking Water Act, 42 U.S.C. Sections 300f to 300j-26; the Toxic Substances Control Act, 15 U.S.C. Sections 2601-2692; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 5101-5127; the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251-1387; the Oil Pollution Act of 1990, 33 U.S.C. Sections 2701--2761; the Clean Air Act, 42 U.S.C. Sections 7401-7671q; the Atomic Energy Act of 1954, as amended, 42 U.S.C. Sections 2011 et seq.; the Low Level Radioactive Waste Policy Act, as amended, 42 U.S.C. Section 2021b et seq.; the Occupational Safety and Health Act, 29 U.S.C. Sections 651-678, and the regulations promulgated pursuant to the above-listed federal statutes, and (2) counterpart Laws and regulations promulgated or issued by any state or local Governmental Authority, specifically including the Pennsylvania Storage Tank and Spill Prevention Act of 1989 (35 Pa. C.S.A. § 6021.101 *et. seq.*).

"**EPA**" means the United States Environmental Protection Agency, or a successor Governmental Authority with substantially similar power and authority thereto.

"**Equipment and Machinery**" means (i) all the equipment, tangible personal property, machinery, office furniture and equipment, fixtures, tooling, spare maintenance or replacement parts, environmental testing equipment, and vehicles owned or leased by the Seller (including all leases of such property), which are primarily used in the operation of the System, (ii) any rights of the Seller to warranties applicable to the foregoing (to the extent assignable), and licenses received from manufacturers and Seller of any such item, and (iii) any related claims, credits, and rights of recovery with respect thereto. Notwithstanding the foregoing, "Equipment and Machinery" shall not include any Excluded Assets.

"**Excluded Assets**" has the meaning specified in Section 2.02.

"Excluded Liability" or **"Excluded Liabilities"** means all liabilities other than Assumed Liabilities.

"Files and Records" means all files and records of the Seller primarily relating to the System and the Acquired Assets, whether in hard copy, digital, magnetic or other format including customer and supplier records, customer lists (both current and prospective), personnel and human resources records, records of sales calls, manuals, books, files, records, engineering data, procedures, systems, instructions, drawings, blueprints, plans, designs, specifications, equipment lists, parts lists, equipment maintenance records, equipment warranty information, plant plans, specifications, geographical information systems data, and drawings, sales and advertising material, computer software, and records relating to the System, and whether stored on-site or off-site.

"Final Order" means a Governmental Approval by a Governmental Authority as to which (a) no request for stay of the action is pending, no such stay is in effect and if any time period is permitted by statute or regulation for filing any request for such stay, such time period has passed, (b) no petition for rehearing, re-argument, reconsideration, clarification, rescission, amendment, or supersedeas of the action is pending and the time for filing any such petition has passed, (c) such Governmental Authority does not have action under consideration on its own motion and (d) no appeal to a court or administrative tribunal or a request for stay by a court or administrative tribunal of the Government Authority's action is pending or in effect and the deadline for filing any such appeal or request for stay has passed.

"Governmental Approval" means any consent, approval, authorization, notice, filing, registration, submission, reporting, order, adjudication or similar item of, to or with any Governmental Authority.

"Governmental Authority" or **"Governmental Authorities"** means any court, department, commission, board, bureau, municipality, municipal authority (established pursuant to the Pennsylvania Municipal Authorities Act of the Commonwealth of Pennsylvania), agency or instrumentality of the United States, any state, county, city or political subdivision thereof, or any foreign governmental body, including without limitation, the PaPUC, the EPA, PaDEP, and the Municipal Council.

"Hazardous Materials" means any solid, liquid, gas, odor, heat, sound, vibration, radiation or other substance or emission which is a contaminant, pollutant, dangerous substance, toxic substance, hazardous waste, residual waste, solid waste, hazardous material or hazardous substance which is or becomes regulated by applicable Environmental Requirements or which is classified as hazardous or toxic under applicable Environmental Requirements (including gasoline, diesel fuel or other petroleum hydrocarbons, polychlorinated biphenyls, asbestos and urea formaldehyde foam insulation).

"Indemnified Party" means any Buyer Indemnified Persons or Seller Indemnified Persons, as applicable, entitled to indemnification pursuant to Article VIII.

"Indemnifying Party" means a Party which is obligated to indemnify the Buyer Indemnified Persons or the Seller Indemnified Persons, as applicable, pursuant to Article VIII.

"**Knowledge**" when used to qualify or limit a Party's representations or warranties means the knowledge of such Party's Representatives who are engaged in a material way in performing the functions of such Party with respect to which the representations or warranties are made, after conducting reasonable investigation and inquiry with respect to the subject matter of the representation.

"**Law**" means any applicable law, statute, regulation, ordinance, rule, order, judicial, administrative and regulatory decree, judgment, adjudication, consent decree, settlement agreement or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Authority, as may be in effect at the relevant time or times in the context in which the term is used.

"**Liability Cap**" has the meaning specified in Section 8.05(c).

"**Lien**" means any lien in a fixed and ascertainable monetary sum, or any pledge, mortgage, deed of trust or security interest securing a fixed and ascertainable monetary sum, or any charge or claim in a fixed and ascertainable monetary sum. In addition, in connection with Real Property, any item otherwise falling within the definition of a "Lien" must be either (i) filed of record; or (ii) an item of which Seller has knowledge.

"**Loss**" means any and all losses, liabilities, obligations, damages, penalties, interest, Taxes, claims, actions, demands, causes of action, judgments, reasonable attorneys', consultants' and other professional fees, and all other reasonable costs and expenses sustained or incurred in investigating, preparing or defending or otherwise incident to any such claim, action, demand, cause of action or judgment or the enforcement of a Party's rights under Article VIII; except that "**Losses**" do not include punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party in respect of a Third Party Claim.

"**Material Adverse Effect**," means a material adverse effect on the business, financial condition or results of operations of the System; except that no effect arising out of or in connection with or resulting from any of the following will be deemed, either alone or in combination, to constitute or contribute to a Material Adverse Effect: (i) general economic conditions or changes therein; (ii) financial, banking, currency or capital markets fluctuations or conditions (either in the United States or any international market and including changes in interest rates); (iii) conditions affecting the real estate, financial services, construction, water utility or sewer utility industries generally; (iv) any existing event, circumstance, condition or occurrence of which the Buyer has actual knowledge as of the Effective Date; (v) any action, omission, change, effect, circumstance or condition contemplated by this Agreement or attributable to the execution, performance or announcement of this Agreement or the transactions contemplated by this Agreement; and (vi) negligence, intentional misconduct or bad faith of the Buyer or its Representatives.

"**Missing Easements**" means, as of any particular date, each Easement that is for or used in connection with the operation of the System or to provide continuous and unimpeded rights of way for the Acquired Assets (including access thereto) that either (a) has not been obtained by the Seller and is for or used in connection with the operation of the System or (b) if such Easement has been obtained by the Seller, such Easement is unrecorded or such Easement is not sufficient to operate the System as currently conducted.

"**Municipal Council**" has the meaning set forth in the recitals to this Agreement.

"**Non-Union Personnel**" means Personnel who are not members of the Unions.

"**Outside Date**" means the date that is 365 days after the date the application to the PaPUC is accepted as complete by the PaPUC.

"**PaDEP**" means the Pennsylvania Department of Environmental Protection, or any successor Governmental Authority with substantially similar powers thereto.

"**PaPUC**" means the Pennsylvania Public Utility Commission, or any successor Governmental Authority with substantially similar powers thereto.

"**Party**" means Buyer or the Seller and the term "Parties" means collectively Buyer and the Seller.

"**PCB Equipment**" means PCB equipment as defined in 40 C.F.R. Part 761.

"**Pending Development Plan**" means any project for the development of real property which is the subject of a subdivision or land development plan that has been submitted to the Seller for approval, or for which the Seller already has granted approval but which has yet to be constructed, pursuant to the Pennsylvania Municipal Planning Code as of the Effective Date (and as updated before the Closing Date), as provided in Schedule 4.19.

"**Permitted Liens**" means (a) Liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures; (b) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property and Easements as set forth on Schedule 4.09; (c) other than with respect to Real Property and Easements owned by Seller, Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; (d) other imperfections of title or Liens, if any, that have not had, and would not have, caused a Material Adverse Effect; and (e) any encumbrances, Liens, or other exceptions to title insurance coverage set forth in the Title Commitment not identified, but permitted to be identified, in the Objection Notice in accordance with the procedures and deadlines prescribed in Sections 6.02(a) and 6.05(b).

"**Person**" means any individual (including, the heirs, beneficiaries, executors, legal representatives or administrators thereof), corporation, partnership, joint venture, trust, limited liability company, limited partnership, joint stock company, unincorporated association or other entity or a Governmental Authority.

"**Personnel**" means the employees of the Seller who are primarily employed in connection with the System or are necessary to operate the System and includes Union Personnel and Non-Union Personnel.

“**Purchase Price**” has the meaning specified in Section 3.01.

“**Real Property**” has the meaning specified in Section 4.09.

“**Regulated Asbestos Containing Material**” means regulated asbestos containing material as defined by 40 C.F.R. § 61.141.

“**Release**” means any actual or threatened spilling, leaking, pumping, pouring, injecting, emptying, discharging, emitting, escaping, leaching, dumping, disposal, or release or migration of Hazardous Materials into the Environment, including the abandonment or discarding of barrels, containers and other receptacles containing any Hazardous Materials.

“**Remedial Action**” means any and all actions to (a) investigate, clean up, remediate, remove, treat, contain or in any other way address any Hazardous Materials in the Environment, (b) prevent the Release or threat of Release or minimize the further Release of any Hazardous Materials so it does not migrate or endanger public health or welfare or the indoor or outdoor Environment, and (c) perform pre-remedial studies and investigations and post-remedial monitoring, maintenance and care. The term “**Remedial Action**” includes any action which constitutes (i) a “removal”, “remedial action” or “response” as defined by Section 101 of CERCLA, 42 U.S.C. §§ 9601(23), (24), and (25); (ii) a “corrective action” as defined in RCRA, 42 U.S.C. § 6901 et seq.; or (iii) a “response” or “interim response” as defined in the Pennsylvania Hazardous Sites Cleanup Act, 35 P.S. §6020.103.

“**Representative**” means, with respect to any Party, any director (including, in the case of the Seller, any member of the Municipal Council), officer, employee, official, lender mortgagee, financier, provider of any financial instrument (or any agent or trustee acting on their behalf), partner, member, owner, agent, lawyer, accountant, auditor, professional advisor, consultant, engineer, contractor, other Person for whom such Person is at law responsible or other representative of such Person and any professional advisor, consultant or engineer designated by such Person as its “Representative.”

“**Schedules**” means the disclosure schedules delivered by Seller and Buyer, respectively, concurrently with the execution and delivery of this Agreement, and as may be supplemented and updated pursuant to Sections 9.03 and 10.04. Any disclosure set forth on any particular Schedule are deemed disclosure in reference to all Schedules comprising the Schedules to which such disclosure is reasonably apparent.

“**Seller**” has the meaning specified in the preamble of this Agreement.

“**Seller Fundamental Representations**” has the meaning specified in Section 8.01.

“**Seller Indemnified Persons**” has the meaning specified in Section 8.03.

“**Seller’s Benefit Obligations**” means all material obligations, arrangements, or practices, whether or not legally enforceable, to provide benefits, other than salary or wages to present or former directors, employees or agents, (other than obligations, arrangements and practices that are Seller’s Plans), that are owed, adopted or followed by the Seller. Seller’s Benefit Obligations also include consulting agreements under which the compensation paid does not depend upon the amount of service rendered, sabbatical policies, severance payment policies and fringe benefits within the meaning of Code §132.

"Seller's Plans" means each voluntary employees' beneficiary association under Section 501(c)(9) of the Code whose members include any Personnel and any employee benefit plans or any other retirement, pension, profit sharing, stock option, stock bonus, deferred compensation (including any "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code), severance, sick leave or other material plan or arrangement providing benefits to current or former Personnel, in each case, if either currently in effect or terminated within the last six (6) years, to which the Seller is a plan sponsor or to which the Seller otherwise contributes or has contributed within the last six (6) years, or in which the Seller otherwise participates or has participated within the last six (6) years.

"Seller DEP Permits" means the National Pollutant Discharge Elimination System Permit No. PA0026883 and Water Quality Management Permit No. 0472402 (Part 2), each issued by PaDEP to Seller with respect to the System, including any revisions or amendments thereto.

"Service Area" has the meaning specified in the recitals to this Agreement.

"Supplies" means all lubricants, spare parts, fuel, chemicals, raw materials, and other supplies and inventory as related to the Acquired Assets, and all rights to warranties received from suppliers with respect to the foregoing, and related claims, credits, and rights of recovery with respect thereto.

"System" has the meaning specified in the recitals to this Agreement and includes the Acquired Assets and excludes the Excluded Assets.

"System Improvements" has the meaning specified in Section 7.10(a).

"Taxes" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, permit fees, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, parking, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, levy, impost, stamp tax, duty, fee, withholding or similar imposition of any kind payable, levied, collected, withheld or assessed at any time, including any interest, penalty or addition thereto, whether disputed or not.

"Threshold Amount" has the meaning specified in Section 8.05(a).

"Title Commitment" has the meaning specified in Section 6.01.

"Title Company" has the meaning specified in Section 6.01.

"Title Policy" has the meaning specified in Section 2.03.

"Transferred Personnel" has the meaning specified in Section 7.03(a).

"**UCC Search**" has the meaning specified in Section 6.04.

"**Unions**" means, together, United Steelworkers 9305, Districts 8 and 10.

"**Union Personnel**" means Personnel who are members of the Unions.

"**Unscheduled Real Property**" has the meaning specified in Section 6.06.

"**Utility Valuation Expert**" means an expert that has applied and has been approved by the PaPUC and is currently, at the time of this Agreement, on the list of approved appraisers maintained by the PaPUC.

ARTICLE II.

TERMS OF PURCHASE AND ASSUMPTION OF LIABILITIES

Section 2.01. Purchase and Sale of Acquired Assets

Subject to the terms and conditions set forth in this Agreement, at Closing, Buyer shall purchase from the Seller and the Seller shall sell, transfer, assign and deliver to Buyer, free and clear of all Liens except for Permitted Liens, all of Seller's right, title and interest in and to all assets, facilities, business, goodwill, properties and rights of the Seller of every kind and description, whether tangible or intangible, real, personal or mixed, wherever situated, in each case used in, held for use in, or acquired or developed for use in, the System, or otherwise related to, or arising out of the operation or conduct of the System (whether or not any such assets have any value for accounting purposes or are carried or reflected on the books or financial records of the Seller), including any of the foregoing in which Seller is entitled to acquire such rights, but in all cases other than the Excluded Assets (the foregoing collectively referred to as the "Acquired Assets"), including:

(a) all real property and appurtenant interests necessary for the operation of the System, including without limitation (i) good and marketable fee simple title to the Real Property set forth on Schedule 4.09 hereof, and (ii) all Easements currently used or necessary to operate the System, including without limitation those set forth on Schedule 4.09;

(b) all sanitary wastewater related treatment and conveyance facilities, including but not limited to the Seller's (i) assets set forth on Schedule 2.01(b), (ii) sewage treatment plant located in the Service Area, and (iii) all collection system mains (whether gravity or force mains), laterals (from the collection system main to the edge-of-road or curb-line when the main is located within a public right-of-way or the edge of an easement where the main is located within private property), generators, manholes, pump stations, and other related appurtenances and any billing and collections related assets necessary to own and operate the System;

(c) all contracts, licenses and leases set forth on Schedule 4.15 to which the Seller is a party, including without limitation, all construction contracts, surety bonds, operation and maintenance agreements, management agreements, reserved capacity agreements, architect agreements and consultant agreements, and agreements relating to vehicles and other items of personal property (the "Assigned Contracts");

(d) all Supplies;

(e) all personal property and fixed assets, including all Equipment and Machinery, auxiliary equipment and plant equipment;

(f) all prepaid expenses and security deposits;

(g) all Files and Records;

(h) all Authorizations and Permits of or held by the Seller (to the extent transferrable to Buyer under applicable Law), including all Authorizations and Permits which are environmental permits, the Seller DEP Permits, other operating permits and those items set forth on Schedule 4.14 hereto; and

(i) all goodwill of the System.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SELLER MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY REGARDING THE FUTURE PROFITABILITY OR FUTURE EARNINGS PERFORMANCE OF THE ACQUIRED ASSETS OR THE SYSTEM OR ANY FUTURE RATEMAKING THAT MAY BE ALLOWED BY THE PAPUC FOR ANY OF THE ACQUIRED ASSETS. NOTWITHSTANDING THE FOREGOING, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE VALID UNTIL THE TIME OF CLOSING.

Section 2.02. **Excluded Assets**

Notwithstanding anything in the Agreement to the contrary, the Acquired Assets do not include the following (the "Excluded Assets"):

(a) all contracts, licenses and leases that are not Assigned Contracts;

(b) the seals, organizational documents, minute books, Tax returns, books of account or other records having to do with the organization of Seller and all employee-related or employee benefit-related files or records;

(c) cash (including any cash resulting from the payment to the Seller for EDUs received on or before the Closing Date as listed in Schedule 2.02(e)) and cash equivalents, including accounts receivable on or before the Closing Date and existing financial security guaranteeing installation of public improvements (including wastewater facilities);

(d) all insurance policies of Seller and all rights to applicable claims and proceeds thereunder;

(e) all Seller's Plans and trusts or other assets attributable thereto;

(f) other than to the extent relating to any Assumed Liability, all rights to any action, suit or claim of any nature available to or being pursued by Seller, whether arising by way of counterclaim or otherwise;

(g) all assets, properties and rights used by Seller other than those which primarily relate to the operations of the System;

(h) the assets, properties and rights specifically set forth on Schedule 2.02(h);

(i) the rights which accrue or will accrue to Seller under this Agreement and any related agreement, exhibit or schedule;

(j) all municipal separate storm sewer system assets and stormwater assets of the Seller (and any related NPDES permits); and

(k) any and all connecting facilities originating from Seller's terminus point of the collection facilities at the main or edge of road to and throughout the customer's property, including grinder pumps, if any.

Section 2.03. **Sale Free of Liens**

After Buyer fulfills its obligations pursuant to Section 3.01(b), on the Closing Date, the Acquired Assets will be free and clear of all Liens other than Permitted Liens. The Seller shall convey such Acquired Assets by appropriate special warranty or other deed (subject to Section 6.02(c)), bills of sale, endorsements, assignments and other instruments of transfer or conveyance described in the Agreement, or by transfer documents satisfactory in form and substance reasonably acceptable to Buyer and Seller and their counsel in their reasonable discretion. Buyer shall use commercially reasonable efforts to cause the Title Company at or prior to Closing to insure the Real Property, at the Title Company's filed rates, as a good and marketable title, free and clear of all Liens and exceptions to title insurance coverage, except for the Permitted Liens, pursuant to an owner's policy of title insurance on the American Land Title Association's ("ALTA") Owner's Form 2006, subject to the terms of Section 6.02 below (the "Title Policy").

Section 2.04. **Assumption of Liabilities**

(a) On the terms and subject to the conditions set forth in this Agreement and excluding the Excluded Liabilities, Buyer shall assume and agrees to pay, perform and discharge when due any and all liabilities and obligations of the Seller to the extent (1) arising under the Seller DEP Permits (arising from, related to, or based on events or circumstances occurring on or after the Closing Date), (2) arising under the Collective Bargaining Agreement or an amended and restated collective bargaining agreement (to the extent arising from, related to or based on events or circumstances occurring on or after the Closing Date and subject to the exclusions provided for in Section 7.03(h) of this Agreement), and (3) arising out of or relating to the System or the Acquired Assets on or after the Closing, including, without limitation, the following:

(i) all liabilities and obligations under the Assigned Contracts, including any liabilities arising under any Corrective Action Plan, and Authorizations and Permits, in each case to the extent resulting from events that occur or conditions that arise on or after the Closing;

(ii) any litigation initiated against Seller related to the System or the Acquired Assets to the extent resulting from events that occur, or conditions that arise, on or after the Closing;

(iii) all liabilities and obligations for Taxes relating to the System, its operation, the Acquired Assets and the Assumed Liabilities attributable to the period beginning on the Closing Date; and

(iv) all other liabilities and obligations to the extent arising out of or relating to Buyer's ownership or operation of the System and the Acquired Assets on or after the Closing (all of the aforementioned liabilities in this Section 2.04(a) are referred to as the "Assumed Liabilities").

(b) Buyer shall not assume or be liable to pay any liabilities or obligations relating to the Excluded Liabilities or any other liabilities or obligations that are not Assumed Liabilities.

Section 2.05. **Further Assurances** At any time and from time to time after the Closing Date, the Seller shall, upon the request of Buyer, and Buyer shall, upon the request of the Seller, at the cost of requesting Party, promptly execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate, (a) the sale, conveyance, transfer, assignment and delivery hereunder of the Acquired Assets to Buyer, (b) the assumption by Buyer of any of the Assumed Liabilities, (c) performance by the Parties of any of their other respective obligations under this Agreement, (d) the vesting in Buyer of all right, title and interest in the Acquired Assets and the System as provided herein, and (e) any other matters reasonably requested by a Party to carry out the provisions, purposes and intent of this Agreement.

Section 2.06. **Certain Transfers; Assignment of Contracts**

(a) Notwithstanding anything to the contrary in this Agreement, and subject to the provisions of this Section 2.06(a) and Section 2.06(b), to the extent that the sale, transfer, assignment, conveyance and delivery, or attempted sale, transfer, assignment, conveyance and delivery, to Buyer of any Assigned Contract or other Acquired Asset would result in a violation of applicable Law, or would require the consent, authorization, approval or waiver of any Person (other than the Parties hereto), including any Governmental Authority, and such consent, authorization, approval or waiver has not been obtained before the Closing, this Agreement shall not constitute a sale, transfer, assignment, conveyance and delivery, or an attempted sale, transfer, assignment, conveyance and delivery, thereof (any such Acquired Asset, a "Nonassignable Asset"). Following the Closing, the Seller and the Buyer shall use commercially reasonable efforts (at the cost and expense of the Party that is responsible for compliance with such Law or obtaining such consent, authorization, approval or waiver), and shall cooperate with each other, to obtain any such required consent, authorization, approval or waiver, or any release, substitution, novation or amendment required to sell, transfer, assign, convey and deliver any such Nonassignable Asset to Buyer; except that in no event will Buyer be required to pay any consideration therefor. Once such consent, authorization, approval, waiver, release, substitution or amendment is obtained, the Seller shall sell, transfer, assign, convey and deliver to Buyer the relevant Acquired Asset to which such consent, authorization, approval, waiver, release, substitution or amendment relates for no additional consideration. Any applicable sales, transfer and other similar Taxes in connection with such sale, transfer, assignment, conveyance and delivery shall be paid one-half by Buyer and one-half by the Seller.

(b) Until such time as a Nonassignable Asset is transferred to Buyer pursuant to this Article II, Buyer and Seller shall cooperate in any commercially reasonable and economically feasible arrangements (such as subleasing, sublicensing or subcontracting) to provide to the Parties the economic and, to the extent permitted under applicable Law, operational equivalent of the transfer of such Nonassignable Asset to Buyer at the Closing and the performance by Buyer of its obligations with respect thereto, and so long as the Seller transfers and turns over all economic and beneficial rights with respect to each such Nonassignable Asset, Buyer shall, to the extent permitted under Law and the terms of any applicable contract that constitutes a Nonassignable Asset, as agent or subcontractor for the Seller, pay, perform and discharge the liabilities and obligations of the Seller thereunder from and after the Closing Date, but only to the extent that such liabilities and obligations would constitute Assumed Liabilities if the applicable consent or approval had been obtained on or before the Closing Date and such Nonassignable Asset had been assigned to Buyer at Closing. To the extent permitted under Law, the Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Nonassignable Asset and all income, proceeds and other monies received by the Seller with respect to such Nonassignable Asset in connection with the arrangements under this Article II.

(c) If, following the Effective Date and before the Closing, Buyer identifies any contract to which the Seller is a party which is not set forth on Schedule 4.15 as an Assigned Contract as of the Effective Date, and Buyer reasonably determines such contract is necessary to the operation of the System, Buyer shall give notice of such determination to the Seller and` the Seller shall, promptly following receipt of such notice, deliver to Buyer an updated Schedule 4.15 setting forth such contract, and such contract will thereafter constitute and be deemed an Assigned Contract for all purposes hereunder.

(d) If, during the twelve (12) month period following the Closing Date, Buyer identifies any contract to which the Seller was a party as of the Closing and which (i) was not set forth on Schedule 4.15 (as may be updated pursuant to (c)) and (ii) Buyer reasonably believes is necessary to the operation of the System, the Seller shall, promptly following Buyer's written request therefor, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such other instruments of conveyance and transfer and other documents, and perform or cause to be performed such further acts, as may be reasonably required to evidence or effectuate, or more fully evidence or effectuate the assignment of such contract to Buyer for no additional consideration, and upon such assignment, such contract will be deemed an Assigned Contract for all purposes hereunder.

ARTICLE III.

PURCHASE PRICE

Section 3.01. **Purchase Price**

The purchase price for the Acquired Assets is Forty-One Million, Two Hundred and Fifty Thousand Dollars ($41,250,000.00) (the "Purchase Price") which shall be paid as follows:

(a) Deposits

(i) Buyer shall pay One Million Dollars ($1,000,000) to Seller as a deposit on account of the Purchase Price (the "First Deposit") upon the third business day following the execution by Buyer and Seller of this Agreement; and

(ii) Buyer shall pay One Million Dollars ($1,000,000) to Seller as a deposit on account of the Purchase Price (the "Second Deposit" and, together with the First Deposit, the "Deposits") upon the third business day following the Buyer's receipt of notice from the PaPUC that the application to the PaPUC for the transaction contemplated by this Agreement has been conditionally accepted.

(iii) In the event that this Agreement is terminated for any reason, the Deposits shall be refundable to the Buyer within ninety days following the effective date of termination per Section 14.01, provided, however, if the Agreement is terminated by Seller pursuant to Section 14.01(c), then Seller shall be permitted to offset against Seller's obligation to refund the Deposits any damages recoverable by Seller per the terms of this Agreement.

(iv) Subject to subparagraph (iii) above, Seller shall be free to use the Deposits upon receipt as it determines in the Seller's sole discretion.

(v) The obligation to refund the Deposits hereunder shall be a general obligation of Seller and shall not be subject to the Threshold Amount or the Liability Cap set forth in Article VIII hereof.

(b) Subject to any adjustment in Purchase Price resulting from the proration procedures specified in Section 3.01(c) and the Missing Easement Escrow requirements in Section 6.05(e), Buyer shall pay to the Seller at Closing by wire transfer of immediately available funds the balance of the Purchase Price (taking into account the Deposits) to one or more accounts that Seller designates and provides to Buyer at least three (3) Business Days before the Closing Date.

(c) Final Billing: The Buyer is entitled to all customer billings with respect to sanitary wastewater services for the period on or after the Closing Effective Time, and the Seller is entitled to all such billings before the Closing Effective Time. The Parties shall cooperate to calculate an agreed upon proration of billing amounts and to credit the Purchase Price for the appropriate Party on the Closing Date, or through another agreed upon method to ensure billing amounts are provided to the appropriate Party.

Section 3.02. **Fair Consideration**

The Parties acknowledge and agree that the consideration provided for in this Article III represents fair consideration and reasonable equivalent value for the sale and transfer of the Acquired Assets and the transactions, covenants and agreements set forth in this Agreement, which consideration was agreed upon as the result of arm's-length good faith negotiations between the Parties and their respective Representatives.

Section 3.03. **Allocation Schedule**

The Purchase Price (which for purposes of this Section 3.03 shall include any liabilities required to be treated as part of the Purchase Price for federal income tax purposes), as may be adjusted pursuant to this Section 3.03, shall be allocated among the Acquired Assets in accordance with the allocation reflected in a schedule prepared by Buyer and attached hereto as Schedule 3.03.

Section 3.04. **Transfer Taxes**

Any and all deed stamps or transfer Taxes which may be due the Commonwealth of Pennsylvania or any political subdivision in connection with the sale, transfer, assignment, conveyance and delivery hereunder of the Acquired Assets to Buyer (collectively, "Transfer Taxes"), will be paid fifty percent (50%) by Buyer and fifty percent (50%) by Seller. The terms hereof shall survive Closing. For the purpose of calculating Transfer Taxes, Seller and Buyer agree that the amount specified in Schedule 3.03 as provided by the Buyer shall be allocated to real property assets.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller makes only the specified representations and warranties which are set forth in this Article IV.

As a material inducement to Buyer to enter into this Agreement and to consummate the transactions contemplated by this Agreement, the Seller represents and warrants, as of the Effective Date (except to the extent any of the following representations and warranties specifically apply to or relate to another date, in which event such representations and warranties shall be true and correct as of such other date), as follows:

Section 4.01. **Organization**

The Seller is a municipality and a city of the Third Class of the Commonwealth of Pennsylvania duly organized and existing under the Pennsylvania Third Class City Code.

Section 4.02. **Power and Authority**

The Seller (i) duly adopted the authorizing ordinance or resolutions authorizing the transactions contemplated in this Agreement, which remains in full force and effect, (ii) duly authorized and approved the execution and delivery of this Agreement and (iii) duly authorized and approved the performance by the Seller of its obligations contained in this Agreement. The Seller has all requisite power and authority to own, lease and operate the Acquired Assets and the System and has the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms hereof.

Section 4.03. **Enforceability**

This Agreement has been duly authorized, executed and delivered by the Seller and constitutes a valid and legally binding obligation of the Seller, enforceable against the Seller in accordance with the terms hereof, subject only to applicable bankruptcy, insolvency and similar laws affecting the enforceability of the rights of creditors generally and to general principles of equity.

Section 4.04. **No Conflict or Violation**

The execution and delivery of this Agreement by the Seller, the consummation of the transactions contemplated by this Agreement and the performance by the Seller of the terms, conditions and provisions hereof has not and will not contravene or violate or result in a breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any obligations of the Seller under (i) any applicable Law or (ii) any agreement, instrument or document to which the Seller is a party or by which it is bound.

Section 4.05. **Consents and Approvals**

Schedule 4.05 sets forth a list of each consent, waiver, authorization or approval of any Governmental Authority, or of any other Person, and each declaration to or filing or registration with any Governmental Authority required in connection with the execution and delivery of this Agreement by the Seller or the performance by the Seller of its obligations hereunder.

Section 4.06. **Undisclosed Liabilities**

Except as set forth on Schedule 4.06, there are no liabilities or obligations of Seller, either accrued, absolute, contingent or otherwise, relating to the Assets other than liabilities incurred in the ordinary course that could not reasonably be expected to have a Material Adverse Effect.

Section 4.07. **Absence of Certain Changes or Events**

Except as set forth on Schedule 4.07, since December 31, 2019, there has not been any transaction or occurrence that has resulted or is reasonably likely to result in a Material Adverse Effect and the Seller, has operated and maintained the System since December 31, 2019 in the ordinary course.

Section 4.08. **Tax Matters**

Except as set forth on Schedule 4.08, that (i) the Seller has timely paid all Taxes that may have been or may be due and payable by the Seller on or before the Closing Date, arising from the ownership or operation of the Acquired Assets or the System on or before the Closing Date; (ii) no Taxing authority has asserted any claim against the Seller for the assessment of any additional

Tax liability or initiated any action or proceeding which could result in such an assertion; and (iii) the Seller has (x) made all withholding of Taxes required to be made under all applicable Laws and regulations, including without limitation, withholding with respect to compensation paid to employees, and the amounts withheld have been properly paid over to the appropriate Taxing authorities and (y) did not defer the withholding, deposit, and payment of any employee payroll taxes related to Personnel in 2020 pursuant to IRS Notice 2020-65, 2020-38 I.R.B. 567, or the Presidential Memorandum to the Secretary of the Treasury dated August 8, 2020; and (iv) Seller has at all times been exempt from U.S. federal income Tax and from income Taxes imposed by the Commonwealth of Pennsylvania (and its political subdivisions) and by other states (and their respective political subdivisions) and income and revenue produced by or with respect to the System and the Acquired Assets has at all times been excluded from gross income by virtue of the provisions of Section 115(1) of the Code.. This section does not apply to any Tax matter related to an employee benefit plan or compensation arrangement that is addressed separately in Section 4.11.

Section 4.09. **Real Property and Easements**

Schedule 4.09 sets forth all of Seller's fee interests in and to real property ("Real Property") Seller owns and uses in the operation of the System and separately sets forth the Easements. The Seller does not lease (as lessee) any real property that is used in the operation of the System. There are no pending condemnation proceedings relating to any of the Real Property or Easements nor has Seller actually received any written threats of any condemnation proceedings and, to the Knowledge of Seller, no such proceedings are threatened. The Seller has not received any written notices of any violations of any Law from any Governmental Authority with respect to the Real Property or the Easements which has not been cured in all material respects and, to Seller's Knowledge, no such violations of Law exist. With respect to the Real Property (i) there are no leases, options, rights of reversions or other rights of use or rights to acquire the Real Property held by third parties, (ii) Seller is in sole possession of the Real Property, and (iii) to Seller's Knowledge there are no encroachments either way across the boundary of the Real Property, nor any dispute with adjacent property owners over the location of boundaries or potential claims adverse to title.

Section 4.10. **Equipment and Machinery**

Schedule 4.10 sets forth all Equipment and Machinery included in the Acquired Assets. Except as set forth on Schedule 4.10, the Seller has good title, free and clear of all Liens (other than the Permitted Liens and Liens which are released on or before Closing) to the Equipment and Machinery owned by Seller.

Section 4.11. **Employee Benefit Plans**

(a) Schedule 4.11(a) contains a true and complete list of all Seller's Plans and Seller's Benefit Obligations, including amounts owed to current or past employees for severance, unpaid and unused vacation pay or sick leave, or similar obligations. All such Seller's Plans and Seller's Benefit Obligations are in full force and effect and are in material compliance both as to form and operation, with applicable provisions of Employee Retirement Income Security Act of 1974, as amended or the Code, and any other applicable Laws, and with any applicable collective bargaining agreement. To Seller's Knowledge, no event has occurred which has resulted in the imposition of any liability on the Seller under the Code or other applicable Law with respect to any Seller's Plans or Seller's Benefit Obligations and there is no unfunded pension liability owed or owing to any Person pursuant to Seller's Plans that is required to be assumed by Buyer;

(b) Except as set forth on Schedule 4.11(b), the Seller does not sponsor, maintain, contribute to, nor is it required to contribute to, any "multiemployer plan" within the meaning of Section 414(f) of the Code, and has no liability of any nature, whether known or unknown, fixed or contingent, with respect to any such multiemployer plan;

(c) Except as set forth on Schedule 4.11(c), Seller does not sponsor, maintain, contribute to, nor is it required to contribute to, any medical, health, life or other welfare plan or benefits for present or future terminated or retired Personnel or their spouses or dependents, other than as required by COBRA, or any comparable state law, and has no liability of any nature, whether known or unknown, fixed or contingent, with respect to any such post-termination welfare benefits;

(d) The Seller is and has been in compliance in all material respects with the requirements of COBRA and is not subject to any excise Tax under Code Section 4980B for the current or any prior taxable year; and

(e) Except as set forth on Schedule 4.11(e), the Seller has not entered into any severance or similar arrangement with respect to any present or former Personnel that will result in any obligation (absolute or contingent) of Buyer to make any payment to any present or former Personnel following termination of employment, including the termination of employment effected by the transactions contemplated by this Agreement. The consummation of the transactions contemplated by this Agreement will not trigger any severance or other obligation of the Seller for which Buyer shall have any liability.

Section 4.12. **Seller's Personnel**

(a) Schedule 4.12(a) sets forth all collective bargaining agreements and contractual relationships with Personnel relating to the System to which the Seller is a party, including the identification of the parties thereto and the expiration dates. Other than the collective bargaining agreements and relationships set forth on Schedule 4.12(a), there are no commitments, contracts, agreements, arrangements or understandings (whether written or oral, formal or informal) of the Seller with respect to the Unions or the Union Personnel, and the collective bargaining agreements set forth on Schedule 4.12(a) constitute the entire agreement between the Seller and the other parties thereto, with respect to the subject matter thereof.

(b) Except as set forth on Schedule 4.12(b), there are no labor disputes, grievances, arbitration proceedings or litigation pending, or to Seller's Knowledge threatened, between Seller and the Personnel.

(c) Except as set forth in Schedule 4.12(c), there is no strike, slowdown, work stoppage, lockout, refusal to work over time or other labor disruption or dispute affecting Seller or the Personnel underway or, to Seller's Knowledge, threatened or anticipated with respect to Seller or the Personnel, and no such labor disruption has occurred in the past two (2) years.

(d) Except as set forth on Schedule 4.12(d), the Seller shall timely pay, or cause to be timely paid, the Personnel as required under its policies and/or by applicable Law for accrued but unused and unpaid vacation, sick leave and other accrued benefits as of the Closing Date.

(e) The Seller has not, in the past five (5) years, effectuated:

(i) a "plant closing" (as defined in the Worker Adjustment and Retraining Notification Act ("WARN Act")) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the System; or

(ii) a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility of the System; nor has the System been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar state or local Law.

None of the Personnel has suffered an "employment loss" (as defined in the WARN Act) during the previous six months.

Section 4.13. **Environmental Compliance**

Except as set forth on Schedule 4.13 or that otherwise could not be expected to have a Material Adverse Effect:

(a) To the Seller's Knowledge, the System as currently operated by the Seller and all operations and activities conducted by the Seller with respect to the System are in compliance in all material respects with all applicable Environmental Requirements.

(b) To the Seller's Knowledge, the Seller has generated, used, handled, treated, stored and disposed of all Hazardous Materials in (i) compliance in all material respects with all applicable Environmental Requirements and (ii) a manner that has not given, and could not reasonably be anticipated to give, rise to Environmental Liabilities.

(c) Except as has been disclosed to Buyer on Schedule 4.13, the Seller has not received notice of any Environmental Claims related to the System that have not been fully and finally resolved, and to the Knowledge of Seller no claims of Environmental Liabilities have been threatened allegedly arising from or relating to the System that have not been fully and finally resolved.

(d) To Seller's Knowledge, Hazardous Materials are not present in, at or on the System or the Acquired Assets and there has been no Release of Hazardous Materials at, on or from any part of the System or the Acquired Assets, in each case in a manner that violates any Environmental Requirements or has resulted in, or could reasonably be anticipated to give rise to, Environmental Liabilities which has not been appropriately resolved pursuant to applicable Environmental Requirements.

(e) No Lien or activity use limitation or institutional control has been recorded affecting any Acquired Assets by any Governmental Authority due to either the presence of any Hazardous Material on or off the Acquired Assets or a violation of any Environmental Requirement except as has been disclosed by Seller to Buyer.

(f) Except as has been disclosed to Buyer on Schedule 4.13, Seller is not aware of any underground storage tanks on or at any of the Acquired Assets. To the Seller's Knowledge, any underground storage tanks previously located at the Acquired Assets have been removed or otherwise closed, plugged and abandoned in compliance with applicable Environmental Requirements in effect at the time of such closure.

(g) Seller is not aware of any PCB Equipment on or at any of the Acquired Assets. To the Seller's knowledge, any PCB Equipment that previously existed at the Acquired Assets has been flushed of polychlorinated byphenyls or has been removed and properly disposed of in accordance with applicable Environmental Requirements in effect at the time of such disposal, and any remaining PCB Equipment is labeled to the extent required under applicable Environmental Requirements and being managed in compliance with applicable Environmental Requirements.

(h) Except as has been disclosed to Buyer on Schedule 4.13, Seller is not aware of any Regulated Asbestos Containing Material in or on the Acquired Assets in an aggregate amount that would reasonably be expected to result in an Environmental Liability; and to the Seller's knowledge, any Regulated Asbestos Containing Material is being managed in compliance with all applicable Environmental Requirements.

(i) The Seller has delivered to Buyer (1) all environmental site assessments pertaining to the System it is aware of within the previous five years, (2) all compliance audits or compliance assurance reviews prepared within the previous five (5) years relating to compliance with Environmental Requirements by the System, and (3) all documents pertaining to, any known and unresolved Environmental Liabilities incurred in relation to the System, to the extent possessed by or under the reasonable control of the Seller.

(j) Seller has disclosed the Phase 1 Environmental Site Assessment of the Beaver Falls Wastewater Treatment Plan, City of Beaver Falls, Pennsylvania, delivered in July 2021 (the "Phase 1 Report") to the Buyer. Information in the Phase 1 Report shall not be deemed to impute Knowledge to the Seller for purposes of the representations in Section 4.13 hereof, and Seller shall undertake no obligation to commission or provide to the Buyer a Phase II environmental site assessment.

Section 4.14. **Authorizations and Permits**

Schedule 4.14 sets forth the Authorizations and Permits of the Seller. The Seller has made true and complete copies of all Authorizations and Permits available to Buyer. Except as set forth on Schedule 4.14, the Seller is in compliance in all material respects with all terms, conditions and requirements of all Authorizations and Permits, except in each case where such violation or failure, individually or in the aggregate, would not have a Material Adverse Effect, and no proceeding is pending or, to the Knowledge of the Seller threatened relating to the revocation or limitation of any of the Authorizations or Permits, other than those limitations which do not individually or in the aggregate have a Material Adverse Effect.

Section 4.15. **System Contracts**

(a) Schedule 4.15 sets forth a complete and accurate list of all the Assigned Contracts.

(b) The Seller has made available to Buyer true and complete copies of all the foregoing Assigned Contracts.

(c) All of the Assigned Contracts set forth on Schedule 4.15 are in full force and effect. Seller has not, nor to the Knowledge of the Seller has any other party thereto, breached any material provision of or defaulted under the material terms of, nor does any condition exist which, with notice or lapse of time, or both, would cause the Seller, or to the Knowledge of Seller, any other party, to be in default under any Assigned Contract.

Section 4.16. **Compliance with Law; Litigation**

(a) The Seller has operated and is operating the System in compliance, in all material respects, with all applicable Laws, Authorizations and Permits and is not in breach of any applicable Law, Authorization or Permit that would have a Material Adverse Effect on the operations of the System or on the Buyer. There are no Authorizations or Permits from any Governmental Authority necessary for the operation of the System as currently being operated except for those Authorizations and Permits listed in Schedule 4.14.

(b) Except as set forth on Schedule 4.16 (as updated pursuant to Section 9.03 hereof), there are no facts, circumstances, conditions or occurrences regarding the System that could reasonably be expected to give rise to any environmental claims or governmental enforcement actions that could reasonably be expected to have a Material Adverse Effect, and there are no past, pending or threatened environmental claims or governmental enforcement actions against the Seller that individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

(c) Except as set forth on Schedule 4.16, there is no action, suit or proceeding, at law or in equity, or before or by any Governmental Authority, pending or, to the Knowledge of the Seller, threatened against the Seller before or at the Closing Effective Time, which will have a Material Adverse Effect. There is no action, suit or proceeding, at Law or in equity, or before or by any Governmental Authority, pending nor, to the Knowledge of the Seller, threatened against the Seller which could materially affect the validity or enforceability of this Agreement.

Section 4.17. **Broker's and Finder's Fees**

No broker, finder, or Person is entitled to any commission or finder's fee by reason of any agreement or action of Seller in connection with this Agreement or the transactions contemplated by this Agreement. Seller has employed PFM Financial Advisors LLC, as municipal advisor to provide transaction structuring advice and to provide Seller with municipal advice relating to the sale of the System. Seller is solely responsible to pay all fees owed to PFM Financial Advisors LLC in connection with the transactions contemplated by this Agreement.

Section 4.18. **Title to the Acquired Assets; Sufficiency**

(a) Except as set forth on Schedule 4.18(a), the Seller has good and marketable title to, valid leasehold interest in or valid licenses to use, all of the Acquired Assets, free and clear of all Liens, other than Permitted Liens and Liens which will be fully and unconditionally released at or before Closing. The use of the Acquired Assets is not subject to any Liens, other than Permitted Liens, and such use does not encroach on the property or the rights of any Person.

(b) Except as set forth on Schedule 4.18(b), the Acquired Assets are sufficient for, and constitute all the assets, properties, business, goodwill and rights of every kind and description, and services required for, the continued conduct and operation of the System by Buyer in substantially the same manner as currently conducted and operated by Seller. Except for the Excluded Assets and except as set forth on Schedule 4.18(b), (i) the Acquired Assets, taken as a whole, comprise all the assets, properties, business, goodwill and rights of every kind and description used or held for use in, or useful or necessary to the operation of the System as currently operated by Seller, and (ii) there are no assets, properties, business, goodwill, rights or services used in the conduct or operation of the System that are owned by any Person other than Seller that will not be licensed or leased to Buyer under valid, current license arrangements or leases. None of the Excluded Assets are material to the System.

Section 4.19. **Pending Development Plans**

Schedule 4.19 sets forth a full and complete list of all Pending Development Plans for which Seller has received notice as of the Effective Date. Each Pending Development Plan, if consummated, could result in additional customers and reduction of available treatment capacity. Schedule **Error! Reference source not found.** also identifies all agreements with third parties with respect to current or pending extensions of the System or any other sanitary sewer system that is connected to the System together with any financial security held by Seller with respect to such extensions. Seller provides no assurances whatsoever that any development or expansion of the Service Area associated with any Pending Development Plan will actually be undertaken or completed. The Parties expect that Schedule 4.19 will change from time to time between the Effective Date and Closing, and the Seller shall provide updates to Schedule 4.19 upon the occurrence of any significant change, decision or development and shall further deliver such updates pursuant to Section 9.03.

Section 4.20. **Customer Service Laterals and Grinder Pumps**

The Seller does not own, or have any responsibility for: any grinder pumps; connecting facilities located in the area originating from the Seller's terminus point of the collection facilities at the edge-of-road or curb-line or curb stop when the facilities are located with a public right-of-way or the edge of an easement where the collection facilities are located within private property to and throughout the customer's property; or any and all piping and fixtures internal to each individual customer structure (whether residential, commercial, industrial or other customer classes/types).

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes only the representations and warranties that are set forth in this Article V.

As a material inducement to the Seller to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer represents and warrants to the Seller, as of the Effective Date (except to the extent any of the following representations and warranties specifically apply or relate to another date, in which event such representations and warranties shall be true and correct as of such other date), as follows:

Section 5.01. **Organization**

The Buyer is duly organized, validly existing and in good standing under the laws of the state of its organization.

Section 5.02. **Authorization and Validity of Agreement**

The Buyer has the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms hereof. This Agreement has been duly authorized, executed and delivered by the Buyer and constitutes a valid and legally binding obligation of the Buyer, enforceable against it in accordance with the terms hereof, subject only to applicable bankruptcy, insolvency and similar laws affecting the enforceability of the rights of creditors generally and to general principles of equity.

Section 5.03. **No Conflict or Violation**

The execution and delivery of this Agreement by the Buyer, the consummation of the transactions contemplated by this Agreement and the performance by the Buyer of the terms, conditions and provisions hereof has not and will not contravene or violate or result in a breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any material obligations of the Buyer under (i) any applicable Law, (ii) any material agreement, instrument or document to which the Buyer is a party or by which it is bound or (iii) the articles, bylaws or governing documents of the Buyer.

Section 5.04. **Consents and Approvals**

Schedule 5.04, sets forth a list of each consent, waiver, authorization or approval of any Governmental Authority, or of any other Person, and each declaration to or filing or registration with any Governmental Authority required in connection with the execution and delivery of this Agreement by Buyer or the performance by Buyer of its obligations hereunder.

Section 5.05. **Broker's and Finder's Fees**

No broker, finder or third party is entitled to any commission or finder's fee in connection with this Agreement or the transactions contemplated by this Agreement.

Section 5.06. **Financial Wherewithal**

Upon Closing, and after giving effect to the consummation of the transactions contemplated by this Agreement and the incurrence of any indebtedness in connection therewith, Buyer shall have the financial ability and will have sufficient working capital for its needs and anticipated needs to operate the System as a certificated public utility system regulated by the PaPUC authorized, among things, to provide wastewater utility services to retail residential, commercial and industrial customers in the System.

Section 5.07. **Sufficient Funds**

Buyer shall have sufficient funds available at Closing to consummate the transactions contemplated by this Agreement, to pay the Purchase Price in accordance with Article III and expenses related to the transactions contemplated by this Agreement, and on and after Closing, to generally provide ownership, operation and capital for the operations and capital needs of the System following the Closing, and assuring that the customers of the System will receive safe, adequate and reliable wastewater service equal to or better than such customers would have received without the transactions contemplated by this Agreement and at all times consistent with the provisions of the Pennsylvania Public Utility Code, 66 Pa. C. S. § 101 *et seq,* and applicable Law.

Section 5.08. **Independent Decision**

Except as expressly set forth in this Agreement, or any of the related agreements, Buyer acknowledges that (a) Seller has not made any representation or warranty, express or implied, as to the accuracy or completeness of the System or information provided to Buyer, and (b) the Seller does not have or is not subject to any liability to Buyer or any other Person resulting from the distribution to Buyer, or Buyer use of, any information regarding the System or Acquired Assets that has been furnished or made available to Buyer and its Representatives. Buyer acknowledges that other than as expressly set forth in this Agreement or any related agreement, Seller expressly disclaims any warranty of income potential, operating expenses or costs of operation of any Acquired Assets or the System.

Section 5.09. **Scheduled Matters**

Buyer acknowledges that: (a) the inclusion of any matter on any Schedule is not an admission by Seller that such listed matter is material or that such listed matter has or could have a material adverse effect or constitutes a material liability with respect to the Acquired Assets; (b) matters reflected in the Schedules are not necessarily limited to matters required by this Agreement to be reflected in such Schedules; and (c) such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature.

Section 5.10. **Independent Investigation**

Buyer acknowledges that it has conducted an independent investigation of the financial condition, assets, liabilities, properties and projected capital needs and operations of the System in making its determination as to the propriety of the transaction contemplated by this Agreement and, in entering into this Agreement and related agreements, has relied solely on the results of its investigation and on the representations and warranties of the Seller expressly contained in Article IV of this Agreement.

Section 5.11. **Litigation**

The Buyer is not in breach of any applicable Law that could have a material adverse effect on the operations of the System or the Buyer. Neither the Buyer nor any Affiliate of the Buyer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the United States Department of the Treasury, the Bureau of Industry and Security of the United States Department of Commerce or their successors, or on any other list of Persons with which the Seller may not do business under applicable Law: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. Except as set forth on Schedule 5.11, there is no action, suit or proceeding, at law or in equity, or before or by any Governmental Authority, pending nor, to the Knowledge of the Buyer, threatened against the Buyer before or at the Closing Effective Time, which will have a material adverse effect on (i) the transactions contemplated by this Agreement or (ii) the validity or enforceability of this Agreement.

ARTICLE VI.

TITLE TO REAL ESTATE; EASEMENTS

Section 6.01. **Evidence of Title**

Subject to Section 6.06, with respect to all Real Property, Buyer shall obtain, at its sole cost and expense, a commitment for an owner's policy of title insurance on the American Land Title Association's ("ALTA") Owner's Form 2006 (the "Title Commitment"), issued by a title insurance company selected by Buyer and licensed to insure title to real property by the Commonwealth of Pennsylvania (the "Title Company"), having an effective date after the Effective Date. Following the Effective Date, Buyer shall order the Title Commitment from the Title Company and shall provide Seller evidence of the same. Notwithstanding anything to the contrary in Section 6.02(a) below, Buyer shall not be entitled to send an Objection Notice with respect to any parcel of Real Property and the Title Commitment for the same if, within thirty (30) Business Days after the Effective Date, Buyer has not ordered the Title Commitment from the Title Company for such parcel of Real Property and provided Seller with evidence of the same.

Section 6.02. **Objections to Title**

(a) Notice of Objections. Within forty-five (45) days of Buyer's receipt from the Title Company of a Title Commitment for any of the parcels of Real Property, Buyer shall deliver to Seller a true, correct and complete copy of the Title Commitment for each parcel of Real Property and true, correct, complete and legible copies of any and all exception documents listed in the same, along with Buyer's written notice to Seller of any of the exceptions to title set forth on Schedule B of such Title Commitment to which Buyer objects (such written notice of Buyer being referred to as the "Objection Notice"). Notwithstanding the foregoing, Buyer shall not be entitled to object to exceptions to title which: (a) are Permitted Liens, (b) pertain to the

Buyer or any reasonable and customary requirements, conditions or obligations of the Buyer, (c) are matters of record and set forth in the Title Commitment that do not, either individually or in the aggregate with other matters of record, in Buyer's reasonable opinion, materially and adversely restrict or prevent the use of the Real Property in the operation of the System, or (d) are standard Title Company exceptions (such as the "survey" exception) (such exceptions objected to in the Objection Notice, provided the same are not as described in (a) through and including (d) aforesaid, being referred to as the "Title Objection Items"). The Buyer shall include a true, correct and complete copy of the Title Commitment in the Objection Notice and true, correct, complete and legible copies of any and all exception documents listed in the same in the Objection Notice. If Buyer provides the Seller with an Objection Notice, the Seller shall use commercially reasonable efforts to have all of the Title Objection Items cured, satisfied or released of record, or insured over, by the Title Company (individually, "Cure" and collectively, "Cured") before or as of the Closing. At or before the Closing, the Seller shall deliver written evidence to Buyer, in form and substance reasonably satisfactory to Buyer, evidencing that Seller has Cured all such Title Objection Items. In the event that Seller is unable to Cure any Title Objection Item per this Section 6.02(a), Seller shall indemnify Buyer for such inability per the terms of Article VIII hereof, provided that Seller's indemnification obligation arising under this Section 6.02(a) shall not be subject to the Threshold Amount nor the Liability Cap set forth in Section 8.05. For avoidance of doubt, Buyer acknowledges that no item listed in clauses (a) through and including (d) above, may be objected to by Buyer as a Title Objection Item.

(b) Liens. Without limiting the Seller's obligations pursuant to Section 6.02(a) above, before or as of the Closing, the Seller shall, at the Seller's cost and expense, Cure any Lien encumbering the Real Property which can be Cured by the payment of money (other than Permitted Liens).

(c) Title Endorsements/Survey. Buyer shall pay for any endorsements required by the Buyer or any mortgagee of the Buyer to Buyer's Title Policy. If any survey is required by Buyer or its mortgagee, either as a condition to any such endorsement or otherwise, the Buyer shall obtain it at its sole cost and expense. If Buyer obtains a survey of any or all of the Real Property and desires the deed to contain the legal description based on such survey, if the same is not identical to the legal description contained in Seller's deed of record, Seller is not obligated to include the same in the deed to Buyer unless the survey is certified to Seller and such description is included in the deed on a "quitclaim" basis only and without warranty of title.

(d) License at Closing. Seller shall provide Buyer with a license agreement granting Buyer a license in all of Seller's rights to access such Real Property in order to allow Buyer to operate and maintain in the System until such time as Buyer is provided title to such Real Property as provided for in this Agreement. For the avoidance of doubt, Seller shall provide such title as soon as reasonably practicable in accordance with Section 6.01.

(e) Insurable Claims. To the extent any Claim for Losses under Article VIII constitutes an Insurable Claim (as defined below), Buyer shall assert the Insurable Claim and use its commercially reasonable efforts to obtain recovery for such Insurable Claim against the Title Company (which shall include commencing litigation and diligently prosecuting such Insurable Claim to judgment) before pursuing a Claim for Losses under Article VIII. If at any time following a non-favorable judgment that substantially denies the relief sought by Buyer from the

Title Company in connection with the Insurable Claim (each a "Non-Favorable Judgment"), Buyer may, following such Non-Favorable Judgment, to pursue the Seller with a Claim for Losses under Article VIII (any such Claim against the Seller following an attempted Insurable Claim against the Title Company being a "Residual Title Claim"). Notwithstanding anything to the contrary in Article VIII, Buyer may assert a Claim for Losses based upon a Residual Title Claim for a sixty (60) day period after the Non-Favorable Judgment. For purposes of this Section 6.02(d), an "Insurable Claim" means a Claim that: (i) arises out of Buyer's discovery of a title defect or encumbrance with respect to any of the Real Property following the Closing that materially restricts or prevents the use of such Real Property in the operation of the System; and (ii) constitutes a claim against the Title Company under Buyer's Title Policy. Buyer acknowledges that any and all Claims which Buyer could otherwise bring as a breach of a covenant of title under the special warranty deed to the Real Property shall be included within the Claim for Losses under Article VIII and is subject to the terms of this Section 6.02(e).

Section 6.03. **Title Expenses**

Irrespective of whether the transactions described by this Agreement are consummated and Closing occurs, Buyer shall pay all costs and expenses of obtaining the Title Commitment, Title Policy and any survey.

Section 6.04. **UCC Search; Releases**

Not later than ninety (90) days after the Effective Date, Buyer shall obtain at its sole cost and expense a Uniform Commercial Code search against Seller covering any of the personal property or fixtures included among the Acquired Assets from the Office of the Secretary of the Commonwealth of Pennsylvania and the Recorder of Deeds of Beaver County, Pennsylvania (the "UCC Search"). On or before the Closing Date, Seller shall at its sole cost and expense obtain releases of any and all security interests in any of the Acquired Assets which are not Permitted Liens. The Seller shall provide the form of the releases of such security interests to Buyer on or before the Closing Date.

Section 6.05. **Easements.**

(a) Promptly after the Effective Date and before the Closing, the Seller will, at its sole cost and expense, cause an abstractor selected by the Seller and reasonably acceptable to Buyer and the Title Company (the "Abstractor"), to perform a search of the public land records of Beaver County, based on the Seller's records and plans of the System (and such other sources of information as are reasonably related thereto), by searching the grantee index in the names of the Seller and such other searches as the Abstractor may reasonably make, to (i) identify and provide Buyer with title information on any and all recorded Easements (including information related to any Liens or encumbrances on Seller's title thereto), and (ii) together with the Seller, identify all Missing Easements. During the process, as the Abstractor provides written search results to the Seller (including updated versions of the Abstractor Search Result Chart), the Seller will promptly provide the same to Buyer for its review, and, without limiting the foregoing, the Seller shall, or shall cause the Abstractor to, provide Buyer with periodic updates (which shall occur no less frequently than bi-weekly) on the status of the activities set forth in the previous sentence.

(b) Notice of Objections. Within forty-five (45) days of Buyer's receipt from the Seller (or the Abstractor) of each piece of information specified in subsection (a) above, which shall be delivered to Buyer on a rolling basis as prepared by the Abstractor, Buyer shall deliver to Seller written notice identifying the encumbrances on the Easements that, in Buyer's reasonable opinion, could either individually or in the aggregate with other matters of record, materially and adversely restrict or prevent the use of the Easements in the operation of the System, (an "Easement Objection Notice"). Buyer shall not be permitted to include in its Easement Objection Notice any encumbrances that: (a) are Permitted Liens, (b) pertain to the Buyer or any reasonable and customary requirements, conditions or obligations of the Buyer, or (c) are matters of record and set forth in the Abstractor's search results that either individually or in the aggregate with other matters of record, do not, in Buyer's reasonable opinion, materially and adversely restrict or prevent the use of the Easements in the operation of the System (specifically including mortgages or other instruments securing indebtedness incurred by the owner of the land burdened by the Easement) (such exceptions objected to in the Objection Notice, the "Easement Objection Items." If Buyer provides the Seller with an Easement Objection Notice, the Seller shall use commercially reasonable efforts to have the Easement Objection Items Cured, prior to or as of the Closing. At or prior to the Closing, the Seller shall deliver written evidence to Buyer, in form and substance reasonably satisfactory to Buyer, evidencing that all objections identified in the Easement Objection Notice have been cured. In the event that Seller is unable to Cure any such objection Item per this Section 6.05(b), Seller shall indemnify Buyer for such inability per the terms of Article VIII hereof, provided that Seller's indemnification obligation arising under this Section 6.05(b) shall not be subject to the Threshold Amount. Seller acknowledges and agrees that (x) the forty-five (45) day period set forth in this Section 6.05(b) does not and shall not apply with respect to Buyer determining whether there are any Missing Easements, and (y) Buyer may notify Seller of any Missing Easement at any time up to and including the Closing Date.

(c) If during the process of Abstractor's review and investigation of the Beaver County land records, Seller determines, based on the Abstractor's investigation, that there is a Missing Easement, the Seller (at its cost and expense) shall take any and all actions (including the use of its power of condemnation) to obtain any such Missing Easements so that the same may be sold, assigned, transferred and conveyed to Buyer at the Closing pursuant to the terms and conditions of this Agreement. The Seller shall pay for all costs and expenses incurred in connection with obtaining each Missing Easement (including any consideration payable to the landowner in connection with condemnation, in lieu of condemnation or otherwise to obtain Missing Easements). If Seller has not obtained all Missing Easements by the date that is ninety (90) days after the date that Abstractor has completed his review of the County land records and delivered the last results of the same to Seller (the "Abstract Completion Date"), then the Seller (at its cost and expense) shall, as soon as reasonably practicable, commence and file in the Court of Common Pleas, Beaver County, a condemnation or eminent domain proceeding to obtain any and all such Missing Easements. For the purposes of clarity, upon obtaining each Missing Easement (including upon the final resolution of a condemnation proceeding), each Missing Easement that has been acquired or obtained by the Seller is considered an Easement. The Seller shall be responsible for the costs and expenses of all condemnation and eminent domain proceedings.

(d) License at Closing. Seller shall provide Buyer with a license agreement granting Buyer a license in all of Seller's rights to access all Missing Easements in order to allow Buyer to operate and maintain the System until such time as Buyer is provided title to such Missing Easements as provided for in this Agreement.

(e) Escrow at Closing for Missing Easements. For all of the Missing Easements listed on attached Schedule 6.05(e) as of the Closing Date, Seller will have additional time following the Closing Date to secure and assign and transfer the Missing Easements to Buyer. Seller shall diligently pursue and deliver the Missing Easements on or before the third (3rd) anniversary of the Closing Date, subject to any extension as permitted by Escrow Agreement, in the form attached as Exhibit C, that will require, among other things, the funding of an escrow account in the amount of Two Thousand Dollars ($2,000) for each Missing Easements set forth on Schedule 6.05(e) as of the Closing Date to secure the Seller's obligations under this Agreement and the Escrow Agreement.

(f) Unscheduled Property

The Parties acknowledge that the Seller may own interests in or have the legal right to use or occupy the Real Property and/or Easements that are necessary or essential to the operation of the System and that are not set forth in Schedule 4.09 (the "Unscheduled Real Property"). If the Parties discover before or after the Closing Date, one or more parcels of Unscheduled Real Property, the discovering Party shall give written notice of such discovery to the non-discovering Party. In addition to its obligations in Section 2.03, Seller shall convey, assign or otherwise transfer any rights to each parcel of Unscheduled Real Property, with no adjustment to the Purchase Price, in such a manner as to provide Buyer with reasonable assurances that Buyer will have the right to use or occupy the Unscheduled Real Property as it was used by Seller as of the Effective Date.

ARTICLE VII.

OTHER AGREEMENTS

Section 7.01. **Taxes**

Except as provided in this Agreement, the Seller shall pay any and all Taxes, if any, arising out of the ownership of the Acquired Assets and out of the operation of the System before the Closing Date.

Section 7.02. **Cooperation on Tax Matters**

The Seller shall furnish or cause to be furnished to Buyer, as promptly as practicable, whether before or after the Closing Date, such information and assistance relating to the System as is reasonably necessary for the preparation and filing by Buyer of any filings relating to any Tax matters.

Section 7.03. **Personnel Matters**

(a) Subject to the obligations of Seller under the Collective Bargaining Agreement and applicable Law and Buyer's obligations specified in Section 7.03(h) below with respect to Union Personnel, Buyer shall, or shall cause an Affiliate of Buyer to, offer employment effective on the Closing Date, to the Personnel set forth on Schedule 7.03(a) who are employed by the Seller in operating the System as of the Closing Date, subject to Buyer's existing standard hiring policies and procedures applicable to new employees, including but not limited to a criminal background check and drug screening, except with respect to benefits as otherwise provided in Section 7.03(c). The Personnel who accept such employment and commence employment on the Closing Date, are referred to in this Agreement as the "Transferred Personnel." Schedule 7.03(a) shall not be amended after the date this Agreement is executed without the prior written consent of Buyer. For purposes of clarity, nothing contained in this Section 7.03 shall be deemed to limit, restrict or prohibit Buyer from interviewing the applicable Personnel for informational purposes only in connection with the transfer of employment of the Personnel to Buyer as provided in this Section 7.03. Buyer may make the required offer of employment at such a time to permit Buyer to require such offerees' decision to accept or reject such offers up to three (3) months prior to the Closing Date.

(b) Transferred Personnel who are Non-Union Personnel shall be employees-at-will of Buyer. Buyer shall provide each of the Transferred Personnel who are Non-Union Personnel compensation and benefits which are substantially comparable (i) in the aggregate to Seller's compensation and benefits as of the Effective Date and (ii) the compensation and benefits then provided to similarly situated employees of Buyer. Nothing in this Agreement requires Buyer to provide any particular form or type of employee benefit program, plan or policy to any Transferred Personnel who are Non-Union Personnel as a result of the transaction contemplated by this Agreement.

(c) Subject to the obligations of Seller under the Collective Bargaining Agreement and Law and Buyer's obligations specified in Section 7.03(h) below with respect to Union Personnel, with respect to any employee benefit plan maintained by Buyer or an Affiliate of Buyer for the benefit of any Transferred Personnel, effective as of the Closing Date, Buyer shall, or shall cause its Affiliate to, recognize all previous service of the Transferred Personnel with Seller, as if such service were with Buyer for the purposes of determining eligibility and vesting for benefits. Notwithstanding the foregoing, to the extent Buyer sponsors a defined benefit pension plan or post-retirement medical benefits, Transferred Personnel shall not receive vesting credit under such plan with respect to service performed for Seller to the extent that any such Transferred Personnel are fully vested in a defined benefit pension plan or post-retirement medical benefits to which Seller contributes.

(d) Subject to the obligations of Seller under the Collective Bargaining Agreement and applicable Law and Buyer's obligations specified in Section 7.03(h) below with respect to Union Personnel, effective as of the Closing, the Transferred Personnel's employment with Seller shall end and the Transferred Personnel shall cease active participation in the Seller's Plans. Seller shall remain liable for all eligible claims for benefits under the Seller's Plans that are incurred by the Transferred Personnel before the Closing Date. Subject to the obligations of Seller under the Collective Bargaining Agreement and applicable Law and Buyer's obligations specified in Section 7.03(h) below with respect to Union Personnel, Seller shall remain liable to make any contributions to Seller's Plans related to, and/or to fund any retirement benefits accrued by, the Transferred Personnel prior to Closing. Seller shall remain liable for all pay, expenses, wages, Taxes and all other obligations and Liabilities of any nature whatsoever relating to (i) the period prior to the Closing Date with respect to any Personnel that become Transferred Personnel and (ii) relating to all periods before or after the Closing Date with respect to any current or former Personnel who do not become Transferred Personnel.

(e) This Section 7.03 shall be binding and inure solely for the benefit of each of the Parties to this Agreement, and nothing in this Section 7.03, express or implied, shall confer upon any other Person any rights or remedies of any nature whatsoever under or because of this Section 7.03. This Section 7.03 shall not create any right in any Transferred Personnel or any other Person to any continued employment with Buyer or any of its Affiliates or compensation or benefits of any nature or kind whatsoever, and shall not be deemed to restrict Buyer in the exercise of its independent business judgment in establishing or modifying any of the terms or conditions of the employment of the Transferred Personnel. Nothing contained in this Section 7.03 shall constitute an amendment of, or an undertaking to amend, any employee benefit plan, program or arrangement maintained by Buyer or its Affiliates or is intended to prevent Buyer or its Affiliates from amending or terminating any such employee benefit plan, program or arrangement in accordance with its terms.

(f) Notwithstanding anything in this Agreement to the contrary, it is expressly understood that Buyer will not acquire any asset, or assume any liability or obligation in connection with the transactions contemplated by this Agreement relating to any of the Seller's Benefit Plans or Seller's Benefit Obligations. Seller shall be solely responsible for any liability, funding obligation, claim or expense arising from the Seller's Plans and Seller's Benefit Obligations, both before, and after, the Closing Date, except as provided in Section 7.03(c).

(g) At a reasonable time prior to the Closing Date, Seller shall transfer copies of all records pertaining to the employment of the Transferred Personnel to Buyer including, but not limited to, all personnel and human resources Files and Records.

(h) Effective as of and conditioned upon Closing and to the greatest extent permissible by law:

(1) Buyer shall recognize the Union as the exclusive bargaining representative for Union Personnel in their current bargaining unit if the Buyer's employees performing the bargaining unit work previously performed by Union Personnel constitute at least a majority of Union Personnel in the applicable bargaining unit and the related bargaining unit contains more than one (1) employee;

(2) To the extent the Union is recognized pursuant to Section 7.03(h)(1) herein, Buyer shall collectively bargain in good faith with the Union to establish a new collective bargaining agreement(s). Except as outlined in Section 7.03(h)(3) herein, if initial terms and conditions of employment cannot be agreed to by the Buyer and the Union, Buyer will adopt Seller's Collective Bargaining Agreement(s)(as defined in Article I herein) for employees in the applicable bargaining unit as of and conditioned upon Closing.

(3) Buyer is not obligated, however, and will not provide medical insurance, paid time off or pension benefits as provided for in the Collective Bargaining Agreements, but instead will provide Union Personnel with the medical insurance, paid time off and retirement benefits it provides to similarly situated employees. The Buyer also shall not be bound by the employee Residency requirement provisions of the Collective Bargaining Agreements, specifically, Article XXII of the Local 9305-08 agreement, and Article XXI of the Local 9305-10 agreement and any provision of the Collective Bargaining Agreement(s) with which it legally cannot comply. Seller makes no representations, and Buyer is solely responsible for determining, that these terms meet Buyer's obligations under applicable labor law.

Effective upon the Closing Date, Municipal Council shall no longer participate in the grievance procedures, as provided for by the Collective Bargaining Agreements. Furthermore, upon the Closing Date, neither Municipal Council nor any other administrative body of Seller shall have any further involvement in the operations of the System, wherever such involvement may be provided for by the Collective Bargaining Agreements.

Section 7.04. **Initial and Future Rates**

(a) Rates. After Closing, Buyer shall implement the Seller's sanitary wastewater rates then in effect at Closing, as set forth on Schedule 7.04, and inclusive of any PaPUC permitted or required surcharges or pass-through costs ("Base Rates"), as Buyer's effective sanitary wastewater rates, provided that the rates reflected on Schedule 7.04 (at Closing) shall not be lower than those in effect on the date of the Effective Date. Buyer shall apply, at and after Closing, its then-existing miscellaneous fees and charges, rules and regulations for wastewater service as set forth in Buyer's tariff within Seller's Service Area, or, if Buyer does not have a tariff previously approved by the PaPUC, miscellaneous fee and charges, rules and regulations as proposed by Buyer and approved by the PaPUC.

(b) PaPUC Approval. The Buyer shall include the rate provisions of Sections 7.04(a) in its requested PaPUC Governmental Approval.

(c) Billing. The Buyer shall bill customers on a monthly basis.

Section 7.05. **Buyer Taxpayer**

From and after the Closing Date, Buyer acknowledges that, upon conveyance of the Acquired Assets to Buyer, the Buyer will be subject to, among other Taxes, real estate Taxes, which Buyer shall pay when due.

Section 7.06. **PaPUC Approval**

(a) Promptly after the Effective Date, Buyer shall timely initiate and faithfully prosecute the necessary proceedings to obtain from the PaPUC (i) the issuance of certificates of public convenience to Buyer to provide wastewater services in the Service Area, (ii) the approval of the acquisition of the System by Buyer under terms and conditions that are reasonably acceptable to Seller and Buyer, and (iii) the approval of any inter-municipal agreements. Seller shall cooperate with and assist Buyer in proceedings before the PaPUC.

(b) The Parties agree that the procedures for determining fair market value of the System and Acquired Assets outlined in subsection (a) of Section 1329 of Title 66 of the Pennsylvania Consolidated Statutes ("Section 1329") shall be utilized and filed with the PaPUC as contemplated by Section 1329.

(c) The fees and expenses related to engaging the licensed engineer for such Section 1329 determination shall be paid fifty percent (50%) by Buyer and fifty percent (50%) by the Seller.

(d) To the extent requested by Buyer, Seller shall participate in any proceedings before the PaPUC as an intervenor and active party, provided that the Seller shall bear the fees and expenses directly related to such intervention, including legal expenses. Seller may be represented by the counsel of its choice in any such proceedings.

(e) Buyer, in Buyer's first base rate proceeding with respect to the System following the Closing, shall propose the use of statutory and regulatory mechanisms available to benefit the Buyer's acquired customers for ratemaking purposes.

Section 7.07. **Remedies for Breach of Article VII Agreements**

If Buyer breaches any of the covenants and agreements set forth in this Article VII, in addition to all other rights and remedies available at law or in equity, including specific performance and/or injunctive relief, Seller may commence proceedings before the PaPUC seeking enforcement of such covenants and agreements.

Section 7.08. **Operation and Maintenance of MS4 and Stormwater Systems**

The Seller, and/or its successor or designee-in-interest, shall remain at all times responsible for the operation and maintenance of its MS4 system and stormwater system assets. This provision shall not preclude Seller from transferring its MS4 system and stormwater system assets to another governmental entity, municipal authority or other qualified purchaser at a future time.

Section 7.09. **Pending Development Plans**

(a) Buyer and the Seller acknowledge that from the time of the Effective Date, the Seller shall continue to administer, and perform its duties and responsibilities with respect to the Pending Development Plans set forth on Schedule 4.19. For the avoidance of doubt, after the Closing Date, the Seller shall not seek to collect any EDU or tapping-related fees.

(b) Following the Effective Date, Seller shall not enter into any contract with a third party that contemplates the construction of new sanitary wastewater facilities, including, without limitation, pumping stations, force mains, manholes, or pipelines for service to future customers related to Pending Development Plans (collectively, "New System Assets") without providing a draft of such contracts to Buyer for its review and approval as to the design and specifications before execution by the parties to such contracts. Buyer shall have thirty (30) Business Days to review and approve such contracts, and Buyer's failure to object in writing to any terms of such contracts within such thirty (30) Business Day review period is deemed an approval of the same by Buyer.

Section 7.10. **Act 537 Plan**

(a) Buyer acknowledges that Seller has previously committed to an official plan, commonly known as an Act 537 Plan (the "Act 537 Plan") under the Pennsylvania Sewage Facilities Act ("Act 537"), which has been made available to Buyer. Buyer understands that the Act 537 Plan contains obligations and commitments, as more fully set forth in the Act 537 Plan to complete certain improvements and upgrades to the System (the "System Improvements"). Buyer shall accept and complete all of the System Improvements as Seller agreed to complete under the existing Act 537 Plan. Prior to agreeing to further obligations pursuant to future amendments to the Act 537 Plan that could reasonably be deemed to affect Buyer, Buyer and Seller shall negotiate in good faith to resolve any objections Buyer may raise in connection with such proposed amendment(s).

(b) Buyer acknowledges Seller has jurisdiction over sewage facilities planning and sewer service through the Act 537 Plan and its Act 537 planning program, zoning, subdivision and land development ordinances and comprehensive land use planning policies. Buyer and Seller shall cooperate with respect to current and future sewage facilities planning and sewer service consistent with the provisions of this Section 7.10.

(c) Subject to PaPUC approval of the Service Area as provided in Section 7.06, Buyer shall maintain and, if necessary, extend sewer lines and provide sewage collection and treatment services to properties within the Service Area in a manner consistent with the Plan and the Buyer's Tariff. Seller will confer with Buyer concerning any revision to the Plan that would affect the provision of sewage collection and treatment services within the Service Area. Seller shall not propose or adopt any revision to the Act 537 Plan that would reduce the Service Area or divert wastewater flows generated from properties located within the Service Area from being served by the System without the written approval of Buyer.

(d) Buyer will not request, pursue, or implement expansions of the System beyond the current Service Area (that would trigger an Act 537 Plan revision) without the prior written approval of Seller and the PaDEP. Seller shall promptly notify and confer with Buyer, and consider Buyer's comments, concerning any proposed Act 537 Plan revision (including any sewage facilities planning module) that would involve the provision of sewage collection and treatment services by the System to area or properties outside of the Service Area. With respect to any such potential Plan revision, Seller and Buyer shall cooperate in evaluating alternatives for provision of sewage services to such areas consistent with the requirements of 25 Pa Code Ch. 71, including consideration of the technical feasibility, economic feasibility and cost effectiveness, consistency with the objectives and policies of plans and requirements of 25 Pa. Code Ch. 71.21(a)(5), consistency with municipal land use plans and ordinances, subdivision ordinances and other ordinances and plans for controlling land use and development, technically and administratively able to be implemented, and other factors required under Act 537 or under Buyer's Tariff.

(e) If Seller and Buyer each determine that the provision of sewage collection and treatment services by the System to certain areas or properties outside of the Service Area is technically feasible, economically feasible and cost effective, and meets all of the requirements set forth in Act 537 and 25 Pa. Code Ch. 71, the Seller shall revise the Act 537 Plan to include such identified areas and properties in the Service Area. If Seller revises the Act 537 Plan pursuant to this subsection and such amendment is approved by PaDEP, (i) Buyer shall request that the modified Service Area be approved by PaPUC; and (ii) subject to PaPUC approval of the inclusion of such modified Service Area, Buyer shall extend sewer lines and provide sewage collection services to properties within such expanded Service Area in a manner consistent with the Act 537 Plan and Buyer's Tariff.

Section 7.11. **Utility Valuation Experts and Engineering Assessment**

Buyer and Seller shall each be responsible for the costs associated with their respective Utility Valuation Expert for the preparation and completion of their respective Utility Valuation Expert's appraisal report and any additional work by their respective Utility Valuation Expert necessary to assist in the processing and prosecution of the application to the PaPUC in regard to this transaction under Section 1329.

Section 7.12. **Compliance and Operational Reports**

After the Effective Date and through the Closing Date, Seller shall provide Buyer with a monthly report to the person designated by Buyer, disclosing any and all material compliance or operational deficiencies that occurred during the previous month. During the same period, Seller shall also provide Buyer with copies of all reports filed with PaDEP regarding the System, including any discharge monitoring reports, associated supplemental reports, and WETT reports, when available.

Section 7.13. **Implementation and Enforcement of Municipal Code**

Following the Closing Date, Seller shall continue to implement and enforce the relevant provisions of the Municipal Code of the City of Beaver Falls, as amended.

Section 7.14. **Covenant Survival**

The covenants set forth in this Article survive Closing.

ARTICLE VIII.

INDEMNIFICATION

Section 8.01. **Survival**

All representations and warranties contained in this Agreement shall survive until twelve (12) months following the Closing Date, except that (a) the representations and warranties of the Seller specified in Section 4.01 (Organization), Section 4.02 (Power and Authority), Section 4.03 (Enforceability), Section 4.10 (Equipment and Machinery), Section 4.17 (Brokers' and Finders' Fees), and Section 4.18(a) (Title to Acquired Assets) (collectively, the "Seller Fundamental

Representations") shall survive the Closing indefinitely or until the applicable statute of limitations expires (giving effect to any waiver, mitigation, or extension thereof), (b) the representations and warranties of Seller specified in Section 4.13 (Environmental Compliance) shall survive the Closing until the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof), and (c) the representations and warranties of Buyer specified in Section 5.01 (Organization), Section 5.02 (Authorization and Validity of Agreement), and Section 5.05 (Brokers' and Finders' Fees) (collectively, the "Buyer Fundamental Representations") shall survive the Closing indefinitely or until the applicable statute of limitations expires (giving effect to any waiver, mitigation, or extension thereof). The covenants and agreements of the Parties contained herein shall survive the Closing indefinitely or for the shorter period explicitly specified therein, except that for such covenants and agreements that survive for such shorter period, breaches thereof shall survive indefinitely or until the applicable statute of limitations expires (giving effect to any waiver, mitigation, or extension thereof). Notwithstanding the preceding sentences, (x) any breach of representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentences, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought before such time, and (y) nothing contained in this Section 8.01 shall limit in any way any rights a Party may have to bring claims grounded in fraud, intentional misrepresentation or willful misconduct, which rights shall survive the Closing indefinitely.

Section 8.02. **Indemnification by the Seller**

To the maximum extent permitted by applicable Law and subject to the terms and conditions of this Article VIII, the Seller shall indemnify, defend and hold harmless, Buyer and its successors and Affiliates and their respective employees, officers, directors, trustees and agents (the "Buyer Indemnified Persons"), from and against any and all claims for Losses arising from or relating to: (a) any breach of, material misrepresentation as to, or any material inaccuracy in, any of the representations and warranties of the Seller contained in this Agreement or in any exhibit, schedule, certificate or other instrument or document furnished or to be furnished by the Seller before the Closing pursuant to this Agreement (without regard to any materiality, Material Adverse Effect or related qualifications in the relevant representation or warranty (except where such provision requires disclosure of lists of items of a material nature or above a certain threshold)); (b) any breach or material nonfulfillment of any of the covenants or agreements of the Seller contained in this Agreement or in any exhibit, schedule, certificate or other instrument or document furnished or to be furnished by the Seller before the Closing pursuant to this Agreement; (c) any Excluded Liability or Excluded Asset or (d) the ownership, use, operation or control of the Acquired Assets or the System prior to the Closing or any incident, occurrence, condition or claim arising prior to Closing and relating to the ownership, use, operation or control of the Acquired Assets or the System prior to Closing.

Section 8.03. **Indemnification by Buyer**

To the maximum extent permitted by applicable Law and subject to the terms and conditions of this Article VIII, Buyer shall defend, indemnify and hold harmless the Seller and its successors and Affiliates and each of their respective employees, officers, directors and agents (the "Seller

Indemnified Persons") from and against any and all claims for Losses arising from or relating to: (a) any breach of, misrepresentation as to, or any material inaccuracy in, any of the representations and warranties of Buyer contained in this Agreement or in any exhibit, schedule, certificate or other instrument or document furnished or to be furnished by Buyer pursuant to this Agreement; (b) any material breach of any of the covenants or agreements of Buyer contained in this Agreement or in any exhibit, schedule certificate or other instrument or document furnished or to be furnished by the Buyer pursuant to this Agreement; (c) any Assumed Liability as and when payment and performance is due, including without limitation any liability related to any claims by any Governmental Authority; (d) for the avoidance of doubt, Buyer's actions involving Environmental Requirements, Hazardous Materials or environmental claims from and after the Closing Date; or (e) the ownership, operation or control of the Acquired Assets or the System from and after the Closing Date.

Section 8.04. **Indemnification Procedure**

(a) Third Party Claims. If any Indemnified Party receives notice of the assertion or commencement of any action, suit, claim or other legal proceeding made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a representative of the foregoing (a "Third Party Claim") against such Indemnified Party with respect to which the Indemnifying Party may be obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits material rights or material defenses because of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party may participate in, or by giving written notice to the Indemnified Party (and subject to the other requirements herein) to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel (which counsel is reasonably acceptable to the Indemnified Party), so long as (i) the Indemnifying Party notifies the Indemnified Party, within ten (10) Business Days after the Indemnified Party has given notice of the Third Party Claim to the Indemnifying Party (or by such earlier date as may be necessary under applicable procedural rules in order to file a timely appearance and response) that the Indemnifying Party is assuming the defense of such Third Party Claim, provided, that if the Indemnifying Party assumes control of such defense it must first agree and acknowledge in such notice that the Indemnifying Party is fully responsible (with no reservation of any rights other than the right to be subrogated to the rights of the Indemnified Party) for all Losses relating to such Third Party Claim, (ii) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently and at its own cost and expense, and (iii) the Third Party Claim (A) does not involve injunctive relief, specific performance or other similar equitable relief, any claim in respect of Taxes, any Governmental Authority, any criminal allegations, or any potential damage to the goodwill, reputation or overriding commercial interests of Buyer or its Affiliates, (B) is not one in which the Indemnifying Party is also a party and joint representation would be inappropriate or there may be legal defenses available to the Indemnified Party which are different from or additional to those available to the Indemnifying Party, or (C) does not involve a claim which, upon petition by the Indemnified Party, the appropriate court rules that the Indemnifying Party failed or is failing to vigorously prosecute or defend. The Indemnified Party shall reasonably cooperate in good faith in such defense. If the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 8.04(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party may, at its own cost and expense, to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. If the Indemnifying Party elects not to compromise or defend such Third Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party may, subject to Section 8.04(b), pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. The Seller and Buyer shall reasonably and in good faith cooperate with one another in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) Settlement of Third Party Claims. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), except as provided in this Section 8.04(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give prompt written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within fifteen (15) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 8.04(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(c) Direct Claims. Any claim by an Indemnified Party with respect to any Loss which does not arise or result from a Third Party Claim (a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits material rights or material defenses because of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail and shall indicate the estimated amount, if reasonably practicable, of the Losses that have been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. During the thirty (30) day period, the

Indemnified Party shall reasonably cooperate and assist the Indemnifying Party in determining the validity and amount of such Direct Claim. If the Indemnifying Party does not so respond within such thirty (30) day period, by delivery of written notice disputing the basis or amount of the Direct Claim, the Indemnifying Party is deemed to have rejected such claim, in which case the Indemnified Party is free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement. If the Indemnifying Party has timely disputed its indemnity obligation for any Losses with respect to such Direct Claim, the Parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through negotiations, such dispute may be resolved by litigation in an appropriate court of jurisdiction determined pursuant to this Agreement.

Section 8.05. **Limitations on Indemnification Obligations**

(a) Subject to the other limitations contained in this Section 8.05, neither Buyer nor the other Buyer Indemnified Persons is entitled to indemnification pursuant to Section 8.02(a) (other than for an intentional breach of any agreement or covenant contained in this Agreement) unless the aggregate amount of Losses incurred by Buyer and the other Buyer Indemnified Persons under this Agreement exceeds One Percent (1.0%) of the Purchase Price (the "Threshold Amount"), in which case Seller shall then be liable for Losses in excess of the Threshold Amount; except that the foregoing limitations contained in this Section 8.05(a) shall not apply to any claims for indemnification (i) based on fraud, intentional misrepresentation or willful misconduct, (ii) based on any inaccuracy in, misrepresentation as to or breach of any of the Seller Fundamental Representations or any of the representations and warranties set forth in Section 4.13, or (iii) pursuant to Sections 8.02 (c) or (d).

(b) Subject to the other limitations contained in this Section 8.05 neither Seller nor the other Seller Indemnified Persons is entitled to indemnification pursuant to Section 8.03(a) (other than for an intentional breach of any agreement or covenant contained in this Agreement) unless the aggregate amount of Losses incurred by Seller and the other Seller Indemnified Persons under this Agreement exceeds the Threshold Amount, in which case Buyer shall then be liable for Losses in excess of the Threshold Amount; except that the foregoing limitations contained in this Section 8.05(a) shall not apply to any claims for indemnification based on fraud, intentional misrepresentation or willful misconduct or pursuant to Sections 8.03(c)(d) and (e).

(c) Except in the case of fraud, intentional misrepresentation or willful misconduct (for which all applicable legal and equitable remedies will be available to Buyer and the other Buyer Indemnified Persons subject to a cap of the Purchase Price), Buyer and the other Buyer Indemnified Persons shall only be entitled to assert claims under Section 8.02(a) (other than claims with respect to breaches of any of the Seller Fundamental Representations, which shall not be subject to the Liability Cap (as such term is hereinafter defined), but shall be capped at the Purchase Price)) up to the aggregate amount of 7.5% of Purchase Price (the "Liability Cap"), which shall represent the sole and exclusive remedy of Buyer and the other Buyer Indemnified Parties for any such claims under Section 8.02(a).

(d) Payments by an Indemnifying Party pursuant to Section 8.02 or Section 8.03 in respect of any Loss is limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds actually received and any indemnity, contribution or other similar payment received or reasonably expected to be received by the Indemnified Party in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses before seeking indemnification under this Agreement.

(e) Payments by an Indemnifying Party pursuant to Section 8.02 or Section 8.03 in respect of any Loss will be reduced by an amount equal to any Tax benefit realized or reasonably expected to be realized as a result of such Loss by the Indemnified Party.

(f) Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

(g) Subject to the provisions of Sections 3.01, 7.07, 15.11 and any other provisions for equitable relief and/or specific performance, the Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this Article VIII. In furtherance of the foregoing, each Party waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other Party hereto and their Affiliates and each of their respective representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this Article VIII. Nothing in this Section 8.05(g) limits any Parties' right to seek and obtain any equitable relief and/or specific performance to which any Party is entitled pursuant to this Agreement.

Section 8.06. **Knowledge of Breach**

The Seller will not be liable under this Article VIII for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement if Buyer had actual knowledge of such inaccuracy or breach before the Closing Date. Buyer will not be liable under this Article VIII for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement if Seller had actual knowledge of such inaccuracy or breach before the Closing Date.

ARTICLE IX.

PRE-CLOSING COVENANTS OF THE SELLER

Section 9.01. **Operation of the System**

Except as otherwise expressly permitted by this Agreement, as required by applicable Law or with the prior written consent of Buyer (which consent shall not be unreasonably withheld, delayed or conditioned), from the Effective Date until the Closing, the Seller shall (i) operate and manage the System only in the ordinary course of business in accordance with past practices and procedures, (ii) comply in all material respects with all applicable Laws and Authorizations and Permits, and (iii) use commercially reasonable efforts to maintain and preserve intact the business and assets of the System and preserve the rights, franchises, goodwill and relationships of the Seller and the System and their customers, lenders, suppliers, regulators and others having business relationships with the Seller and the System including, but not limited to, the land development agreements in existence as of the Effective Date which such agreements shall not be materially amended without notice to and the consent of Buyer, which consent shall not be unreasonably withheld or delayed.

Section 9.02. **Cooperation**

The Seller shall reasonably cooperate with Buyer and its employees, attorneys, accountants and other agents and, generally, act in reasonably good faith to timely carry out the purposes of this Agreement and the consummation of the transactions contemplated by this Agreement.

Section 9.03. **Supplements and Updates**

The Seller shall promptly deliver to Buyer any supplemental information updating the information in the representations and warranties set forth in Article IV of this Agreement so that such representations and warranties as supplemented by such information will be true and correct as of the Closing Date (or such other date as provided in such representations and warranties) as if then made. Within at least ten (10) Business Days of having Knowledge of the same, but in no event later than (3) Business Days before the Closing Date, the Seller shall advise Buyer of any facts which would constitute a breach of a representation or warranty as of the date made or a default in a covenant contained in this Agreement. Subject to Section 8.06, no supplemental information or facts provided by Seller pursuant to this Section 9.03 shall be deemed to have cured any breach of any representation or warranty contained in this Agreement, including for purpose of the indemnification rights contained in this Agreement. For the avoidance of doubt, no such supplemental information or facts provided pursuant to this Section 9.03 shall be deemed to alter any Schedules without the prior written consent of Buyer (such consent not to be unreasonably withheld, conditioned or delayed).

Section 9.04. **Governmental Approvals**

Promptly after the execution of this Agreement, or as required by Law, except as provided in Section 7.06 or otherwise expressly provided herein, the Seller shall file all applications, reports, and requests for consent that are required to be filed by Seller with any Governmental Authority, as provided on Schedule 4.05. The Seller shall also promptly provide all information that any Governmental Authority may require in connection with any such application or report. The Seller shall use commercially reasonable efforts to obtain all required material consents, waivers, authorizations or approvals of any Governmental Authority, including all those listed on Schedule 4.05, or of any other Person in connection with the transactions contemplated by this Agreement. All such consents, waivers, authorizations, or approvals of any Governmental Authority necessary to consummate the transactions contemplated by this Agreement shall be in form and content reasonably satisfactory to Buyer and the Seller before Closing and must be final and non-appealable. If a party to the PaPUC proceeding appeals PaPUC authorization of the transaction, the Buyer and the Seller may agree to proceed to consummate the transaction.

ARTICLE X.

PRE-CLOSING COVENANTS OF BUYER

Section 10.01. **Actions Before the Closing Date**

Buyer shall not take any action that will cause it to be in breach of any representation, warranty, covenant or agreement contained in this Agreement or cause it to be unable to perform in any material respect its obligations hereunder, and Buyer shall use commercially reasonable efforts (subject to any conditions set forth in this Agreement) to perform and satisfy all conditions to Closing to be performed or satisfied by Buyer under this Agreement, including action necessary to obtain all consents and approvals of third parties required to be obtained by Buyer to effect the transactions contemplated by this Agreement.

Section 10.02. **Governmental Approvals**

Promptly after the execution of this Agreement, or as required by Law, except as otherwise expressly provided herein, Buyer shall file all applications and reports which are required to be filed by Buyer with any Governmental Authority as provided on Schedule 5.04. Buyer shall also promptly provide all information that any Governmental Authority may reasonably require in connection with any such application or report. Buyer shall use commercially reasonable efforts to obtain all consents, waivers, authorizations or approvals of any Governmental Authority, or of any other Person of any kind in connection with the transactions contemplated by this Agreement.

Section 10.03. **Cooperation**

Buyer shall reasonably cooperate with the Seller and their employees, attorneys, accountants and other agents and, generally, do such other acts and things in good faith as may be reasonable to timely carry out the purposes of this Agreement and the consummation of the transactions contemplated in accordance with the provisions of this Agreement.

Section 10.04. **Supplements and Updates**

Buyer shall promptly deliver to the Seller any supplemental information updating the information in the representations and warranties set forth in Article V of this Agreement so that such representations and warranties as supplemented by such information will be true and correct as of the Closing Date (or such other date as provided in such representations and warranties) as if then made. Within ten (10) Business Days of having Knowledge of the same, and at least three (3) Business Days before the Closing Date, Buyer shall advise the Seller of any facts which would constitute a breach of a representation or warranty as of the date made or a default in a covenant contained herein.

ARTICLE XI.

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLER

The obligation of the Seller to consummate the transactions provided for in this Agreement is subject to the satisfaction, at or before the Closing, of the following conditions, any one or more of which may be waived in writing by the Seller in its sole discretion:

Section 11.01. Consents and Approvals

Receipt of all required consent, waiver, authorization or approval of any Governmental Authority, or of any other Person and any other approvals necessary to consummate the transactions contemplated by this Agreement set forth on Schedule 5.04, including without limitation all required EPA and PaDEP approvals, and all such Authorizations and Permits and Governmental Approvals must be final (and not subject to any appeal and any applicable appeal period having expired). Seller shall obtain the consent of any Governmental Authority as required by the PaPUC.

Section 11.02. Representations and Warranties of Buyer

The representations and warranties made by Buyer in Article V which are (a) not qualified by materiality shall be true and correct in all material respects on and as of the Closing Date (except for representations or warranties that speak of a specific date or time other than the Closing Date which shall be true and correct in all material respects as of such specified date) and (b) qualified by materiality shall be true and correct in all respects on and as of the Closing Date (except for representations or warranties that speak of a specific date or time other than the Closing Date which shall be true and correct in all respects as of such specified date), and the Seller shall have received a certificate to the effect of the foregoing from a duly authorized officer of Buyer dated as of the Closing Date.

Section 11.03. PaPUC Approval

PaPUC must have issued a Final Order approving the acquisition of the System under terms and conditions that are reasonably acceptable to the Seller and the Buyer. If a party to the PaPUC proceeding appeals PaPUC authorization of the transaction, the Buyer and the Seller may agree to proceed to consummate the transaction.

Section 11.04. No Injunctions

Neither the Seller nor the Buyer shall be subject to any injunction, preliminary restraining order or other similar decree of a court of competent jurisdiction prohibiting the consummation of the transactions contemplated by this Agreement.

Section 11.05. Performance of the Obligations of Buyer

Buyer shall have performed in all material respects all obligations required under this Agreement to be performed by Buyer on or before the Closing Date, and the Seller shall have received a certificate to that effect from Buyer dated the Closing Date.

Section 11.06. **Deliveries by Buyer**

Buyer shall have made delivery to the Seller of the documents and items specified in Section 13.03 herein.

Section 11.07. **No Material Adverse Effect**

There shall not have occurred any event or condition which gives rise to a Material Adverse Effect with respect to the Acquired Assets or the System.

ARTICLE XII.

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligation of Buyer to consummate the transactions provided for in this Agreement is subject to the satisfaction, at or before the Closing, of the following conditions, any one or more of which may be waived in writing by Buyer in its sole discretion:

Section 12.01. **Consents and Approvals**

(a) Receipt of all required material, non-governmental third party consents and any other approvals necessary or advisable to consummate the transactions contemplated by this Agreement set forth on Schedule 4.05 and all consents, waivers, authorizations and approvals of any Governmental Authority required pursuant to Section 5.04, including without limitation all required EPA and PaDEP approvals/renewals and all such Authorizations and Permits and Governmental Approvals must be final (and not subject to any appeal and any applicable appeal period having expired);

(b) The discharge of any outstanding debt of Seller which has resulted in any lien or other encumbrance on the System; and

(c) Seller shall have taken all actions to acquire title to the System and the Acquired Assets required to permit Seller to convey the System and the Acquired Assets to Buyer as required under this Agreement.

Section 12.02. **Representations and Warranties of Seller**

The representations and warranties made by the Seller in Article IV of this Agreement (disregarding all "materiality" and "Material Adverse Effect" or similar qualifications contained therein) shall be true and correct on and as of the Closing Date (except for representations and warranties expressly stated to relate to a specific date, in which case each such representation and warranty shall be true and correct as of such earlier date), with only such exceptions as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and the Buyer shall have received a certificate to that effect from the Seller dated as of the Closing Date.

Section 12.03. **PaPUC Approval**

PaPUC must have issued a Final Order approving the acquisition of the System under terms and conditions that are reasonably acceptable to the Seller and the Buyer. If a party to the PaPUC proceeding appeals PaPUC authorization of the transaction, the Buyer and the Seller may agree to proceed to consummate the transaction.

Section 12.04. No Injunctions

Neither the Seller nor the Buyer are subject to any injunction, preliminary restraining order or other similar decree of a court of competent jurisdiction prohibiting the consummation of the transactions contemplated by this Agreement.

Section 12.05. No Material Adverse Effect

There shall not have occurred any event or condition which gives rise to a Material Adverse Effect with respect to the Acquired Assets or the System.

Section 12.06. Consent Order.

If Buyer determines that a Consent Order and Agreement ("CO&A") with the PaDEP or any other regulatory agency is necessary in order to address compliance issues with respect to the System, Buyer may engage in the negotiation and entry into a CO&A between the Buyer and PaDEP in a form and substance and on terms and conditions reasonably satisfactory to Buyer. Buyer shall be responsible for all costs, expenses and efforts related to securing the CO&A with the PaDEP.

Section 12.07. Deliveries by Seller

Seller shall have made delivery to Buyer of the documents and items specified in Section 13.02 herein.

Section 12.08. Performance of the Obligations of Seller

Seller shall have performed in all material respects all obligations required under this Agreement to be performed by Seller on or before the Closing Date, and Buyer shall have received a certificate to that effect from Seller dated the Closing Date.

ARTICLE XIII.

CLOSING

Section 13.01. Closing Date

The Closing shall take place at a place in Pennsylvania that is mutually agreed upon by the Parties, at 10:00 a.m. eastern standard time on the earliest agreed upon date or within twenty (20) Business Days after the date upon which all the conditions precedent to Closing described in this Agreement have been fulfilled or waived and Buyer and the Seller receive the last of the required consents, waivers, authorizations and approvals from the Governmental Authorities, in each case, for the transactions contemplated by this Agreement, or at such other place and time, by such other method, or on such other date, as may be mutually agreed to by the Parties (the "Closing Date"). For purposes of prorating revenues and expenses, the Closing will be deemed to be effective at 12:01 a.m., City of Beaver Falls, Beaver County, Pennsylvania time, on the Closing Date (the "Closing Effective Time"). For all other purposes, specifically including the Parties' indemnity obligations set forth in Article VIII, the Closing will be effective upon the receipt by the Seller of the Purchase Price.

Section 13.02. **Deliveries by the Seller**

At the Closing, the Seller, shall have delivered or cause to be delivered to Buyer executed copies of the following agreements, documents and other items:

(a) A Bill of Sale transferring all of the Acquired Assets comprising personal property, in the form attached hereto as Exhibit A;

(b) Possession of the Acquired Assets, including without limitation, the Real Property, the Easements and an interest in the Missing Easements, including a license from Seller to Buyer;

(c) A duly executed counterpart to an Assignment and Assumption Agreement with respect to the Assumed Liabilities (the "Assignment and Assumption Agreement"), in the form attached hereto as Exhibit B;

(d) The consents to transfer all of the Assigned Contracts and Authorizations and Permits (including environmental Authorizations and Permits), to the extent required hereunder;

(e) One or more special warranty or other deeds in recordable form reasonably acceptable to Buyer transferring fee simple title of Real Property, and one or more assignments in recordable form reasonably acceptable to Buyer with respect to the Easements (exclusive of any Missing Easements);

(f) Copies or originals of all Files and Records, materials, documents and records in possession of the Seller relating to the Real Property or the Assigned Contracts;

(g) Certificate of the Seller pursuant to Section 12.02 of this Agreement;

(h) Certificate of the Seller pursuant to Section 12.07 of this Agreement;

(i) Any documents duly executed by Seller required by the Title Company to issue final owner's title policies in accordance with the procedures set forth in Article VI;

(j) An opinion of special counsel to the Seller in the form attached hereto as Exhibit D;

(k) A duly executed counterpart to the Escrow Agreement;

(l) All such other instruments of conveyance or other documents as shall, in the reasonable opinion of Buyer and its counsel, be necessary to transfer to Buyer the Acquired Assets in accordance with this Agreement or to carry out the terms of this Agreement, duly executed and acknowledged by Seller, if necessary, and in a recordable form;

(m) A certification of Seller's non-foreign status in accordance with U.S. Treasury Regulation § 1.1445-2(b)(2); and

(n) A form W-9 properly completed by the Seller.

Section 13.03. **Deliveries by Buyer**

At the Closing, Buyer shall have delivered or caused to be delivered to the Seller the following agreements, documents and other items:

(a) Payment in full of the Purchase Price;

(b) A duly executed counterpart to the Assignment and Assumption Agreement;

(c) Certificate of Buyer pursuant to Section 11.02 of this Agreement;

(d) Certificate of Buyer pursuant to Section 11.05 of this Agreement;

(e) Evidence of PaPUC approval as provided in Section 12.03;

(f) A duly executed counterpart to the Escrow Agreement; and

(g) All such other instruments of assumption as shall, in the reasonable opinion of Seller and its counsel, be necessary for Buyer to assume the Assumed Liabilities in accordance with this Agreement.

ARTICLE XIV.

TERMINATION

Section 14.01. **Events of Termination**

This Agreement may, by notice given in the manner provided in this Agreement, be terminated and abandoned at any time before completion of the Closing:

(a) By the consent of both of the Seller and the Buyer;

(b) By either of the Seller or the Buyer if:

(i) the Closing shall not have occurred on or before the Outside Date; except that the Buyer shall have the one-time right to extend the Outside Date for up to ninety (90) days if, in the Buyer's sole discretion, any such amount of time up to ninety (90) days is necessary to obtain a required Governmental Approval; or

(ii) any Governmental Authority shall have issued an order, decree or ruling or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the material transactions contemplated by this Agreement and such order, decree, ruling or other action will have become final and non-appealable; provided, however, that the Party seeking termination pursuant to this clause (b) of this Section 14.01 is not in breach in any material respect of any of its representations, warranties, covenants or agreements contained in this Agreement;

(c) By the Seller (if Seller is not then in material breach of any provision of this Agreement) in the event of a material breach of any covenant or agreement to be performed or complied with by the Buyer pursuant to the terms of this Agreement or of any representation or warranty of the Buyer contained in this Agreement, which breach (i) has continued without cure for a period of sixty (60) days following written notice thereof by the Seller to the Buyer or if such breach cannot be cured and (ii) would result in a condition to Closing set forth in Article XI of this Agreement not being satisfied (which condition has not been waived by the Seller in writing); or

(d) By the Buyer (if Buyer is not then in material breach of any provision of this Agreement) in the event of a material breach of any covenant or agreement to be performed or complied with by the Seller pursuant to the terms of this Agreement or of any representation or warranty of the Seller contained in this Agreement, which breach (i) has continued without cure for a period of sixty (60) days following written notice thereof by the Buyer to the Seller or if such breach cannot be cured and (ii) would result in a condition to Closing set forth in Article XII of this Agreement not being satisfied (which condition has not been waived by the Buyer in writing).

This Agreement may not be terminated after completion of the Closing.

Section 14.02. **Effect of Termination**

If this Agreement is terminated by the Seller or the Buyer pursuant to Section 14.01, written notice thereof will forthwith be given to the other and all further obligations of the Parties under this Agreement will terminate without further action by any Party and without liability or other obligation of any Party to any other Party hereunder; except that no Party will be released from liability hereunder if this Agreement is terminated and the transactions abandoned because of any willful breach of this Agreement.

ARTICLE XV.

MISCELLANEOUS

Section 15.01. **Confidentiality**

Except as and to the extent required by applicable Law (including but not limited to the Pennsylvania Right-To-Know Act at 65 Pa § 67.101) or pursuant to an order of a court of competent jurisdiction and as required hereunder to obtain any and all required Governmental Approvals, no Party hereto shall, directly or indirectly, disclose or use (and no Party shall permit its representatives to disclose or use) any Confidential Information with respect to any other Party furnished, or to be furnished, by such other Party hereto or its shareholders, directors, officers, agents, or representatives to the other Party hereto or its employees, directors, officers, agents or representatives in connection herewith at any time or in any manner other than in connection with the completion of the transactions contemplated by this Agreement and related transactions.

Section 15.02. **Public Announcements** Subject to applicable Law or listing rules of an exchange on which Buyer's parent corporation's stock is listed, and except as otherwise set forth in this Agreement, the initial public announcement relating to the transactions contemplated herein will be mutually agreed upon and jointly made by the Parties. Subsequent public announcements by one Party are subject to review and approval by the other Parties before issuance, such approval not to be unreasonably withheld, conditioned or delayed.

Section 15.03. **Notices**

The Parties shall make all notices, other communications and approvals required or permitted by this Agreement in writing, stating specifically that they are being given pursuant to this Agreement and shall be addressed as follows:

in the case of the Seller:

Attention:

City of Beaver Falls
715 15th Street
Beaver Falls, PA 15010
Attention: City Manager

with a copy to:

Solicitor of Beaver Falls
Santicola, Steele & Fedeles, P.C.
722 Turnpike St.
Beaver, PA 15009
Attn: Shannon Steele

in the case of the Buyer:

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
Attention: Marc A. Lucca, President
malucca@aquaamerica.com

With a copy to:

Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
Attention: Frances P. Orth, Vice President and Senior Managing Counsel
fporth@aquaamerica.com

or such other persons or addresses as a Party may from time to time designate by notice to the other Party. A notice, other communication or approval is deemed to have been sent and received (i) on the day it is delivered, or if such day is not a Business Day or if the notice is received after ordinary office hours (time of place of receipt), the notice, other communication or approval is deemed to have been sent and received on the next Business Day, or (ii) on the fourth Business Day after mailing if sent by United States registered or certified mail.

Section 15.04. **Headings**

The article, section and paragraph headings in this Agreement are for reference purposes only and have no affect the meaning or interpretation of this Agreement.

Section 15.05. **Severability**

If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement remain in full force and effect and in no way be affected, impaired or invalidated.

Section 15.06. **Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, between the Parties. There are no representations, warranties, conditions or other agreements, whether direct or collateral, or express or implied, that form part of or affect this Agreement, or that induced any Party to enter into this Agreement or on which reliance is placed by any Party, except as specifically set forth in this Agreement. The Parties acknowledge and agree that (i) each has substantial business experience and is fully acquainted with the provisions of this Agreement, (ii) the provisions and language of this Agreement have been fully negotiated and (iii) no provision of this Agreement shall be construed in favor of any Party or against any Party because of such provision of this Agreement having been drafted on behalf of one Party rather than the other Party.

Section 15.07. **Amendments; Waivers**

This Agreement may be amended, changed or supplemented only by a written agreement signed by the Parties. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement will be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement will operate as a waiver of such right. No single or partial exercise of any such right precludes any other or further exercise of such right or the exercise of any other right.

Section 15.08. **Parties in Interest; Third Party Beneficiary**

Except as provided in this Agreement, this Agreement is not intended to and shall not be construed to create upon any Person other than the Parties any rights or remedies hereunder.

Section 15.09. **Successors and Assigns**

Neither Party to this Agreement may assign any right or delegate any performance under this Agreement without the prior written consent of the other Party, and any purported assignment or purported delegation without prior written consent is void. This Agreement is binding upon, and inures to the benefit of, the Parties and their respective permitted successors and assigns.

Section 15.10. **Governing Law; Jurisdiction**

The laws of the Commonwealth of Pennsylvania (without giving effect to its conflicts of law principles) govern all matters arising and relating to this Agreement, including torts. The Parties irrevocably agree and consent to the jurisdiction of the United States District Court for the Western District of Pennsylvania and the Court of Common Pleas of Beaver County, Pennsylvania, for the adjudication of any matters arising under or in connection with this Agreement. Any action initiated in court shall be filed and litigated (including all discovery proceedings) exclusively in the United States District Court for the Western District of Pennsylvania and the Court of Common Pleas of Beaver County, Pennsylvania, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such Party's address set forth in this Agreement shall be effective service of process for any suit, action or other proceeding brought in any such court. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 15.11. **Specific Performance**

The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties is entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 15.12. **Counterparts; Electronic Mail; Facsimile Execution**

This Agreement may be executed in any number of counterparts which, taken together, shall constitute one and the same agreement. This Agreement will be effective when it has been executed by each Party and delivered to both Parties. To evidence the fact that it has executed this Agreement, a Party may send a copy of its executed counterpart to the other Party by electronic mail or facsimile transmission. Such Party is deemed to have executed and delivered this Agreement on the date it sent such electronic mail or facsimile transmission. In such event, such Party shall forthwith deliver to the other Party an original counterpart of this Agreement executed by such Party.

[THIS SPACE INTENTIONALLY LEFT BLANK;

SIGNATURES NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed, or caused to be executed by their duly authorized Representatives, this Agreement as of the Effective Date.

CITY OF BEAVER FALLS, BEAVER COUNTY

By: George B. Quay
Printed: George Quay III
Its: Mayor

ATTEST:

By:
Name: Charles R. Jones, Jr.
Its: City Manager

AQUA PENNSYLVANIA WASTEWATER, INC.

By: ___________________________
Printed: ________________________
Its:

ATTEST:

By: ___________________________
Name:
Its:

IN WITNESS WHEREOF, the Parties hereto have executed, or caused to be executed by their duly authorized Representatives, this Agreement as of the Effective Date.

CITY OF BEAVER FALLS, BEAVER COUNTY

By: ______________________________
Printed: George Quay III
Its: Mayor

ATTEST:

By: ______________________________
Name: Charles R. Jones, Jr.
Its: City Manager

AQUA PENNSYLVANIA WASTEWATER, INC.

By: Marc A
Printed: MARC A. LUCCA
Its: PRESIDENT

ATTEST:

By: ______________________________
Name: LAURA MRAZ
Its: EXECUTIVE ASSISTANT

Respondent: Dylan W. D'Ascendis, Partner, ScottMadden, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Appraisals

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

a. A list of valuations of utility property performed by the UVE;

b. A list of appraisals of utility property performed by the UVE

c. A list of all dockets in which the UVE submitted testimony to a public utility commission related to the appraisal of utility property; and

d. An electronic copy of or electronic link to testimony in which the UVE testified on public utility fair value acquisitions in the past two years.

Response:

a. Please see Mr. D'Ascendis' Curriculum Vitae attached as Appendix C to the ScottMadden Valuation Report.

b. Please see Mr. Dylan D'Ascendis' response to a., above.

c. Please see Mr. Dylan D'Ascendis' response to a., above.

d. In the past two years, Mr. D'Ascendis submitted testimony in the below dockets. Links to the dockets where Mr. D'Ascendis testified are below:

   i. Borough of Shenandoah – A-2022-3034143
   https://www.puc.pa.gov/docket/A-2022-3034143

   ii. Greenville Sanitary Authority – Docket No. A-2023-3041695
   https://www.puc.pa.gov/docket/A-2023-3041695

   iii. Towamencin Township – Docket No. A-2023-3040661;
   https://www.puc.pa.gov/docket/A-2023-3040661

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants LLC
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Appraisals

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

a. A list of valuations of utility property performed by the UVE;

b. A list of appraisals of utility property performed by the UVE

c. A list of all dockets in which the UVE submitted testimony to a public utility commission related to the appraisal of utility property; and

d. An electronic copy of or electronic link to testimony in which the UVE testified on public utility fair value acquisitions in the past two years.

Response:

a. Please see Mr. Walker's Curriculum Vitae attached as Appendix A to Mr. Walker's direct testimony, included as Exhibit Z to the Application (Aqua Statement No. 6). Starred items in Mr. Walker's Curriculum Vitae represent dockets where Mr. Walker presented testimony related to the appraisal of utility property.

b. Please see Mr. Walker's response to a. above.

c. Please see Mr. Walker's response to a. above.

d. In the past two years, Mr. Walker submitted testimony in the below dockets. Links to the dockets where Mr. Walker testified are below:

https://www.puc.pa.gov/docket/A-2021-3027268
i. Borough of Shenandoah – A-2022-3034143
https://www.puc.pa.gov/docket/A-2022-3034143
ii. City of Beaver Falls – A-2022-3033138
https://www.puc.pa.gov/docket/A-2022-3033138
iii. Butler Area Sewer Authority – A-2022-3037047
https://www.puc.pa.gov/docket/A-2022-3037047
iv. Borough of Brentwood – A-2021-3024058
https://www.puc.pa.gov/docket/A-2021-3024058
v. Greenville Sanitary Authority – A-2023-3041695
https://www.puc.pa.gov/docket/A-2023-3041695

Respondent: Dylan W. D’Ascendis, Partner, ScottMadden, Inc.
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Appraisals

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

Response: Please see pages 5 and 6 of the ScottMadden Valuation Report. Detailed information supporting the discount rate can be found in Appendix H of the ScottMadden Valuation Report.

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants LLC
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Appraisals

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

Response: Please see the direct testimony of Harold Walker III, included as Exhibit Z to the Application (Aqua Statement No. 6) at p. 19-22, Exhibit R to the Application (Gannett Appraisal), and CONFIDENTIAL Gannett electronic workpapers.

Respondent: Dylan W. D’Ascendis, Partner, ScottMadden, Inc.
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Appraisals

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

Response: ScottMadden used an original cost new (“OCN”) method to calculate the trended original cost (“TOC”) of the assets. The TOC was arrived at by using the Handy-Whitman Index which results in a current reproduction value. Please see the ScottMadden Valuation Report at pages 4 through 5 for an explanation of this methodology and why this method was chosen. The TOC study can be found in Schedule 1 of the ScottMadden Valuation Report.

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants LLC
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Appraisals

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

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

Respondent: Dylan W. D'Ascendis, Partner, ScottMadden, Inc.
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Appraisals

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

Response: Please see Appendix F to the ScottMadden Valuation Report for the source documents supporting the purchase price and number of customers used in ScottMadden's Market Approach

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants LLC
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Appraisals

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

Response: Please see pages 9 to 76 of Exhibit 22 (workpapers) from Exhibit R to the Application (Gannett Appraisal) for the source for the purchase price and number of customers for each comparable acquisition used in the Gannett Appraisal.

Respondent: Dylan W. D'Ascendis, Partner, ScottMadden, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Appraisals

19. Have Buyer's and Seller's UVE corresponded with regard to their respective fair market value appraisals of the assets at issue in this case? If yes, provide the following information:

a. Identify the nature and date(s) of correspondence;

b. Identify the type(s) of correspondence (i.e. written, verbal, etc); and,

c. Provide copies of any written correspondence exchanged between the UVEs

Response: No.

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and
Rate Consultants LLC
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Appraisals

19. Have Buyer's and Seller's UVE corresponded with regard to their respective fair market value appraisals of the assets at issue in this case? If yes, provide the following information:

a. Identify the nature and date(s) of correspondence;

b. Identify the type(s) of correspondence (i.e. written, verbal, etc); and,

c. Provide copies of any written correspondence exchanged between the UVEs

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

Respondent: Mark J. Bubel, Sr. Project Engineer III of Aqua Pennsylvania, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Miscellaneous

20. Are there any outstanding compliance issues that the Seller's system has pending with the PA Department of Environmental Protection. If yes, provide the following information:

a. Identify the compliance issue(s);

b. Provide an estimated date of compliance;

c. Explain Buyer's anticipated or actual plan for remediation;

d. Provide Buyer's estimated costs for remediation; and,

e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

Response:

a.- d. Please see the Direct Testimony of Mark J. Bubel, Sr., Application Exhibit V (Aqua Statement No. 2) page 11-13. The City did not have any sanitary sewer overflows ("SSOs") in the system in 2020 or 2021. The City also did not have any SSOs in 2022. As described in the Supplemental Direct Testimony of Zach Martin, Application Supplemental Exhibit W (Supplemental Aqua Statement No. 3) at pages 10-39, significant improvements to the operations of the system are required. While there are not present compliance issues outside of the Corrective Action Plan, the deficiencies in the system if unattended would lead to compliance issues. Please see the Direct Testimony of Mark J. Bubel, Sr., Application Exhibit V, Appendix A for Aqua's capital plan to address safety and compliance issues in the System.

e. Please see responses from utility valuation experts.

Respondent: Dylan W. D'Ascendis, Partner, ScottMadden, Inc.
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Miscellaneous

20. Are there any outstanding compliance issues that the Seller's system has pending with the PA Department of Environmental Protection. If yes, provide the following information:

e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

Response:

All prospective capital improvements from 2020-2050 were included in Mr. D'Ascendis' valuation appraisal, which would include any capital expenditures associated with any compliance issues pending with the PA Department of Environmental Protection.

Respondent: Harold Walker III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants LLC
Date: 02/17/2023

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Miscellaneous

20. Are there any outstanding compliance issues that the Seller's system has pending with the PA Department of Environmental Protection. If yes, provide the following information:

e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

Response: Gannet Fleming's appraisal did not factor in specific projected remediation cost. However, the income approach does factor in (deduct) estimated capital expenditures when calculating future net cash flows. Historical remediation cost is reflected in the cost approach to the extent they are included in the Engineers Assessment's inventory.

Respondent: Mark J. Bubel, Sr.
Project Engineer III of Aqua Pennsylvania, Inc.
Date: 05/15/2024

AQUA PENNSYLVANIA WASTEWATER, INC.
CITY OF BEAVER FALLS
Section 1329 Application Standard Data Requests

Miscellaneous

21. Are there any outstanding compliance issues that the Seller's system has pending with the US Environmental Protection Agency. If yes, provide the following information:

a. Identify the compliance issue(s);

b. Provide an estimated date of compliance;

c. Explain Buyer's anticipated or actual plan for remediation;

d. Provide Buyer's estimated costs for remediation; and

e. Indicate whether the cost of remediation was or is anticipated to be factored into either or both fair market valuation appraisals offered in this proceeding.

Response: Please see the responses to SDR-20. The DEP holds primacy regulatory authority in Pennsylvania. While there are no pending violations with the EPA, please see the Supplemental Direct Testimony of Zach Martin, Application Supplemental Exhibit W (Supplemental Aqua Statement No. 3) at pages 20-27.

AMENDED ENGINEERING ASSESSMENT (PUBLIC)

City of Beaver Falls

Beaver County, Pennsylvania

ENGINEER'S ASSESSMENT of WASTEWATER SYSTEM ASSETS

DRAFT #1 - November 24, 2021

DRAFT #2 – February 1, 2022

FINAL – June 9, 2022

Revised Final – March 28, 2023

REVISED FINAL – May 1, 2024

JOHN F. RAE
49062-R

06-07-22

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) = $12,896,624.

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 189,642 (36.0 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: 145,390 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.

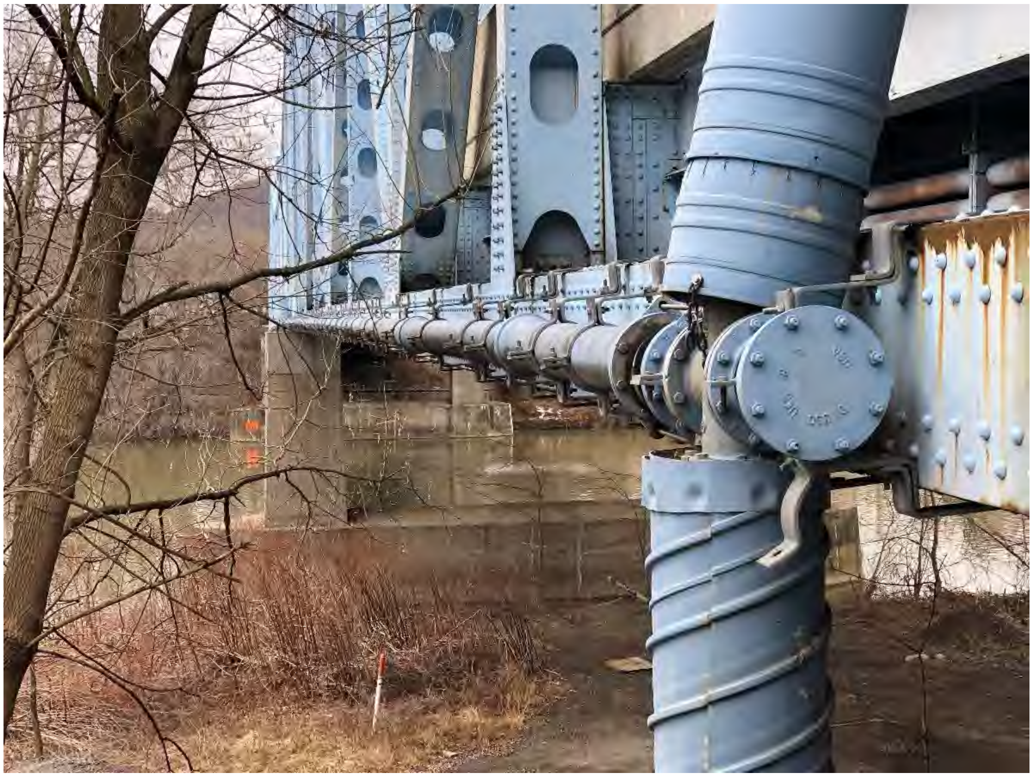


FIGURE 5.1-1: EASTVALE PUMP STATION FORCE MAIN RIDING THE SR0588 BRIDGE

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

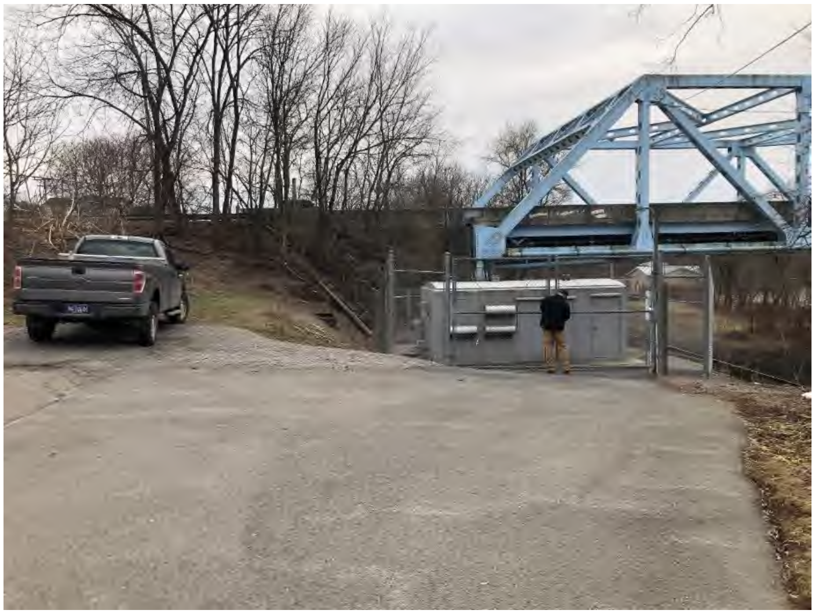


FIGURE 5.2-1: EASTVALE PUMP STATION VICINITY AND SECURITY FENCING

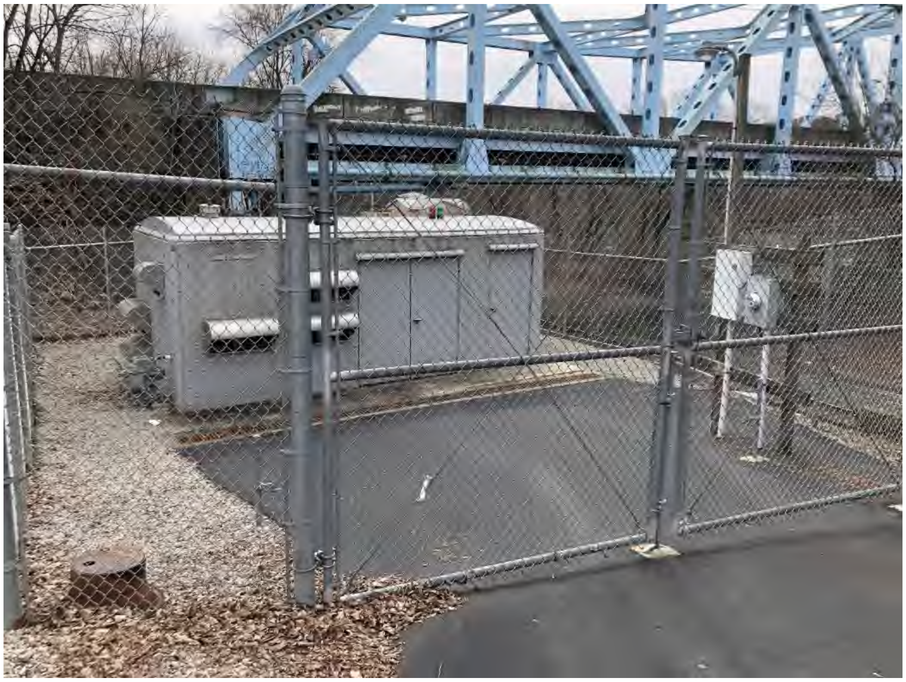


FIGURE 5.2-2: EASTVALE PUMP STATION SITE

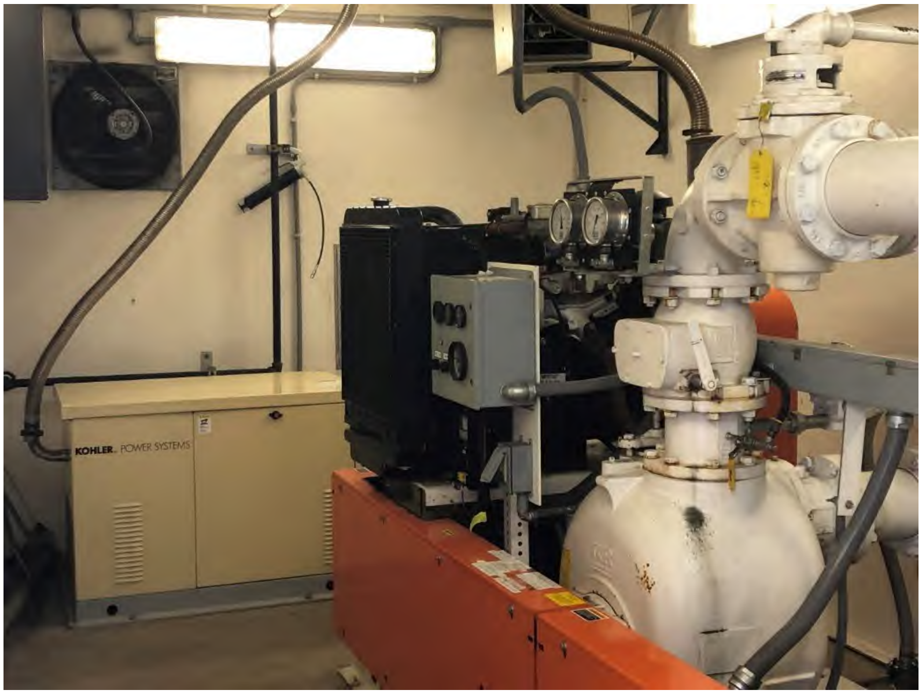


FIGURE 5.2-3: EASTVALE PUMP STATION SUCTION LIFT PUMPS

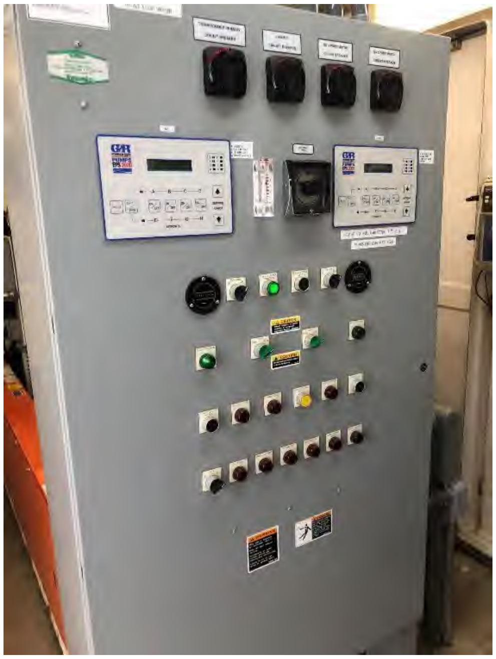


FIGURE 5.2-4: EASTVALE PUMP STATION PUMP CONTROLS

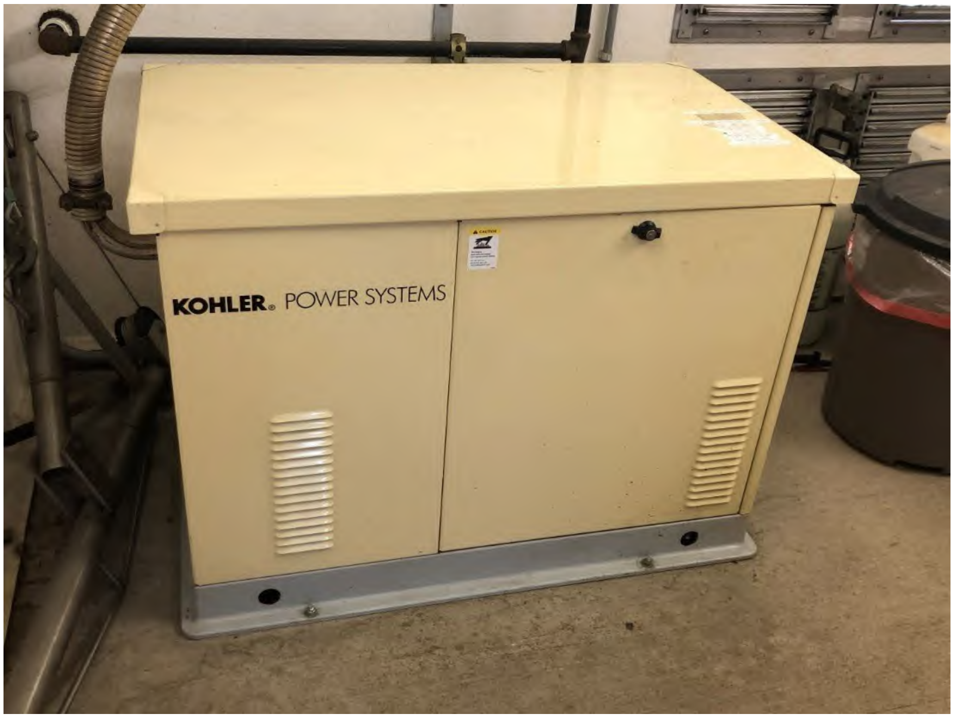


FIGURE 5.2-5: EASTVALE PUMP STATION NATURAL GAS POWERED EMERGENCY GENERATOR

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.

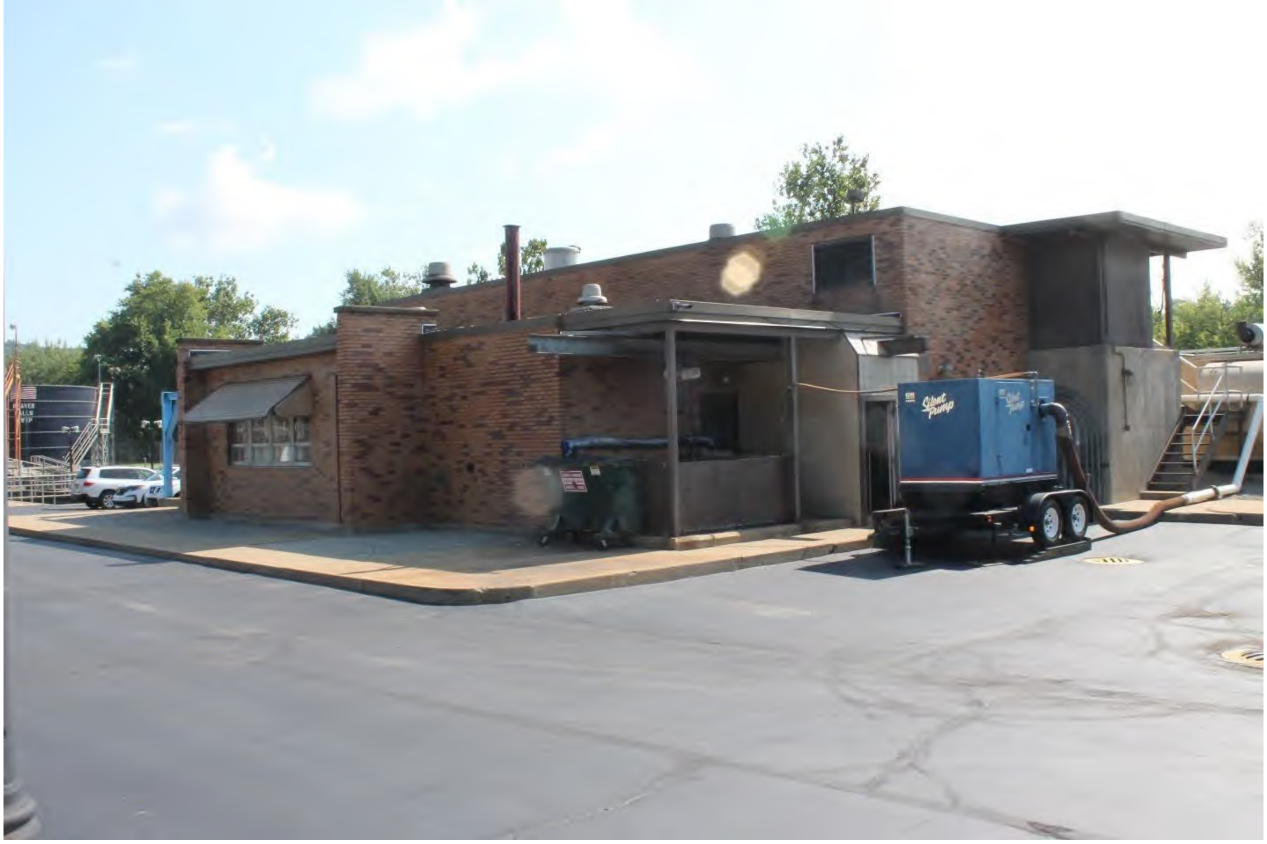


FIGURE 5.3 - 1: HEADWORKS-PRELIMINARY TREATMENT BUILDING

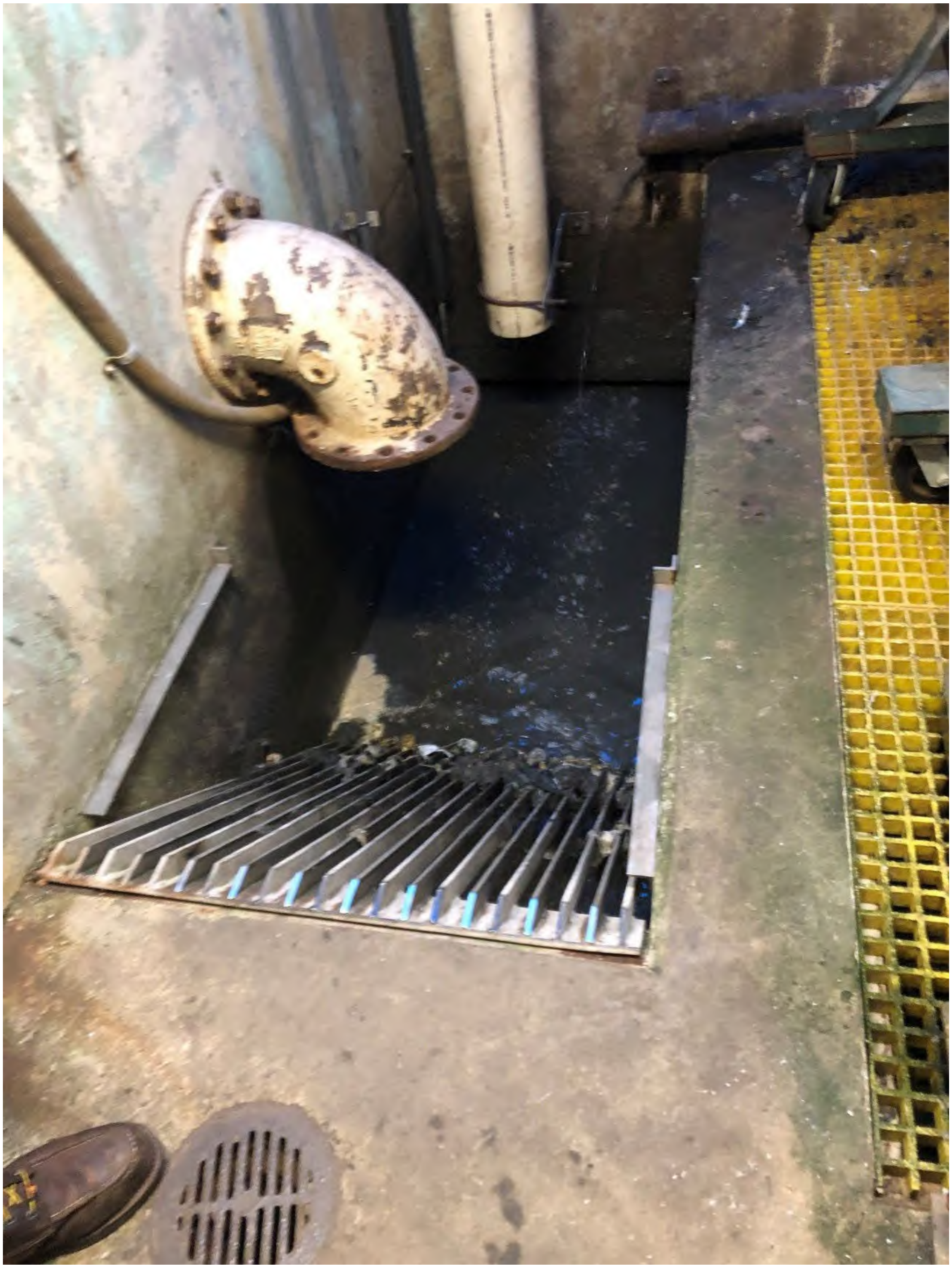


FIGURE 5.3 - 2: MANUAL BAR SCREEN

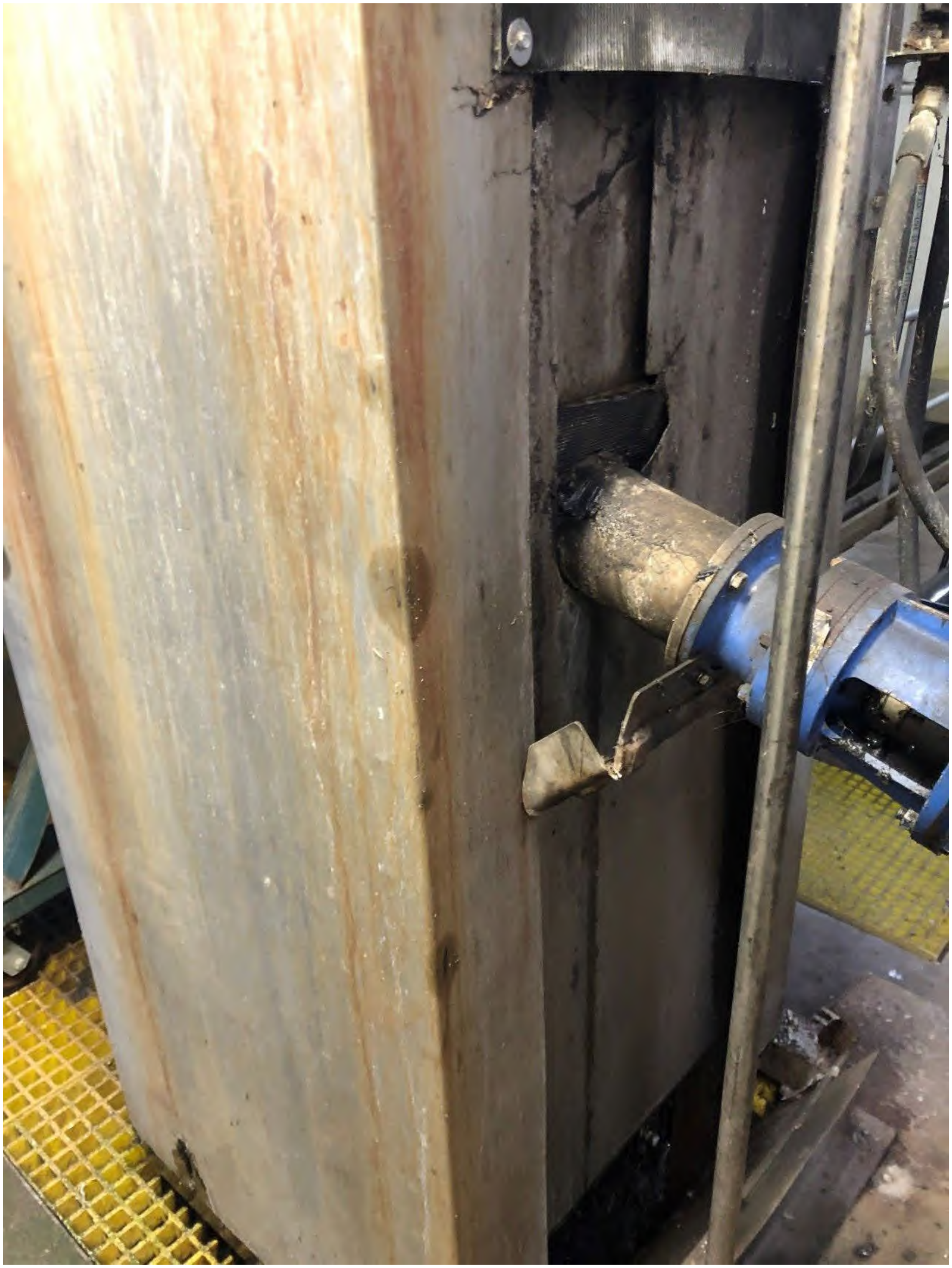


FIGURE 5.3 - 3: MECHANICAL BAR SCREEN

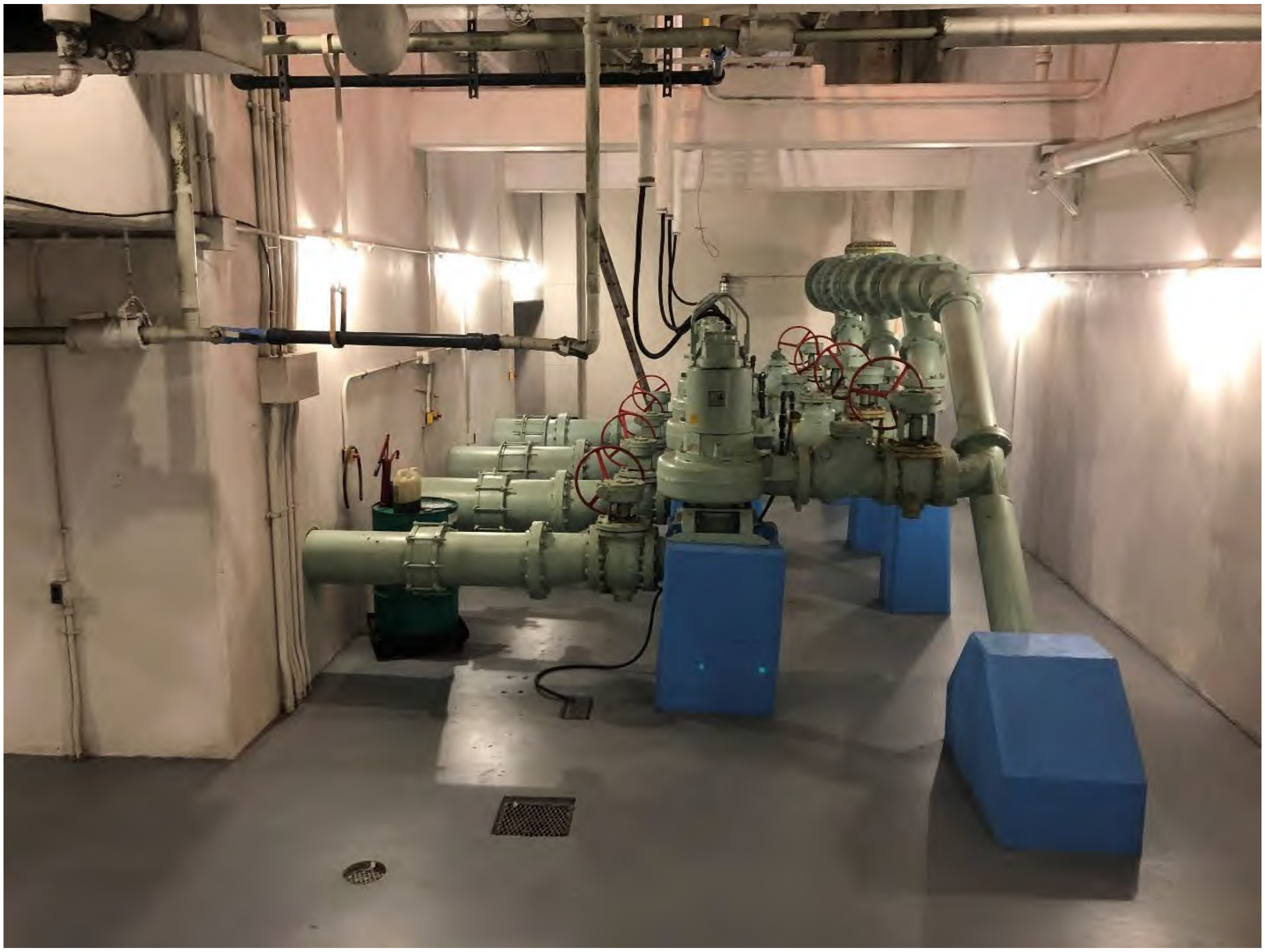


FIGURE 5.3 - 4: RAW SEWAGE PUMPS

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.

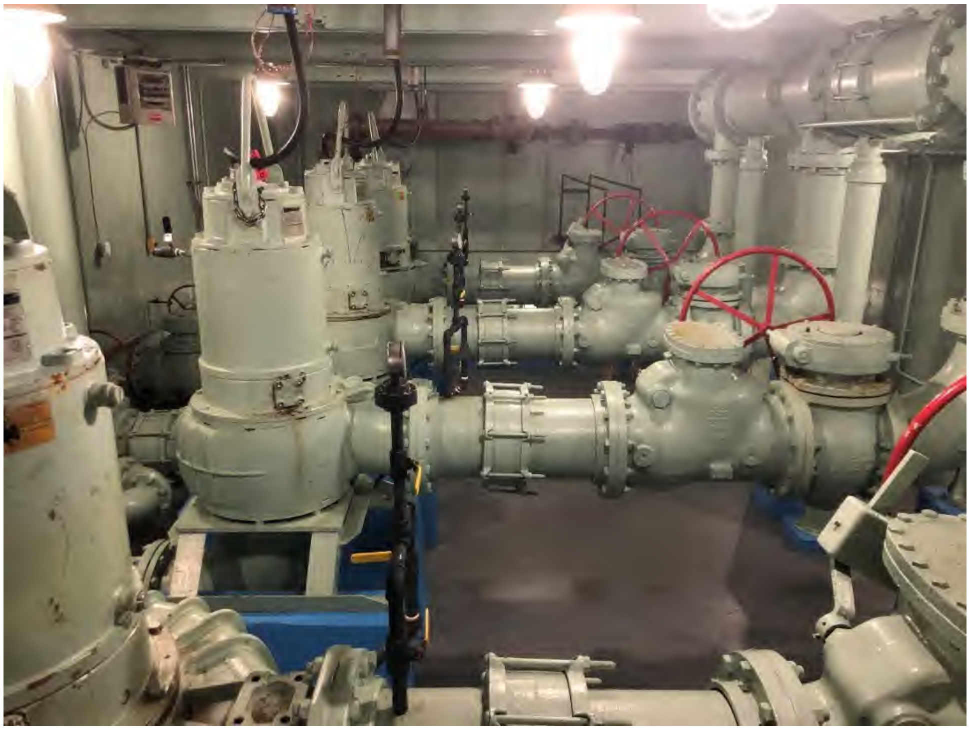


FIGURE 5.3 - 5: SECONDARY/PRIMARY EFFLUENT PUMPS

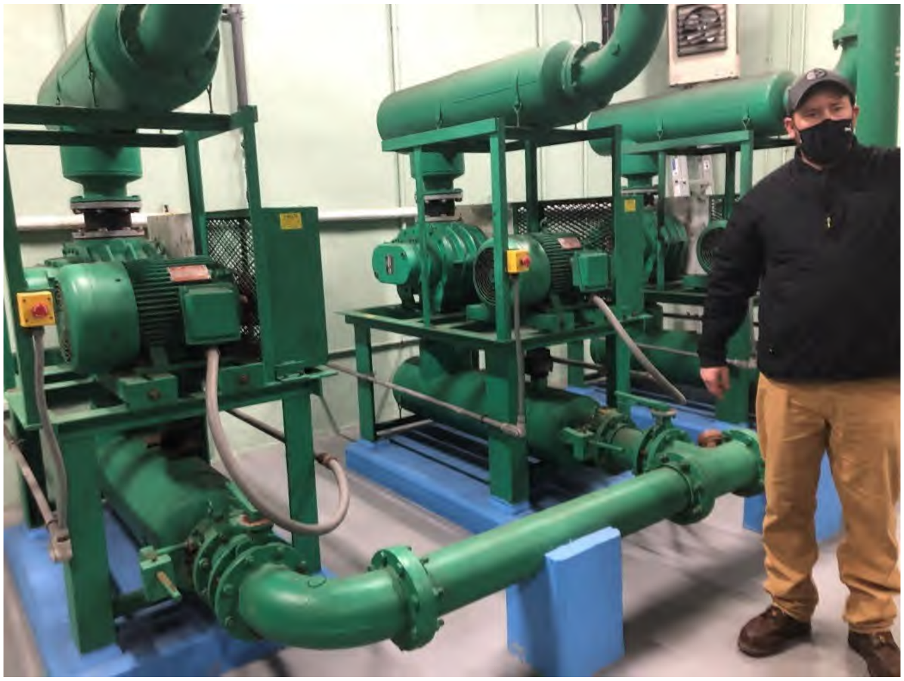


FIGURE 5.3 - 6: PROCESS BLOWERS

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.

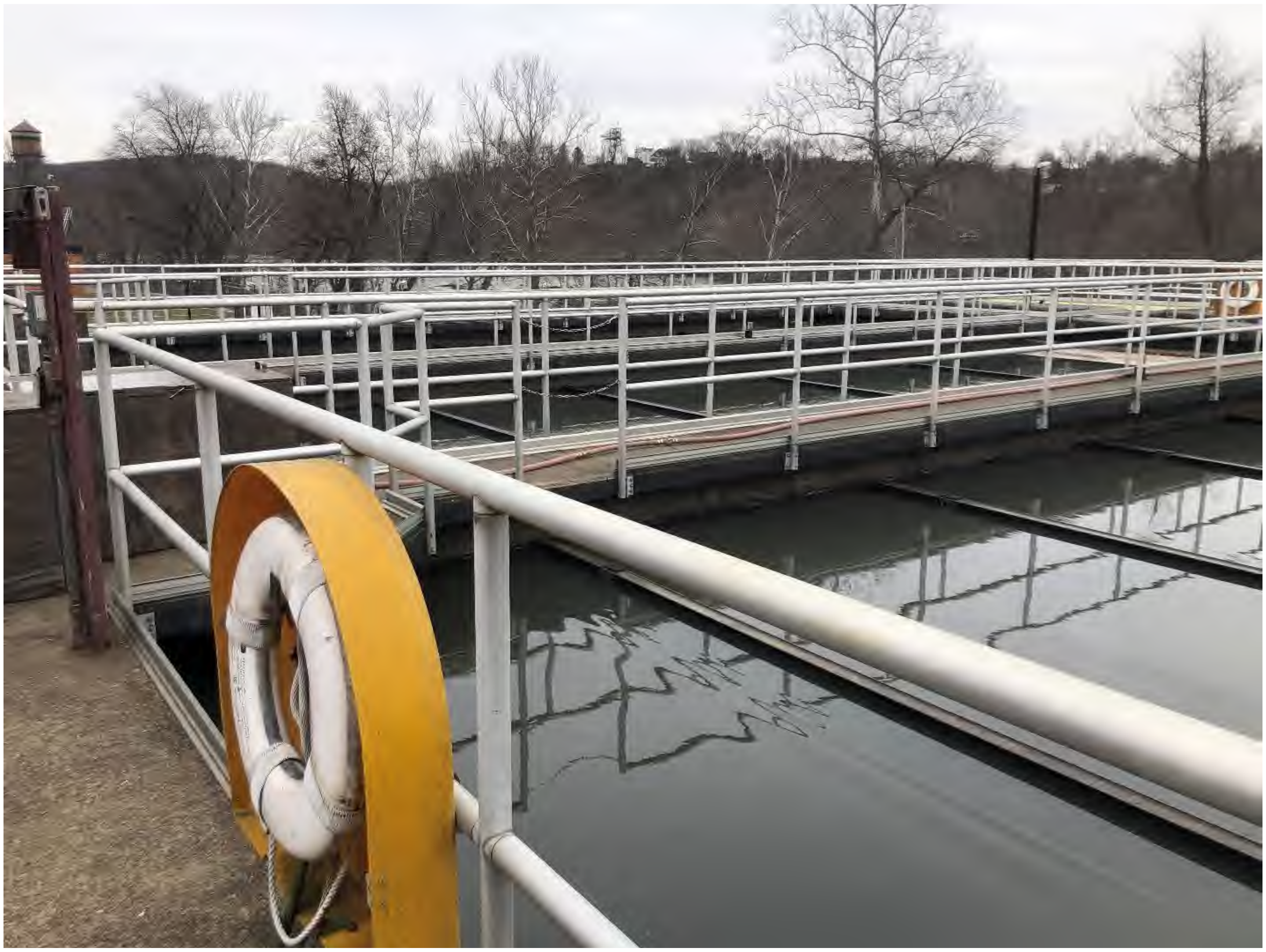


FIGURE 5.3 - 7: PRIMARY SETTLING TANKS-TOP VIEW

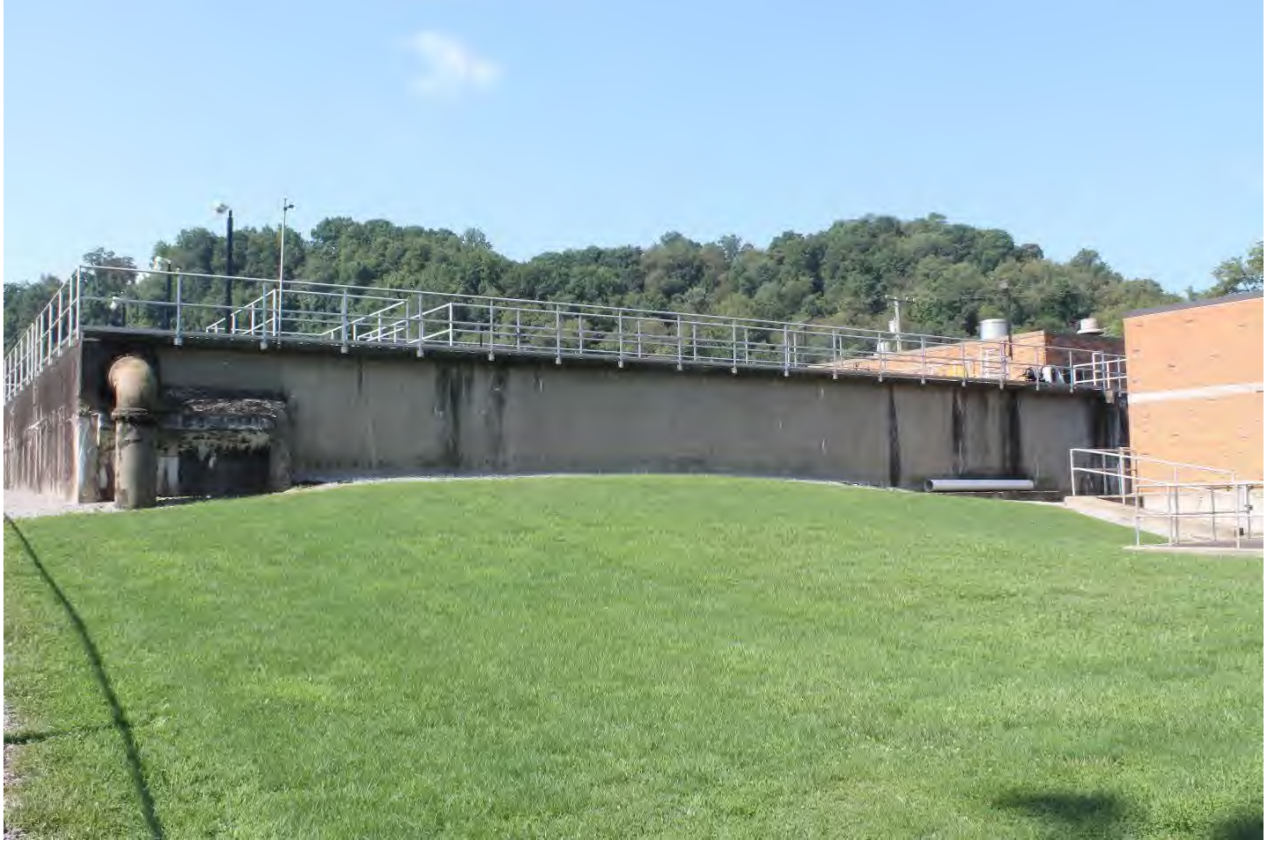


FIGURE 5.3 - 8: PRIMARY SETTLING TANKS-SIDE VIEW

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.

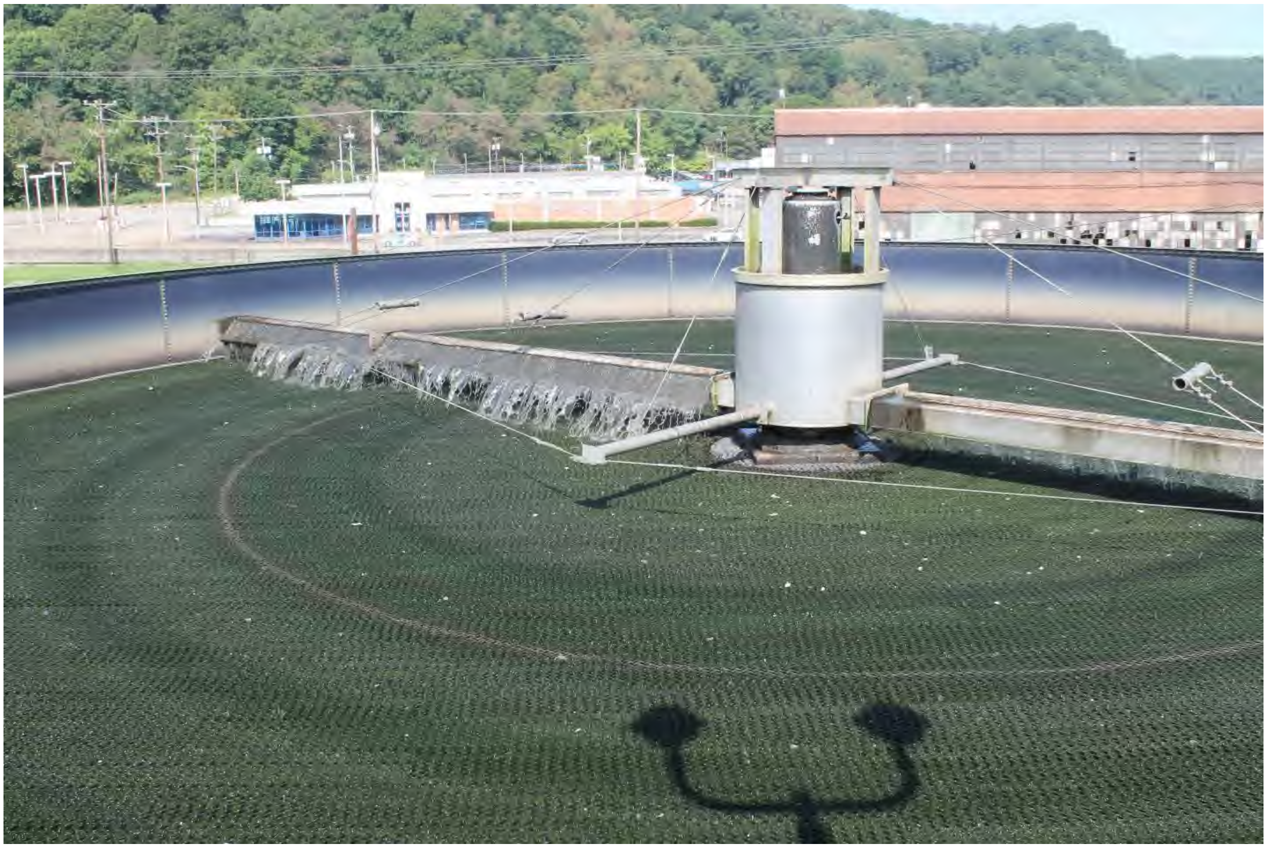


FIGURE 5.3 - 9: OXIDATION TOWER-TOP VIEW

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.

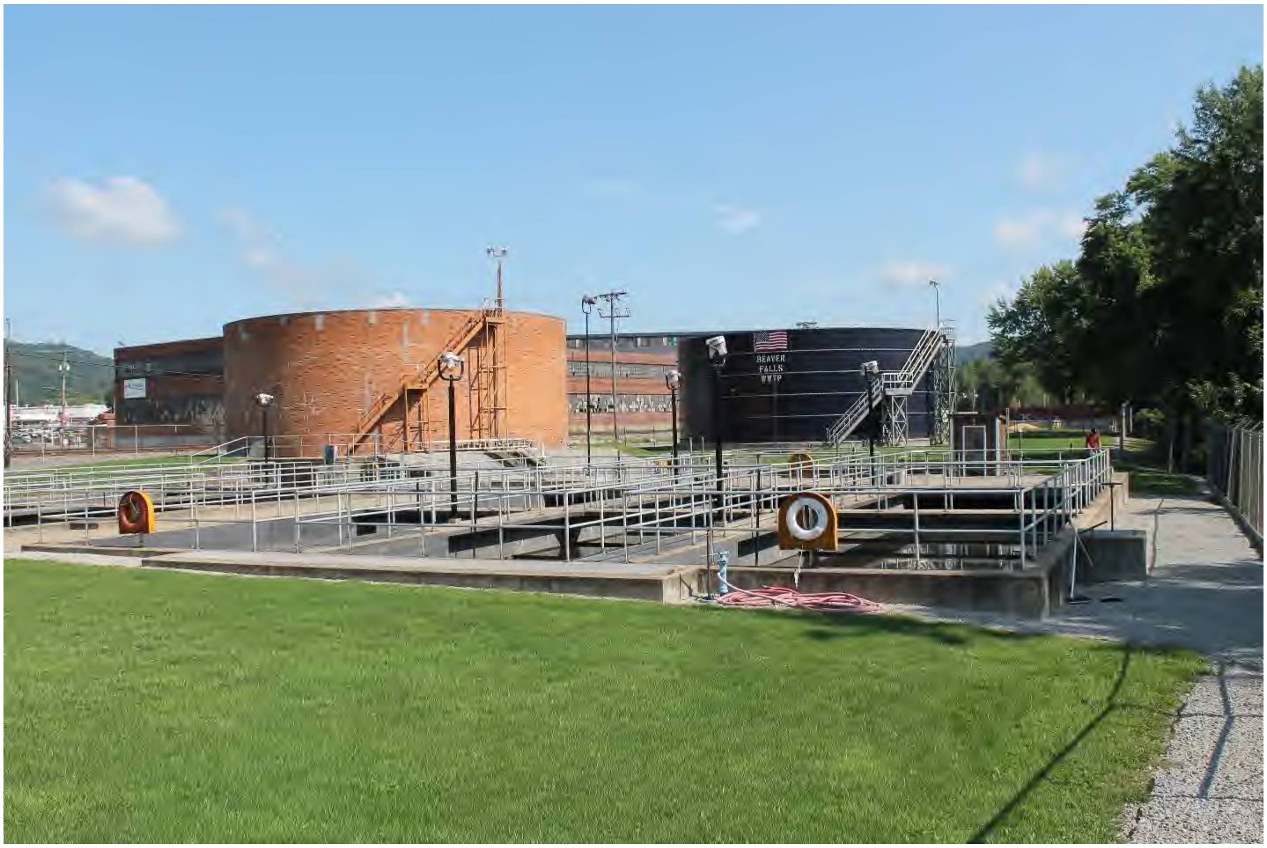


FIGURE 5.3 - 10: SECONDARY SETTLING TANKS AND OXIDATION TOWERS

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.

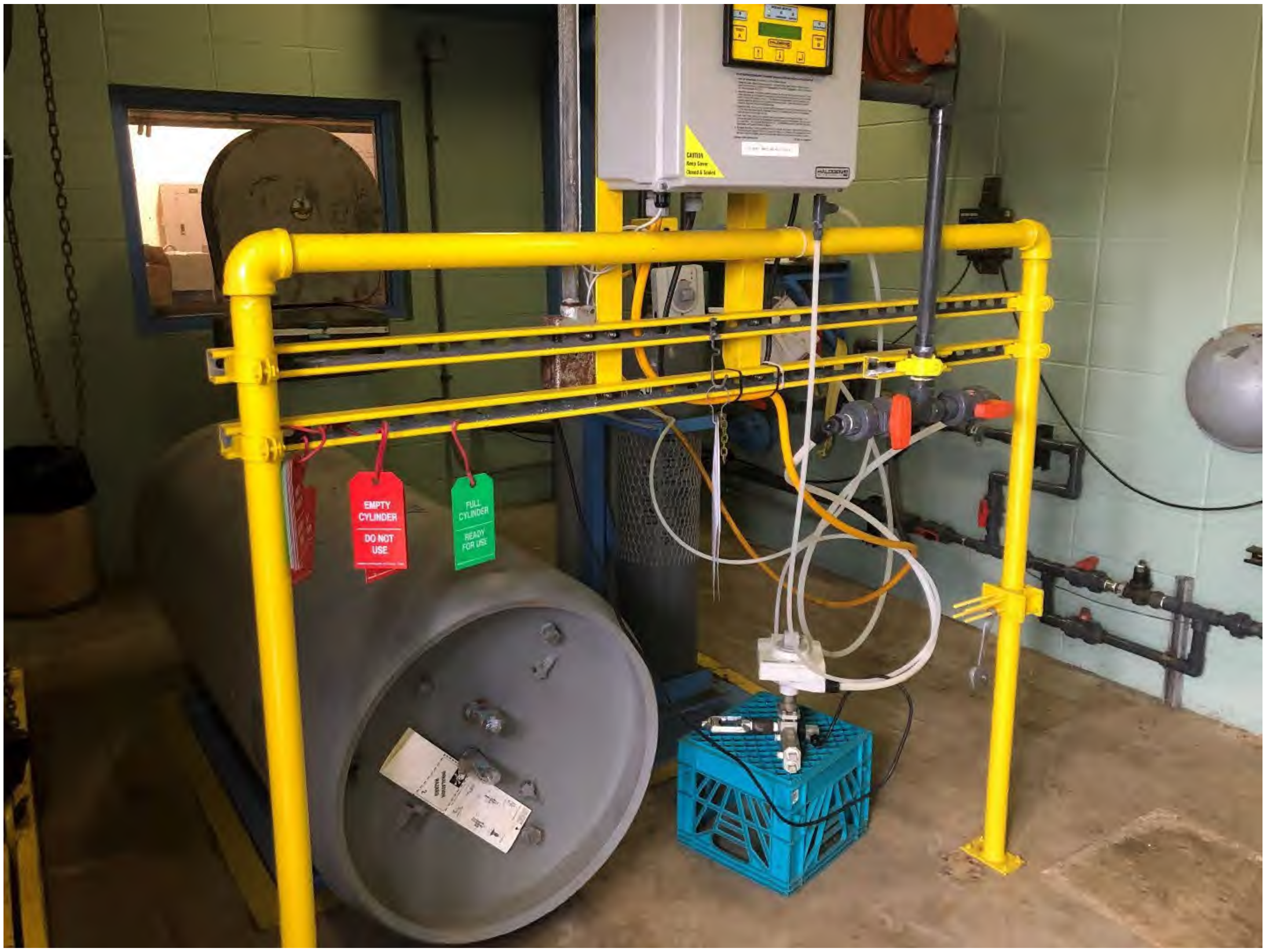

EMPTY CYLINDER
DO NOT USE
FULL CYLINDER
READY FOR USE

FIGURE 5.3 - 11: CHLORINE SCALES

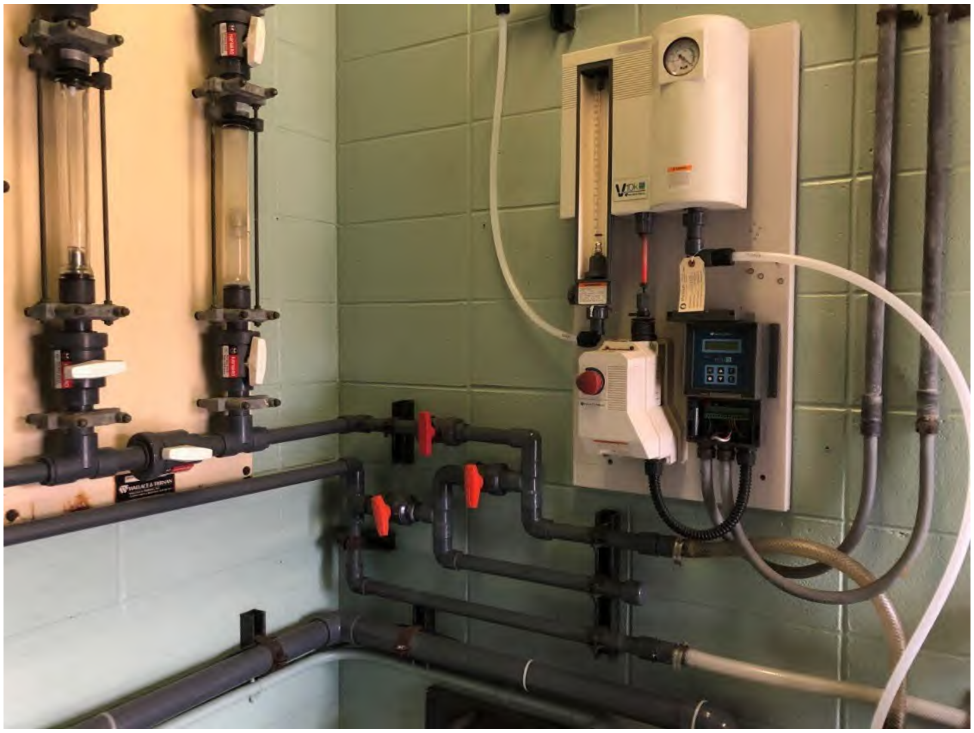


FIGURE 5.3 - 12: CHLORINATOR

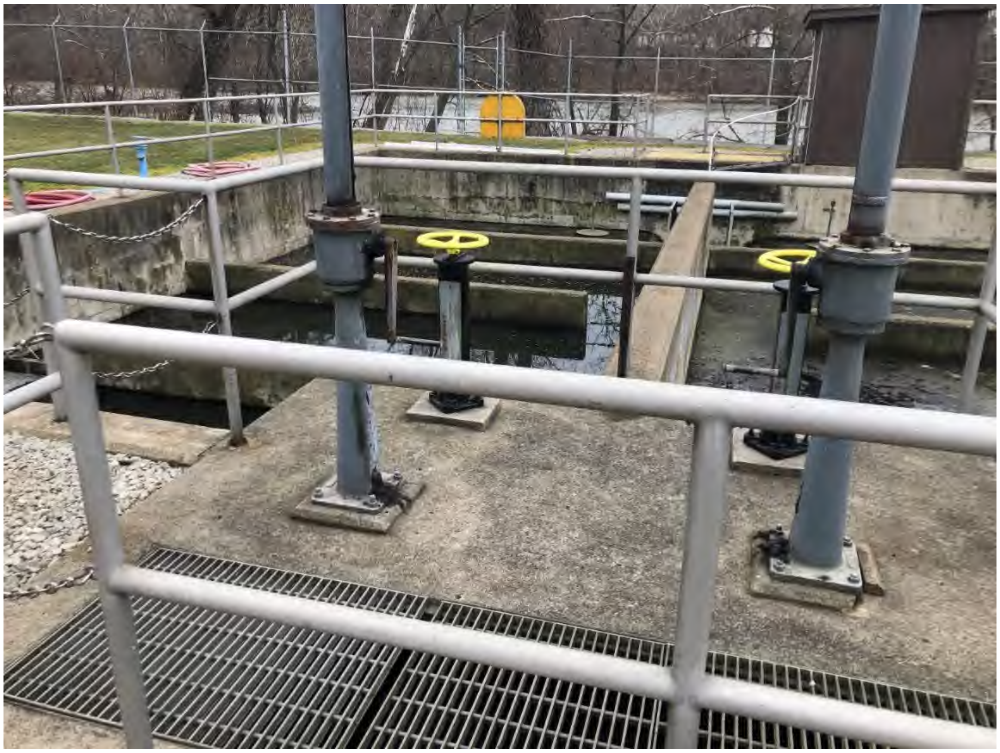


FIGURE 5.3 - 13: CHLORINE CONTACT TANKS-TOP VIEW

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.

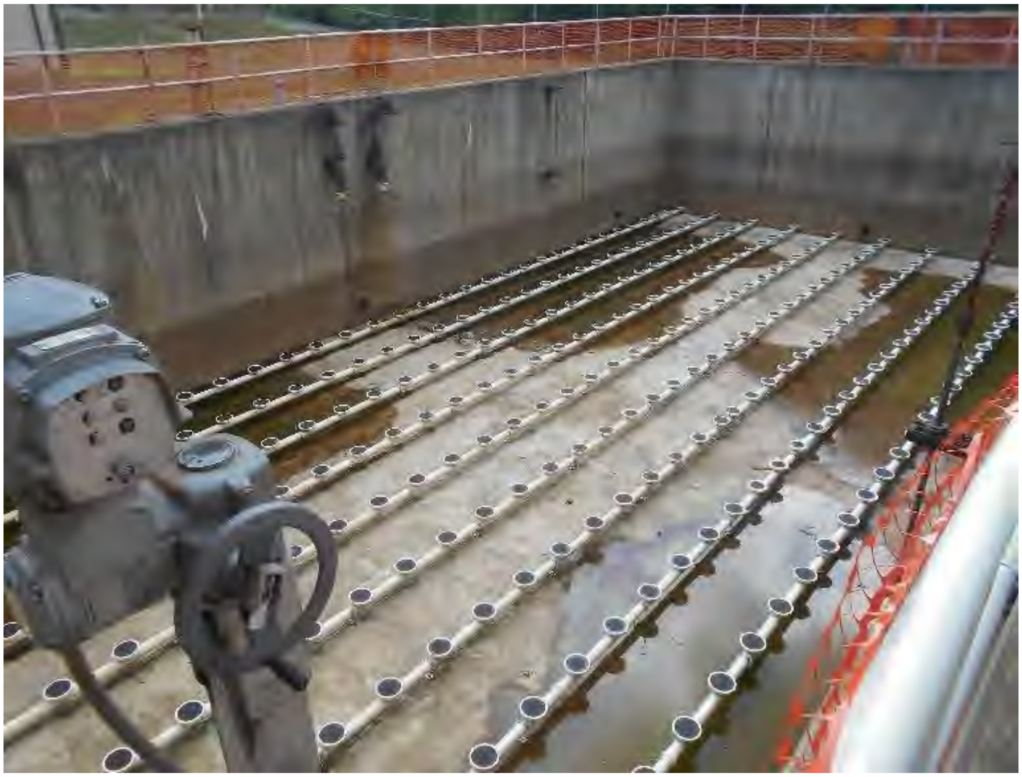


FIGURE 5.3 - 14: SLUDGE THICKENING TANK

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.

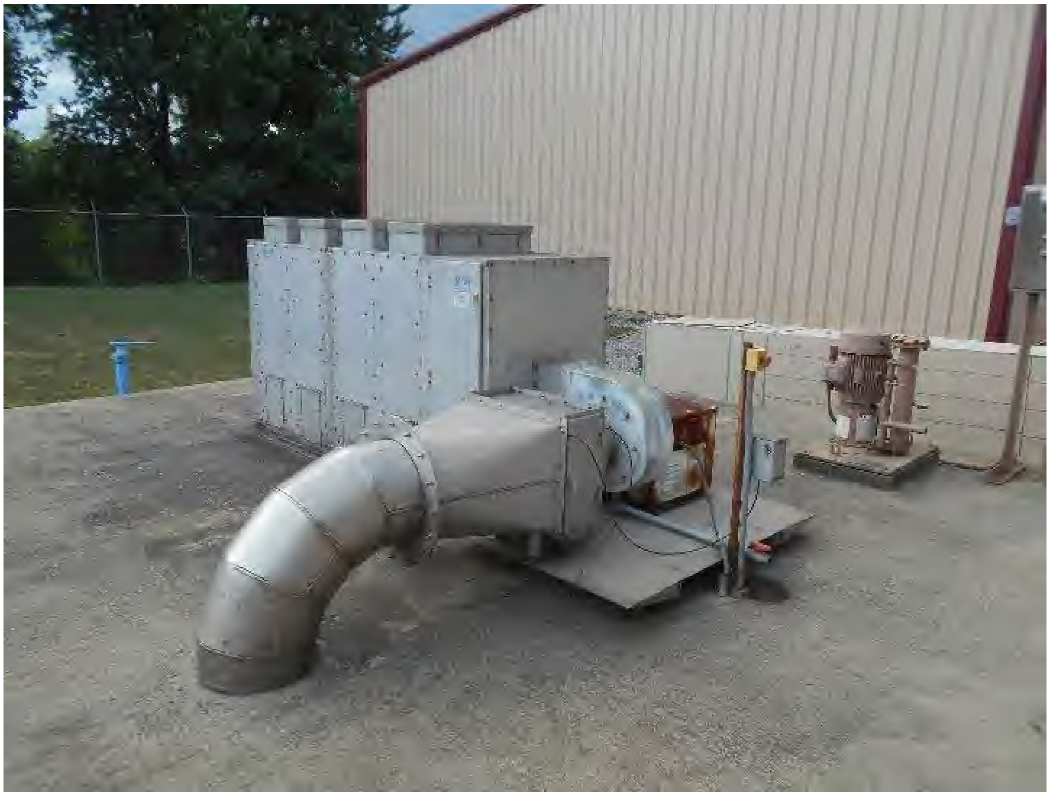


FIGURE 5.3 - 15: THICKENED SLUDGE TANK AND AIR SCRIBBER - TOP VIEW

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.

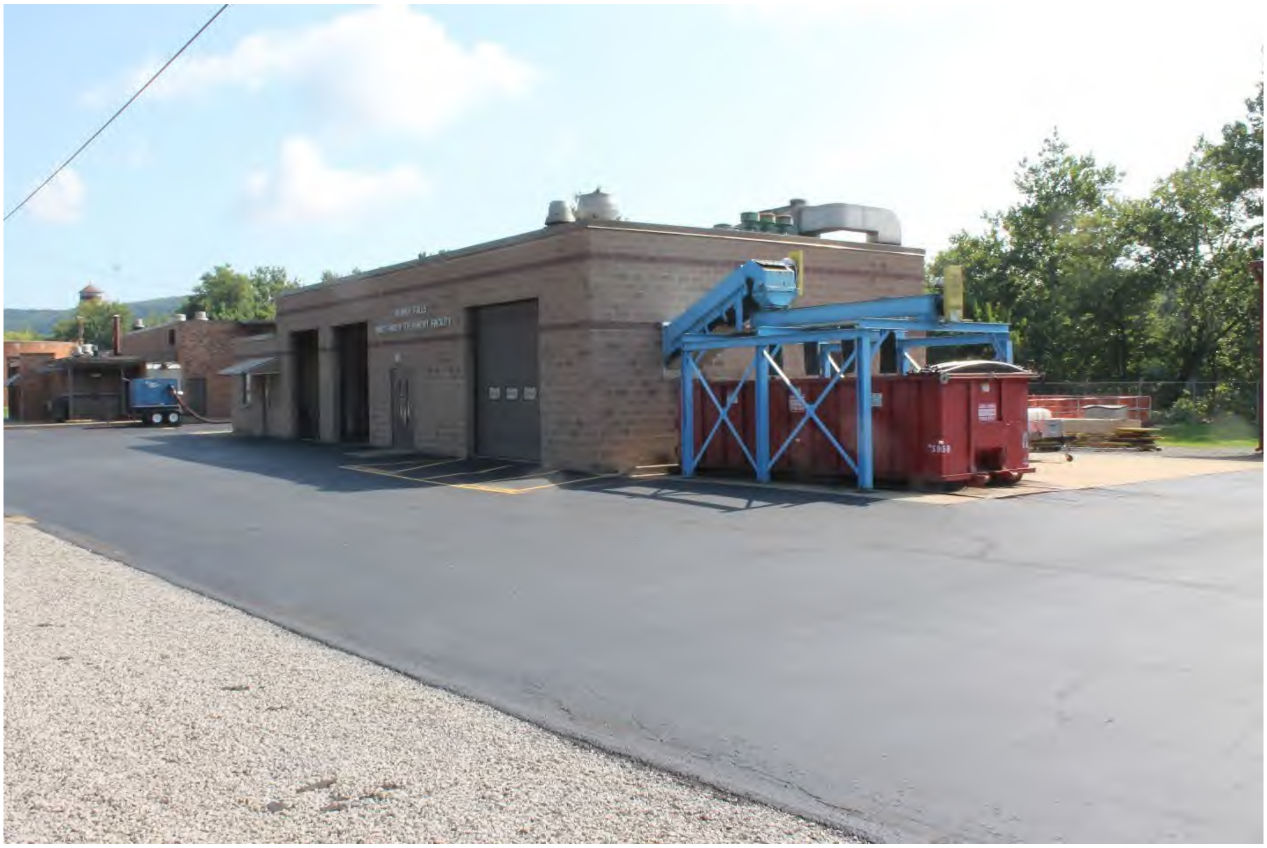


FIGURE 5.3 - 16: SLUDGE DEWATERING BUILDING AND SLUDGE CAKE ROLLOFF BOX

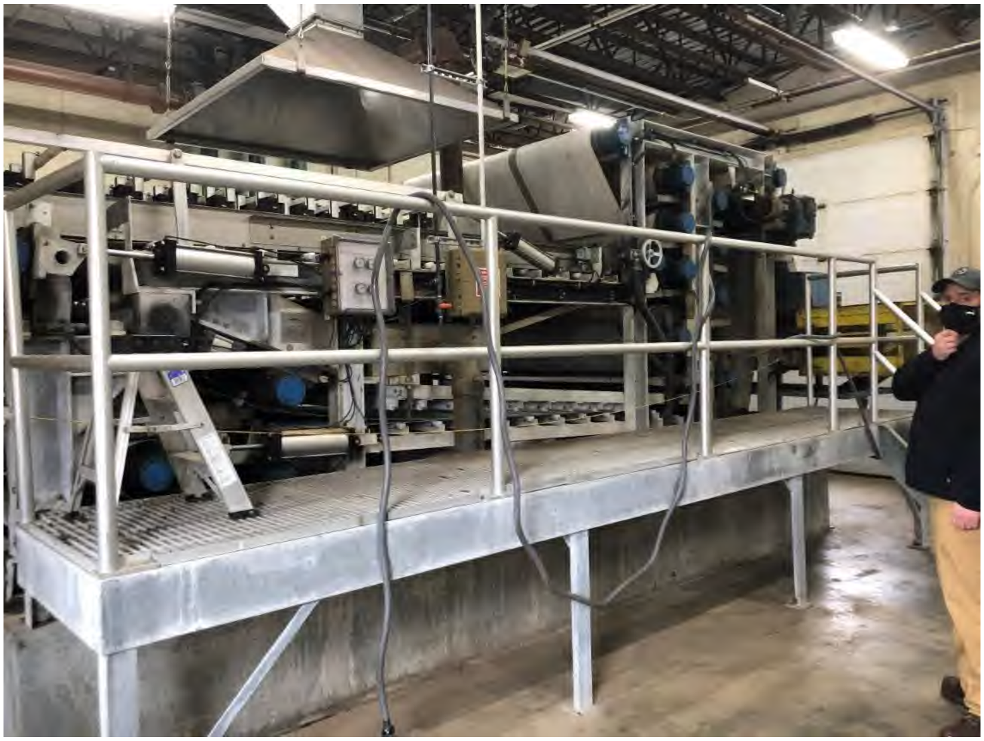


FIGURE 5.3 - 17: BELT FILTER PRESS

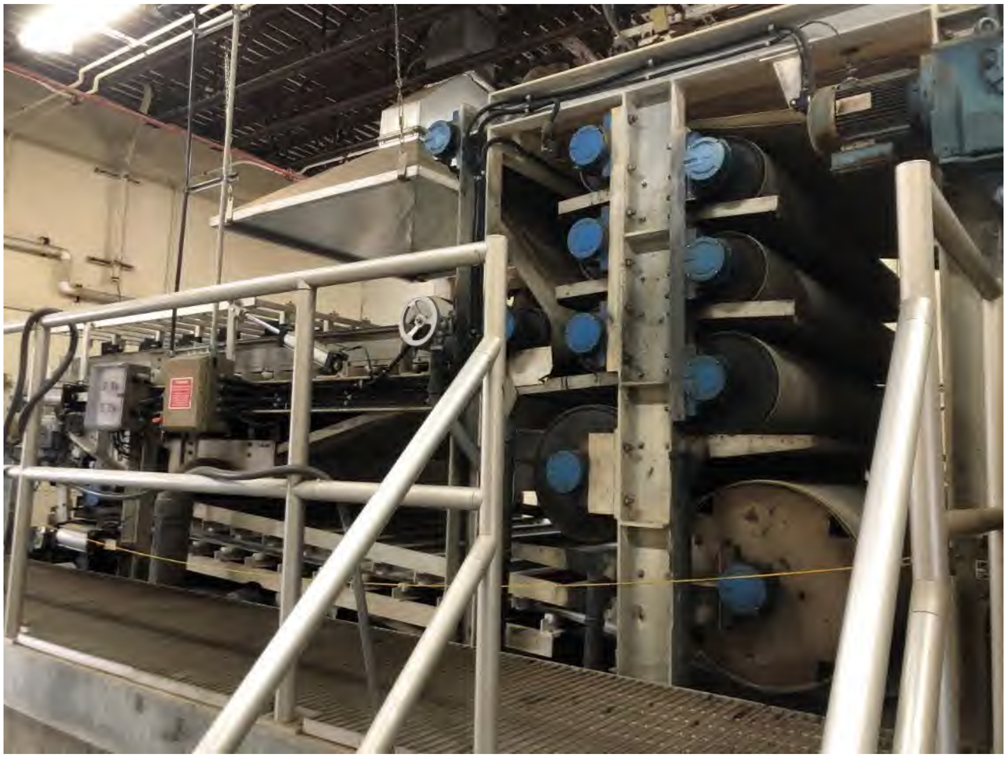


FIGURE 5.3 - 18: BELT FILTER PRESS

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.

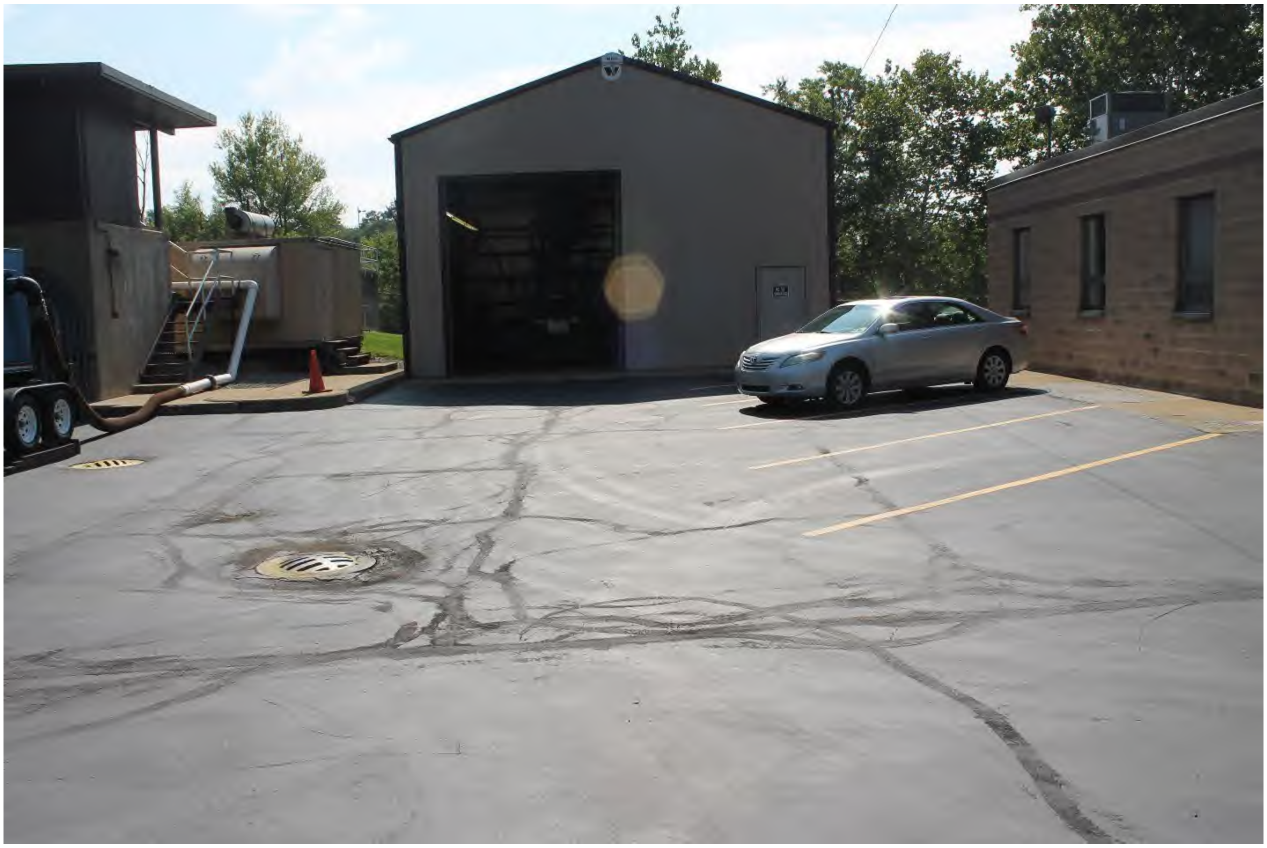


FIGURE 5.3 - 19: RESIDUALS HANDLING BUILDING

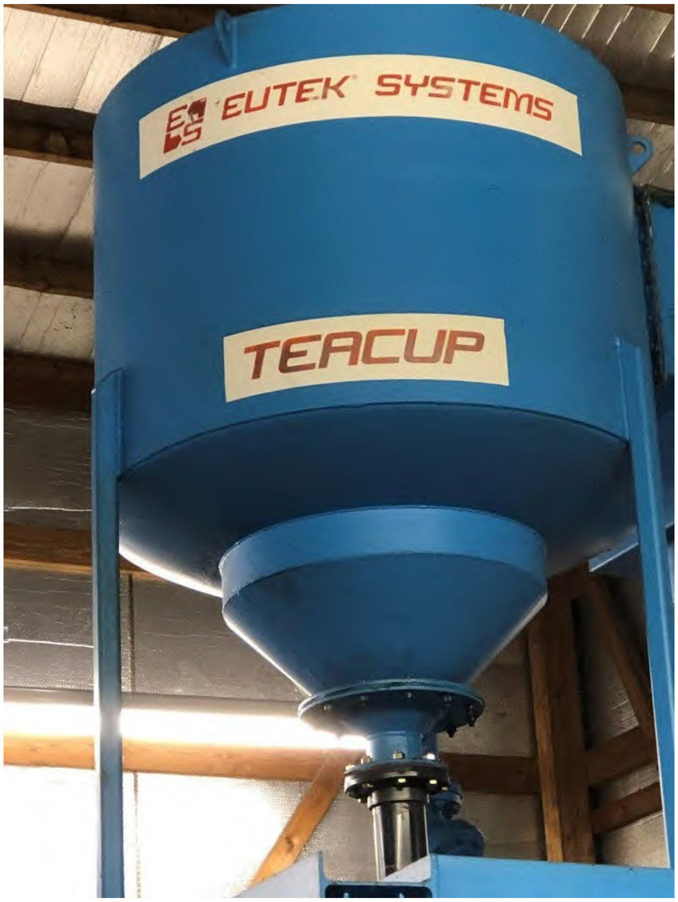

EUTEK SYSTEMS
TEACUP

FIGURE 5.3 - 20: GRIT SEPARATOR EQUIPMENT

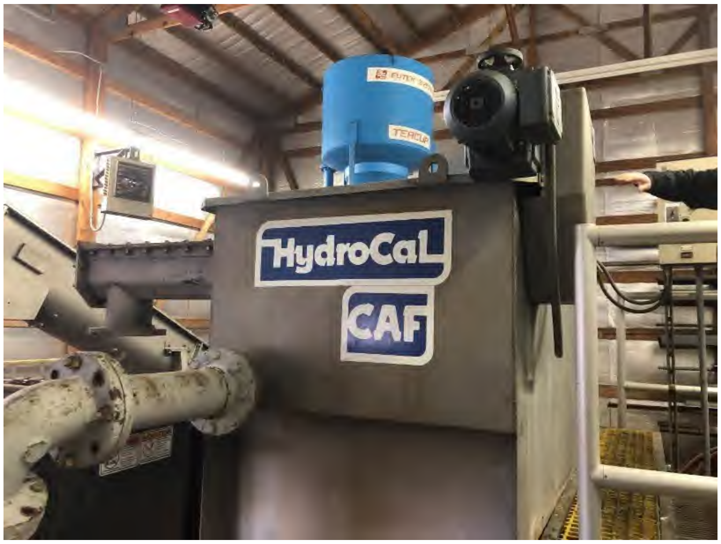

HydroCaL
CAF
TEACUP

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.

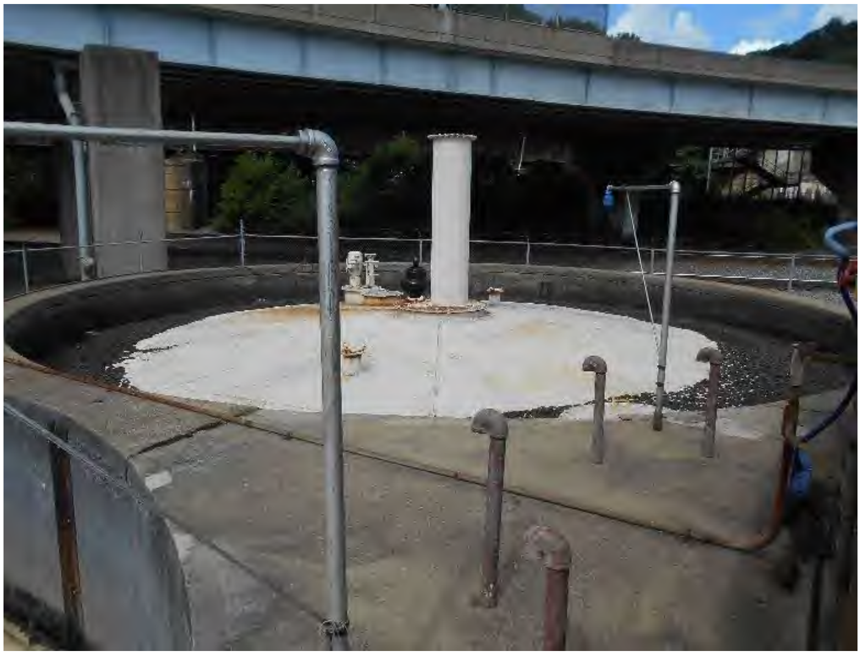


FIGURE 5.3 - 22: ANAEROBIC DIGESTER – TOP VIEW - FLOATING COVER

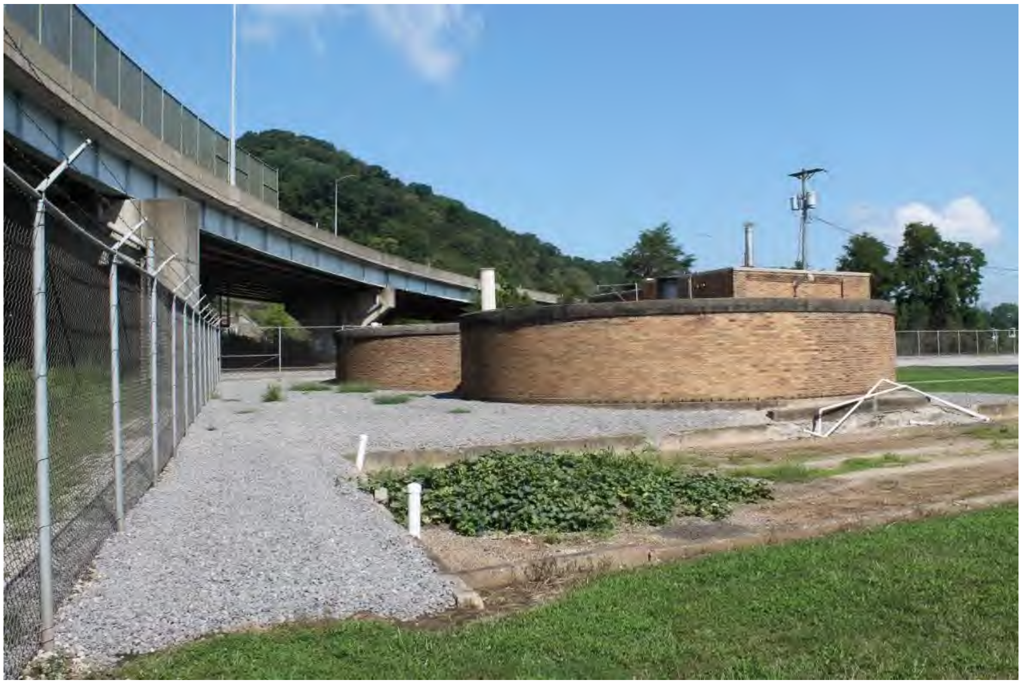


FIGURE 5.3 - 23: ANAEROBIC DIGESTER TANKS - SIDE VIEW

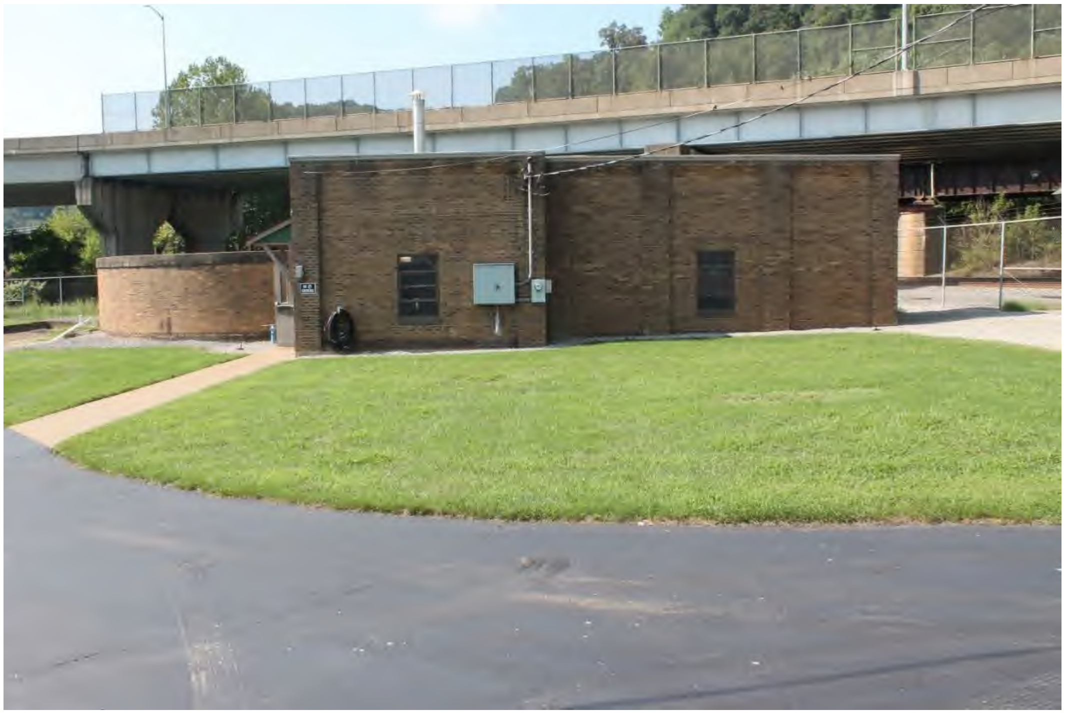


FIGURE 5.3 - 24: DIGESTER BUILDING

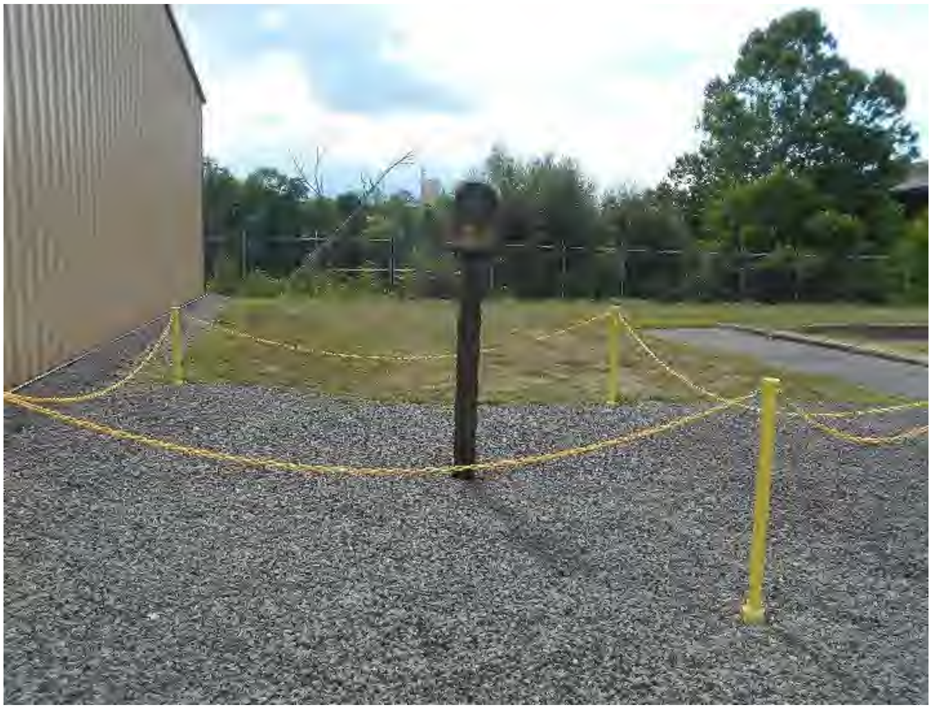


FIGURE 5.3 - 25: DIGESTER WASTE GAS BURNER

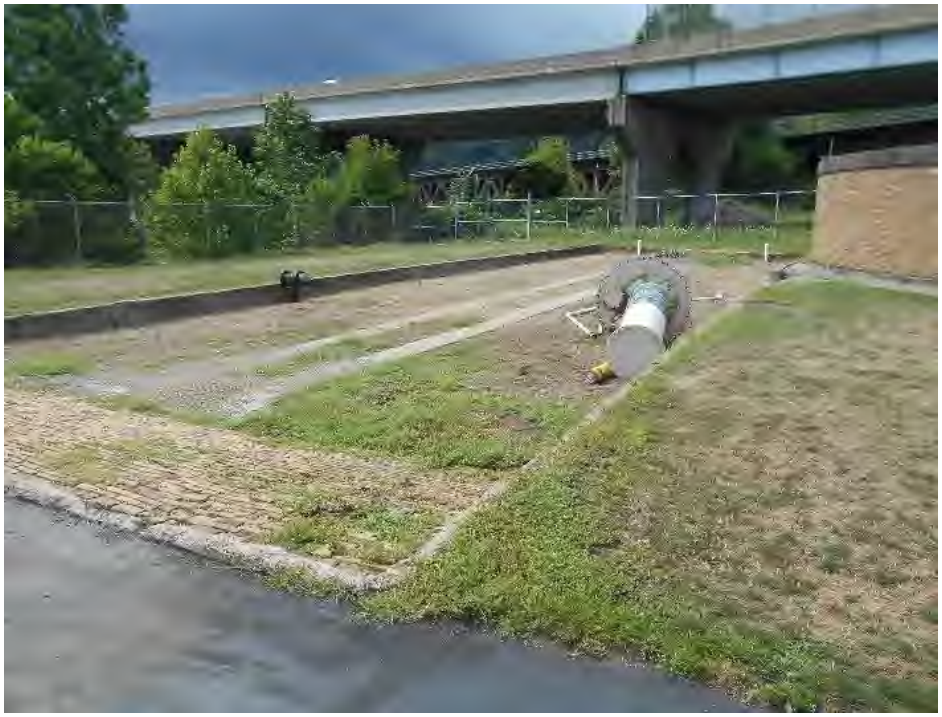


FIGURE 5.3 - 26: REMAINING SLUDGE DRYING BED

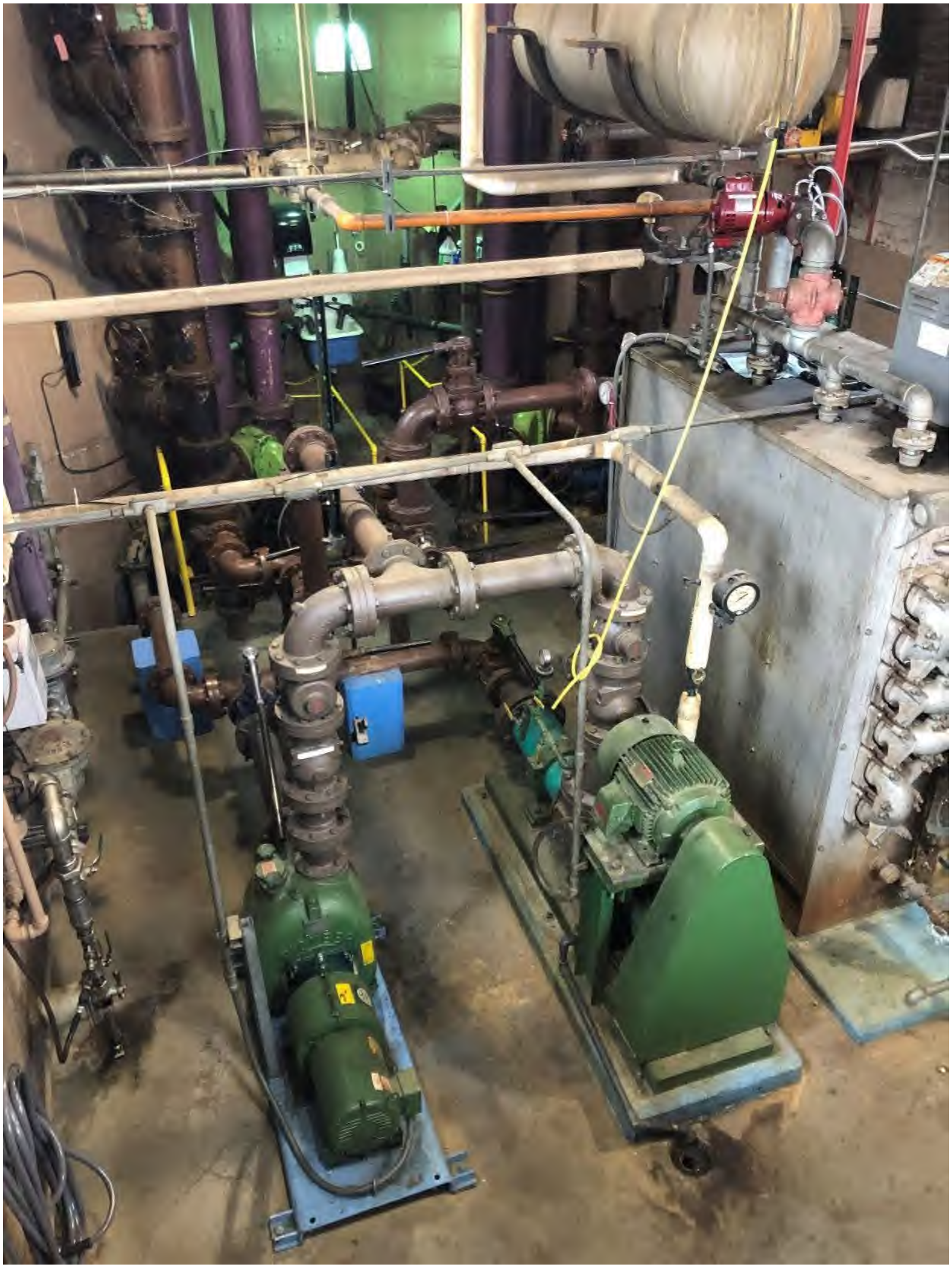


FIGURE 5.3 - 27: ANAEROBIC DIGESTER PIPING AND EQUIPMENT

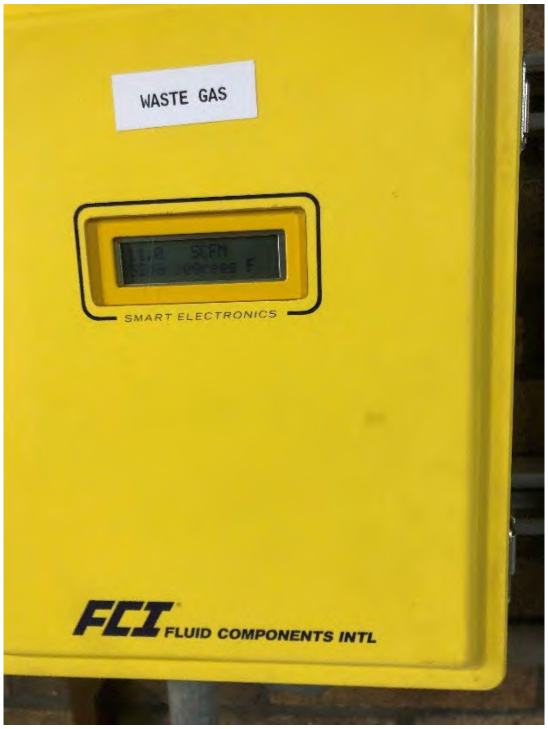

WASTE GAS
SMART ELECTRONICS
FCI FLUID COMPONENTS INTL

FIGURE 5.3 - 28: ANAEROBIC DIGESTER WASTE GAS METER

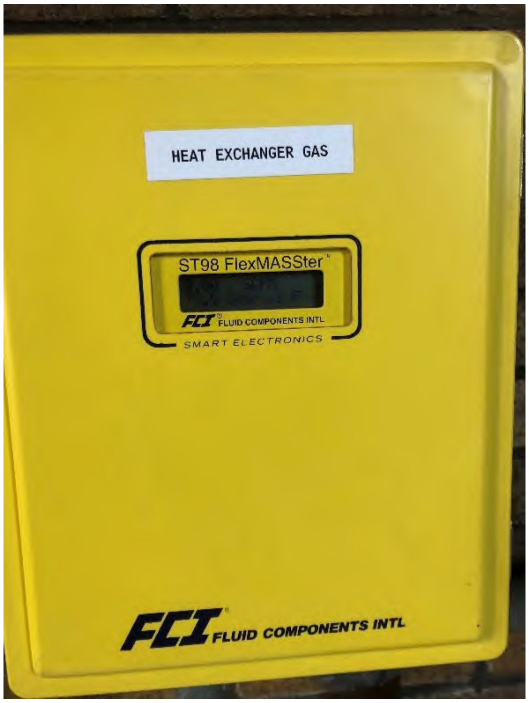

HEAT EXCHANGER GAS
ST98 FlexMASSter
FCI FLUID COMPONENTS INTL
SMART ELECTRONICS
FCI FLUID COMPONENTS INTL

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.

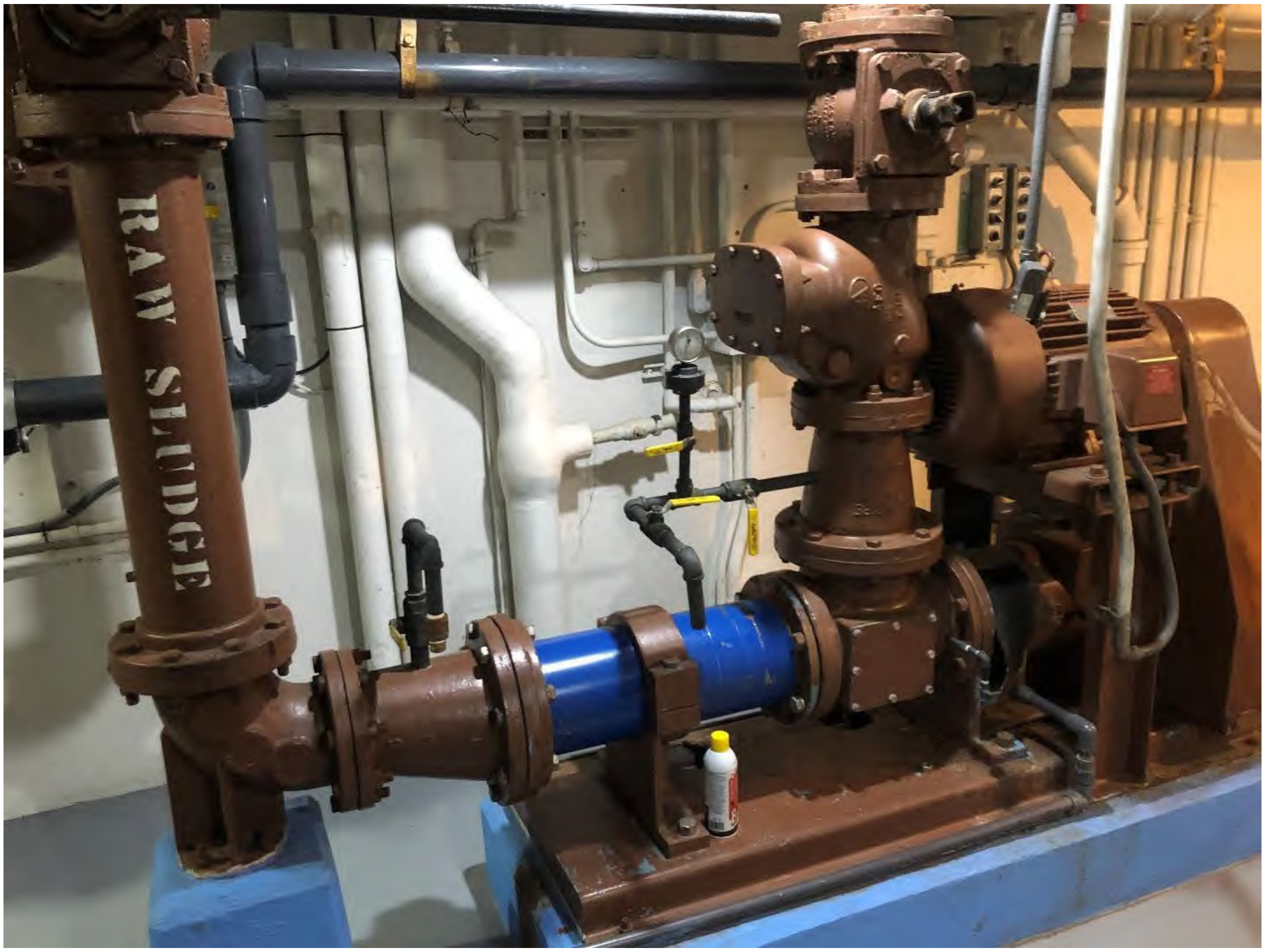


FIGURE 5.3 - 30: SLUDGE TRANSFER PUMPS

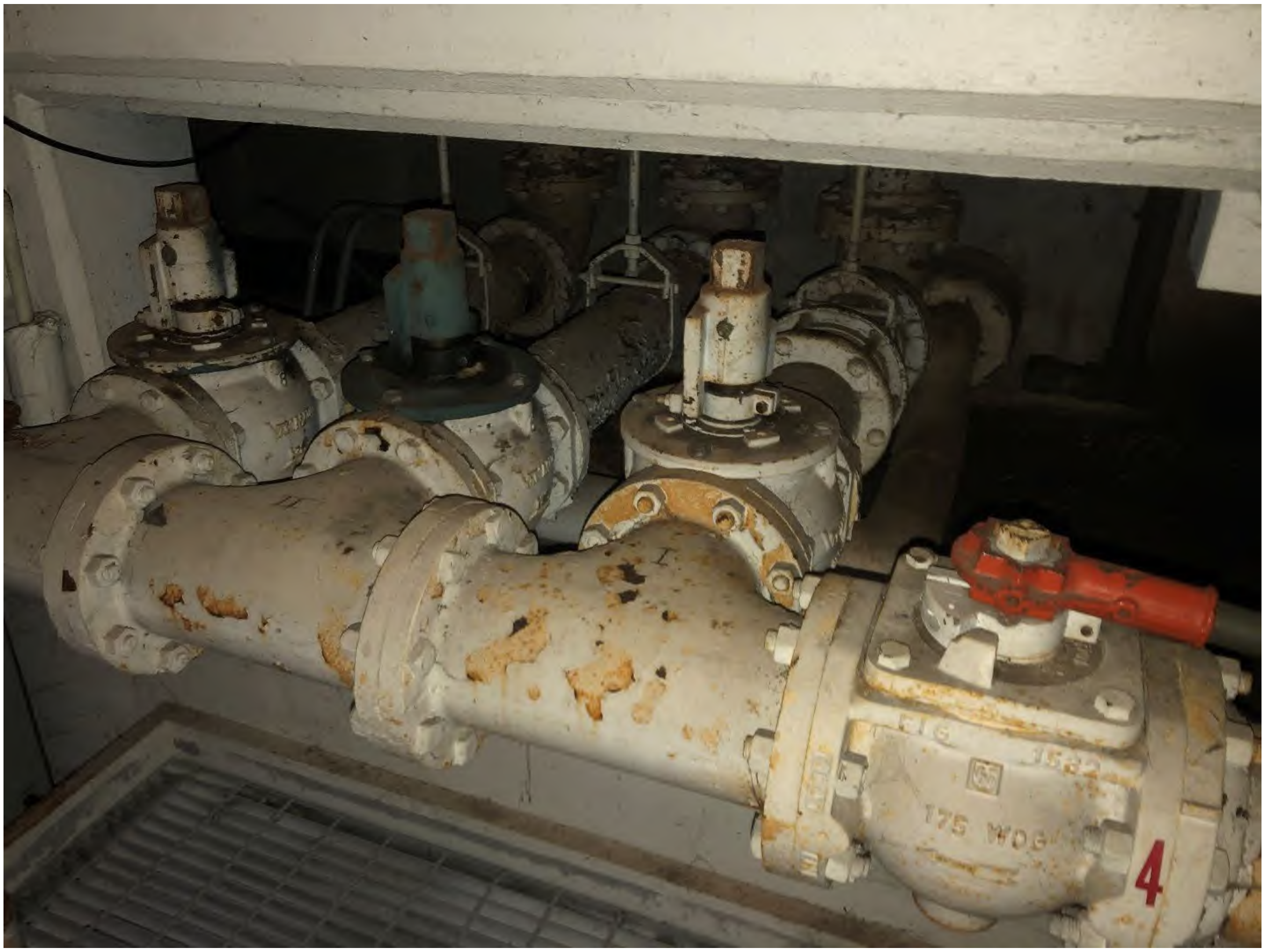


FIGURE 5.3 - 31: PRIMARY TANK FEED PIPING

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.

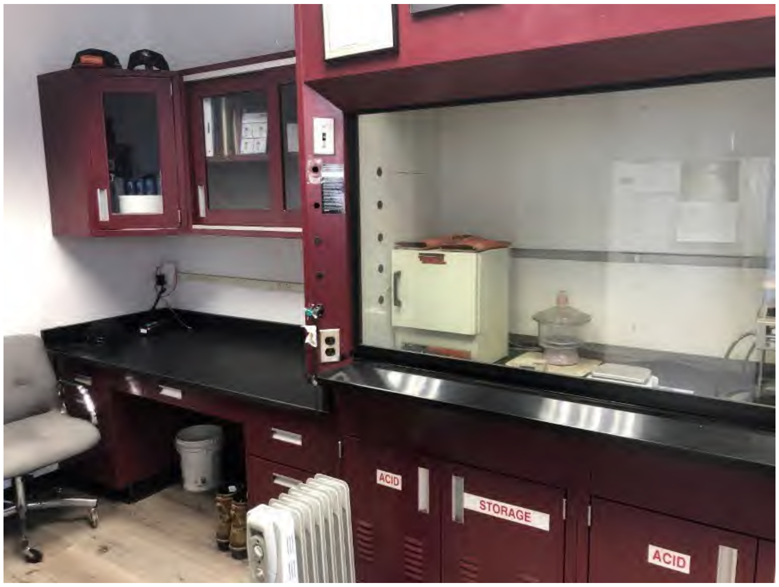


FIGURE 5.3 - 32: LAB FUME HOOD

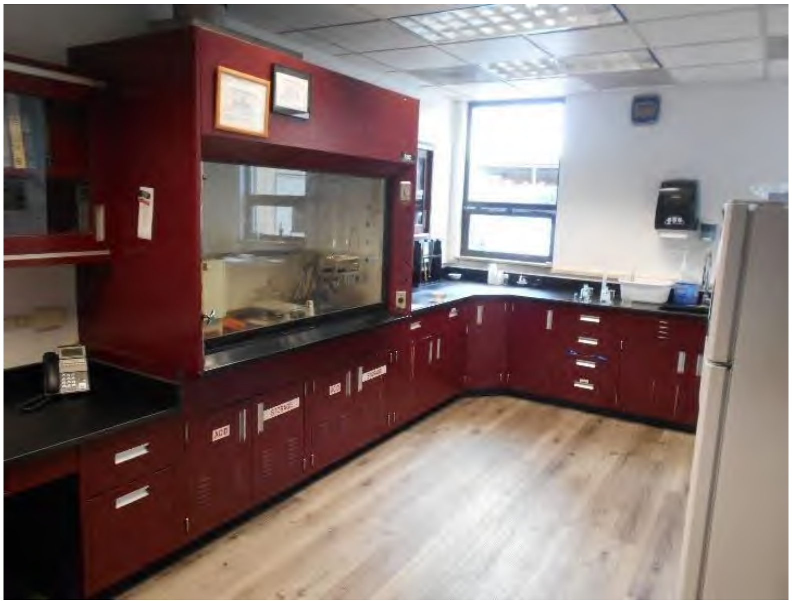


FIGURE 5.3 - 33: LAB CASEWORK AND FUME HOOD

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.

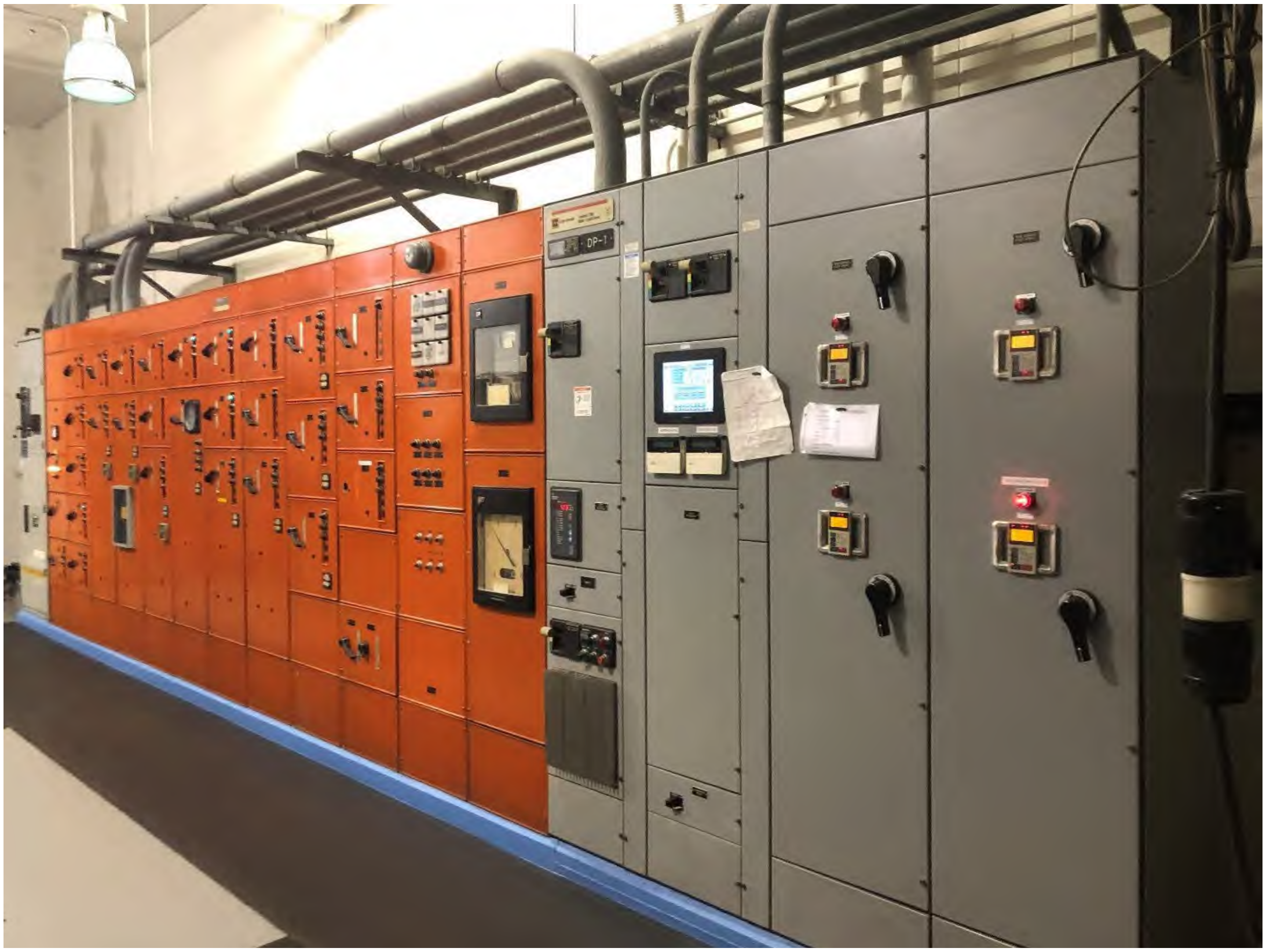


FIGURE 5.3 - 34: MOTOR CONTROL CENTERS

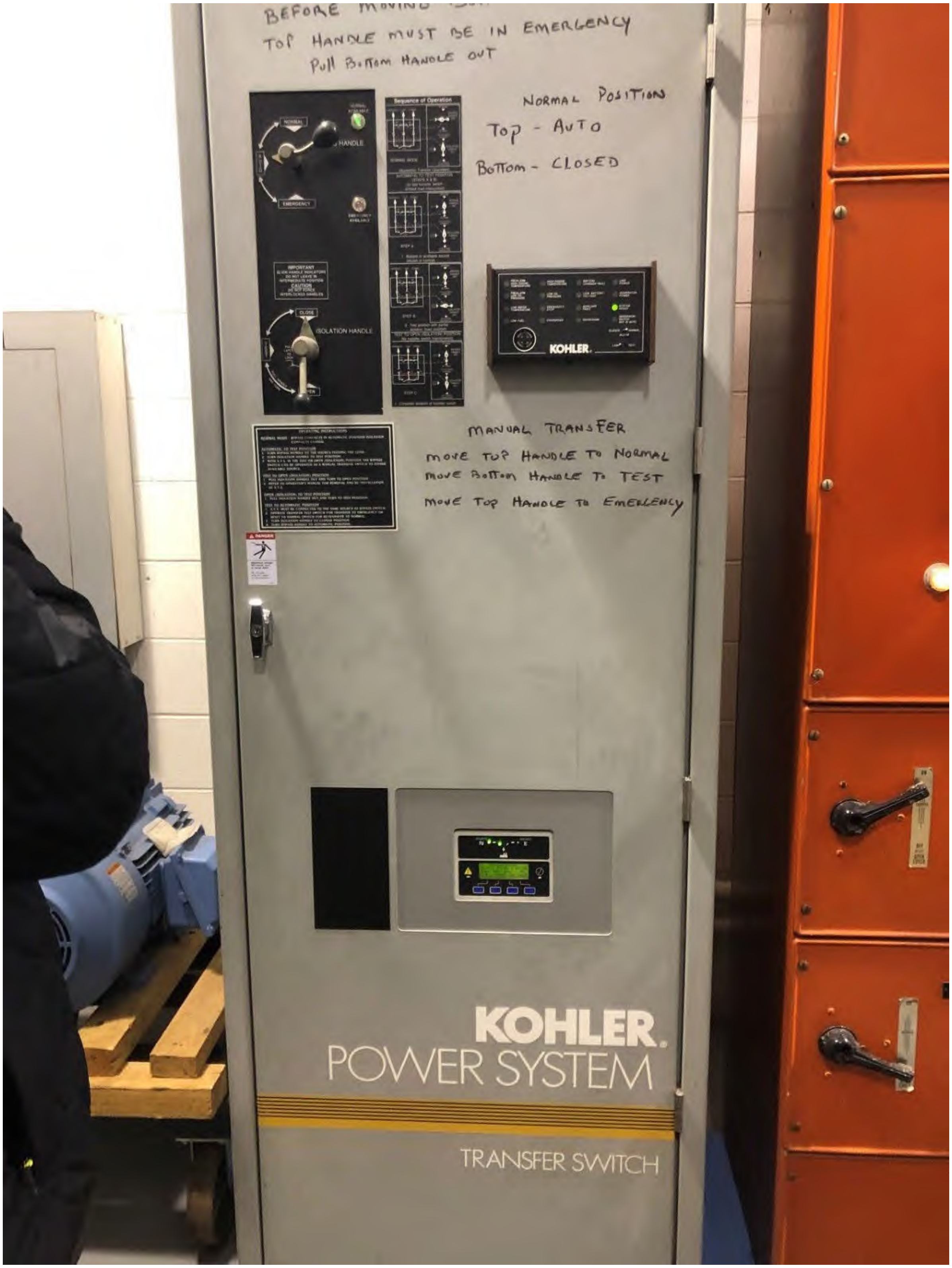

BEFORE MOVING
TOP HANDLE MUST BE IN EMERGENCY
PULL BOTTOM HANDLE OUT
NORMAL POSITION
TOP - AUTO
BOTTOM - CLOSED
Sequence of Operation
NORMAL
HANDLE
EMERGENCY
CLOSE
ISOLATION HANDLE
KOHLER
MANUAL TRANSFER
MOVE TOP HANDLE TO NORMAL
MOVE BOTTOM HANDLE TO TEST
MOVE TOP HANDLE TO EMERGENCY
DANGER
KOHLER
POWER SYSTEM
TRANSFER SWITCH

FIGURE 5.3 - 35: AUTOMATIC TRANSFER SWITCH

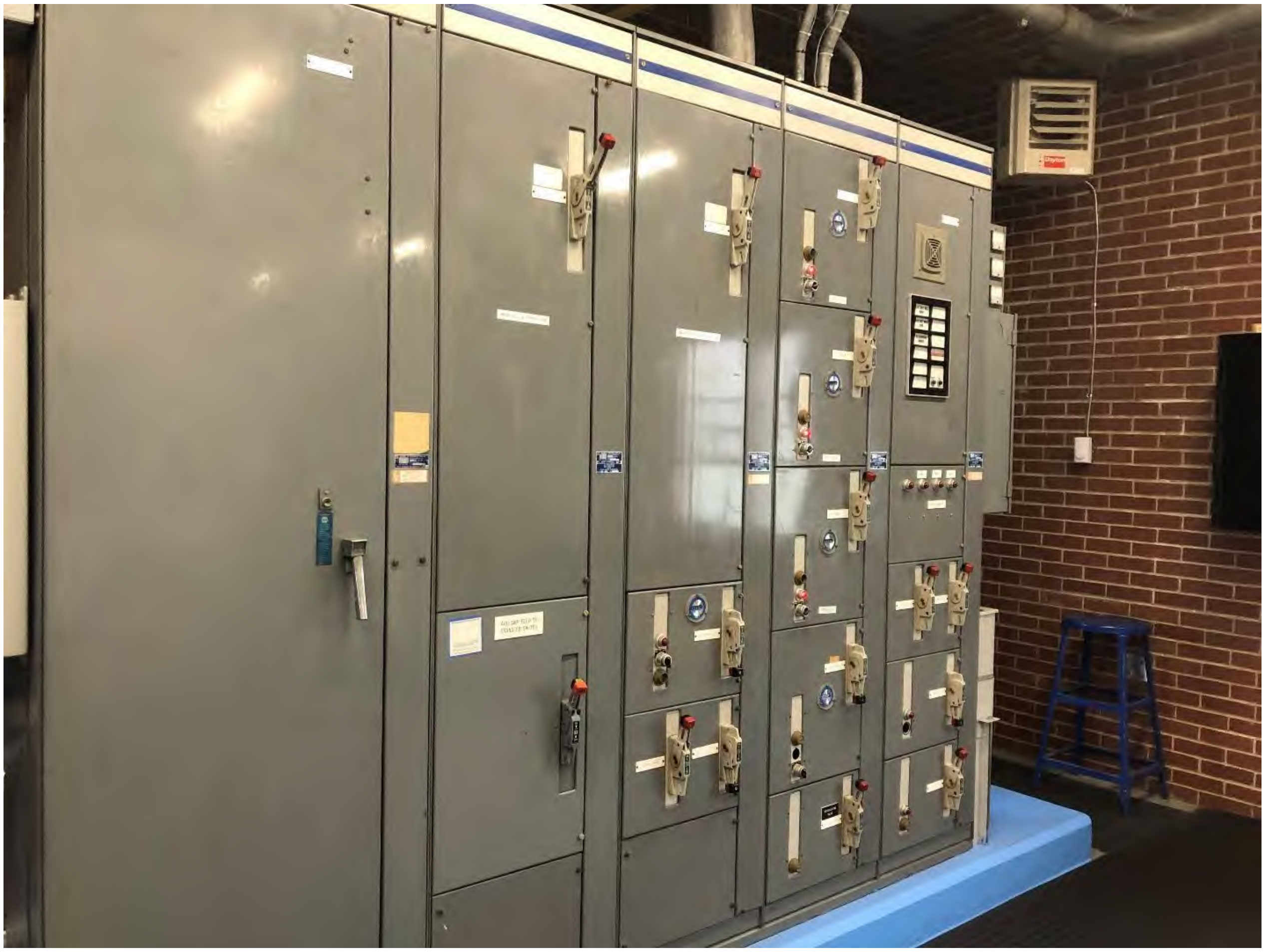


FIGURE 5.3 - 36: MOTOR CONTROL CENTER

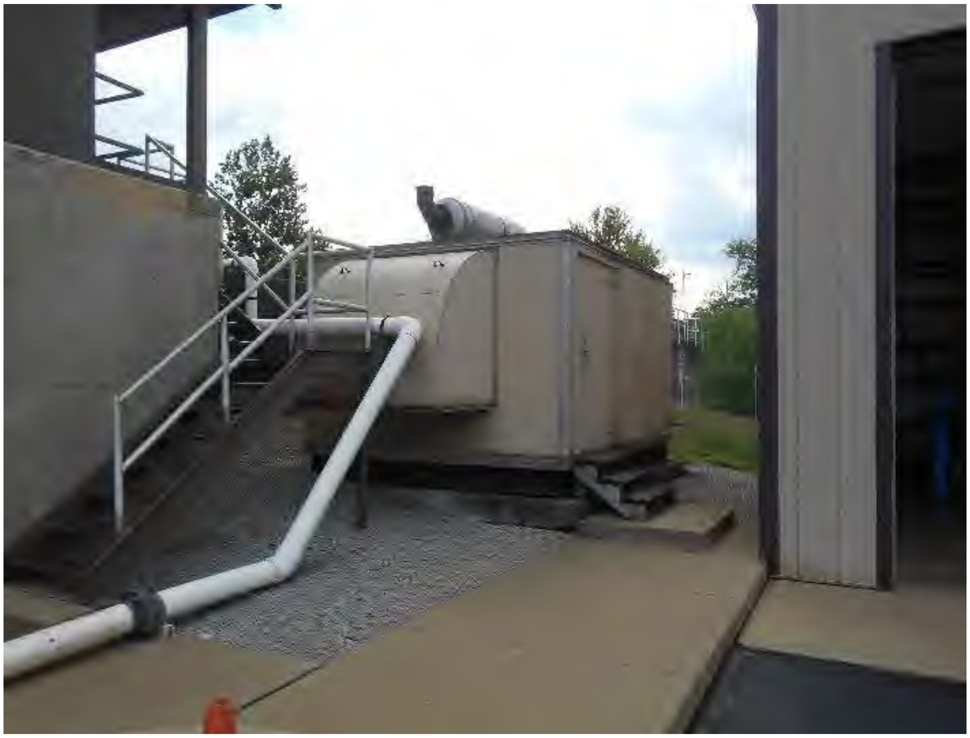


FIGURE 5.3 - 37: EMERGENCY GENERATOR

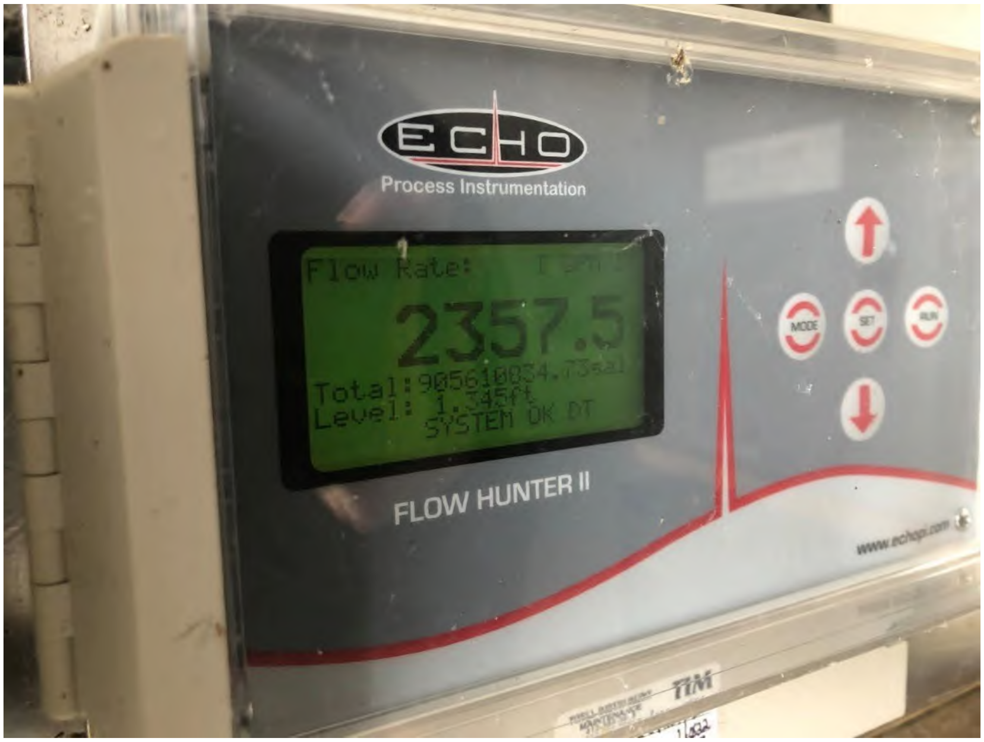

ECHO
Process Instrumentation
Flow Rate:
2357.5
Total:905610034.73gal
Level: 1.345ft
SYSTEM OK DT
MODE
SET
RUN
FLOW HUNTER II
www.echopi.com
TIM

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.

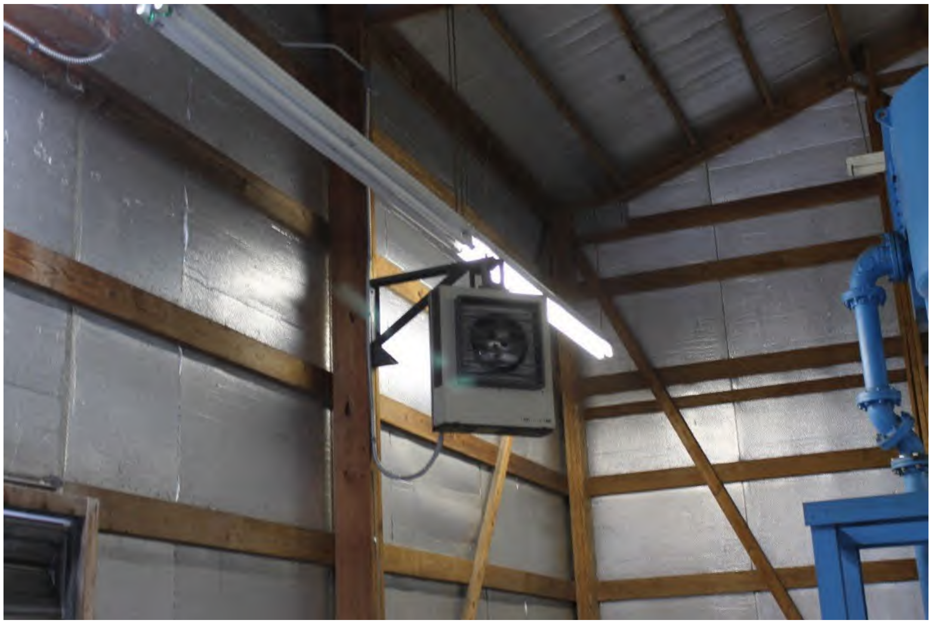


FIGURE 5.3 - 39: ELECTRIC UNIT HEATER-GRIT BUILDING

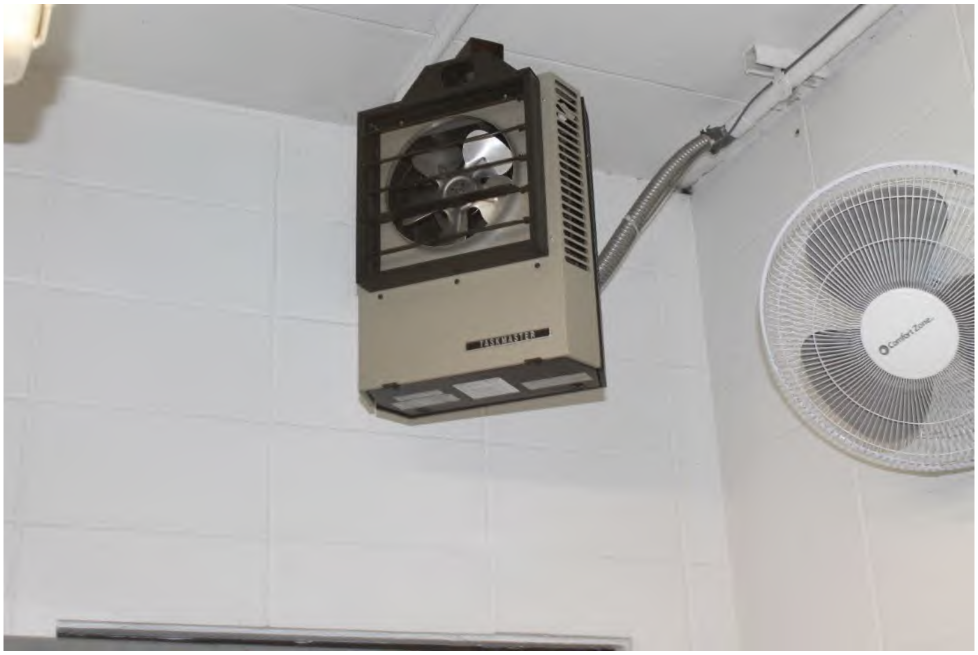

TASKMASTER
Comfort Zone

FIGURE 5.3 - 40: ELECTRIC UNIT HEATER OFFICE AREA

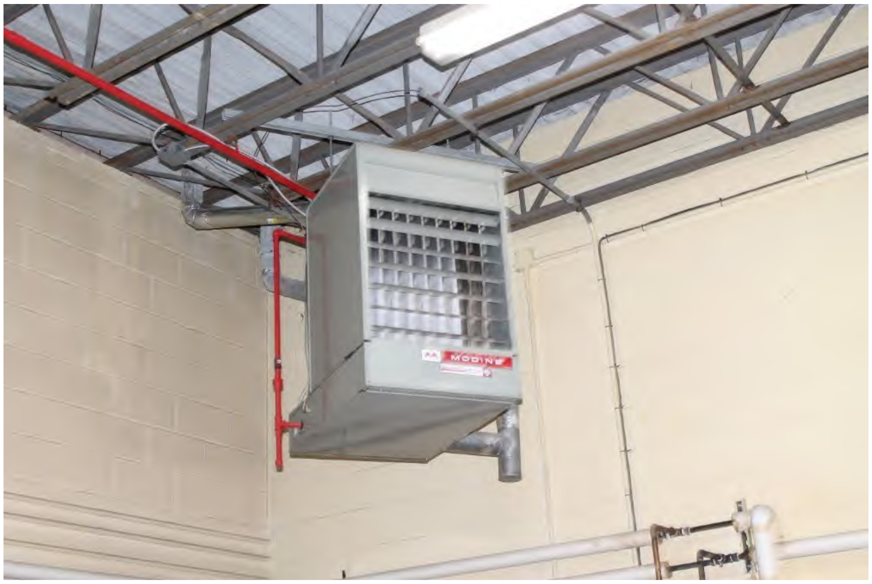


FIGURE 5.3 - 41: GAS FIRED UNIT HEATER GARAGE AREA

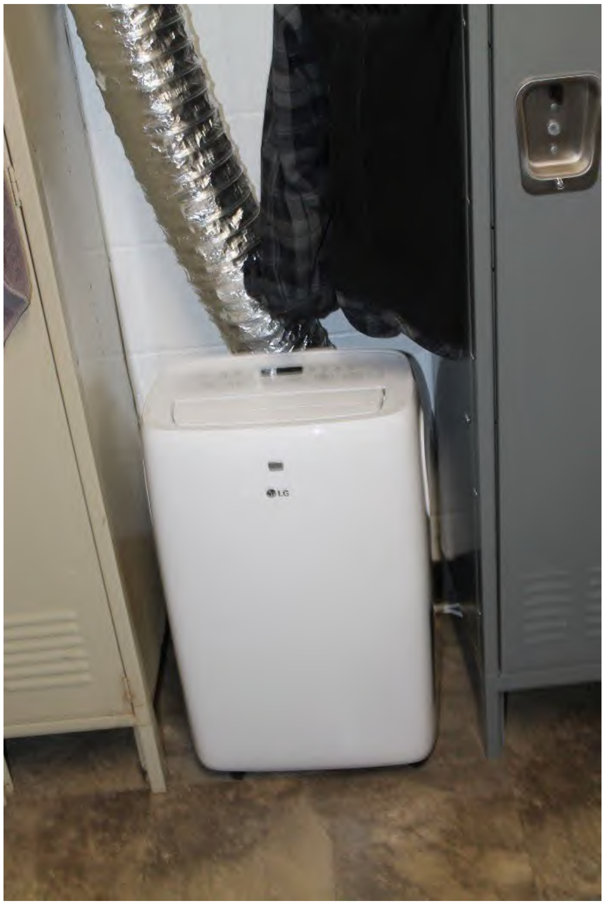


FIGURE 5.3 - 42: PORTABLE AC UNIT

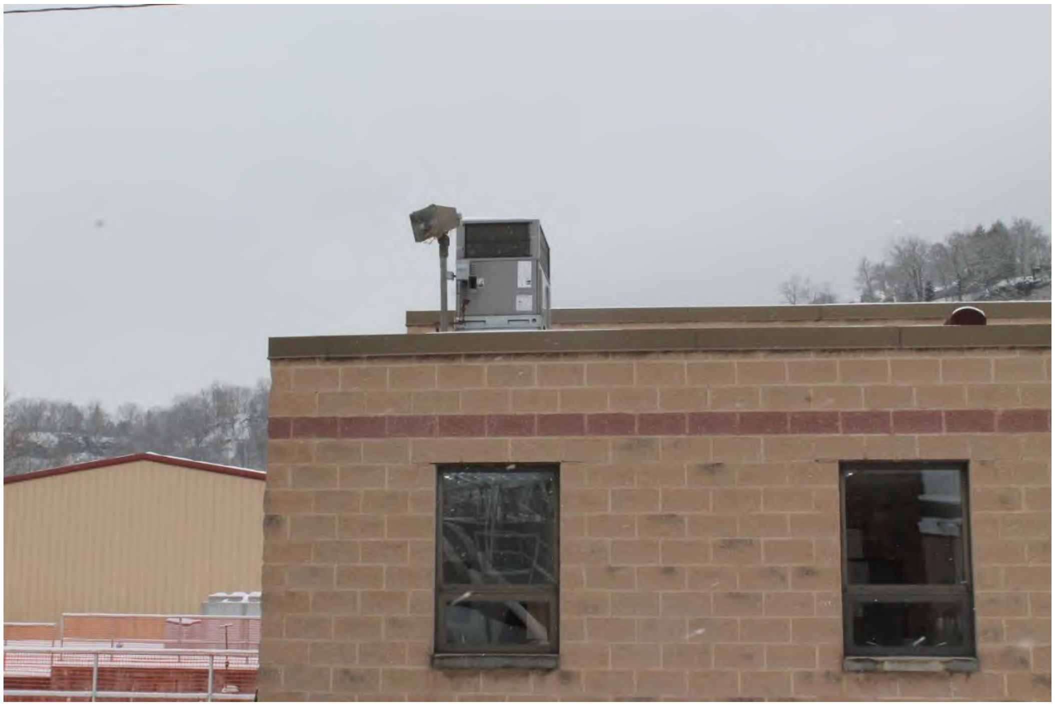


FIGURE 5.3 - 43: ROOF TOP AC UNIT OFFICE AREA

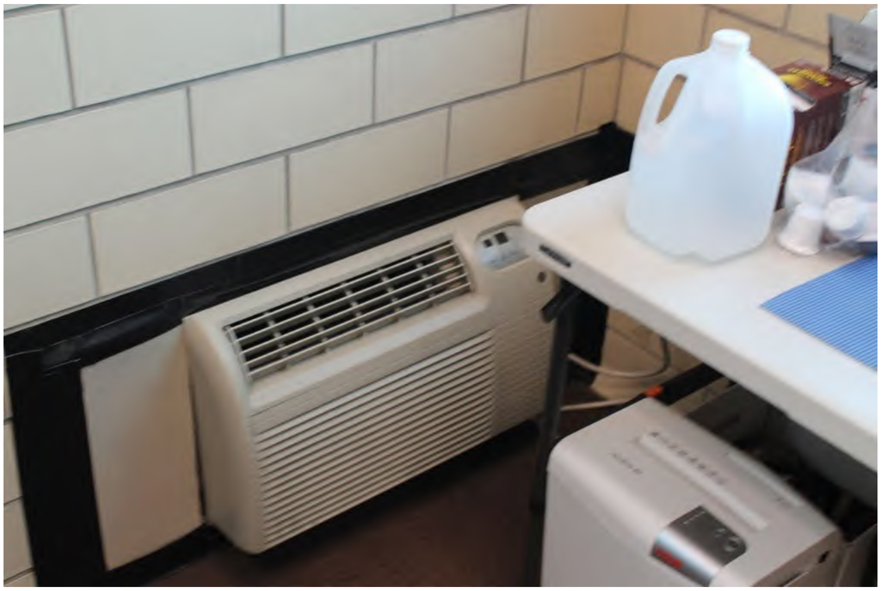


FIGURE 5.3 - 44: COMBO HEAT-AC UNIT

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.

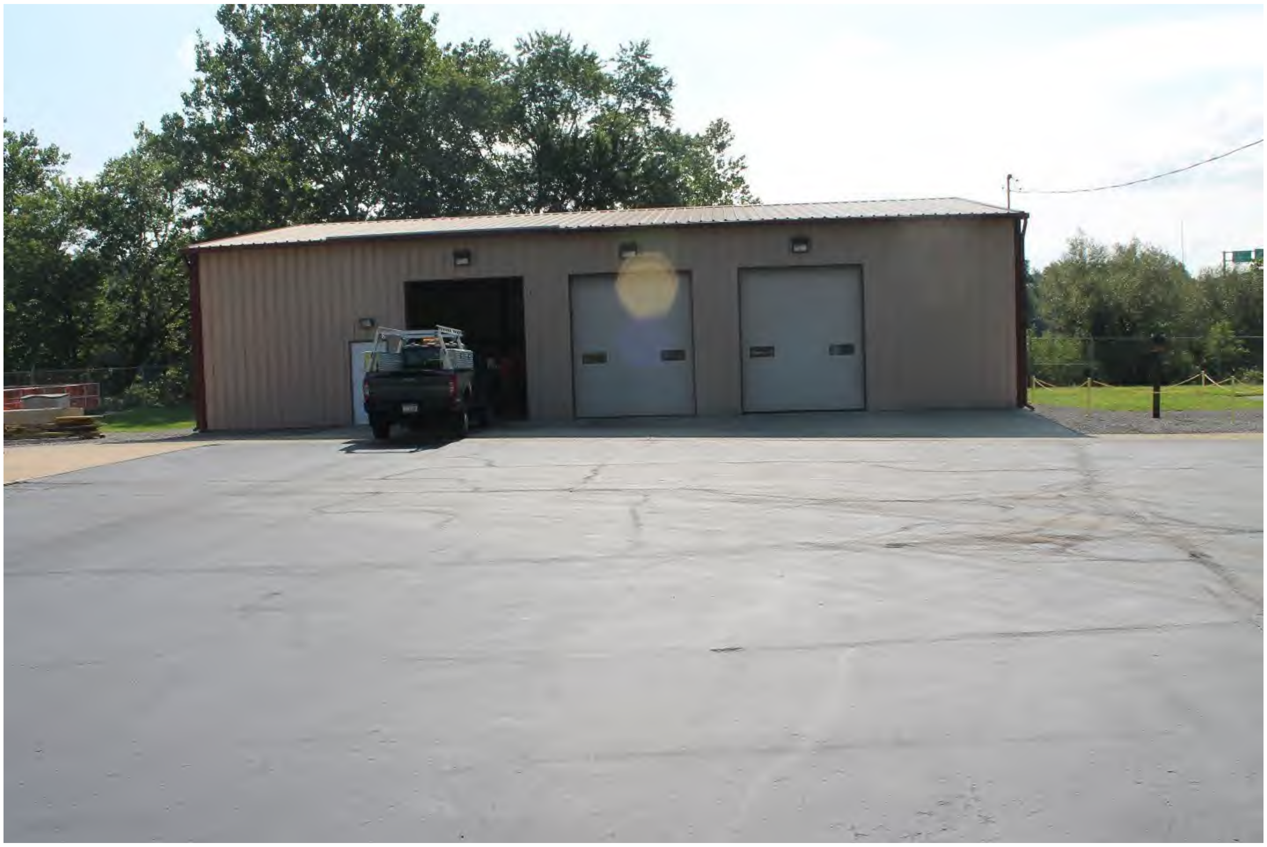


FIGURE 5.3 - 45: PEMB VEHICLE AND EQUIPMENT STORAGE BUILDING

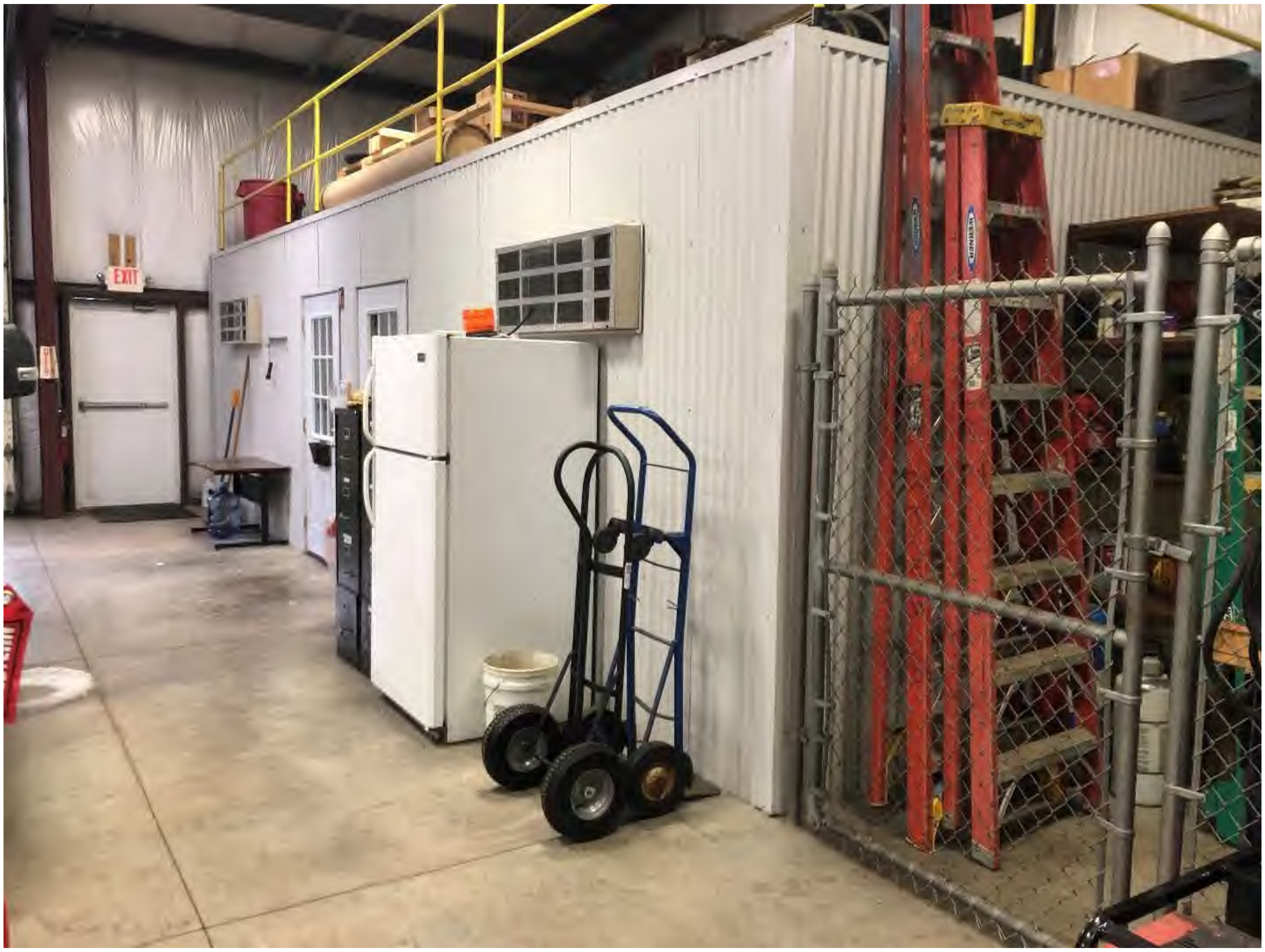


FIGURE 5.3 - 46: OFFICE SPACE INSIDE THREE BAY GARAGE

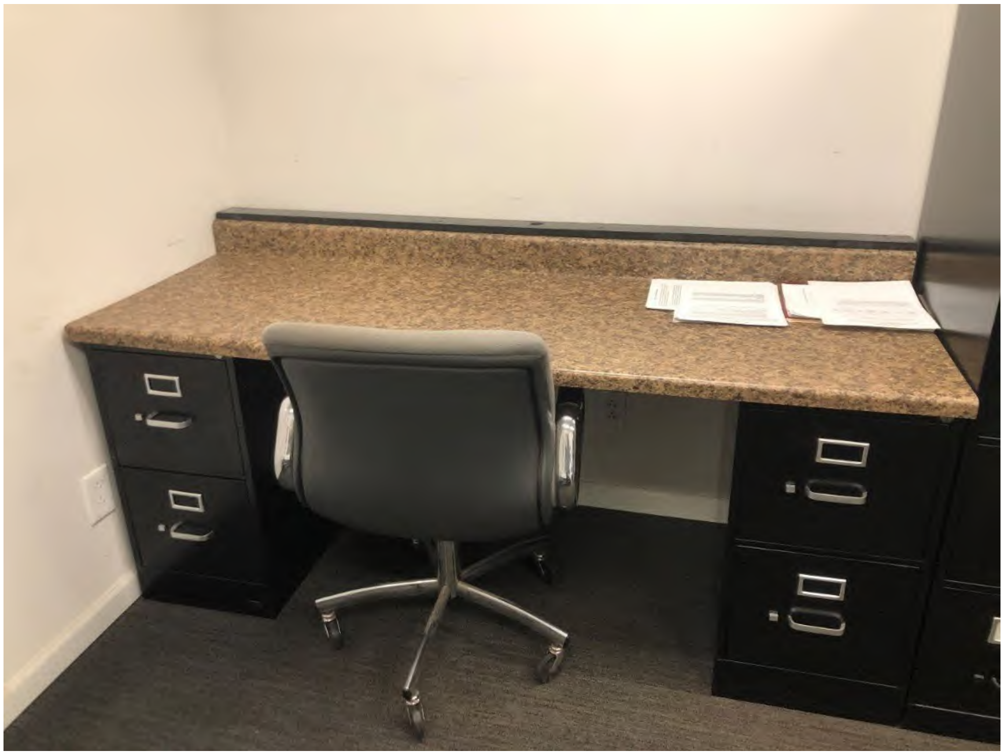


FIGURE 5.3 - 47: WORK STATION IN THREE BAY GARAGE OFFICE SPACE

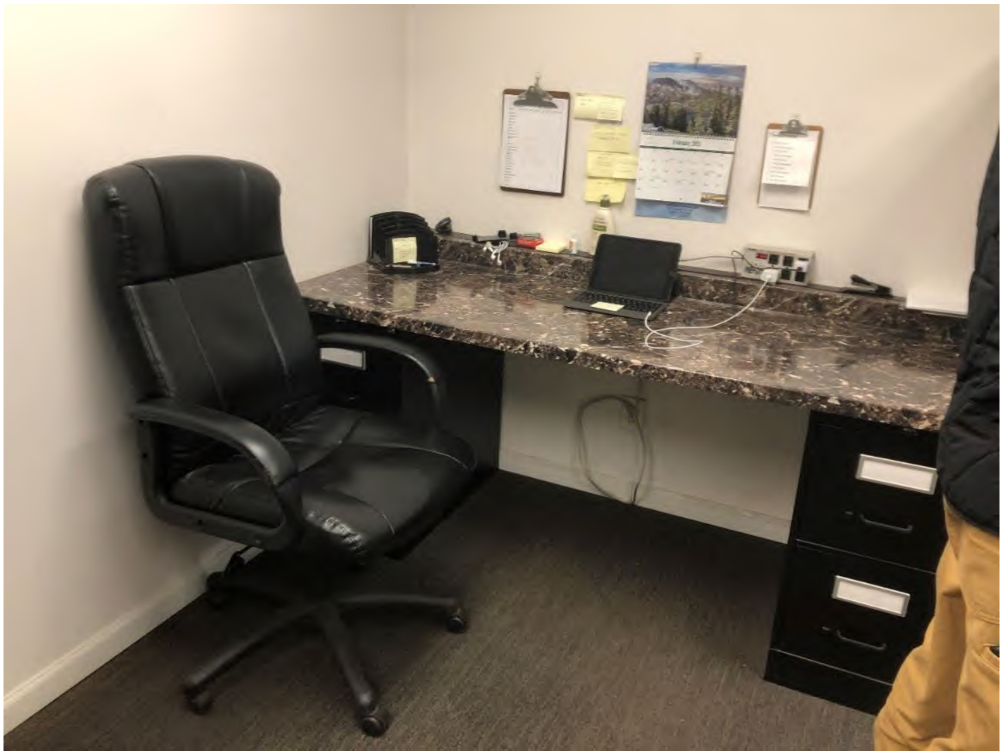


FIGURE 5.3 - 48: WORK STATION INSIDE GARAGE OFFICE SPACE

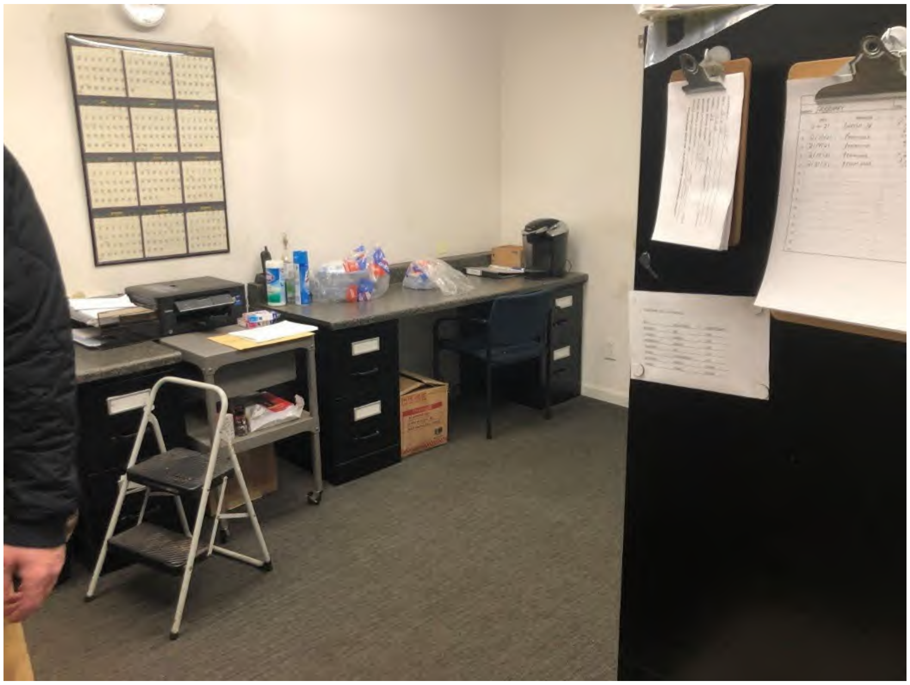


FIGURE 5.3 - 49: WORK STATION INSIDE GARAGE OFFICE SPACE

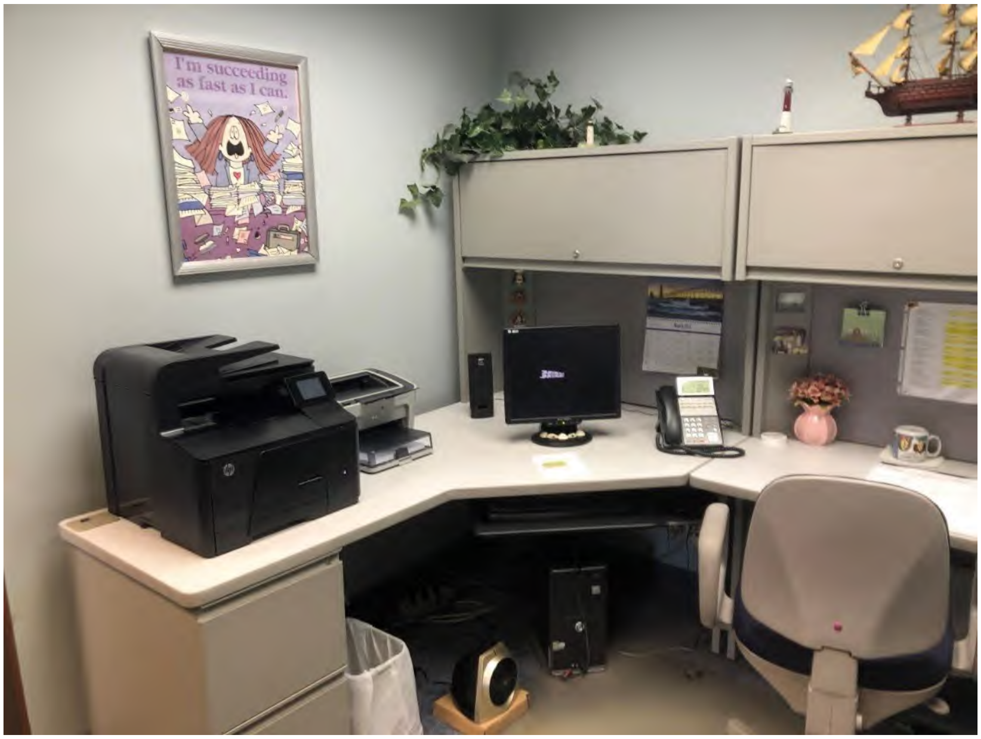

I'm succeeding as fast as I can.

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.

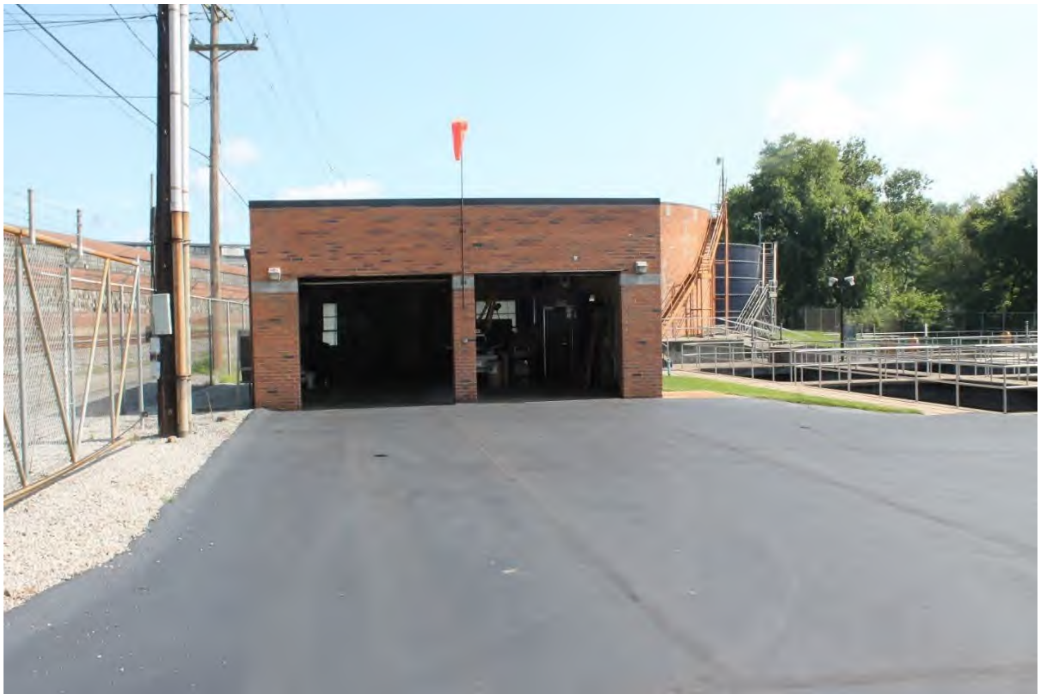


FIGURE 5.3 - 51: MAINTENANCE GARAGE AND TOOL SHOP BUILDING

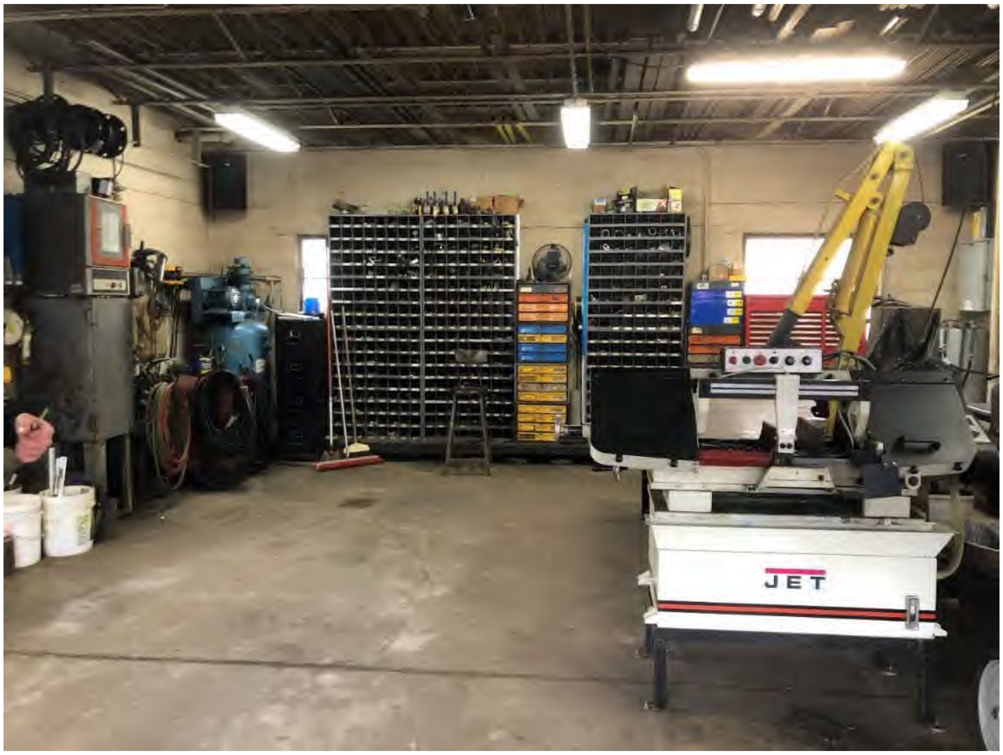


FIGURE 5.3 - 52: MAINTENANCE TOOLS

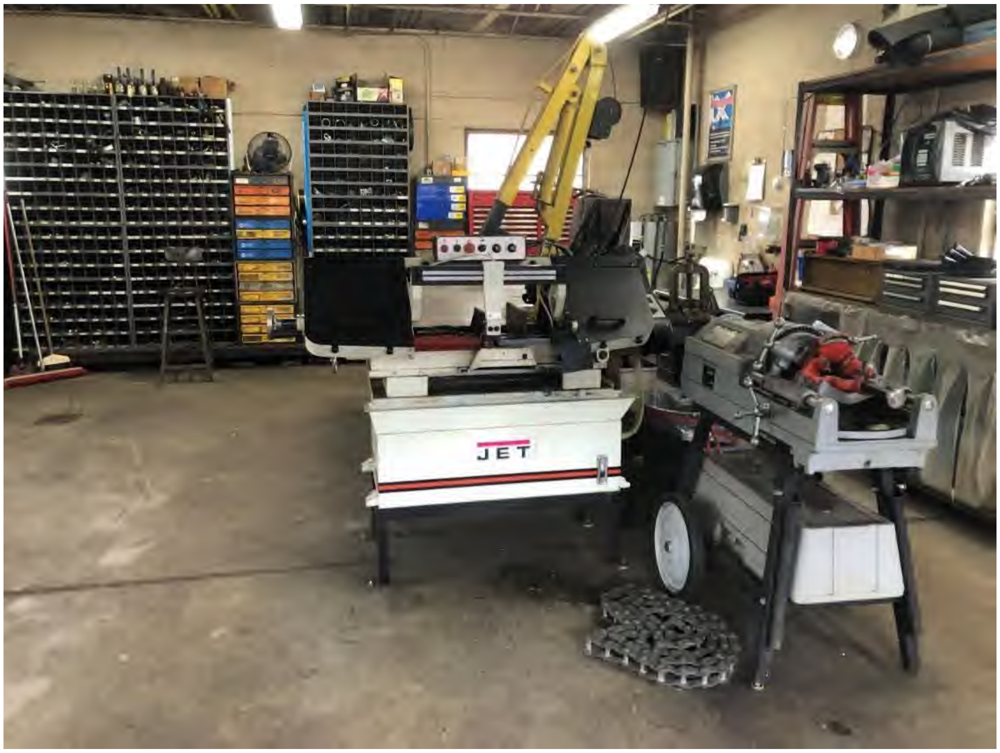


FIGURE 5.3 - 53: MAINTENANCE TOOLS

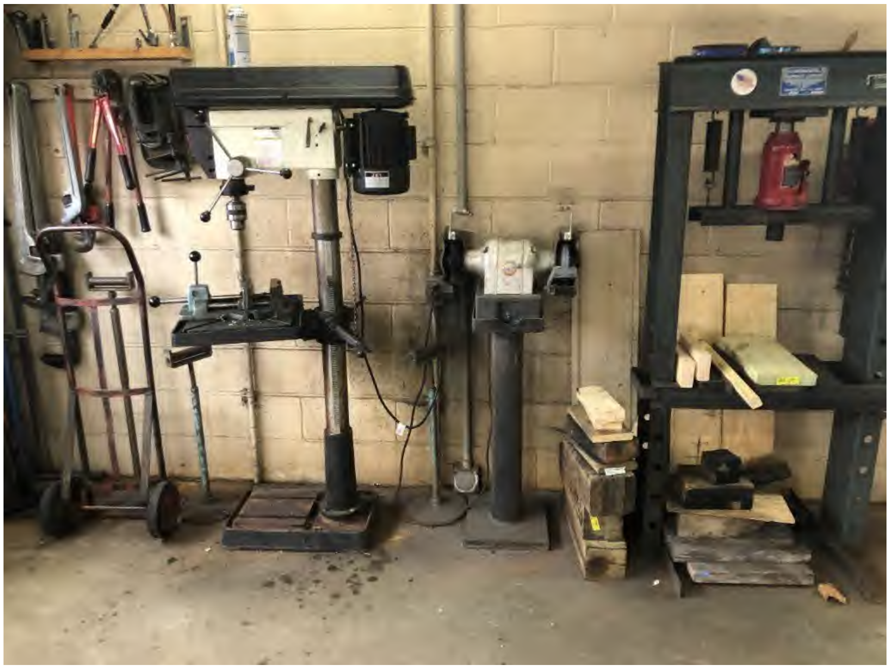


FIGURE 5.3 - 54: MAINTENANCE TOOLS

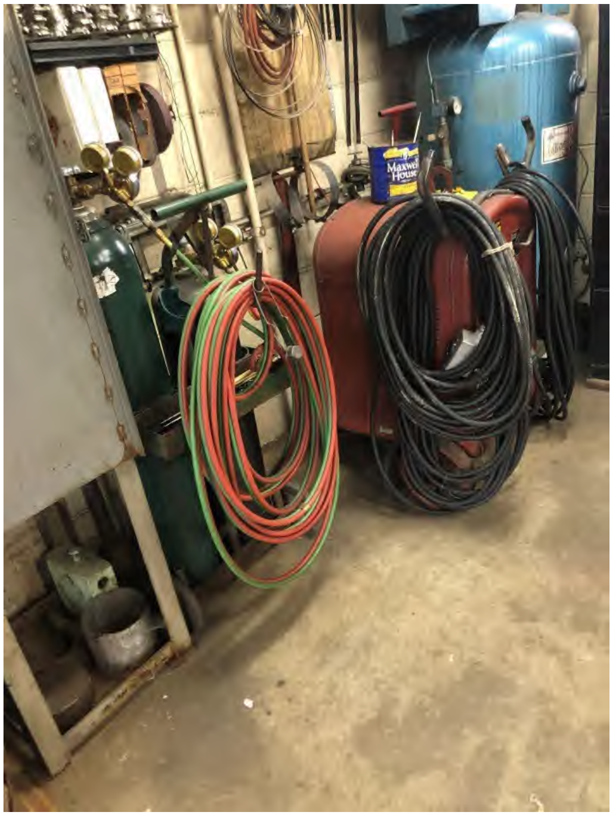


FIGURE 5.3 - 55: MAINTENANCE TOOLS

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.

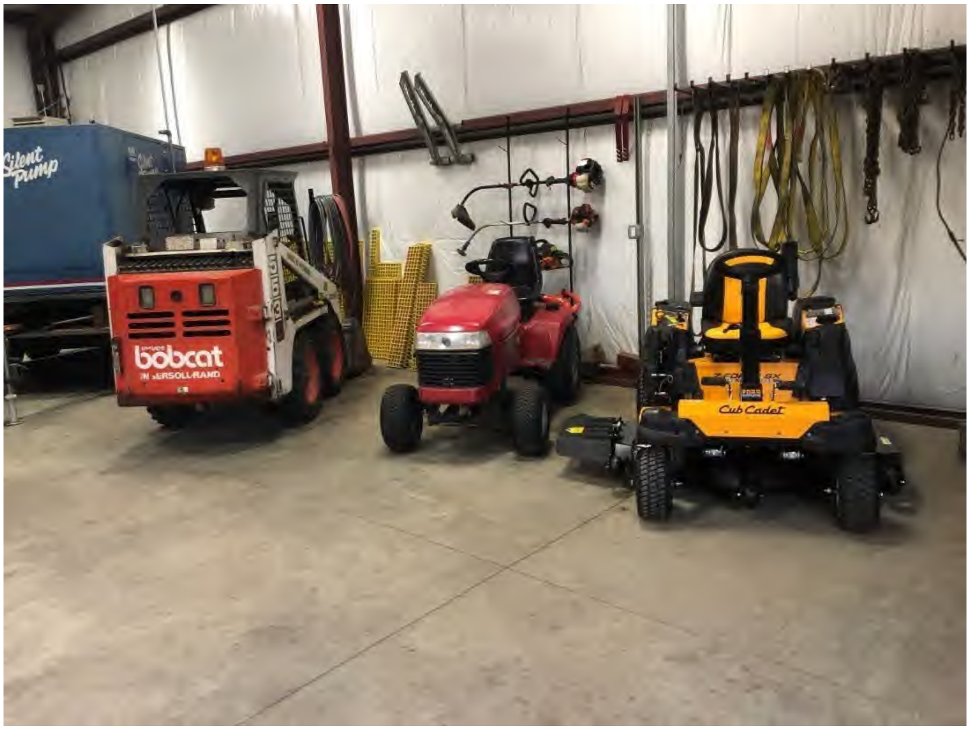

Silent Pump
bobcat
INGERSOLL-RAND
Cub Cadet

FIGURE 5.3 - 56: MOWERS AND BOBCAT SKID STEER

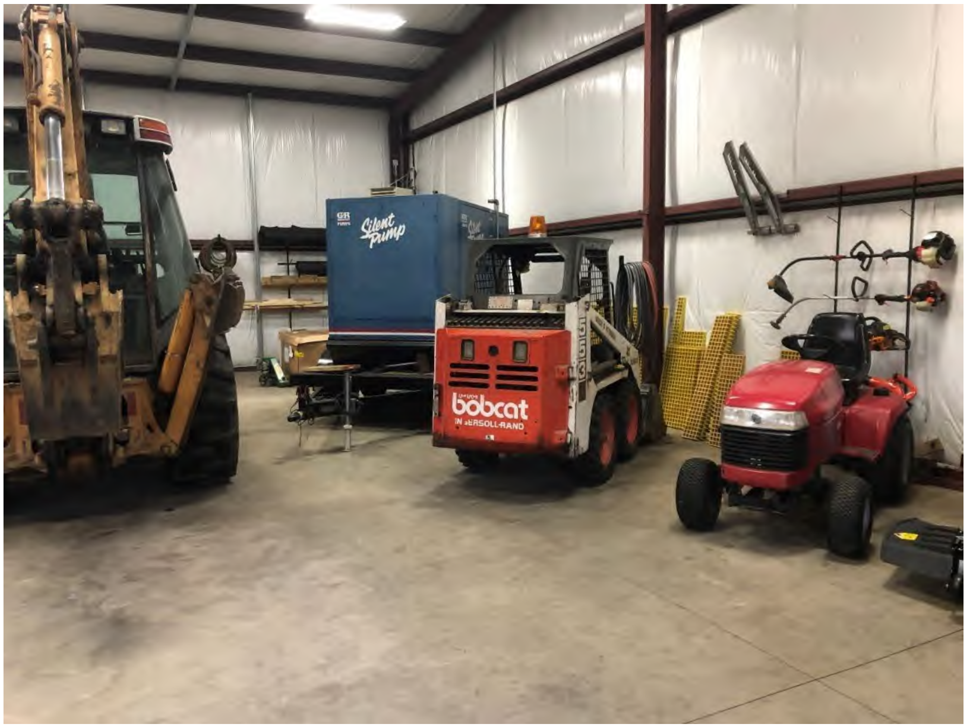

Silent Pump
bobcat
INGERSOLL-RAND

FIGURE 5.3 - 57: PORTABLE PUMP

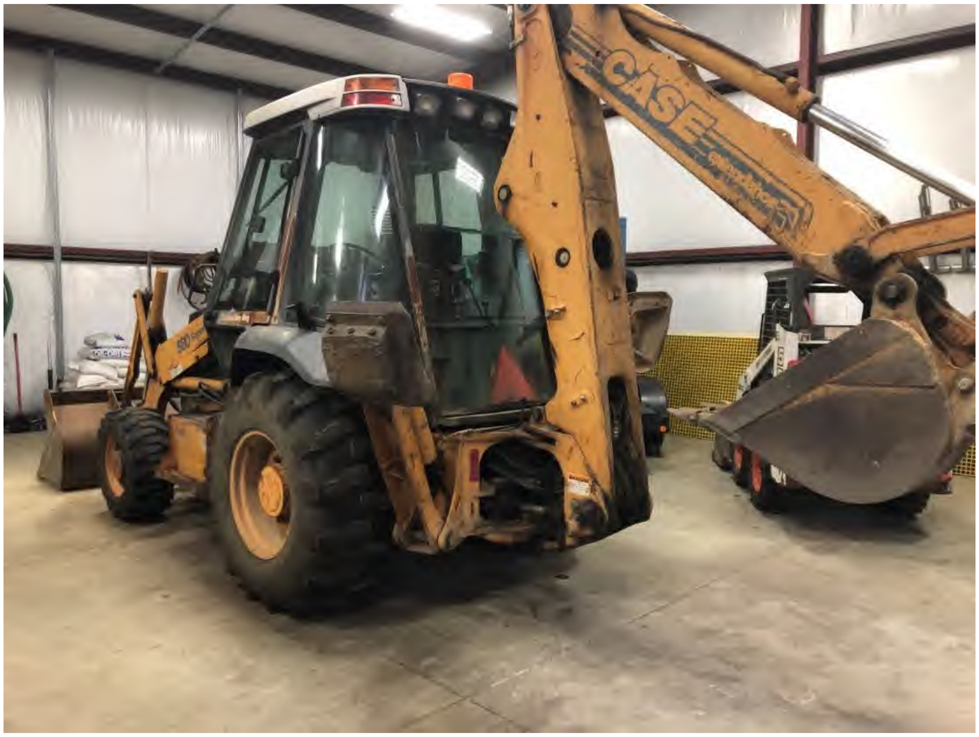


FIGURE 5.3 - 58: BACKHOE

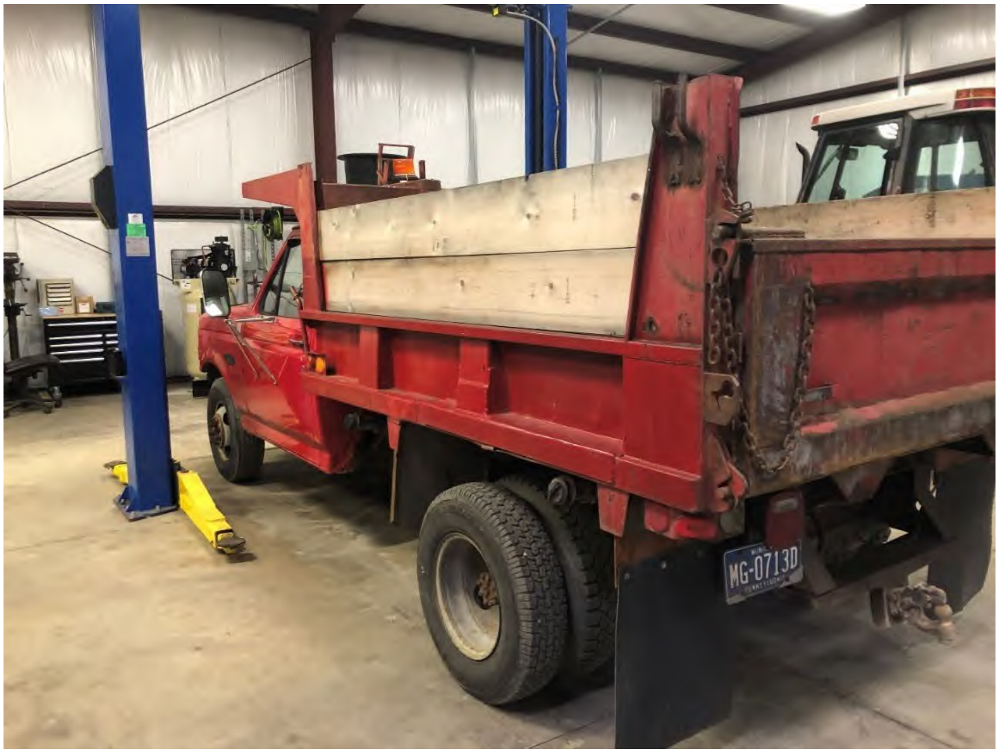


FIGURE 5.3 - 59: 1992 F350 1-TON DUMP

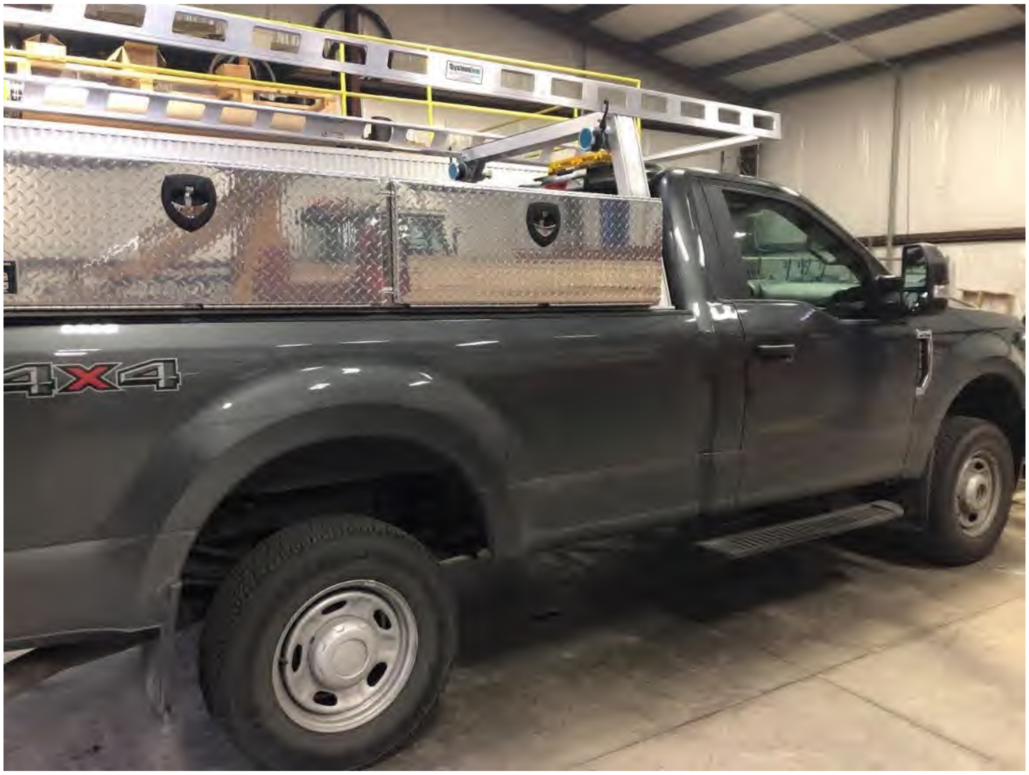


FIGURE 5.3 - 60: 2020 F250 4X4

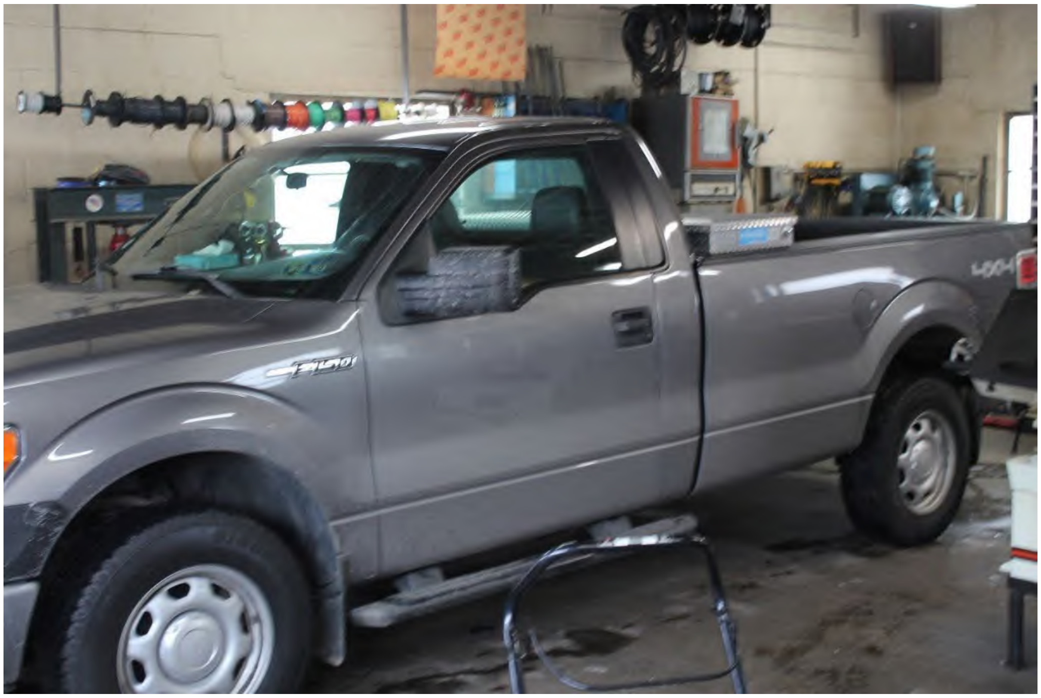


FIGURE 5.3 - 61: 2014 F150 4X4

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.

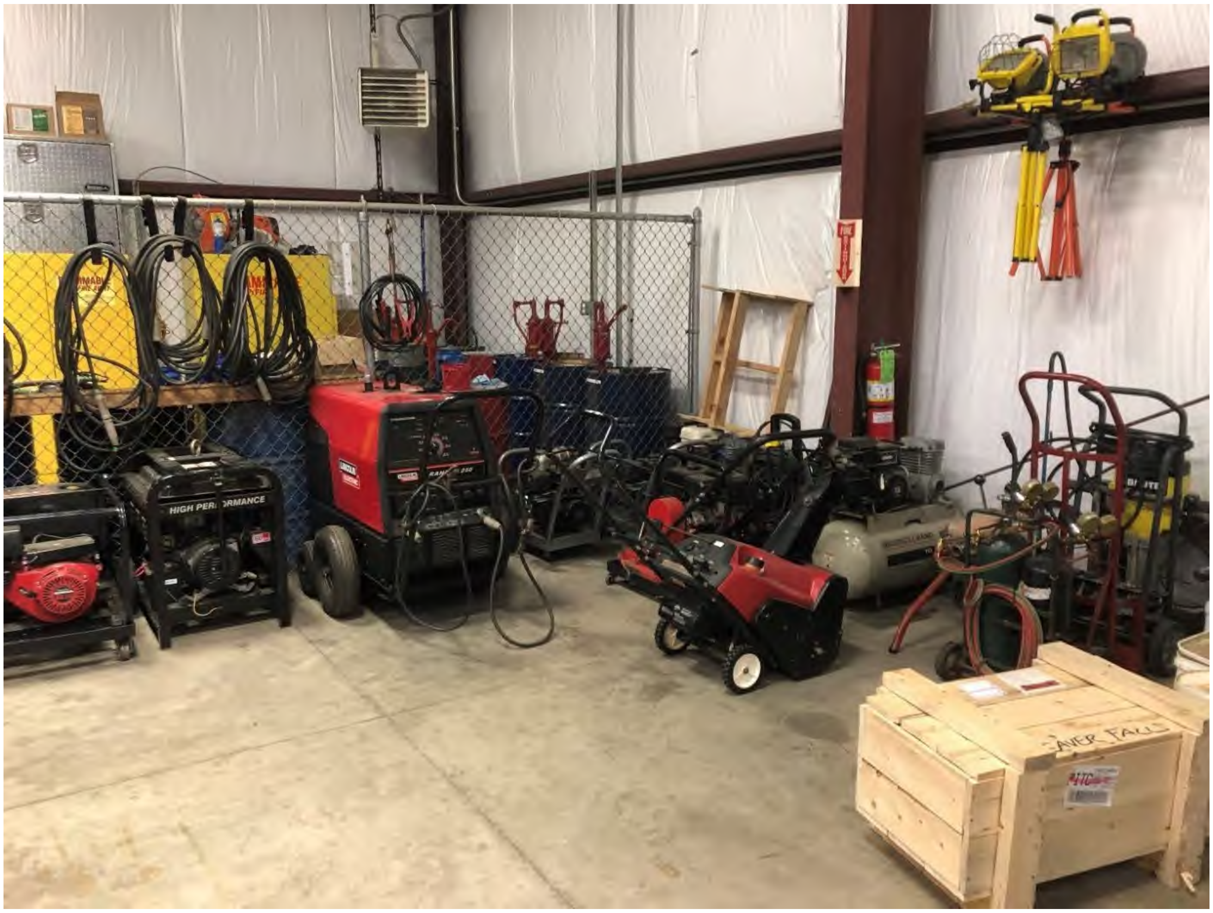


FIGURE 5.3 - 62: SHOP EQUIPMENT

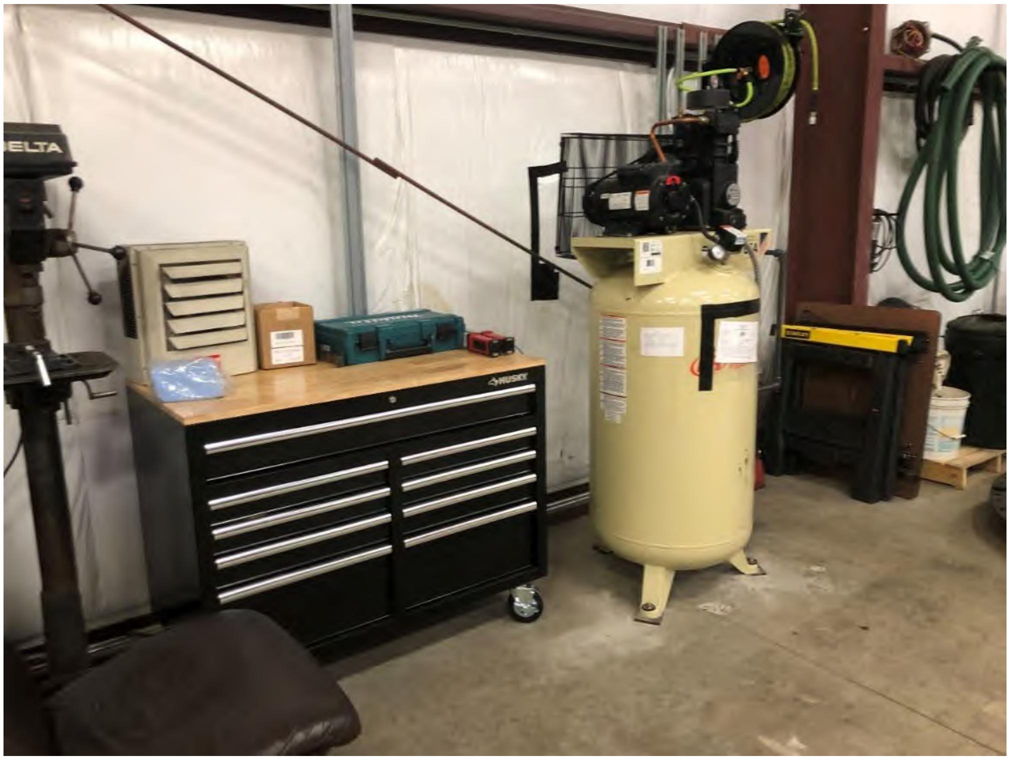


FIGURE 5.3 - 63: SHOP EQUIPMENT AND TOOL CHEST

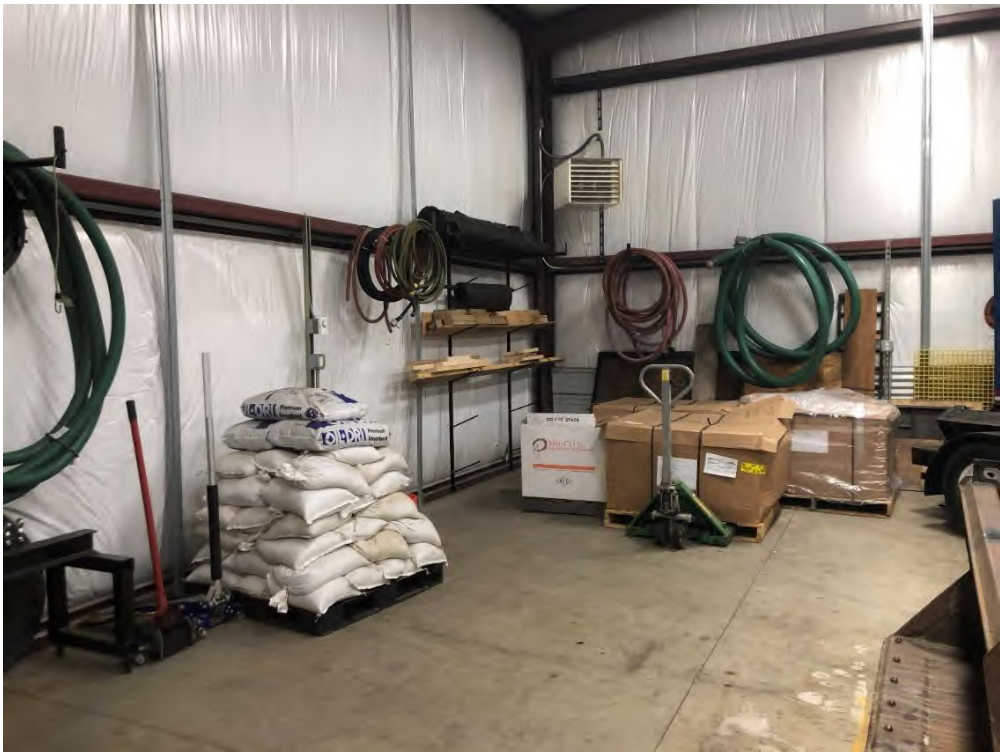


FIGURE 5.3 - 64: SHOP SUPPLIES

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

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	**$ 3,802,884.70**	
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**	

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 =	**$ 12,896,623.60**
Check	**$ 12,896,623.60**

(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

						Replacement
NARUC					Original	Value
Account	Description	Year	Quantity	Unit	Cost	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**	

TABLE 1 - WASTEWATER TREATMENT PLANT

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value Today
371.3	**Raw Sewage Pump Station**					
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	

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 20060200000	1936-38	1	EA	$ 1.00	$ 1.00	
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	

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 50050100002	1936-38	1	EA	$ 1.00	$ 1.00	
353.2	Land & ROW: Parcel 50050200000	1936-38	1	EA	$ 1.00	$ 1.00	
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	

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 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	
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	

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 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	
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	

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 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**	
361	8-inch VCP Sewer	1936-38	145,390	LF	$ 165.00	$ 451,519.37	$ 23,989,350.00
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	

TABLE 4 - Collection Sewers - Gravity

NARUC Account	Description	Year	Quantity	Unit	Replacement Cost Per Unit	Original Cost	Replacement Value Today
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	**$ 3,802,884.70**	
			189,842		**Column Total =**	**$ 3,802,993.70**	

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

						Replacement
NARUC					Original	Value
Account	Description	Year	Quantity	Unit	Cost	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

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value 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

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value 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

NARUC Account	Description	Year	Quantity	Unit	Original Cost	Replacement Value 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

UPDATED EXHIBIT NOS. A1 AND B1

EXECUTION VERSION

WASTEWATER SERVICE AGREEMENT

THIS WASTEWATER SERVICE AGREEMENT (the "Agreement "), is made as of the 14th day of December, 2023 (the "Execution Date"), by and between AQUA PENNSYLVANIA WASTEWATER, INC., a Pennsylvania public utility company ("Aqua") and the BOROUGH OF WEST MAYFIELD, a municipal corporation of the Commonwealth of Pennsylvania (the "Municipality"). Aqua and the Municipality are each a "Party," and collectively, the "Parties."

RECITALS

WHEREAS, Aqua and the City of Beaver Falls (the "City") have entered into an Asset Purchase Agreement dated October 20, 2021 (the "APA"), which provides that the City has agreed to sell and convey to Aqua the wastewater collection system that the City owns (the "Acquired Collection System"), the wastewater treatment plant that the City owns (the "Acquired Treatment Plant," and collectively together with the Acquired Collection System, the "Acquired System") and substantially all of the City's assets related to the Acquired System; and

WHEREAS, the Municipality owns, maintains and operates a system of gravity sewer mains, force mains, laterals and other necessary infrastructure and means for the collection and conveyance of wastewater emanating from the Municipality (the "Municipality System") which is connected to the Acquired System (either directly or indirectly through a third party's collection system) and wastewater emanating from the Municipality System is collected and conveyed to and treated and disposed of by the Acquired System; and

WHEREAS, prior to the closing of the transaction contemplated by the APA (the "Closing"), the City is providing for the collection, conveyance, treatment and disposal of the Municipality's wastewater emanating from the Municipality System by the Acquired System; and

WHEREAS, effective as of the date that the Closing occurs (the "Closing Date"), the City and the Municipality desire to terminate any and all existing agreements between them regarding the collection, conveyance, treatment and disposal of the Municipality's wastewater emanating from the Municipality System by the Acquired System including, without limitation, that certain Agreement dated April 28, 1977 between the City and the Municipality; and

WHEREAS, effective as of the Closing Date, this Agreement shall govern the collection, conveyance, treatment and disposal of the Municipality's wastewater emanating from the Municipality System by the Acquired System and the charge for such services.

WHEREAS, operation of the Municipality sanitary sewer system is, and shall remain, subject to the sole requirements of the Pennsylvania Department of Environmental Protection ("DEP") and Municipality's ordinance applicable to the Municipality System as may be modified from time to time by the Municipality and that further modification requested by Aqua shall not be unreasonably withheld by Municipality.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, the Parties hereto agree as follows:

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated into and made part of this Agreement as though fully set forth herein.

2. Definitions

2.1. Defined Terms. The following terms shall have the following meanings, except as otherwise expressly provided or unless the context otherwise requires. Other terms are defined in the text of this Agreement, and throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

2.1.1. "Aqua Tariff." Aqua's tariff on file with and approved by the PUC as the same may be amended, supplemented, restated, replaced or revised from time to time.

2.1.2. "Connection Points." The locations at which the Municipality System connects to the Acquired Collection System or a Third-Party System as identified on Exhibit A attached hereto.

2.1.3. "Contributing Users." The Borough of Big Beaver, Borough of Eastvale, City, North Sewickley Township Sewer Authority, Township of Patterson, BOROUGH OF Patterson Heights, Municipality and Township of White and any other municipality or authority that enters into an agreement with Aqua during the Term related to the collection, conveyance and treatment of such municipality's or authority's wastewater through the Acquired System.

2.1.4. "Effective Date." The Effective Date as defined in Section 3.1.

2.1.5. "Facilities." Facilities means with respect to (a) Aqua, the components of the Acquired System, and (b) the Municipality, the components of the Municipality System.

2.1.6. "Flow." The quantity or volume of wastewater that emanates from the Municipality System and is collected, conveyed, treated and discharged by the Acquired System.

2.1.6.1. "Metered Flow." Any Flow through interconnections of the Municipality System and the Acquired Collection System or a Third-Party System which have a flow metering device at the Connection Points and are identified on Exhibit B attached hereto.

2.1.6.2. "Un-Metered Flow." Any Flow through interconnections of the Municipality System and the Acquired Collection System or Third-Party System which do not employ a formal wastewater flow metering device and are identified on Exhibit C attached hereto. The Flow values for these interconnection points are based on water consumption data provided to Aqua by the Contributing User or its water provider, multiplied by a factor of 1.5 to account for inflow and infiltration. Un-Metered Flow originating from the Acquired Collection System flowing to the Municipality System will be deducted from the bill to the Municipality System. Un-Metered Flow originating from the Municipality System flowing to the Acquired Collection System will be added to the bill of the Municipality System. Un-Metered Flow between Outside Users will be added to the bill of the Outside User where the Un-Metered Flow originated, and deducted from the bill of the Outside User who received the Un-Metered Flow. If new Un-Metered

Flow interconnections occur, or existing connections are removed, to or from the Municipality System which would alter the interconnection points listed on Exhibit C, Exhibit C shall be amended accordingly. If at some time in the future any of these interconnections become metered by a formal flow metering device, Exhibit B and Exhibit C shall be amended accordingly, and the flows at such points shall be considered actual and included in the regular Metered Flow calculations.

2.1.7. "Governmental Authority." Any federal, state or local government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

2.1.8. "Industrial Waste Survey." As defined in Section 12.

2.1.9. "Law." Any statute, law, ordinance, regulation, rule, code, order, constitution, common law, judgment, decree or other requirement or rule of law of any Governmental Authority.

2.1.10. "Losses." Losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification under this Agreement.

2.1.11. "Notice Date." The date that Aqua provides written notice to the Municipality that Aqua intends to make a modification, upgrade or expansion to all or any portion of the Acquired System.

2.1.12. "Outside Users." The Contributing Users excluding the City.

2.1.13. "Permit." Any permit, license, franchise, approval, authorization, registration, certificate, variance or similar right obtained, or required to be obtained, from any Governmental Authority.

2.1.14. "Person." An individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

2.1.15. "Prohibited Discharge." Any waste, pollutant, or other substance which is prohibited to be discharged into the Acquired System as set forth in the Aqua Tariff.

2.1.16. "PUC." The Pennsylvania Public Utility Commission.

2.1.17. "Third-Party System." A system for the collection and transportation of wastewater that (a) is owned by a third party, and (b) directly or indirectly transports and conveys wastewater to the Acquired System.

2.2. Terms Defined in Aqua Tariff. Terms used in this Agreement which are defined in the Aqua Tariff and not otherwise defined herein shall have the respective meanings ascribed to such terms in the Aqua Tariff.

3. Effective Date; Term.

3.1. Effective Date. This Agreement shall become effective on the Closing Date (the "Effective Date"). If Aqua's purchase of the Acquired Systems pursuant to the APA does not close and the APA is terminated, this Agreement shall automatically terminate and be null and void and of no force or effect.

3.2. Term. The term of this Agreement shall be a period of three (3) years (the "Term") commencing on the Effective Date.

4. Treatment and Disposal of Wastewater. Subject to the terms of this Agreement, during the Term, Aqua shall accept, treat and dispose of the wastewater that emanates from the Municipality System from the Municipality. The wastewater that emanates from the Municipality System from the Municipality shall be delivered to the Acquired Treatment Plant from the Municipality System to the Acquired Collection System (either directly or indirectly through a Third-Party System). The Municipality covenants and agrees that all wastewater from the Municipality emanating from the Municipality System to the Acquired System shall be in accordance and compliance with all requirements of the Municipality's Ordinances, Aqua Tariff and applicable Laws, as they may be amended from time to time.

5. Prohibited Discharges; Hauled Waste.

5.1. No Prohibited Discharge shall be permitted to be discharged into the Acquired System from the Municipality System,

5.2. No hauled waste shall be permitted to be discharged into the Acquired System from the Municipality System unless (a) the user discharging such waste has, prior to the discharge of such waste, obtained a permit from the DEP permitting the discharge of such waste into the Municipality System (a "Hauled Waste Permit"), and (b) such user and waste and the discharge of such waste are in full compliance with all terms and conditions of the Aqua Tariff and the Hauled Waste Permit issued to the user.

6. Nondomestic Waste/Industrial Waste. No nondomestic waste or industrial waste shall be discharged into the Acquired System from the Municipality System unless (a) the user discharging such waste has, prior to the discharge of such waste, entered into a written agreement acceptable in form and substance to Aqua related to the pretreatment and discharge of such waste (an "Industrial Waste Agreement"), and (b) such user and waste and the discharge of such waste are in full compliance with all terms and conditions of the Aqua Tariff and the Industrial Waste Agreement.

7. Operation and Enforcement.

7.1. Flow Calculations. As of the Closing Date and until Aqua installs flow meters to measure the Flow from each Contributing User, Flow for billing purposes shall be calculated based on the existing practice of using water meter read information supplied by the Contributing User or its water provider. After flow meters are installed to measure the Flow from each Contributing User, Flow from the Municipality System shall be determined by combining (i) the Metered Flow and (ii) all remaining Un-Metered Flow. Flow calculations for each quarter shall be communicated to the Municipality within thirty (30) days of the end of each quarter. Daily Flow calculations shall be based on a twenty-four (24) hour period utilizing 7:00 AM as the daily meter reading time.

7.2. Record Keeping/Flow Meter Maintenance. Aqua shall maintain accurate Flow records for Metered Flow based on the Flow meter readings. Aqua shall own, operate, maintain and replace, if necessary, the Flow meters and shall calibrate the Flow meters in accordance with this Section 7.2 and acceptable industry standards to ensure accurate readings.

7.3. Calibration and Testing.

7.3.1. Meter equipment and remote readouts shall be tested, calibrated, maintained, and repaired at least annually by Aqua at Aqua's cost. The results of such testing and calibration shall be provided to the Municipality upon request and no later than fourteen (14) business days from such request. If the Municipality requests additional testing, calibration, maintenance and repair, such expenses associated shall be at the cost of the Municipality.

7.3.2. If the Municipality and Aqua cannot agree as to the inaccuracy of any meter, the Municipality may request that the meter be tested by an independent testing facility mutually agreed to by the Municipality and Aqua and such independent testing facility's determination of accuracy shall be conclusive. All costs related to the testing shall be borne fifty percent (50%) by the Municipality and fifty percent (50%) by Aqua.

7.3.3. If upon any test, the percentage of inaccuracy of any metering equipment is found to be in excess of three percent (3%), the calibration thereof shall be corrected, and any billing shall be adjusted, for a period extending back to the time when such inaccuracy began, if such time is ascertainable. If such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the most recent date of calibration, but in no event further back than a period of six (6) months where such time is not ascertainable.

7.4. Estimated Meter Readings. Whenever it is necessary to estimate Flow meter readings due to equipment malfunction, failure, power outage, or similar events, Aqua shall notify the Municipality for any period of time such estimated readings were utilized within 72 hours of discovering such event. Any estimated reading shall be calculated using the average monthly Flow for the Flow meter in question, for the previous month, for each day the estimated reading is made. The amount of wastewater conveyed during such period may be estimated (i) by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

7.5. Storm-water / Groundwater Inflow & Infiltration ("I&I"). The Municipality shall enact, keep in force and enforce appropriate ordinances and/or regulations prohibiting the direct discharge of storm water, surface water runoff and groundwater into the Municipality System, and for the maintenance and repair of sewer lateral vent caps and cleanouts, so as to ensure that the waters or wastes discharged by any party into the Municipality System shall not contain, to the maximum extent possible, storm water, sump pump discharges, roof or surface drainage, or any discharges other than wastewater. Should sources of excessive I&I exist as determined by Aqua or any Governmental Authority having jurisdiction, the Municipality shall in a timely manner use its best efforts to locate and correct these conditions, in accordance with any Government Authority requirements. If the Municipality does not have an ordinance regarding the inspection and repair of sewer laterals in effect on the Effective Date, within one (1) year of the Effective Date, the Municipality shall enact an ordinance regarding the inspection and repair of sewer laterals and be responsible for the management and enforcement of such ordinance.

7.6. Violation of Permit or Law. In the event the Flow or wastewater characteristics from the Municipality System causes a violation of any Law or Permit related to the Acquired System, as may be established by specific, split sampling and independent laboratory and engineering analysis performed by Aqua and the Municipality or DEP, and whereby external fines or penalties may result, the Municipality shall be solely responsible for such fines and penalties, and all costs and expenses incurred by Aqua as a result thereof, including reasonable attorneys' and consultants' fees and expenses. If external fines and penalties are a result of shared violation of Aqua and the Municipality, Aqua and the Municipality shall share the burden of such fines and penalties based upon their proportionate share of the total Flow. If there are external fines and penalties resulting from a shared violation which is attributable to multiple Contributing Users, but the Contributing User or Users who caused the violation cannot be identified, then the obligation to pay the fines and penalties shall be shared by the Contributing Users in proportion to their share of the total Flow. The provision of this Section shall survive the expiration of this Agreement.

8. Metering Devices. Aqua shall pay for all costs and expenses that Aqua incurs related to the installation and maintenance of any metering device (a) at any Connection Point, or (b) used to calculate the Flow emanating from the Municipality System to the Acquired System located elsewhere in the Acquired System, anywhere in the Municipality System or anywhere else, which shall include, without limitation, the cost of the metering device and any other equipment related or ancillary to such metering device and labor incurred in installing and maintaining any metering device ("Metering Costs").

9. Compliance with Laws. Each Party shall comply with all applicable present and future Laws having jurisdiction over such Party or such Party's Facilities, all present and future Permits applicable to such Party's Facilities and all applicable grant agreements, unless the same are being contested in good faith by appropriate proceedings.

10. Sampling and Monitoring Equipment. Aqua may install, in its sole and absolute discretion and at its sole cost and expense, sampling and monitoring equipment ("Sampling Equipment") at the Connection Points for the purpose of sampling and analyzing the wastewater delivered to the Acquired System and to ensure compliance with the Aqua Tariff. Aqua shall own and operate any Sampling Equipment that it elects to install and shall be responsible, at its sole cost and expense, for designing, installing, operating, maintaining, updating and replacing any Sampling Equipment

that it elects to install. Aqua shall collect 24-hour flow proportional composite samples, if feasible, and shall split samples with the Municipality for concurrent independent analysis by the Municipality.

11. Easements and Licenses Regarding Flow Meters and Sampling and Monitoring Agreement. The Municipality hereby grants Aqua an easement over any of its property and a license to access the Municipality System in order to install, access, operate or maintain (a) the Flow meters installed in the Municipality System, and (b) any Sampling Equipment that Aqua elects to install pursuant to Section 10. On the request of Aqua, the Municipality shall execute and deliver to Aqua any agreement or instrument in form and substance reasonably acceptable to Aqua in connection with or related to any such easement or license. Aqua may utilize the Sampling Equipment on a routine basis, in its sole and absolute discretion. The Municipality may request Aqua to conduct a sampling of the wastewater outside of Aqua's normal sampling and testing procedure, at the Municipality's sole expense and the Municipality shall share the results of the sampling with Aqua upon Aqua's request and expense.

12. Industrial Waste Survey. The Municipality shall maintain a current list of users of the Municipality System that generate nondomestic waste or industrial waste in accordance with the following (a "Industrial Waste Survey"):

12.1. The Industrial Waste Survey shall include the facility name and address of all users that generate nondomestic waste or industrial waste whose wastewater passes through the Municipality System to the Acquired System, the nature of each user's business and the name and contact information of a responsible individual to be contacted at each user.

12.2. An updated Industrial Survey shall be provided to Aqua within thirty (30) days of the Effective Date. The list shall include users that have been added as well as those that have been removed or where site operations have changed.

12.3. The Municipality shall provide to Aqua the results of its updated Industrial Waste Survey on or prior to March 31, June 30, September 30, and December 31 of each year during the Term.

13. Rates for Service. In connection with Aqua's collection, conveyance, treatment and disposal of wastewater from the Municipality emanating from the Municipality System, the Municipality shall pay to Aqua a rate based on thousands of gallons of Flow as determined pursuant this Agreement (the "Rate"). For the period commencing on the Effective Date through the first full year, the Rate shall be Three and 66/100 Dollars ($3.66) per thousand gallons. For each of the next two (2) years during the Term following the first full year, the then current Rate shall increase by three percent (3%). The PUC retains ultimate jurisdiction over setting the Rate, and this Agreement shall be subject to PUC review and approval. To the extent the PUC determines the Rate set forth in this Agreement is unjust or unreasonable, this Agreement shall remain in effect and Aqua's shareholders shall be responsible for the difference between the rate the PUC determines is just and reasonable and the Rate in this Agreement.

14. Invoicing and Payment Terms. During each year during the Term, Aqua shall bill the Municipality quarterly for service through March 31, June 30, September 30 and December 31 in arrears. Any quarterly amount due for any partial quarter during the Term shall be prorated based on the number of days within such quarter that fall within the Term. The Municipality shall pay each quarterly bill to Aqua in full within forty-five (45) days after the date of the bill. Amounts not paid when due shall be subject to interest in the amount of six percent (6%) per annum of the amount due.

15. Peak Flow Limitations. The Municipality shall be limited to a peak daily flow of four (4) times its three-year annual average daily flow rate (the "Peak Flow Limitation Amount"). Aqua shall notify the Municipality within 30 days of any exceedance of the Peak Flow Limitation Amount and shall also notify the Municipality in a timely manner of any daily flows that exceed 90% of the Peak Flow Limitation Amount for a period of 3 consecutive days. Should the Municipality exceed the Peak Flow Limitation Amount, the Municipality shall be penalized $1,000.00 for each day in which the flow exceeds the Peak Flow Limitation Amount. The Municipality shall submit payment for each flow exceedance within 60 days of being notified by Aqua of the flow exceedance. In lieu of the Municipality paying the subject penalty payment to Aqua, the Municipality shall be permitted to use this money to address I&I within the Municipality System. If the Municipality elects to make improvements to the Municipality System to address I&I, the Municipality shall (a) notify Aqua in writing within 60 days of receiving notification of the flow exceedance that the Municipality intends to make improvements to the Municipality System, which notice shall include what improvements the Municipality intends to make to the Municipality System, (b) complete such improvements to the Municipality System within two (2) year of the date of its notice to Aqua of its intent to make such improvements (the "Improvement Completion Period"), and (c) within 30 days of the end of the Improvement Completion Period, submit documentation acceptable to Aqua certifying that such improvements have been made. If the Municipality elects to make improvements to the Municipality System, and such improvements are not fully completed within the Improvement Completion Period, within 60 days of the end of the Improvement Completion Period, the Municipality shall pay $5,000 to Aqua. The provisions of this Section 15 shall become effective on the third anniversary of the date on which Aqua commences billing the Municipality solely on flow metering. The intent of this peak daily flow limitation requirement is to encourage the Municipality to make I&I repairs to the Municipality System.

16. Municipality System. During the Term, the Municipality shall, at its sole cost and expense, maintain the Municipality System in good repair and operating condition, and continuously operate the same in accordance with prudent industry practices and standards. Aqua shall have no obligation or liability to repair, maintain, expand or modify any part of the Municipality System and any repair, maintenance, expansion or modification of all or any part of the Municipality System shall be at the sole cost and expense of the Municipality.

17. Indemnification

17.1. Indemnification by the Municipality. The Municipality shall indemnify and defend Aqua, and Aqua's directors, officers, employees, representatives and agents (collectively the "Aqua Indemnified Parties") against, and shall hold the Aqua Indemnified Parties harmless from and against, and shall pay and reimburse the Aqua Indemnified Parties for, any and all Losses incurred or sustained by, or imposed upon, the Aqua Indemnified Parties related to, based upon, arising out of, with respect to or by reason of:

17.1.1. any injury (including death) to any Person or damage to any property related to, based upon, arising out of or by reason of any action or inaction of the Municipality in connection with the collection or conveyance of any wastewater emanating from the Municipality System except to the extent that any such injury, death or damage is caused by Aqua (including, without limitation, resulting from any breach of this agreement by Aqua);

17.1.2. any claim, litigation, proceeding or action of any kind whatsoever by any Governmental Authority or third party related to (i) any action or inaction of the Municipality with respect to the Municipality System, or (ii) the collection, conveyance, treatment or disposal of any wastewater emanating from the Municipality System except to the extent that any such claim or action is the result of any action or inaction of Aqua; or

17.1.3. any breach by the Municipality of any of its covenants or obligations under this Agreement.

17.2. Indemnification by Aqua. To the extent that the Municipality is not immune under applicable Law, Aqua shall indemnify and defend the Municipality, and the Municipality's elected officials, directors, officers, employees, representatives and agents (collectively the "Municipality Indemnified Parties") against, and shall hold the Municipality Indemnified Parties harmless from and against, and shall pay and reimburse the Municipality Indemnified Parties for, any and all Losses incurred or sustained by, or imposed upon, the Municipality Indemnified Parties related to, based upon, arising out of, with respect to or by reason of:

17.2.1. any injury (including death) to any Person or damage to any property related to, based upon, arising out of or by reason of any action or inaction of Aqua in connection with the treatment or disposal of any wastewater emanating from the Connection Points of the Municipality System except to the extent that any such injury, death or damage is caused by the Municipality (including, without limitation, resulting from any breach of this Agreement by the Municipality) and/or any third party (including, without limitation, any other Contributing User); or

17.2.2. any breach by Aqua of any of its covenants or obligations under this Agreement.

If any claim is made or action or proceeding filed against the Municipality for which the Municipality could potentially seek indemnification from Aqua pursuant to the provision of this Section 17.2, the Municipality shall not waive or seek to waive any immunity afforded to it pursuant to applicable Law.

17.3. The provision of this Section 17 shall survive the expiration of this Agreement.

18. Enforcement Obligation. The Municipality shall, at Aqua's request, enforce, promptly and to the fullest extent of its authority and at its sole cost and expense, all standards, criteria, requirements, and thresholds established by any Law (including any ordinances or regulation of the Municipality), Governmental Authority or Permit or the Aqua Tariff (each, a "Wastewater Standard"), against any Person, which violates a Wastewater Standard and which Aqua in good faith has identified as having a wastewater flow which violates a Wastewater Standard.

19. Consent to City Updating of City's Act 537 Plan. The Municipality acknowledges that in connection with the City's sale of the Acquired System to Aqua, the City is required to update the City's Act 537 Plan. On the City completing its updating of its Act 537 Plan, at the request of Aqua or the City, the Municipality shall review the update to the City's Act 537 Plan and, if appropriate, shall pass a resolution in form and substance acceptable to DEP and the City approving the City's updated Act 537 Plan. Review and approval shall not be unreasonably delayed or withheld. The City is and shall be an intended third-party beneficiary of this Section 19 and shall have the right to enforce directly the terms and conditions of this Section 19. The terms of this Section 19 shall be effective as of the Execution Date.

20. Future Plant Expansion. In accordance with DEP Chapter 94 regulations, should the Acquired Treatment Plant be projected to exceed its design capacities within a five year term, Aqua shall send notice of such event to the Municipality; and, within six (6) months of the date of such notice, the City or Aqua and the Municipality shall initiate planning in accordance with Act 537 to evaluate the need for expansion of the treatment facilities.

21. Planning Modules. For any changes within the Municipality (for example, subdivision, land development, system expansion, among others) that requires DEP Sewage Facilities Planning approval, the Municipality will provide the complete and appropriate planning module components to Aqua for review. For any planning modules that do not cause an overload condition, Aqua will review the planning modules in a timely manner for Municipality's use in submission to DEP, and Aqua's approval will not be unreasonably withheld.

22. Miscellaneous.

22.1. Inspection and Audit. Aqua and the Municipality agree to maintain complete and accurate records and accounts concerning their responsibilities under this Agreement. All Parties shall, at all times, have the right to examine and inspect said records and accounts upon thirty (30) days' written notice. If required by law or regulation, Aqua and the Municipality shall make said records and accounts immediately available to federal and state authorities.

22.2. Waiver of Rights. The failure of any party hereto to insist upon strict performance of this Agreement or any of the terms or conditions hereof shall not be construed as a waiver of any of its rights hereunder.

22.3. Modification. This writing constitutes the entire Agreement between the parties and there are no representations or agreements, verbal or written, other than those contained herein. This Agreement may be modified, amended or supplemented by the written agreement of the Parties.

22.4. Necessity of Permits. In the event that a Governmental Authority refuses to issue any material Permit and the Parties have no recourse to appeal and obtain such denied Permit during the Term, and such Permit may be necessary to accomplish the intent and purpose of this Agreement, then the Parties hereto shall be relieved from further compliance with the terms of this Agreement, except for payments for services actually being rendered, until such time when such Permit or Permits shall be issued and then this Agreement shall become fully operative and the Parties hereunder shall be bound by all the terms hereof.

22.5. Severability. Should any one or more of the provisions of this Agreement for any reason be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other provision of this Agreement and the remainder of this Agreement shall, in such circumstances, be construed and enforced as if such illegal, invalid or unenforceable provision had not been contained herein.

22.6. Interpretation. For purposes of this Agreement, unless the context otherwise requires, references in this Agreement to (a) Sections are to Sections of this Agreement; (b) exhibits and schedules are to exhibits and schedules attached to this Agreement and (c) an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted.

22.7. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes and binding execution and delivery hereof.

22.8. Addresses. Whenever a notice is required to be given in writing by mail, the following addresses shall be used, unless a different address is specifically called for:

Municipality: Borough of West Mayfield
4609 W. 8th Avenue
Beaver Falls, PA 15010
Attn: President

Aqua: Aqua Pennsylvania Wastewater, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
Attn: President

with required copy to:
Aqua Pennsylvania Wastewater, Inc.

762 W. Lancaster Ave
Bryn Mawr, PA 19010
Attn: General Counsel

22.9. Termination of Existing Agreements. On the Effective Date, all existing agreements, whether written, oral or implied, between or among the City and the Municipality with respect to the conveyance and/or treatment of wastewater, including, but not limited to the Existing Agreement, shall terminate and be of no further force or effect.

22.10. Choice of Law. This Agreement shall be governed by and construed with the laws of the Commonwealth of Pennsylvania except for those requirements, terms, duties and conditions regulated by federal law, and jurisdiction shall be in the Court of Common Pleas of Beaver County.

22.11. Arbitration. Any controversy, claim or dispute arising out of, or relating to this Agreement, or the breach thereof, may, if agreed by the parties, be settled by arbitration, and judgment upon any award rendered by the arbitrator or arbitrators may be entered in the Court of Common Pleas of Beaver County. Notwithstanding the above, any controversies, claims and disputes that are within the jurisdiction of the PUC shall be resolved before the PUC.

22.12. Force Majeure. Notwithstanding any other provision of this Agreement, no Party hereto shall be responsible for damages to the other for any failure to comply with this Agreement resulting from an act of God or riot, sabotage, public calamity, flood, strike, unforeseeable breakdown of the Acquired Treatment Plant, or other event beyond its reasonable control. The Party having the responsibility for the Facilities so affected, however, shall proceed promptly to remedy the consequences of such event, with costs to be shared, if applicable, to the extent provided elsewhere herein.

22.13. Most Favored Nation. During the Term, Aqua shall not enter into any bulk treatment agreement with any municipality or authority related to the acceptance, treatment, and disposal of wastewater by the Acquired System (a "Bulk Treatment Agreement") which provides for, or modify any existing Bulk Treatment Agreement to provide for, a bulk treatment rate per thousand gallons that is less than the then current Rate being charged to the Municipality under this Agreement.

22.14. Entire Agreement. This Agreement, together with all schedules and exhibits attached hereto, constitutes the sole and entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such the matter hereof.

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed and their respective corporate seals affixed the day and year first above written.

AQUA:	MUNICIPALITY:
AQUA PENNSYLVANIA WASTEWATER, INC.	BOROUGH OF WEST MAYFIELD
By: ______________________	By: ______________________
Name: Marc A. Lucca	Name: Louis Little
Title: President	Title: President

The City, intending to be legally bound, is executing this Agreement solely for the purpose of agreeing to the provisions of Section 22.9. No other terms or obligations within this Agreement apply to the City.

CITY OF BEAVER FALLS

By: ______________________

Name: Kenya Johns

Title: Mayor

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed and their respective corporate seals affixed the day and year first above written.

AQUA:	MUNICIPALITY:
AQUA PENNSYLVANIA WASTEWATER, INC.	BOROUGH OF WEST MAYFIELD
By: ______________________	By: Louis E Little
Name: Marc A. Lucca	Name: Louis Little
Title: President	Title: President

The City, intending to be legally bound, is executing this Agreement solely for the purpose of agreeing to the provisions of Section 22.9. No other terms or obligations within this Agreement apply to the City.

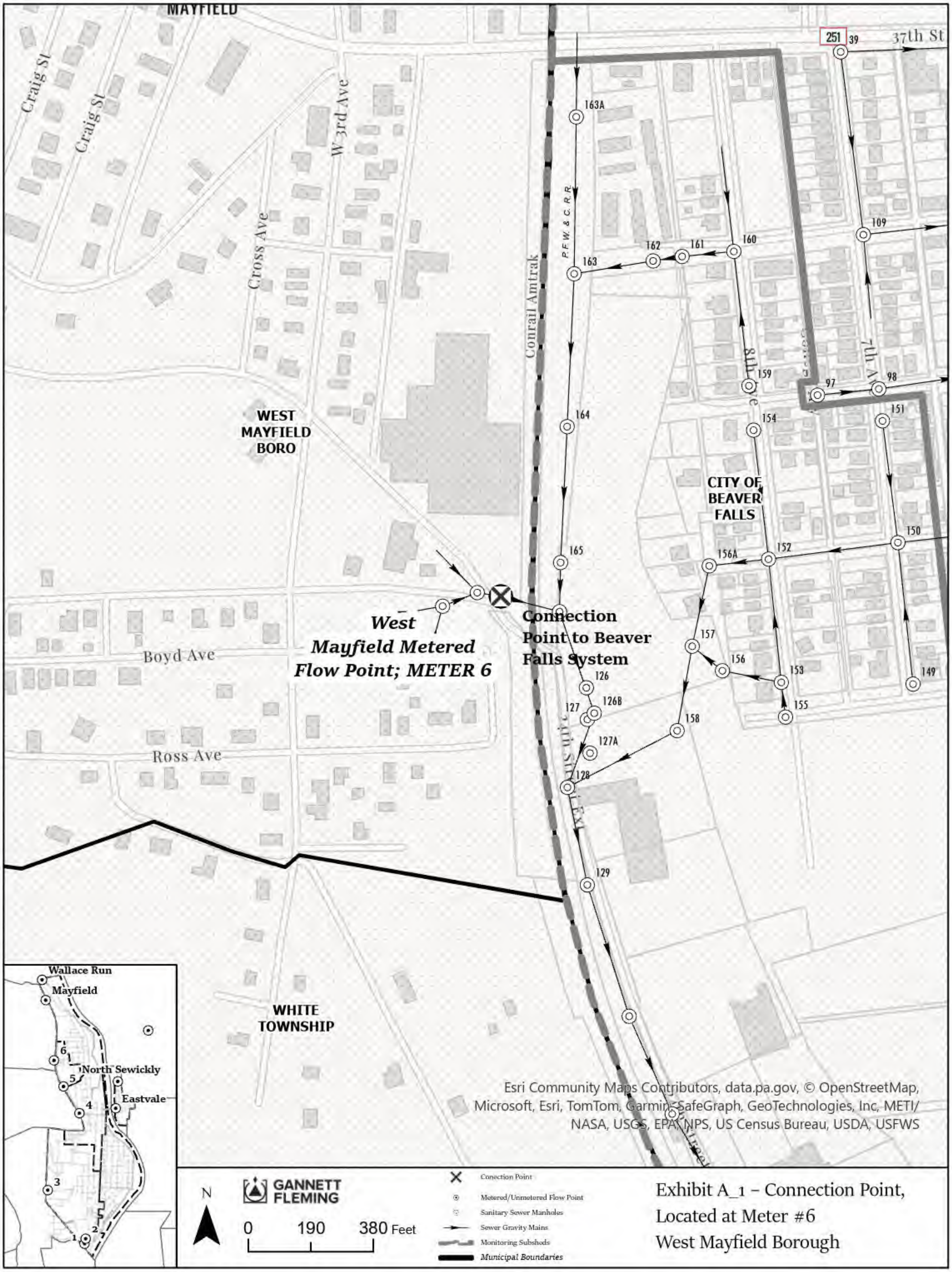
CITY OF BEAVER FALLS

By: ______________________

Name: Kenya Johns

Title: Mayor

EXHIBIT A
CONNECTION POINTS



MAYFIELD
Craig St
Craig St
W 3rd Ave
Cross Ave
37th St
251
39
163A
P.F.W. & C. R.R.
163
162
161
160
109
Conrail Amtrak
8th Ave
7th Ave
159
97
98
151
164
154
WEST MAYFIELD BORO
CITY OF BEAVER FALLS
150
165
152
156A
West Mayfield Metered Flow Point; METER 6
Connection Point to Beaver Falls System
157
156
153
149
155
Boyd Ave
126
126B
127
158
127A
Ross Ave
128
14th Street Ext
129
WHITE TOWNSHIP
Wallace Run
Mayfield
6
5
North Sewickly
Eastvale
4
3
2
1
N
GANNETT FLEMING
0
190
380 Feet
Conection Point
Metered/Unmetered Flow Point
Sanitary Sewer Manholes
Sewer Gravity Mains
Monitoring Subsheds
Municipal Boundaries

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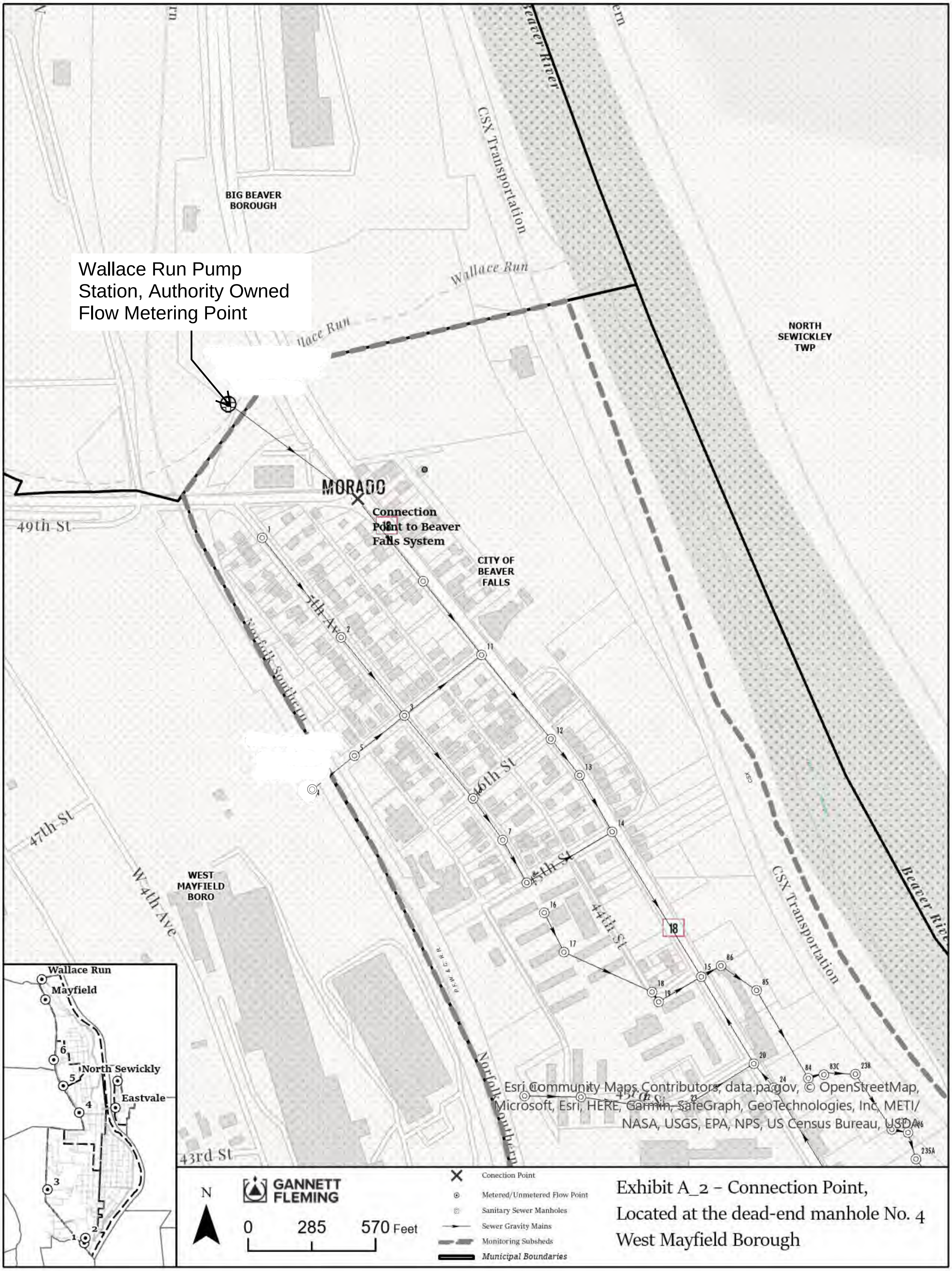
Exhibit A_1 – Connection Point,
Located at Meter #6
West Mayfield Borough


Wallace Run Pump Station, Authority Owned Flow Metering Point
BIG BEAVER BOROUGH
Wallace Run
CSX Transportation
Beaver River
NORTH SEWICKLEY TWP
MORADO
Connection Point to Beaver Falls System
CITY OF BEAVER FALLS
49th St
5th Ave
Norfolk Southern
6th St
45th St
44th St
47th St
W 4th Ave
WEST MAYFIELD BORO
43rd St
P.F.W.&C.R.R.
18
1
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14
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84
83C
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238
235A
Wallace Run
Mayfield
6
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North Sewickly
Eastvale
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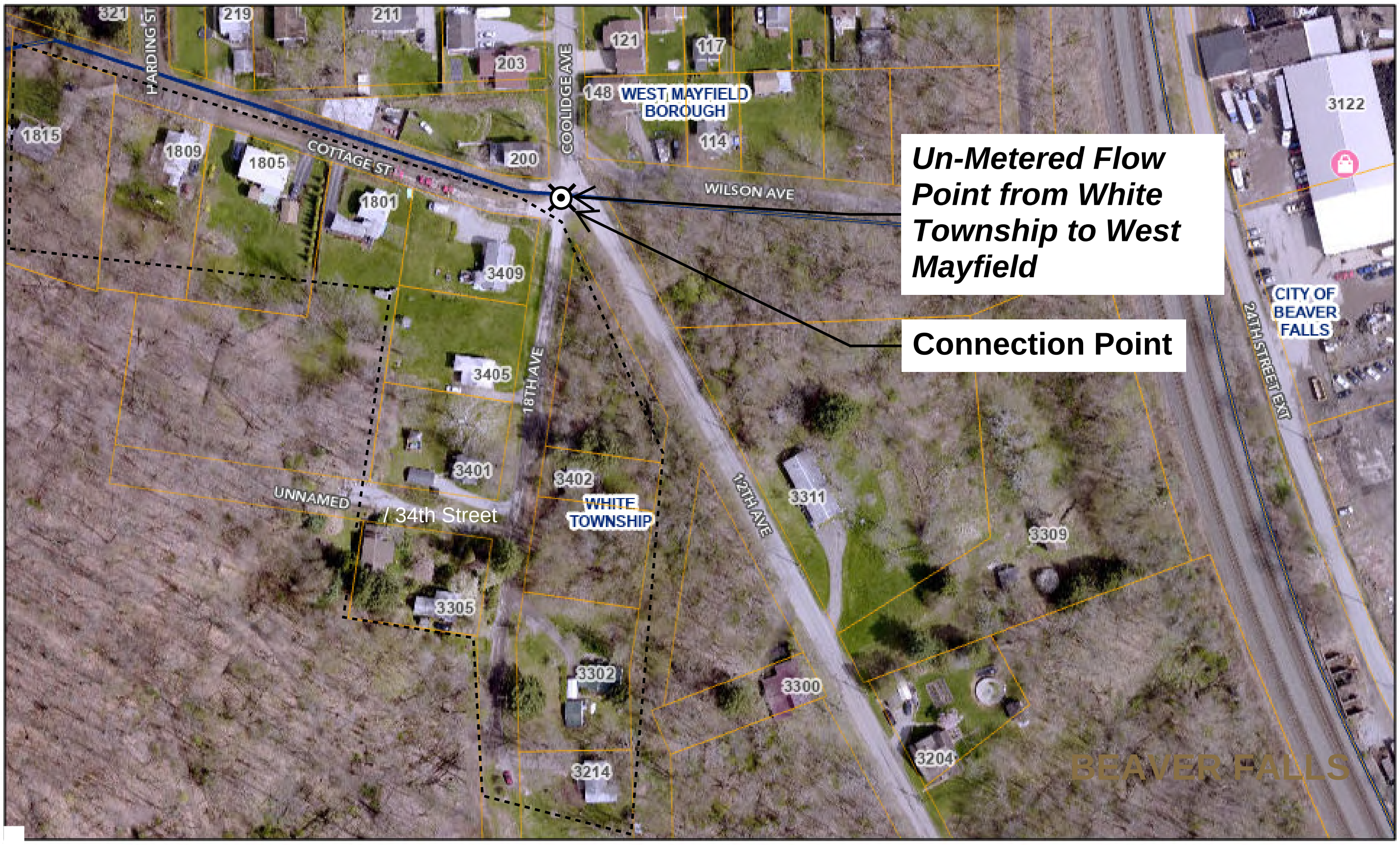
GANNETT FLEMING
0
285
570 Feet
Conection Point
Metered/Unmetered Flow Point
Sanitary Sewer Manholes
Sewer Gravity Mains
Monitoring Subsheds
Municipal Boundaries
Esri Community Maps Contributors, data.pa.gov, © OpenStreetMap, Microsoft, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA

Exhibit A_2 – Connection Point, Located at the dead-end manhole No. 4 West Mayfield Borough


321
219
211
HARDING ST
121
117
203
COOLIDGE AVE
148
WEST MAYFIELD BOROUGH
114
1815
1809
1805
COTTAGE ST
200
1801
WILSON AVE
3122
3409
3405
18TH AVE
CITY OF BEAVER FALLS
24TH STREET EXT
3401
3402
WHITE TOWNSHIP
UNNAMED
/ 34th Street
3311
12TH AVE
3309
3305
3302
3300
3204
3214
BEAVER FALLS

Un-Metered Flow Point from White Township to West Mayfield

Connection Point

November 30, 2023

🛍 Retail

▭ Parcels

▭ Municipalities

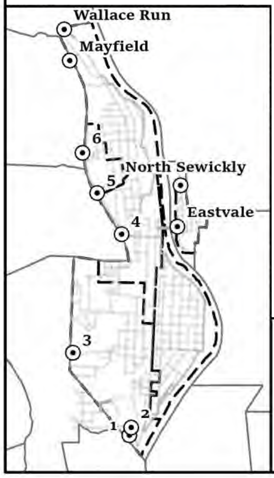
Addresses

Centerline Labels

1:2,257

0 0.01 0.03 0.05 mi

0 0.02 0.04 0.09 km


Wallace Run
Mayfield
6
North Sewickly
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Eastvale
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3
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N

GANNETT FLEMING

✕ Conection Point

⊙ Metered/Unmetered Flow Point

◎ Sanitary Sewer Manholes

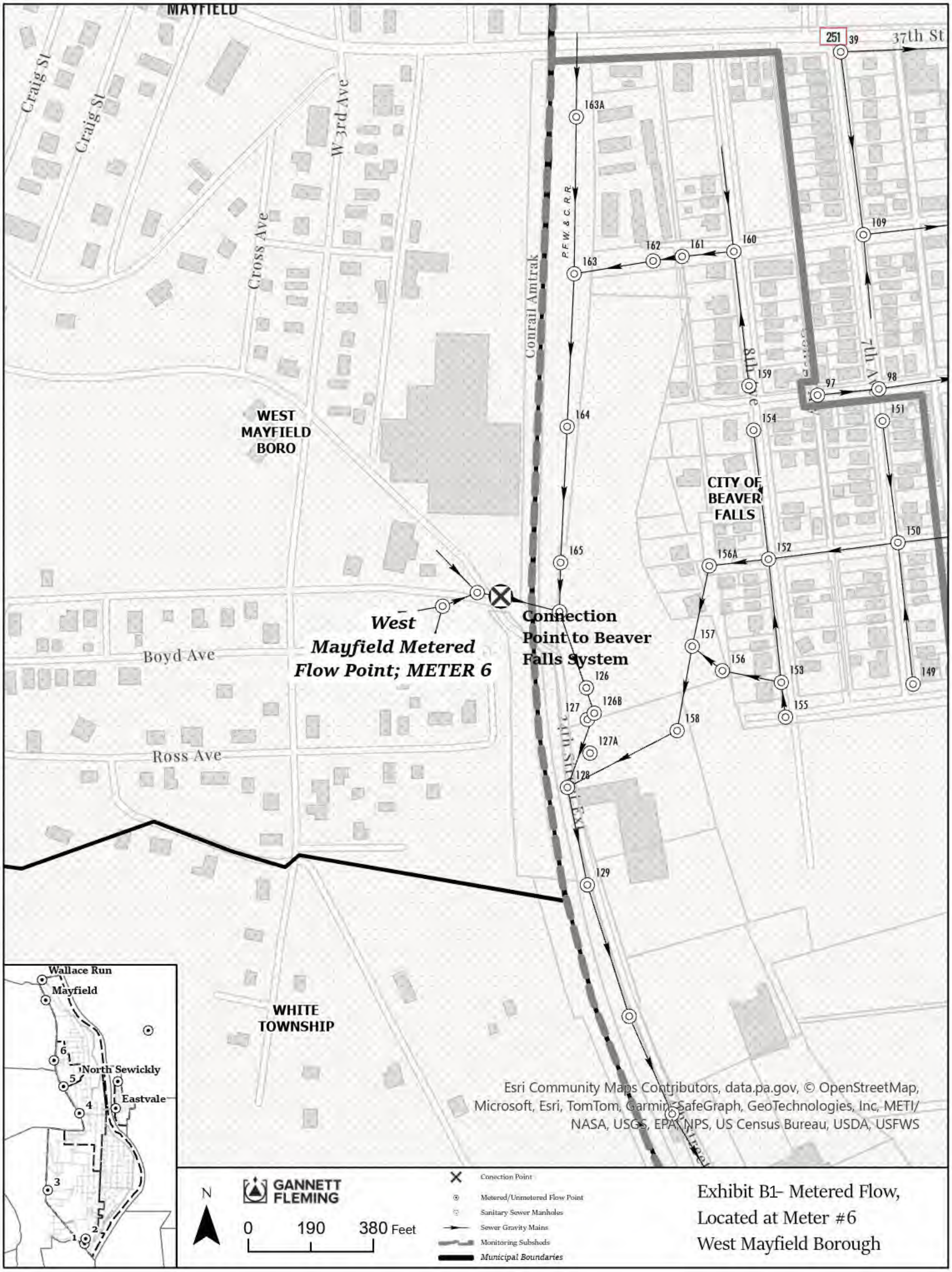
→ Sewer Gravity Mains

▬ Monitoring Subsheds

▬ Municipal Boundaries

Exhibit A_3 - Connection Point
Homes on 34th Street and 18th Avenue
West Mayfield Borough

EXHIBIT B
CONNECTION POINTS HAVING FLOW METERS


MAYFIELD
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Craig St
W 3rd Ave
Cross Ave
37th St
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163A
P.F.W. & C. R.R.
Conrail Amtrak
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West Mayfield Metered Flow Point; METER 6
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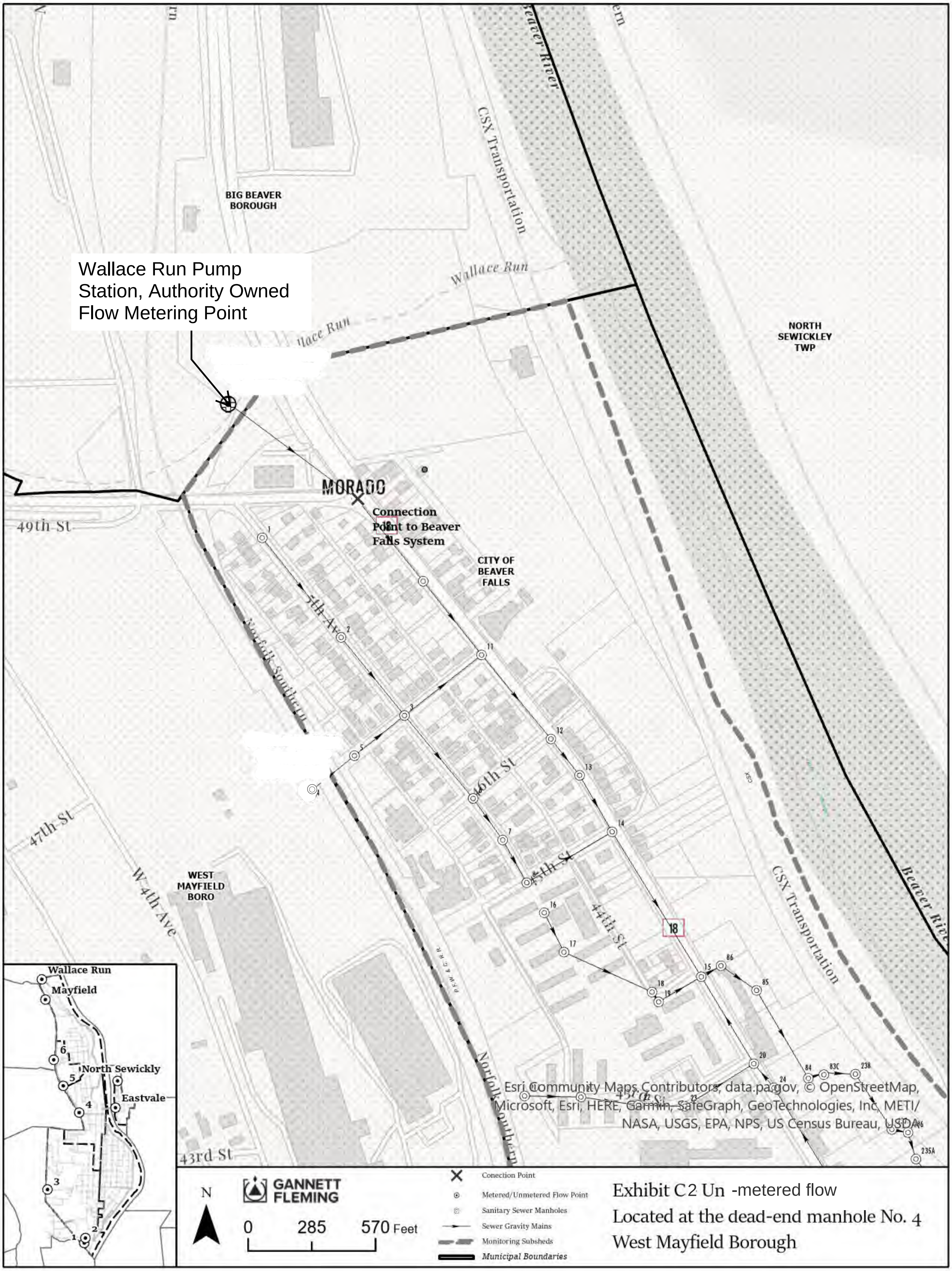
Exhibit B1– Metered Flow,
Located at Meter #6
West Mayfield Borough

EXHIBIT C
CONNECTION POINTS NOT HAVING FLOW METERS



Wallace Run Pump Station, Authority Owned Flow Metering Point
BIG BEAVER BOROUGH
Wallace Run
Wallace Run
Beaver River
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NORTH SEWICKLEY TWP
MORADO
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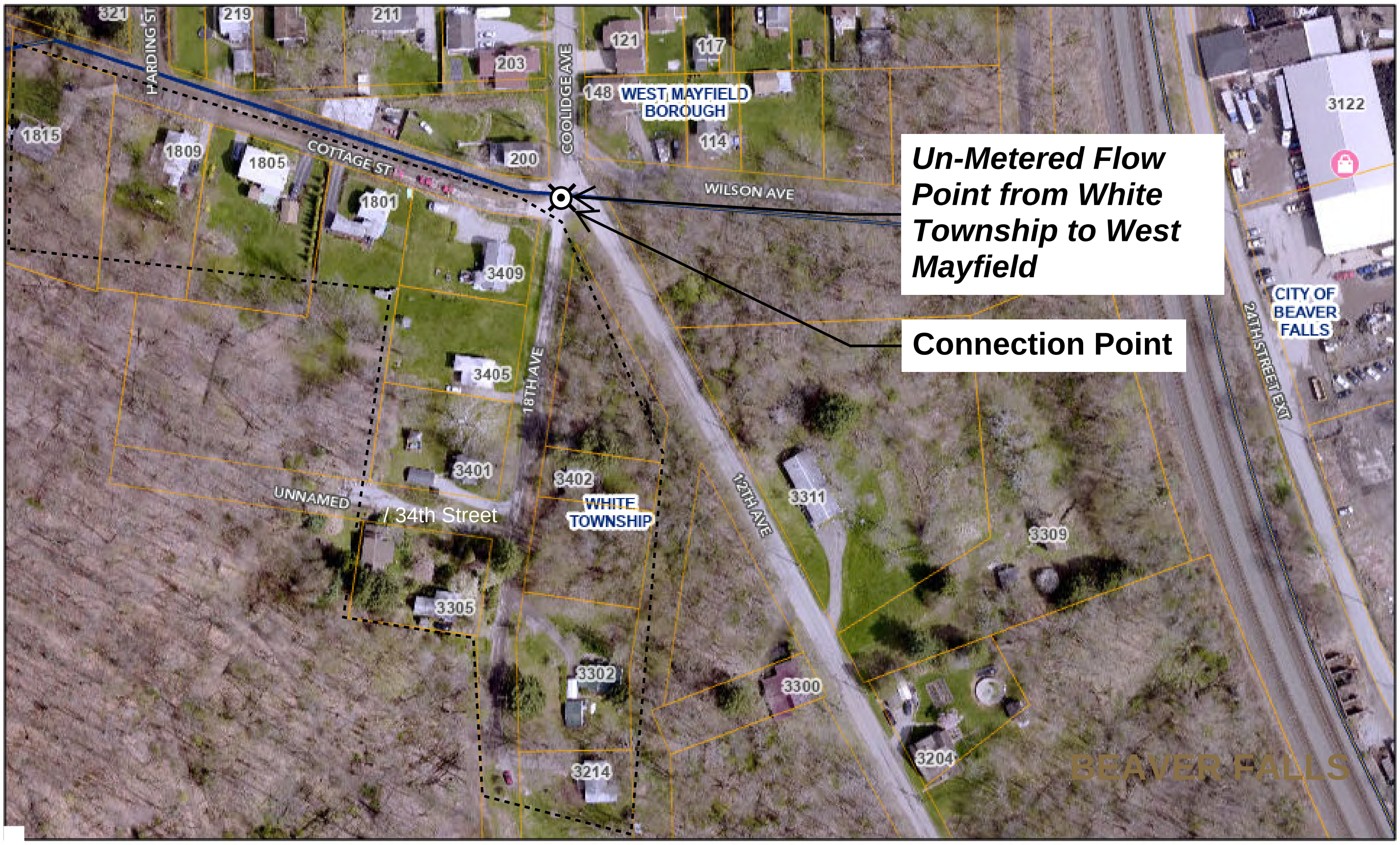
Exhibit C2 Un-metered flow
Located at the dead-end manhole No. 4
West Mayfield Borough



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COOLIDGE AVE
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WEST MAYFIELD BOROUGH
114
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1809
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Un-Metered Flow Point from White Township to West Mayfield

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0 0.02 0.04 0.09 km

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▭ Parcels

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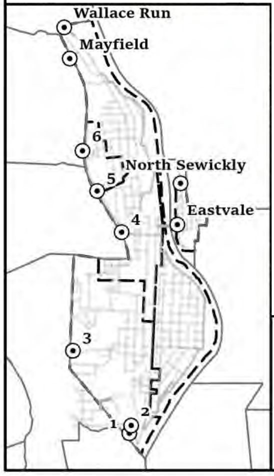

Wallace Run
Mayfield
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North Sewickly
5
Eastvale
4
3
2
1

N

GANNETT FLEMING

✕ Conection Point

⊙ Metered/Unmetered Flow Point

◎ Sanitary Sewer Manholes

→ Sewer Gravity Mains

Monitoring Subsheds

Municipal Boundaries

Exhibit C_3 - Un-metered Flow Homes on 34th Street and 18th Avenue
West Mayfield Borough

UPDATED EXHIBIT NO. A
(PUBLIC)

AMENDED EXHIBIT J1

CITY OF BEAVER FALLS

~~~~~~

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Mark C. Turnley

Certified Public Accountant
~~~~~~

CITY OF BEAVER FALLS

BEAVER COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANT

FOR THE YEAR ENDED DECEMBER 31, 2021

CITY OF BEAVER FALLS

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Mark C. Turnley

Certified Public Accountant

1000 3rd Avenue
New Brighton, Pennsylvania 15066
(724) 384-1081
FAX (724) 384-8908

To the City Council
City of Beaver Falls, Pennsylvania

Independent Auditor's Report

Adverse and Unmodified Opinions

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Beaver Falls, Pennsylvania as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Beaver Falls' basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Adverse
Business-Type Activities	Unmodified
Governmental Fund -General Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Governmental Activities

In my opinion, because of the significance of the matter described in the Basis for Adverse and Unmodified Opinions section of my report, the financial statements referred to above do not present fairly the financial position (Exhibit A) of the governmental activities of City of Beaver Falls as of December 31, 2021 or the changes in financial position (Exhibit B) for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of City of Beaver Falls as of December 31, 2021 and the respective changes in financial position, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of City of Beaver Falls, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on Governmental Activities

As described in Note 1 to the financial statements, City of Beaver Falls prepares its statement of net position (Exhibit A) and statement of activities (Exhibit B) for governmental activities using the modified accrual basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accounting principles generally accepted in the United States of America require the preparation of these government-wide financial statements using the full accrual basis of accounting, including capitalizing and depreciating fixed assets and recognizing long-term debt obligations, which would increase the assets, liabilities and net position and change the expenses of the governmental activities. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the governmental activities has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Beaver Falls' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Beaver Falls' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Beaver Falls' ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planed scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Beaver Falls, Pennsylvania's basic financial statements. The supplementary information (Schedules 1 through 4) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records use to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mark C Turnley

Mark C. Turnley, CPA

October 15, 2022
New Brighton, Pennsylvania

EXHIBIT A

CITY OF BEAVER FALLS
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 1,847,206	$ 2,095,477	$ 3,942,683
Taxes Receivable (net)	191,926	-	191,926
Accounts Receivable - Sanitation/Sewage	-	208,116	208,116
Due From Other Governments	153,977	-	153,977
Other Receivables	44,819	383,278	428,097
Internal Balances	241,216	(241,216)	-
Prepaid Expenses	93,046	-	93,046
Total Current Assets	**$ 2,572,190**	**$ 2,445,655**	**$ 5,017,845**
Noncurrent Assets:			
Buildings and Improvements	$ -	$ 10,010,405	$ 10,010,405
Office Equipment	-	98,523	98,523
Vehicles	-	299,503	299,503
Machinery & Equipment	-	415,645	415,645
Infrastructure	-	2,487,544	2,487,544
Accumulated Depreciation	-	(7,460,986)	(7,460,986)
Total Noncurrent Assets	**$ -**	**$ 5,850,634**	**$ 5,850,634**
TOTAL ASSETS	**$ 2,572,190**	**$ 8,296,289**	**$ 10,868,479**
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 184,206	$ 27,567	$ 211,773
Payroll Liabilities	51,546	-	51,546
Due to Other Governments	47,411	-	47,411
Unearned Revenue	250	-	250
Customer Deposits	115,341	-	115,341
Total Current Liabilities	**$ 398,754**	**$ 27,567**	**$ 426,321**
TOTAL LIABILITIES	**$ 398,754**	**$ 27,567**	**$ 426,321**
NET POSITION			
Net Investment in Capital Assets	$ -	$ 5,850,634	$ 5,850,634
Restricted (Note 1)	495,072	-	495,072
Unrestricted	1,678,364	2,418,088	4,096,452
TOTAL NET POSITION	**$ 2,173,436**	**$ 8,268,722**	**$ 10,442,158**
TOTAL LIABILITIES AND NET POSITION	**$ 2,572,190**	**$ 8,296,289**	**$ 10,868,479**

The accompanying notes are an integral part of these financial statements

EXHIBIT B

CITY OF BEAVER FALLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities:							
Administration	$ 630,513	$ 121,106	$ 65,173	$ -	$ (444,234)		$ (444,234)
Public Safety - Police	2,035,933	459,743	206,412	-	(1,369,778)		(1,369,778)
Public Safety - Fire	952,649	92,402	107,324	-	(752,923)		(752,923)
Public Safety - Code	33,827	87,757	-	-	53,930		53,930
Public Safety - Other	599	-	-	-	(599)		(599)
Health and Welfare	45,860	-	2,785	-	(43,075)		(43,075)
Rental Registration	43,772	120,705	-	-	76,933		76,933
Public Works - Sanitation	676,588	930,130	2,268	-	255,810		255,810
Public Works - Highways	1,315,277	597,422	320,150	-	(397,705)		(397,705)
Public Works - Wastewater System	374,147	801,395	-	-	427,248		427,248
Culture and Recreation	14,266	-	-	-	(14,266)		(14,266)
Debt Service and Refunds	1,191,219	60,800	436,052	-	(694,367)		(694,367)
Insurance	1,113,437	-	-	-	(1,113,437)		(1,113,437)
Miscellaneous Expenses	1,249,260	-	-	-	(1,249,260)		(1,249,260)
Total Governmental Activities	**$ 9,677,347**	**$ 3,271,460**	**$ 1,140,164**	**$ -**	**$ (5,265,723)**		**$ (5,265,723)**
Business-Type Activities:							
Joint Sewer Users	$ 1,455,726	$ 1,525,223	$ -	$ -		$ 69,497	$ 69,497
City Sewer Users	1,508,110	1,557,666	-	-		49,556	49,556
Total Business-Type Activities	**$ 2,963,836**	**$ 3,082,889**	**$ -**	**$ -**		**$ 119,053**	**$ 119,053**
Total Primary Government	**$ 12,641,183**	**$ 6,354,349**	**$ 1,140,164**	**$ -**	**$ (5,265,723)**	**$ 119,053**	**$ (5,146,670)**
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					$ 2,069,072	$ -	$ 2,069,072
Act 511 Taxes					1,136,698	-	1,136,698
Earned Income Tax Levied for Pension Obligations					1,021,933	-	1,021,933
PURTA/Beverage Licenses/Payments in Lieu of Taxes					36,226	-	36,226
Cable Franchise Fees					118,670	-	118,670
Investment Earnings					3,816	2,708	6,524
Sale of Fixed Assets					1,002,100	-	1,002,100
Miscellaneous					210,318	-	210,318
Proceeds from Loan					500,000	-	500,000
Total General Revenues					**$ 6,098,833**	**$ 2,708**	**$ 6,101,541**
Change in Net Position					**$ 833,110**	**$ 121,761**	**$ 954,871**
Net Position — January 1, 2021					1,340,326	8,146,961	9,487,287
Net Position — December 31, 2021					**$ 2,173,436**	**$ 8,268,722**	**$ 10,442,158**

The accompanying notes are an integral part of these financial statements

EXHIBIT C

CITY OF BEAVER FALLS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	GENERAL FUND	CAPITAL PROJECTS FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and Cash Equivalents	$ 1,680,842	$ 70,718	$ 95,646	$ 1,847,206
Taxes Receivable, net	191,926	-	-	191,926
Due From Other Funds	241,216	-	-	241,216
Due From Other Governments	153,977	-	-	153,977
Other Receivables	44,819	-	-	44,819
Prepaid Expenses	93,046	-	-	93,046
TOTAL ASSETS	**$ 2,405,826**	**$ 70,718**	**$ 95,646**	**$ 2,572,190**
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	$ 138,224	$ 45,982	$ -	$ 184,206
Payroll Liabilities	51,546	-	-	51,546
Due to Other Governments	47,411	-	-	47,411
Unearned Revenue	250	-	-	250
Customer Deposits	115,341	-	-	115,341
TOTAL LIABILITIES	**$ 352,772**	**$ 45,982**	**$ -**	**$ 398,754**
FUND BALANCES:				
Non-spendable (Note 1)	$ 93,046	$ -	$ -	$ 93,046
Restricted (Note 1)	374,690	24,736	95,646	495,072
Unassigned	1,585,318	-	-	1,585,318
TOTAL FUND BALANCES	**$ 2,053,054**	**$ 24,736**	**$ 95,646**	**$ 2,173,436**
TOTAL LIABILITIES AND FUND BALANCES	**$ 2,405,826**	**$ 70,718**	**$ 95,646**	**$ 2,572,190**

The accompanying notes are an integral part of these financial statements

EXHIBIT D

CITY OF BEAVER FALLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	GENERAL FUND	CAPITAL PROJECTS FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 4,227,703	$ -	$ -	$ 4,227,703
Licenses and Permits	343,432	-	-	343,432
Fines and Forfeitures	115,123	-	7,030	122,153
Interest and Rents	27,868	495	213	28,576
Intergovernmental	970,529	-	250,716	1,221,245
Charges for Services	2,830,299	-	-	2,830,299
Miscellaneous	225,767	-	7,805	233,572
Total Revenue	**$ 8,740,721**	**$ 495**	**$ 265,764**	**$ 9,006,980**
EXPENDITURES				
General Government	$ 472,771	$ 157,714	$ 28	$ 630,513
Public Safety	2,794,522	205,578	22,908	3,023,008
Health and Human Services	45,860	-	-	45,860
Rental Registration	43,772	-	-	43,772
Public Works	2,168,641	197,371	-	2,366,012
Culture and Recreation	12,401	1,865	-	14,266
Debt Service	584,903	1,500	604,816	1,191,219
Insurance	1,113,437	-	-	1,113,437
Miscellaneous Expenses (Pension/Employer Taxes)	1,249,260	-	-	1,249,260
Total Expenditures	**$ 8,485,567**	**$ 564,028**	**$ 627,752**	**$ 9,677,347**
Excess (Deficiency) of Revenue over Expenditures	**$ 255,154**	**$ (563,533)**	**$ (361,988)**	**$ (670,367)**
OTHER FINANCING SOURCES (USES)				
Sale of Assets	$ 1,002,100	$ -	$ -	$ 1,002,100
Refund of Prior Year Expenses	1,377	-	-	1,377
Proceeds - Tax Anticipation Loan	500,000	-	-	500,000
Operating Transfers In	256,224	5,300	604,816	866,340
Operating Transfers Out	(610,116)	-	(256,224)	(866,340)
Total Other Financing Sources (Uses)	**$ 1,149,585**	**$ 5,300**	**$ 348,592**	**$ 1,503,477**
NET CHANGE IN FUND BALANCES	**$ 1,404,739**	**$ (558,233)**	**$ (13,396)**	**$ 833,110**
FUND BALANCE - JANUARY 1, 2021	648,315	582,969	109,042	1,340,326
FUND BALANCE - DECEMBER 31, 2021	**$ 2,053,054**	**$ 24,736**	**$ 95,646**	**$ 2,173,436**

The accompanying notes are an integral part of these financial statements

EXHIBIT E

CITY OF BEAVER FALLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL
GOVERNMENTAL FUNDS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
REVENUES				
Taxes	$ 4,282,000	$ 4,282,000	$ 4,227,703	$ (54,297)
Licenses and Permits	338,900	338,900	343,432	4,532
Fines and Forfeitures	113,900	113,900	115,123	1,223
Interest and Rents	40,160	40,160	27,868	(12,292)
Intergovernmental	485,174	485,174	970,529	485,355
Charges for Services	2,776,852	2,776,852	2,830,299	53,447
Miscellaneous	180,300	180,300	225,767	45,467
Total Revenues	**$ 8,217,286**	**$ 8,217,286**	**$ 8,740,721**	**$ 523,435**
EXPENDITURES				
Legislative	$ 18,750	$ 18,750	$ 22,233	$ (3,483)
Executive	243,493	243,493	238,135	5,358
Financial Administration	85,850	85,850	91,741	(5,891)
Tax Collection	35,000	35,000	36,704	(1,704)
Legal	31,000	31,000	42,991	(11,991)
Data Processing	16,300	16,300	16,106	194
Municipal Building	25,500	25,500	24,861	639
Public Safety - Police	1,663,768	1,663,768	1,919,452	(255,684)
Public Safety - Fire	822,284	822,284	874,471	(52,187)
Emergency Management	1,000	1,000	599	401
Health and Human Services	40,015	40,015	45,860	(5,845)
Rental Registration	44,628	44,628	43,772	856
Public Works - Sanitation	605,500	605,500	676,588	(71,088)
Public Works - Highways	1,073,110	1,073,110	1,119,106	(45,996)
Public Works - Wastewater System	378,991	378,991	372,947	6,044
Culture and Recreation	18,000	18,000	12,401	5,599
Debt Service	586,525	586,525	584,903	1,622
Insurance	1,030,797	1,030,797	1,113,437	(82,640)
Miscellaneous Expenses (Pension/Employer Taxes)	1,281,711	1,281,711	1,249,260	32,451
Total Expenditures	**$ 8,002,222**	**$ 8,002,222**	**$ 8,485,567**	**$ (483,345)**
Excess (Deficiency) of Revenues over Expenditures	**$ 215,064**	**$ 215,064**	**$ 255,154**	**$ 40,090**
OTHER FINANCING SOURCES (USES)				
Sale of Assets	$ -	$ -	$ 1,002,100	$ 1,002,100
Refund of Prior Year Expenses	-	-	1,377	1,377
Proceeds - Tax Anticipation Loan	500,000	500,000	500,000	-
Operating Transfers In	325,646	325,646	256,224	(69,422)
Operating Transfers Out	(604,816)	(604,816)	(610,116)	(5,300)
Total Other Financing Sources (Uses)	**$ 220,830**	**$ 220,830**	**$ 1,149,585**	**$ 928,755**
NET CHANGE IN FUND BALANCES	**$ 435,894**	**$ 435,894**	**$ 1,404,739**	**$ 968,845**
FUND BALANCE - JANUARY 1, 2021	-	-	648,315	648,315
FUND BALANCE - DECEMBER 31, 2021	**$ 435,894**	**$ 435,894**	**$ 2,053,054**	**$ 1,617,160**

The accompanying notes are an integral part of these financial statements

EXHIBIT F

CITY OF BEAVER FALLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

ASSETS	JOINT SEWER USERS FUND	CITY SEWER USERS FUND	TOTAL
Current Assets:			
Cash and cash equivalents	$ 1,711,625	$ 383,852	$ 2,095,477
Accounts receivable:			
Sanitation/Sewage (Net)	-	208,116	208,116
Other	383,278	-	383,278
Total Current Assets	**$ 2,094,903**	**$ 591,968**	**$ 2,686,871**
Noncurrent Assets:			
Buildings and improvements	$ 10,010,405	$ -	$ 10,010,405
Office Equipment	86,638	11,885	98,523
Vehicles	150,933	148,570	299,503
Machinery & Equipment	-	415,645	415,645
Infrastructure	1,700,472	787,072	2,487,544
Accumulated depreciation	(6,743,617)	(717,369)	(7,460,986)
Total Noncurrent Assets	**$ 5,204,831**	**$ 645,803**	**$ 5,850,634**
TOTAL ASSETS	**$ 7,299,734**	**$ 1,237,771**	**$ 8,537,505**
LIABILITIES AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 27,549	$ 18	$ 27,567
Due to other funds	76,840	164,376	241,216
Total Current Liabilities	**$ 104,389**	**$ 164,394**	**$ 268,783**
TOTAL LIABILITIES	**$ 104,389**	**$ 164,394**	**$ 268,783**
NET POSITION			
Net Investment in Capital Assets	$ 5,204,831	$ 645,803	$ 5,850,634
Unrestricted	1,990,514	427,574	2,418,088
TOTAL NET POSITION	**$ 7,195,345**	**$ 1,073,377**	**$ 8,268,722**
TOTAL LIABILITIES AND NET POSITION	**$ 7,299,734**	**$ 1,237,771**	**$ 8,537,505**

The accompanying notes are an integral part of these financial statements

EXHIBIT G

CITY OF BEAVER FALLS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	JOINT SEWER USERS FUND	CITY SEWER USERS FUND	TOTAL
OPERATING REVENUES:			
Sewage charges	$ 1,519,336	$ 1,557,666	$ 3,077,002
Tap-In Fees	3,250	-	3,250
Permit Fees	1,000	-	1,000
Miscellaneous	1,637	-	1,637
TOTAL OPERATING REVENUES	**$ 1,525,223**	**$ 1,557,666**	**$ 3,082,889**
OPERATING EXPENSES:			
Contractual services	$ -	$ 682,900	$ 682,900
Wages and Benefits	641,124	200,000	841,124
Administrative	30,000	300,000	330,000
Office	4,727	-	4,727
Repair and maintenance	168,243	58,660	226,903
Billing expense	-	20,271	20,271
Depreciation	203,461	45,297	248,758
Engineering	6,339	226	6,565
Utilities	138,336	-	138,336
Chemicals/Chlorine	32,950	-	32,950
Sludge/grit removal	63,213	-	63,213
Janitorial Supplies	3,075	-	3,075
Gas and Oil	1,564	-	1,564
Equipment	10,122	-	10,122
Operating Supplies	-	572	572
Uniforms	2,400	-	2,400
Permits and testing	15,074	-	15,074
Certification & Training	1,123	-	1,123
Small Tools	3,468	-	3,468
Insurance	30,273	-	30,273
Miscellaneous	234	184	418
Line Rental Expense	100,000	-	100,000
Sewer-Line Reimbursement	-	200,000	200,000
TOTAL OPERATING EXPENSES	**$ 1,455,726**	**$ 1,508,110**	**$ 2,963,836**
OPERATING INCOME (LOSS) BEFORE NON OPERATING REVENUES (EXPENSES)	**$ 69,497**	**$ 49,556**	**$ 119,053**
NONOPERATING REVENUES (EXPENSES):			
Interest income	$ 2,198	$ 510	$ 2,708
TOTAL NONOPERATING REVENUES (EXPENSES)	**$ 2,198**	**$ 510**	**$ 2,708**
CHANGE IN NET POSITION	**$ 71,695**	**$ 50,066**	**$ 121,761**
NET POSITION - January 1, 2021	7,123,650	1,023,311	8,146,961
NET POSITION - December 31, 2021	**$ 7,195,345**	**$ 1,073,377**	**$ 8,268,722**

The accompanying notes are an integral part of these financial statements

EXHIBIT H

CITY OF BEAVER FALLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	JOINT SEWER USERS FUND	CITY SEWER USERS FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from User Charges	$ 1,229,617	$ 1,566,002	$ 2,795,619
Miscellaneous Revenue	1,637	-	1,637
Cash Paid to Vendors for Goods and Services	(1,239,453)	(1,295,859)	(2,535,312)
Net cash provided (used) by operating activities	**$ (8,199)**	**$ 270,143**	**$ 261,944**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Fixed asset purchases & additions	$ (8,283)	$ (65,000)	$ (73,283)
Net cash provided (used) by capital and related financing activities	**$ (8,283)**	**$ (65,000)**	**$ (73,283)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	$ 2,198	$ 510	$ 2,708
Net cash provided by investing activities	**$ 2,198**	**$ 510**	**$ 2,708**
Net increase (decrease) in cash and cash equivalents	**$ (14,284)**	**$ 205,653**	**$ 191,369**
CASH AND CASH EQUIVALENTS - January 1, 2021	1,725,909	178,199	1,904,108
CASH AND CASH EQUIVALENTS - December 31, 2021	**$ 1,711,625**	**$ 383,852**	**$ 2,095,477**

	JOINT SEWER USERS FUND	CITY SEWER USERS FUND	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	$ 69,497	$ 49,556	$ 119,053
Adjustments to reconcile excess revenues over expenditures provided (used) by operating activities:			
Depreciation	203,461	45,297	248,758
Changes in assets and liabilities:			
(Increase) decrease in sewer/refuse receivables	-	8,336	8,336
(Increase) decrease in other accounts receivable	(293,969)	-	(293,969)
(Increase) decrease in due from other funds	-	2,934	2,934
Increase (decrease) in accounts payable	4,797	(356)	4,441
Increase (decrease) in due to other funds	8,015	164,376	172,391
Net cash provided (used) by operating activities	**$ (8,199)**	**$ 270,143**	**$ 261,944**

The accompanying notes are an integral part of these financial statements

EXHIBIT I

CITY OF BEAVER FALLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	POLICE PENSION FUND	FIREFIGHTERS PENSION FUND	CITY EMPLOYEES PENSION FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 250,729	$ 236,299	$ 189,905	$ 676,933
Investments, at Fair Value:				
U.S. Treasury Securities	263,822	92,503	-	356,325
U.S. Agency Securities	44,729	-		44,729
Municipal Bonds	596,059	179,234	-	775,293
Corporate Bonds	533,987	46,406	-	580,393
Money Market Funds	473,850	106,695	27,250	607,795
Mutual Funds	10,221,285	4,795,397	8,682,920	23,699,602
Exchange Traded Products	1,054,555	426,439	745,835	2,226,829
Accrued Interest	11,097	2,281	-	13,378
Other Accounts Receivable	400	-	-	400
TOTAL ASSETS	**$ 13,450,513**	**$ 5,885,254**	**$ 9,645,910**	**$ 28,981,677**
LIABILITIES				
Accounts Payable	$ 823	$ 825	$ 825	$ 2,473
TOTAL LIABILITIES	**$ 823**	**$ 825**	**$ 825**	**$ 2,473**
NET POSITION				
Held in Trust for Pension Benefits	$ 13,449,690	$ 5,884,429	$ 9,645,085	$ 28,979,204
TOTAL NET POSITION	**$ 13,449,690**	**$ 5,884,429**	**$ 9,645,085**	**$ 28,979,204**

The accompanying notes are an integral part of these financial statements

EXHIBIT J

CITY OF BEAVER FALLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	POLICE PENSION FUND	FIREFIGHTERS PENSION FUND	CITY EMPLOYEES PENSION FUND	TOTAL
ADDITIONS				
Contributions				
Employer	$ 665,745	$ 248,883	$ 197,290	$ 1,111,918
Plan Members	79,888	28,748	60,021	168,657
Total Contributions	**$ 745,633**	**$ 277,631**	**$ 257,311**	**$ 1,280,575**
Investment Earnings				
Net Increase <Decrease> in Fair Value of Investments	$ 749,490	$ 339,291	$ 592,108	$ 1,680,889
Interest and Dividends	616,559	264,758	445,118	1,326,435
Total Investment Earnings	$ 1,366,049	$ 604,049	$ 1,037,226	$ 3,007,324
Less Investment Expense	-	-	-	-
Net Investment Earnings	**$ 1,366,049**	**$ 604,049**	**$ 1,037,226**	**$ 3,007,324**
Total Additions	**$ 2,111,682**	**$ 881,680**	**$ 1,294,537**	**$ 4,287,899**
DEDUCTIONS				
Benefits	$ 714,695	$ 315,268	$ 377,034	$ 1,406,997
Member Refunds (Lump Sum)	4,499	-	9,502	14,001
Administrative Expenses	60,168	28,993	45,452	134,613
Miscellaneous	-	-	580	580
Total Deductions	**$ 779,362**	**$ 344,261**	**$ 432,568**	**$ 1,556,191**
CHANGE IN NET POSITION	**$ 1,332,320**	**$ 537,419**	**$ 861,969**	**$ 2,731,708**
NET POSITION - JANUARY 1, 2021	12,117,370	5,347,010	8,783,116	26,247,496
NET POSITION - DECEMBER 31, 2021	**$ 13,449,690**	**$ 5,884,429**	**$ 9,645,085**	**$ 28,979,204**

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The City of Beaver Falls was incorporated on December 3, 1928, under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. The administration of the City consists of four (4) Councilmen and a City Mayor. Members of City Council are elected by the voting public. City Council appoints a City Manager to administer the day-to-day operations of the City. The major functions of the City include public safety, maintenance of City infrastructure (roads), sanitation and sewage control, maintenance of parks and other recreational facilities for use by City residents and general administrative functions necessary to facilitate City resident needs and responsibilities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City of Beaver Falls consists of all funds, departments, boards, and agencies that are not legally separate from the City. Generally accepted accounting standards defines component units are legally separate entities that are included in the City's reporting entity because of the significance of their operating or financial relationships with the City. The City of Beaver Falls has no component units.

FINANCIAL STATEMENT PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) report information about the City as a whole. These financial statements combine all of the financial activity of the primary government excluding fiduciary funds. As a general rule, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are recorded separately from business-type activities, which rely to a significant extent on fees and charges for services.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies, and contributions that are restricted to meeting the operational or capital requirements of a particular program.

FUND FINANCIAL STATEMENTS – Fund financial statements report detailed information about the City. Under generally accepted accounting standards, the focus of governmental fund financial statements is on major funds rather than reporting funds by type. Major funds represent the City's most important funds and are determined based on a percentage of assets, liabilities, revenues, and expenditures/expenses. For the City of Beaver Falls the General Fund always considered a major fund. Each major governmental fund is presented in a separate column. Non-major governmental funds, if any, are segregated and combined in a single column. Fiduciary funds are reported separately.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The governmental activities on the government-wide financial statements are presented in conformity with the modified accrual basis of accounting, which is a basis of accounting other than generally accepted accounting standards. The governmental fund financial statements of the City of Beaver Falls are presented on the modified accrual basis of accounting, in accordance with accounting standards generally accepted in the United States of America (GAAP) established by the Government Accounting Standards Board (GASB). Business-type activities on the government-wide financial statements, the proprietary fund financial statements, and the Fiduciary Fund financial statements use the accrual basis of accounting in conformity with GAAP.

Revenue resulting from exchange transactions, in which the City receives value without directly giving equal values in return, includes property taxes, grants and contributions. On the modified accrual basis, revenue from current year property taxes is recognized when received, and within sixty days subsequent to year-end if they are both measurable and available to fund current year general operations. Revenues from grants and contributions are recognized in the calendar year in which all eligibility requirements have been satisfied. On the modified accrual basis, revenue from non-exchange transactions must also be 'available' before it can be recognized.

The management of the City of Beaver Falls has determined that the revenues most susceptible to accrual at December 31, 2021 are **1)** current real estate taxes estimated to be collected within 60 days, **2)** delinquent real estate taxes earned by the City in December of 2021, **3)** deed transfer taxes and vehicle violations earned by the City in December of 2021, **4)** certain taxpayer assessed Act 511 taxes, **5)** solid waste and sewage fees billed to City residents, **6)** cable franchise fees earned during the year, and **7)** other miscellaneous revenues estimable and available to the City for 2021 but not as yet collected at December 31, 2021. On the governmental fund financial statements, receivables that will not be collected within the 'available' period have been reported as 'deferred inflows of resources'.

On the modified accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures, with certain exceptions, are recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at December 31, 2021, are those for which the City's intention was to expense these items as budgeted for in the 2021 official budget, and for which the City has incurred an obligation during 2021 but has not paid as of December 31, 2021.

FUND ACCOUNTING

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Fund categories are defined as follows:

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major and non-major governmental funds:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

MAJOR GOVERNMENTAL FUNDS:

GENERAL FUND - Established under 'The Third-Class City Code' of the Commonwealth of Pennsylvania and is used for the general operations of the City. Income in this fund is derived mainly from assessed revenues such as real estate taxes, local taxes established under Act 511, charges for sanitation service and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the City and other miscellaneous operating expenses.

CAPITAL PROJECTS FUND - Established from the proceeds of a portion of the City's General Obligation Bonds – Series of 2017 to fund capital projects of the City.

NON-MAJOR GOVERNMENTAL FUNDS:

HIGHWAY AID FUND - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets, and bridges for which the City is responsible.

LOCAL DRUG INVESTIGATIVE FUND - Established to account for monies received primarily from the Local Drug Enforcement Agency for forfeited drug funds to be used for training and other allowable expenses.

K-9 FUND - Established to account for monies received through donations to be used for K-9 expenses.

CRIMEWATCH FUND - Established to account for monies received through donations to be used for Crimewatch expenses.

DEBT SERVICE FUND - Established from the proceeds of the City's General Obligation Bonds – Series of 2017. The main purpose of the fund is to pay the principal and interest due on the City's general obligation bonds and notes. Funding is received through transfers from the General Fund.

Proprietary Funds - used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the City (internal service funds). The City maintains two (2) proprietary funds: **1)** City Sewer Users Fund and **2)** Joint Sewer Users Fund. Based on the criteria for determining major funds as set forth in GASB Statement No. 34, each of the City's proprietary funds are considered major funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The City has three pension trust funds (police pension, firefighter's pension, and non-uniform service employee's pension). The City does not maintain any other type of fiduciary fund.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the City's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BUDGETS

In December of 2020, the City of Beaver Falls adopted its 2021 annual budget for its General Fund totaling $8,607,038 in accordance with the provisions of the Third-Class City Code. The budget is prepared utilizing the modified accrual method of accounting in accordance with generally accepted accounting principles. Budgetary transfers among various expenditure line items are performed as approved by the City Council. The original and adjusted budgetary amounts are reflected in these financial statements (Exhibit E). Actual expenditures of the General Fund exceeded budgeted expenditures for 2021. All annual appropriations of the general fund lapse at year-end.

The City uses the following procedures in establishing this budgetary data:

a. In accordance with the Third-Class City Code, each year at the last stated meeting in November, the chief fiscal officer shall, on behalf of Council, present to Council for introduction a proposed budget ordinance. The proposed budget ordinance shall show the estimated receipts, expenditures, and liabilities for the ensuing year, with the balance of unexpended appropriations and all other information of value as a basis for fixing the levy and tax rate for the next calendar year. Council shall upon introducing the proposed budget ordinance, fix a date or adoption, which shall be not later than December 31 of that year.

b. When the proposed budget ordinance is submitted to Council and has been introduced, the City Clerk shall immediately make the prosed budget ordinance available for public inspection at the City Clerk's office and shall publish a notice to that effect once in a newspaper of general circulation that states the date fixed by Council for enactment of the proposed budget ordinance. The notice shall be published at least 20 days prior to the time fixed by Council for enactment of the proposed budget ordinance. The proposed budget ordinance shall be available for public inspection at the City Clerk's office for at least 10 days after the newspaper notice is published.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS (Continued)

c. Council shall, after making the changes and modifications as appear proper, enact the budget and any appropriation measures required to put it into effect upon the date fixed for enactment. Any budget revisions whereby total expenditures would be increased by more than 10%, or more than 25% in any individual lie-item over the proposed budget, the proposed budget shall not be enacted unless made available for public inspection for a period of at least 10 days after notice to that effect is published.

CASH AND CASH EQUIVALENTS

For the purposes of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

INVESTMENTS

Provisions of the Third-Class City Code authorize the following investments:

I. Obligations of (a) the United States of American or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.

III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

IV. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.

Fiduciary fund type investments include investments consisting of fixed income securities, U.S. Treasury securities, mutual funds and exchange-traded products held by Hefren-Tillotson, Inc. for the benefit of the City's pension plans (Trust Funds). Investments are stated at fair value. The City's portfolio is in compliance with these statutes at December 31, 2021.

RECEIVABLES

Sanitation, sewage, and other receivables are reflected at net realizable value as of December 31, 2021.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the governmental funds balance sheet. For the purposes of the government-wide statement of Net position, governmental inter-fund receivables and payables have been eliminated. Amounts due between governmental activities and business-type activities are offset as 'Internal Balances' on the Statement of Net position.

CAPITAL ASSETS AND DEPRECIATION

All capital assets of the City's business-type activities are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The City does not maintain a specific dollar threshold for fixed asset capitalization. The cost of infrastructure is included in the government-wide statement of net position for business-type activities and the proprietary fund financial statements. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense.

All reported capital assets for business-type activities, except land, are depreciated using the straight-line method over the following useful lives:

CATEGORY	BUSINESS-TYPE ACTIVITIES
Buildings and Improvements	10-50 years
Office Equipment	5-7 years
Vehicles	5-15 Years
Infrastructure	50 Years

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or 'financial flow' measurement focus. This means that only the current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of 'available resources'. Governmental operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of 'available spendable resources' during a period. Under the modified accrual method of accounting, capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit D). The City does not capitalize and depreciate the cost of its governmental activities fixed asset purchases in accordance with generally accepted accounting principles.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements for business-type activities only. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment within 60 days of the end of the fiscal year-end, are considered to be paid with current available financial resources. Notes and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The City's General Fund and Debt Service Fund are typically used to liquidate long-term liability obligations.

LONG-TERM DEBT FINANCING COSTS

Bond and note issue costs are recorded as expenditures in the governmental or proprietary fund financial statements in the year paid. During the 2021 calendar year, the City incurred no bond/note issuance costs.

COMPENSATED ABSENCES

In accordance with the terms of its various collective bargaining unit agreements, the City is responsible to pay eligible employees at the rate of $10 per day for each accumulated unused sick day upon separation of service from the City. For governmental fund financial statements under the modified accrual method of accounting, compensated absences are recorded as expenditures when paid rather than accrued when earned.

NET POSITION

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy City obligations. Net position is classified as follows:

- **Net Investment in Capital Assets** – This component of net position consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- **Restricted Net Position** –This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets. Restricted net position consists of the following:
    - General Fund - Act 205 Earned Income Taxes for pension obligations - $364,690
    - General Fund - Library Park Donation - $10,000
    - Highway Aid Fund restricted under Act 655 for highway/road projects - $48,166
    - Capital Project Fund restricted for City capital improvements - $24,736
    - Drug Investigative Fund restricted for police public safety costs - $33,471
    - K-9 Fund restricted for police public safety costs - $13,023
    - Crimewatch Fund restricted for police safety costs - $984.
    - Debt Service Fund restricted for debt service payments - $2

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION (Continued)

- **Unrestricted** – Consists of net position that does not meet the definition of 'restricted' or 'net investment in capital assets'.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources

FUND EQUITY

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity's fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Non-spendable fund balance** – amounts that are not in spendable form (such as prepaid) or are required to be maintained intact – The City's non-spendable fund balance is comprised of prepaid expenses paid in calendar year 2021 for the benefit of future periods totaling $93,046.

- **Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Restricted fund balance of $495,072 is detailed above under restricted net position.

- **Committed fund balance** – amount constrained to specific purposes by the City itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

- **Assigned fund balance** – amounts the City intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

- **Unassigned fund balance** – amount that are available for any purpose.

OPERATING REVENUES AND EXPENSES

Proprietary fund operating revenues are those revenues that are generated directly from the primary activity of the City's Joint Sewer User's Fund and City Sewer User's Fund. For the City, these revenues are sewer user charges, tap-in fees, and miscellaneous revenues directly related to the operations of these two funds. Operating expenses are the necessary costs incurred to operate the City's two proprietary funds. Non-operating revenues of the City consist of interest income.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ADOPTION OF GASB PRONOUNCEMENTS

The requirements of the following GASB Statements were adopted for the City's 2021 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on the City's financial statements.

GASB Statement No. 89, *'Accounting for Interest Cost Incurred before the end of a Construction Period'*. The primary objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and, (b) to simplify accounting for certain interest costs.

GASB Statement No. 92, *'Omnibus 2020'*. The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of GASB Statement Nos. 73, 74, 84, and 87. In addition the Statement addresses various topics and includes specific provisions concerning the following:

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (ARO') in a government acquisition
- Reporting by entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

GASB Statement No. 93, *'Replacement of Interbank Offered Rates'*. The primary objectives of this Statement are to address the accounting and financial reporting implications that result from the replacement of an interbank offering rate (IBOR).

PENDING GASB PRONOUNCEMENTS

GASB Statement No. 87, *'Leases'*. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement are effective for the City's December 31, 2022 financial statements.

GASB Statement No. 91, *'Conduit Debt Obligations'*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement are effective for the City's December 31, 2022 financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PENDING GASB PRONOUNCEMENTS (Continued)

GASB Statement No. 94, *'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'.* The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the City's December 31, 2023 financial statements.

GASB Statement No. 96, *'Subscription-Based Information Technology Arrangements (SBITA)'.* The primary objectives of this Statement are as follows:

- Defines a SBITA
- Establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability
- Provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA
- Requires note disclosures regarding a SBITA

The provisions of this Statement are effective for the City's December 31, 2023 financial statements.

GASB Statement No. 97, *'Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans'.* The primary objectives of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for the City's December 31, 2022 financial statements.

GASB Statement No. 98, *'The Annual Comprehensive Financial Report'.* The statement establishes the term *annual comprehensive financial report* and its acronym *ACFS.* The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The provisions of this Statement are effective for the City's December 15, 2022 financial statements.

The effects of implementing these Statements on the City's financial statements have not yet been determined.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS

At December 31, 2021, the City of Beaver Falls had the following carrying values on its cash and cash equivalent accounts held with its depositories:

	Bank Balance	(Memo Only) Book Balance
General Fund	$ 1,827,338	$ 1,680,842
Capital Projects Fund	141,448	70,718
Non-Major Governmental Funds	95,646	95,646
Proprietary Funds	2 281,053	2,095,477
Fiduciary Funds	992,331	676,933
TOTAL	$ 5,337,816	$ 4,619,616

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account $250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a separate policy for custodial credit risk in addition to the requirements of the Third-Class City Code. As of December 31, 2021, $4,837,814 of the City's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the City's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of $250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

INVESTMENTS:

The fair value and maturity term of the City's fiduciary fund investments as of December 31, 2021, is as follows:

	Fair Value	No Stated Maturity	1-5 Years	6-10 Years	11-15 Years	16-30 Years
U.S. Agencies	$ 44,729	$ -	$ 1,665	$ -	$ 11,687	$ 31,377
U.S. Treasury	356,325	-	279,553	-	-	76,772
Municipal Bonds	775,293	-	21,459	525,754	228,080	-
Corporate Bonds	580,393	-	359,643	160,199	-	60,551
Mutual Funds	23,699,602	23,699,602	-	-	-	-
Exchange Traded	2,226,829	2,226,829	-	-	-	-
Money Funds	607,795	607,795	-	-	-	-
	$ 28,290,966	$ 26,534,226	$ 662,320	$ 685,953	$ 239,767	$ 168,700

Investments classified as U.S. Agencies are securities of agencies of the U.S. Government that have an implied but not explicit guarantee.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Custodial Credit Risk:

For an investment, custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The City's investments in mutual funds and money funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The City does not have a specific policy that would limit its investment choices to those with certain credit ratings.

Credit Risk:

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal investment policy, in addition to the requirements of the Third-Class City Code that and the Intergovernmental Cooperation Act, that limits its investment choices based on credit ratings by nationally recognized rating organizations. As of December 31, 2021, investments in U.S. Agencies, U.S. Treasury, Municipal Bonds, and Corporate Bonds of the City's pension plans are rated individually by nationally recognized statistical rating agencies (Moody's and S&P) as follows:

Bond Quality	Market Value
Aaa	$ 92,503
AAA	80,027
AA+	88,187
AA	464,665
AA-	130,932
A+	42,247
A-	215,919
Aa1	74,087
A2	91,511
BBB+	65,573
BBB	54,108
Not Rated	356,981
	$ 1,756,740

Interest Rate Risk:

The City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk:

The City places no limit on the amount it may invest in any one issuer.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Fair Value Measurements:

The City of Beaver Fall's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. Generally accepted accounting standards establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy provides the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes

- **Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data

- **Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

The following schedule presents the Investments of the City by level within the fair value hierarchy:

	Value	**Fair Value Measurements**		
	at 12/31/21	**Level 1**	**Level 2**	**Level 3**
U.S. Treasury	$ 356,325	$ 356,325	$ -	$ -
U.S. Agencies	44,729	44,729	-	-
Municipal Bonds	775,293	775,293	-	-
Corporate Bonds	580,393	580,393	-	-
Mutal Funds	23,699,602	23,699,602	-	-
Exchange Traded Products	2,226,829	2,226,829	-	-
	$ 27,683,171	**$ 27,683,171**	**$ -**	**$ -**

NOTE 3 - PROPERTY TAXES

The City of Beaver Falls levies property taxes March 1st of each calendar year. The calendar dates for payment of these taxes are as follows:

PAYMENT PERIOD

February 1 – March 31, 2021	(Discount period)
April 1 – May 31, 2021	(Face period)
June 1 – March 31, 2022	(Penalty period)

NOTE 3 - PROPERTY TAXES (Continued)

Taxpayers are entitled to a 2% discount if taxes are paid prior to May 1st. Collections after June 30st are assessed a 10% penalty. Taxes unpaid as of April of the year following levy are liened through Beaver County. As of December 31, 2021, the City had $332,557 in unpaid 2021 property taxes which represents 16% of the total assessed property taxes for the current year.

The tax millage assessment for the 2021 calendar year is 34 mills on the assessed value of land and buildings, which represents $34.00 of revenue for every $1,000 of assessed value. The total millage includes 24.5928 dedicated for general revenue purposes, 9.1747 dedicated for debt service and .2325 mills dedicated for the maintenance and operation of recreation places. No provision has been made for amounts estimated to be uncollectable.

Taxes receivables, as reflected in Exhibit A and C, consist of the following at December 31, 2021:

Delinquent Real Estate	96,210
Act 511 Taxes	95,716
	$ 191,926

NOTE 4 – INTERFUND TRANSACTIONS

Interfund receivable and payable obligations, as reflected in Exhibit C and Exhibit F, are comprised of the following at December 31, 2021:

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General Fund	$ 241,216	$ -
Joint Sewer Users	-	76,840
City Sewer Users	-	164,376
	$ 241,216	**$ 241,216**

During the 2021 calendar year, the following transfers were made between funds:

- General Fund transferred $604,816 to the Debt Service Fund for the Series of B 2017 General Obligation Bond and Series A of 2017 General Obligation Note principal and interest payments and $5,300 to the Capital Projects Fund for reimbursement of firearm purchases.
- Highway Aid Fund transferred $256,224 to the General Fund for street lighting

NOTE 5 - DUE FROM OTHER GOVERNMENTAL UNITS

The 'due from other governmental units' total of $153,977, as reflected in Exhibits A and C for governmental activities and governmental funds, represents amounts earned by and due the City of Beaver Falls for 2021 from other governmental agencies as follows

Fines – Magistrate	$	5,550
Reimbursements from School District		24,182
Beaver County Housing Authority		26,809
Grant		41,044
Reimbursements for Police & Fire Services		56,392
	$	**153,977**

NOTE 6 – OTHER RECEIVABLES

Other receivables, as reflected in Exhibit A and C, consist of the following at December 31, 2021:

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
Cable Franchise Fees	$	29,683	$	-
Sewage		-		208,116
Miscellaneous		15,136		-
	$	**44,819**	**$**	**208,116**

NOTE 7 – BUSINESS-TYPE FIXED ASSETS

A summary of the business-type fixed asset activity for the 2021 calendar year was as follows:

	Balance 1/1/2021	Additions	Deductions	Balance 12/31/2021
Building and Improvements	$ 10,010,405	$ -	$ -	$ 10,010,405
Office Equipment	90,240	8,283	-	98,523
Vehicles	299,503	-	-	299,503
Machinery & Equipment	410,644	65,000	59,999	415,645
Infrastructure	2,487,544	-	-	2,487,544
	$ 13,298,336	$ 73,283	$ 59,999	$ 13,311,620
Less: Accumulated depreciation				
Building and Improvements	$ (5,694,975)	$ (158,381)	$ -	$ (5,853,356)
Office Equipment	(44,614)	(3,806)	-	(48,420)
Vehicles	(257,033)	(8,330)	-	(265,363)
Machinery & Equipment	(306,027)	(29,684)	(59,999)	(275,712)
Infrastructure	(969,578)	(48,557)	-	(1,018,135)
	$ (7,272,227)	$ (248,758)	$ (59,999)	$ (7,460,986)
Business-Type Activities Capital Assets, Net	**$ 6,026,109**	**$ (175,475)**	**$ -**	**$ 5,850,634**

NOTE 8 – LONG TERM DEBT OBLIGATIONS

BONDS PAYABLE – GENERAL OBLIGATION BONDS SERIES B OF 2017

In November of 2017, the City of Beaver Falls issued General Obligation Bonds, Series B of 2017 in the amount of $2,380,000. Proceeds from the sale of the bonds will be used to provide funds for and towards the costs of planning, designing, acquiring, constructing, furnishing, and equipping additions and improvements to the City's capital improvement plan and pay the costs of issuing and insuring the bonds. The bonds were issued in denominations of $5,000 with interest payable on May 15 and November 15 each year through maturity. Interest rates range between 1.55% and 3.375%, with the bonds scheduled to mature on November 15, 2034. The bonds provide for early redemption options for the city as more fully described in the detailed Official Statement.

DEFAULT PROVISIONS

The Bonds are general obligations of the City, payable from its tax and other general revenues, which taxing power presently includes ad valorem taxes which may be levied on all taxable real property within the City presently without limitation as to rate or amount. The City has covenanted that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund , as hereinafter defined, or any other of its revenues or funds, the principal of every maturity of the Bonds and the interest thereon at the dates and place and in the manner stated on the Bonds, and for such budgeting, appropriation and payment the City irrevocably has pledged its full faith, credit and taxing power.

NOTE 8 – LONG TERM DEBT OBLIGATIONS (Continued)

BONDS PAYABLE – GENERAL OBLIGATION BONDS SERIES B OF 2017 (Continued)

DEFAULT PROVISIONS (Continued)

In the event of default of the payment of principle or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure payment of redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the City which is recovered by the City from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the bond insurer at such time and in such amounts as would have been due absence such prepayment by the City unless the bond insurer chooses to pay such amounts at an earlier date. Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the bond insurer without appropriate consent. The bond insurer may direct and must consent to any remedies that that Paying Agent exercises and the bond insurer's consent may be required in connection with amendments to the Ordinance. In the event the bond insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the monies received by the Paying Agent pursuant to the Ordinance. In the event the bond insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The bonds carry a commitment from Build America Mutual Assurance Corporation (BAM) under which a Municipal Bond Insurance Policy will be issued at the time of delivery of the bonds, which policy assure the payment of the principal and interest to the registered owners of the Bonds.

A summary of the City of Beaver Fall's General Obligation Bonds outstanding at December 31, 2021 is as follows:

Year End Dec 31	Principal	Interest	Total
2022	$ 10,000	$ 75,446	$ 85,446
2023	10,000	75,226	85,226
2024	10,000	74,926	84,926
2025	10,000	74,626	84,626
2026	10,000	74,326	84,326
2027-2031	570,000	367,130	937,130
2032-2034	1,700,000	114,396	1,814,396
	$ 2,320,000	$ 856,076	$ 3,176,076

NOTE 8 – LONG TERM DEBT OBLIGATIONS (Continued)

NOTES PAYABLE – GENERAL OBLIGATION NOTES SERIES A OF 2017

In November of 2017, the City of Beaver Falls issued General Obligation Notes, Series A of 2017 in the amount of $5,880,000. Proceeds from the sale of the notes were used to currently refund the City's outstanding General Obligation Bonds, Series of 2012, and pay the costs of issuing and insuring the bonds. The notes were issued in denominations of $5,000 with interest payable on May 15 and November 15 each year through maturity. Interest rates range between 1.55% and 3.0%, with the notes scheduled to mature on November 15, 2030. The notes provide for early redemption options for the city as more fully described in the detailed Official Statement. Default provisions as described herein Note 8 (Bonds Payable) apply to the City's General Obligation Notes Series A of 2017.

A summary of the City of Beaver Fall's Series A of 2017 General Obligation Notes outstanding at December 31, 2021, is as follows:

Year End Dec 31	Principal	Interest	Total
2022	$ 410,000	$ 111,170	$ 521,170
2023	420,000	102,150	522,150
2024	430,000	92,175	522,175
2025	440,000	81,425	521,425
2026	450,000	70,425	520,425
2027-2030	1,935,000	147,150	2,082,150
	$ 4,085,000	$ 604,495	$ 4,689,495

NOTES -PAYABLE– FIRST NATIONAL BANK (DIRECT BORROWING)

In December of 2019, the City of Beaver Falls borrowed $600,000 from First National Bank for the following purposes 1) refinancing existing indebtedness and providing additional funds for economic revitalization, and 2) financing the closing costs and attorneys' fees in connection with the loan. The terms of the loan call for 120 monthly principal and interest payments of $6,237.52 at an interest rate of 4.5%. The note is scheduled to mature in December of 2029. The outstanding balance on the loan as of December 31, 2021, is $489,828.

DEFAULT PROVISIONS

The City represents, warrants, and covenants to the Bank that the full faith, credit, and taxing power of the City has been irrevocably pledged to the Bank to secure the payment of this Note. In the event of default, under the Loan Agreement occurs and is continuing upon demand the Bank or any future Registered Owner of this Note, the outstanding principal sum, together with any unpaid accrued interest will be due and payable in full.

NOTE 8 – LONG TERM DEBT OBLIGATIONS (Continued)

NOTES PAYABLE – FIRST NATIONAL BANK (DIRECT BORROWING) (Continued)

A summary of the City of Beaver Fall's 2019 General Obligation Note outstanding with First National Bank at December 31, 2021, is as follows:

Year End Dec 31	Principal	Interest	Total
2022	$ 53,712	$ 21,138	$ 74,850
2023	56,180	18,670	74,850
2024	58,761	16,089	74,850
2025	61,460	13,390	74,850
2026	64,284	10,566	74,850
2027-2029	199,755	13,452	213,207
	$ 494,152	**$ 93,305**	**$ 587,457**

TAX ANTICIPATION NOTE – SERIES 2021

In January of 2021, the City of Beaver Falls issued a Tax Anticipation Note – Series of 2021 in the amount of $500,000 to WesBanco Bank at an interest rate of 2 25%. The City repaid the note as of December 31, 2021

NOTE 9 – CHANGES IN LONG-TERM DEBT

The following represents the changes in the City's long-term debt during 2021

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
General Obligation Bonds	$ 2,330,000	$ -	$ 10,000	$ 2,320 000	$ 10,000
General Obligation Notes	4,485,000	-	400,000	4 085 000	410,000
Direct Borowings:					
Note Obligations	547,174	-	53,022	494,152	53,712
	$ 7,362,174	**$ -**	**$ 463,022**	**$ 6,899,152**	**$ 473,712**

NOTE 10 - CITY PENSION PLANS

The following is a summary of the City's police, fire, and non-uniform pension plans

POLICE PENSION PLAN - The City of Beaver Falls' Police Pension Plan is a single-employer defined benefit pension plan established May 12, 1941, as amended April 26, 2016, to provide retirement and death benefits to qualified police department employees under the provisions governing pension plans in the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of this plan are determined under the Entry Age Normal Actuarial Cost Method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Hefren Tillotson, Inc. A summary of the plan's provisions are as follows:

PARTICIPANTS – All permanent members of the City of Beaver Falls police department who have attained the age of 21.

ELIGIBILITY – All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a City employee and have attained the age of 50.

* **BENEFITS** – Benefit is equal to 50% of the greater of monthly pay at retirement or average monthly pay, plus a service increment, if any.

TERMINATION – The plan provides terminated employees with a return of their contribution without interest.

VESTING – Employees are 100% vested after completion of 12 years of service.

FUNDING – Employee contributions are equal to 4% of monthly earnings plus $1.00 to provide for service increments. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

FIREMEN'S PENSION PLAN - The City of Beaver Falls' Fireman's pension Plan is a single-employer defined benefit pension plan established February 23, 1948, as amended October 25, 2015, to provide retirement and death benefits to qualified fire department employees under the provisions governing firemen's pension plans in the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of the plan are determined under the Entry Age Normal Actuarial Cost method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Merrill Lynch and Hefren Tillotson Inc. A summary of the plan's provisions are as follows:

PARTICIPANTS – All permanent members of the City of Beaver Falls fire department who have attained the age of 21.

ELIGIBILITY – All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a City employee and have attained the age of 50.

* For employees hired on or after 12/17/90, lumpsum payments for unused vacation and sick pay are not included.

NOTE 10 - CITY PENSION PLANS (Continued)

FIREMEN'S PENSION PLAN (Continued)

BENEFITS – Benefit is equal to 50% of average pay at retirement, plus a service increment, if any. For employees hired on or after 8/5/93, lump sum payments for sick pay and vacation pay are not included.

TERMINATION – The plan provides terminated employees with a return of their contribution without interest.

VESTING – Employees are 100% vested after completion of 12 years of service.

FUNDING – Employee contributions are equal to 4% of monthly earnings plus $1.00 to provide for service increments. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

GENERAL EMPLOYEES PENSION PLAN - The City of Beaver Falls' Employee's pension Plan is a single-employer defined benefit pension plan established January 1, 1960, as amended October 22, 1996, to provide retirement and death benefits to qualified non-uniformed service employees under the provisions of Act 205 of the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of the plan are determined under the Entry Age Normal Actuarial Cost method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Hefren-Tillotson, Inc. A summary of the plan's provisions are as follows:

PARTICIPANTS – All permanent members of the City of Beaver Falls other than police or firemen.

ELIGIBILITY – All participants are eligible for retirement benefits provided that they have completed 20 years of aggregate service as a City employee and have attained the age of 60.

* **BENEFITS** – Benefit is equal to 50% of monthly average compensation.

TERMINATION – The plan provides terminated employees with a return of their contribution without interest.

VESTING – Employees are 100% vested after completion of 12 years of service.

FUNDING – Employee contributions are equal to 5% of monthly salary. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

* For employees hired on or after 8/30/92, lump sum payments for unused sick and vacation pay are not included.

NOTE 10 - CITY PENSION PLANS (Continued)

Plan membership as of January 1, 2021 was comprised of:

	Police	Firemen	Employees
Active employees (non-vested)	16	9	22
Retirees and beneficiaries currently receiving benefits	28	17	19
Terminated employees entitled to benefits but not yet receiving them	-	-	-
Total	44	26	41

NOTE 11 – RISK AND UNCERTAINITIES

INSURANCE

The City of Beaver Falls is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

LEGAL MATTERS

The City of Beaver Falls, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. As of December 31, 2021 he City is unaware of any pending claims or litigations that would be material to the financial position of the City of Beaver Falls.

FEDERAL AND STATE FUNDING

The City of Beaver Falls' state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The City is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

COVID

Early in 2020, a new strain of the coronavirus (COVID-19) spread in many countries including the United States. The impact of the virus continues to vary from region to region, and any significant additional spreading of the virus could adversely affect the City of Beaver Falls's business. The outbreak of the COVID-19 virus will potentially have a further negative impact in 2022 on the global and local economy and, in the future, might impact the City of Beaver Falls's financial results in 2022 and beyond. Given the dynamic nature of this outbreak, however, the extent to which the COVID-19 virus impacts the City of Beaver Falls's results will depend on future developments, which continue to remain somewhat uncertain and cannot be predicted at this time.

NOTE 12 – SUBSEQUENT EVENTS

The City of Beaver Falls entered into an Asset Purchase Agreement with the Aqua Pennsylvania Wastewater Inc., in October 2021. The final purchase price has been agreed upon in the amount of $41,250,000 and the closing is anticipated to take place at some point during the early part of calendar year 2023 upon the approval of the Pennsylvania Utility Commission and Department of Environmental Protection.

The City of Beaver Falls as adopted to operate under the Home Rule Charter Law effective January 1, 2022. All elected officials in office at that time will serve until the end of their respective terms. All city administration officers or employees holding any office or position prior to January 2022 will continue such office or position unless that office or position is eliminated under the Charter or Administrative Code.

Management has determined that there are no other subsequent events after December 31, 2021, through the October 15, 2022 date of the "Independent Auditor's Report' date, which is the date the financial statements were available to be issued, that requires disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2020
TAXES:			
Real estate - current	$ 1,700,000	$ 1,686,117	$ 1,644,726
Real estate - prior	25,000	36,612	32,631
Real estate - delinquent	260,000	346,342	261,809
Deed transfer	25,000	96,155	53,813
Per capita and residence	30,000	19,194	19,157
Per capita - prior	1,000	912	1,240
Per capita - delinquent	7,000	8,439	7,576
Earned income - city	600,000	639,252	595,502
Earned income - Act 205	1,200,000	1,021,933	937,973
Earned income - prior	24,000	14,012	16,069
Mercantile tax	85,000	85,107	90,100
EMS	120,000	114,592	120,397
Business privilege tax	205,000	159,036	178,760
TOTAL TAXES	**$ 4,282,000**	**$ 4,227,703**	**$ 3,959,753**
LICENSES AND PERMITS:			
Transient Licenses	$ -	$ 100	$ -
Amusement licenses	5,000	16,300	11,400
Cable franchise fee	120,000	118,670	120,384
Building permits	40,000	13,248	79,339
Demolition permits	600	1,450	510
Plumbing licenses	2,300	1,175	2,260
Zoning Permits	2,500	3,200	2,500
Zoning variances	4,500	2,375	6,235
Vacant Property Fees	2,000	1,640	765
Rental registration	100,000	120,705	98,568
Code Enforcement misc. receipts	33,000	50,219	33,592
Street opening permits	29,000	14,350	31,150
TOTAL LICENSES AND PERMITS	**$ 338,900**	**$ 343,432**	**$ 386,703**
FINES AND FORFEITURES:			
Magistrate and Clerk of Courts	$ 75,000	$ 74,083	$ 85,101
Code Restitution	900	890	1,048
Rental Restitution	850	697	854
State police fines	4,000	3,464	3,958
Warrant server fees	450	110	440
Incarceration fees	10,000	11,915	11,855
Police reports	2,700	2,833	3,192
Parking Authority collections	20,000	21,081	18,890
Miscellaneous		50	50
TOTAL FINES AND FORFEITURES	**$ 113,900**	**$ 115,123**	**$ 125,388**
INTEREST AND RENTS:			
Investment interest	$ 15,500	$ 3,108	$ 10,720
DEP rent	21,660	21,660	21,660
Other Rents	3,000	3,100	3,000
TOTAL INTEREST AND RENTS	**$ 40,160**	**$ 27,868**	**$ 35,380**
INTERGOVERNMENTAL:			
PA recycling grants	$ 1,350	$ 2,268	$ 1,346
PA State pension aid	370,000	331,012	369,287
PA State A205 Fire Relief	25,000	21,021	24,622
PA Cola refund	5,600	5,238	5,550
PENNDOT agreement - snow removal	31,000	47,423	45,912
DCED Grant	-	67,958	63,165
Other PA Grants	-	13,481	13,016
Covid		436,052	223,656
PURTA Tax Refund	2,700	2,601	2,699
Alcoholic beverage tax	3,150	-	3,150
Act13 Gas Well Fees	15,000	9,851	14,843
PILOT - County Building	30,795	30,795	30,795
PILOT - Reimbursement to school county	(20,671)	(20,671)	(20,671)
PILOT - Morado, Brodhead, Harmony	22,425	23,990	23,645
PILOT - Reimbursement to school district	(4,890)	(4,606)	(4,348)
PILOT - Current Real Estate	3,715	4,116	3,715
TOTAL INTERGOVERNMENTAL	**$ 485,174**	**$ 970,529**	**$ 800,382**

The accompanying notes are an integral part of these financial statements

SCHEDULE 1

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2020
CHARGES FOR SERVICES:			
Miscellaneous revenue	$ 25,000	$ 39,336	$ 22,942
School Reimbursement	65,000	80,047	67,111
Housing Authority reimbursements	46,000	48,244	47,581
Eastvale	12,668	12,668	12,299
West Mayfield Patrol	65,239	65,239	63,339
Big Beaver Boro Patrol		130,000	
Police Reimbursements		21,839	47,134
AG Task Force Reimbursements	50,000	22,083	
DUI Task Force Reimbursements		5,614	
Fire Dept receipts		60	80
Fire Service Ins. Reimbursement	5,000	6,883	5,825
Fire Hydrant Fees	68,421	78,934	73,680
Eastvale Fire Protection	6,524	6,524	6,334
Parking Authority	25,000	31,303	21,700
Water Pollution Control - Joint Sewer Users	900,000	701,395	787,144
Water Pollution Control - Line Rental	50,000	100,000	40,000
Solid Waste Admin Fee	150,000	150,000	100,000
Solid Waste	758,000	780,130	682,478
City SU Admin Exp Reimb	150,000	150,000	140,000
City SU Sewer Line Reimb	200,000	200,000	200,000
City SU Wage Reimbursement	200,000	200,000	200,000
TOTAL CHARGES FOR SERVICES	**$ 2,776,852**	**$ 2,830,299**	**$ 2,517,647**
MISCELLANEOUS:			
Insurance claims	$ 1,000	$	$ 4,116
Civil Service Testing	500	600	1,200
Worker's Comp Refunds		43,590	3,297
Workman's Compensation dividend	115,000	101,859	115,736
Donations	3,000	18,918	7,785
County lease agreement	60,800	60,800	60,800
TOTAL MISCELLANEOUS	**$ 180,300**	**$ 225,767**	**$ 192,934**
OTHER FINANCING SOURCES:			
Sale of property fixed assets	$	$ 1,002,100	$
Liquid Fuels	240,000	256,224	234,393
Bond Fund	85,646	-	85,846
Tax Anticipation Loan	500,000	500,000	600,000
Refund prior year expenses		1,377	3,403
TOTAL OTHER FINANCING SOURCES	**$ 825,646**	**$ 1,759,701**	**$ 923,642**
TOTAL REVENUES AND OTHER FINANCING SOURCES	**$ 9,042,932**	**$ 10,500,422**	**$ 8,941,829**

The accompanying notes are an integral part of these financial statements

SCHEDULE 2

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2020
GENERAL GOVERNMENT:			
LEGISLATIVE:			
Salary - director	$ 15,000	$ 15,000	$ 15,000
Salary - controller	2,500	2,500	2,500
Council & Mayor Expenses	250	3,616	250
COG Payment	1,000	1,117	984
TOTAL LEGISLATIVE	**$ 18,750**	**$ 22,233**	**$ 18,734**
EXECUTIVE:			
Admin Coord/City Clerk Salary	$ 63,957	$ 63,335	$ 64,440
City Manager's Salary	53,901	57,330	55,522
Admin Secretary Salary	-	3,767	265
Admin Comm Development Coord	20,000	15,269	24,476
Admin Contracted Sick Days	700	700	700
Admin Longevity	2,450	2,450	2,150
Administration supplies	4,000	6,341	4,604
Copy machine supplies	13,200	14,426	13,102
Audit	7,600	7,843	7,683
Telephone	9,400	9,085	9,115
City clerk postage	9,200	9,034	11,818
Printing and legal ads	8,000	6,743	7,628
Taxes on City Owned Property	7,235	78	7,235
Miscellaneous administrative expense	200	1,173	159
Admin Maint Service		798	
Accountant - Part-time	20,000	24,210	22,976
Accountant - Full-time	22,500	12,299	
Planning commission	50		
Civil service commission expense	750	2,839	1,507
Public Relations	200	415	161
Comm Dev Public Relations	-	-	40,184
City Manager's Expenses	150	-	-
TOTAL EXECUTIVE	**$ 243,493**	**$ 238,135**	**$ 273,725**
FINANCIAL ADMINISTRATION:			
Salary - treasurer	$ -	$ 45,000	$ 43,577
Salary - treasurer sick wages	-	-	1,500
Salary - treasurer - vacation wages	-	2,634	4,370
Salary - bookkeeper	81,400	34,720	20,149
Salary - treasurer's clerk	-	1,668	1,746
Salary - treasury overtime		390	-
Treasury - FMLA Wages		-	780
Treasurer's ofc contracted sick	1,400	700	700
Treasurer's ofc longevity	1,050	1,050	1,000
Treasurer's ofc supplies	2,000	2,217	1,929
Treasurer's ofc computer exp		3,362	675
TOTAL FINANCIAL ADMINISTRATION	**$ 85,850**	**$ 91,741**	**$ 76,426**
TAX COLLECTION:			
Salary - tax collector	$	$ -	$ 1,154
Real estate tax cards	3,700	4,974	3,691
Earned income tax commission	10,000	11,442	10,309
EMS income tax commission	3,000	2,332	2,799
Earned income tax commission act 205	16,200	15,778	15,480
Tax Commission - Act 511 Taxes	50	-	54
Bonds - Treasurers office	2,050	2,178	1,091
TOTAL TAX COLLECTION	**$ 35,000**	**$ 36,704**	**$ 34,578**

The accompanying notes are an integral part of these financial statements

SCHEDULE 2

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2020
GENERAL GOVERNMENT (Continued):			
LEGAL:			
Salary - solicitor	$ 18,000	$ 18,000	$ 18,000
Legal fees	12,000	19,155	11,300
Appraisal		855	830
Engineering Services	1,000	4,981	1,109
TOTAL LEGAL	**$ 31,000**	**$ 42,991**	**$ 31,239**
DATA PROCESSING:			
Data processing - computer maintenance	$ 10,000	$ 10,623	$ 9,624
Data processing - computer upgrade	6,300	5,483	5,570
TOTAL DATA PROCESSING	**$ 16,300**	**$ 16,106**	**$ 15,194**
MUNICIPAL BUILDING:			
City Building - electric	$ 18,000	$ 16,075	$ 16,570
City Building - gas	5,100	6,729	5,820
City Building - water	2,400	2,057	2,711
TOTAL MUNICIPAL BUILDING	**$ 25,500**	**$ 24,861**	**$ 25,101**
TOTAL GENERAL GOVERNMENT	**$ 455,893**	**$ 472,771**	**$ 474,997**
PUBLIC SAFETY:			
POLICE:			
Salary - chief	$ 83,119	$ 72,887	$ 71,950
Police Sick Wages	-	61,258	45,088
Police Vacation Wages		85,455	96,837
Salary - captain	282,483	218,095	194,993
Salary - sargeant	196,850	62,343	121,103
Salary - non ranked policemen	568,000	526,041	456,880
Police Vehicle Repair Wages		719	145
Police Acting OIC wages	6,578	6,679	7,121
Police Health Insurance Comp	9,500	2,656	9,481
Salary - jailers	37,103	28,767	31,228
Jailers	3,500	3,896	3,520
Police Jailers Sick Pay		3,181	1,108
Meter Patrols	19,000	23,337	19,673
Parking Maintenance	5,000	8,606	7,170
Police Jailer Vacation Hourly		3,887	4,979
Pkg & Jailer Longevity	2,050	2,050	1,950
Overtime - Major Cases	20,000	21,343	21,460
Overtime - Jailer (police)	15,000	15,522	17,485
Overtime - Special Events	3,000	12,042	5,964
Overtime - 1.5 Reimbursable	-	162	-
Contracted sick days	1,500	1,000	1,500
Longevity - police	10,200	9,100	10,650
Overtime	117,000	311,814	163,753
Shift differential	7,500	9,385	7,615
Holiday pay	55,125	63,461	57,344
Court time	100,000	143,405	136,841
Education pay	1,800	1,350	1,800
Housing authority policing	37,000	34,111	38,990
Police schools	13,000	18,961	13,246
Uniforms	9,650	11,215	10,714
Police Tuition Reimbursement	350		350
Police Training Expenses	1,000	3,262	950
Police Heart & Lung Benefit		51,050	5,778
Employment costs - policemen	-	14,756	3,299
Office supplies	3,000	5,535	3,961
Weight equipment	300		-
Ammunition	8,000	8,953	11,273
Criminal investigation	2,400	546	2,381
K-9 supplies	1,000	898	1,032

The accompanying notes are an integral part of these financial statements

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2020
PUBLIC SAFETY (Continued):			
POLICE (Continued):			
K-9 veterinarian expenses	250	205	
Breathalyzer supplies	160	71	200
K-9 Equipment & Training	250	-	
Criminal Drug Testing	-	5,890	
Police Miscellaneous Expense	500	4,700	2,056
Fuel	12,000	18,214	10,146
Vehicle maintenance	10,000	15,233	11,579
Computer maintenance expense	14,000	21,141	13,792
Phone - police station	2,200	3,322	2,104
Radio repairs		88	
Printing	700	210	707
Ticket printing	2,000	1,797	1,941
Range - electric	1,000	655	1,140
Public Relations	300	-	
Meter Equipment & Repair	250		-
Uniforms	150	198	
Miscellaneous Expense	-		148
TOTAL POLICE	**$ 1,663,768**	**$ 1,919,452**	**$ 1,633,425**
FIRE DEPARTMENT:			
Salary - chief	$ 83,120	$ 73,207	$ 70,109
Fire Asst Chief Wages	62,170	-	
Sick Hourly Wages		63,513	52,210
Vacation Hourly Wages	-	51,911	50,805
Salary - captain	120,236	99,272	108,820
OIC pay	3,000	6,032	5,146
Salary - firefighters	254,158	218,665	194,998
Part-Time Firefighters	20,000		16,296
Fire Vehicle Repair Wages	-	66	
Health Insurance Comp	19,800	18,832	19,801
Off-Duty Training Wages	8,000	10,078	9,371
Contracted sick days	2,500	3,000	2,500
Longevity	4,650	4,050	4,300
Overtime - double rate	50,000	90,296	73,848
Holiday pay	28,000	34,130	35,903
Off-duty fire calls	45,500	42,597	47,114
Fire school	3,500	1,994	2,902
Education pay	450	800	450
Uniforms	6,000	4,934	4,733
Physicals	4,400	349	2,544
Contracted training	4,500	2,500	1,546
Heart & Lung Benefits		3,170	1,540
Office supplies	1,500	1,054	1,121
Cleaning supplies	1,000	1,694	1,315
Fuel and lubrication	7,500	8,850	6,598
Truck repairs	12,000	41,736	17,295
Tire Replacement			45
Miscellaneous equipment	-		1,231
Protective clothing	-	-	2,161
Hose replacement		2,930	1,226
Mask repair parts	3,500	2,923	3,854

The accompanying notes are an integral part of these financial statements

SCHEDULE 2

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2020
PUBLIC SAFETY:			
FIRE DEPARTMENT (Continued):			
Replacement Fire Gear		472	5,625
Compressor maintenance	1,600	1,604	2,209
SCUBA Equipment	1,000	1,130	970
Volunteer fire time	17,500	13,200	18,720
Telephone	2,500	3,077	2,446
Radio repairs	2,000	3,656	1,616
BFMA hydrant rental	21,700	22,716	21,429
#3 Station - electric	1,150	1,047	1,113
#3 Station - gas/Pleasantview	4,000	1,664	3,504
#3 Station Water	350	285	341
Fire Equipment Maint Service		86	-
Fire Act205 Relief to VFD	25,000	21,021	24,622
Fire Grant Expenses		13,480	37,427
Fire Major Equip Repair/Replace	-	2,450	-
TOTAL FIRE DEPARTMENT	**$ 822,284**	**$ 874,471**	**$ 859,803**
EMERGENCY MANAGEMENT:			
Emergency Mgmt Fee	$ 1,000	$ 599	$ -
TOTAL EMERGENCY MANAGEMENT	**$ 1,000**	**$ 599**	**$ -**
TOTAL PUBLIC SAFETY	**$ 2,487,052**	**$ 2,794,522**	**$ 2,493,228**
HEALTH AND WELFARE:			
Health and enforcement salary	$	$ -	$ 3,506
Sick Pay	-	714	1,781
Vacation Hourly		357	5,570
Code Clerical Wages	19,890	26,264	10,081
Code FMLA Wages		-	1,439
Code Longevity	350	350	1,250
Printing and supplies	500	1,442	451
BOCA Code books	250	145	-
Code enforcement	375	275	455
Training - Code Enforcement	500	-	-
Inspection Certification	400	474	390
Zoning Hearing Expense	11,000	6,106	11,674
Private Property Maint		126	-
Code BasicGov Program	5,800	5,865	5,586
Gas and repairs			135
Telephone	750	647	728
Zoning Ordinance/Comp Plan	-	3,095	-
Code Uniforms	200	-	190
TOTAL HEALTH AND WELFARE	**$ 40,015**	**$ 45,860**	**$ 43,237**
RENTAL REGISTRATION:			
Rental Reg FMLA Wages	$ -	$ -	$ 3,713
Rental Reg Coordinator			7,628
Rental Reg Clerk	37,128	27,754	27,002
Rental Admin Vacation	-	2,438	2,476
Rental Admin Sick Pay		6,936	584
Rental Printing & Supplies	500	24	127
Rental ICC Publication	600	-	-
Misc Expense	600	755	445
Rental BasicGov Software	5,800	5,865	5,586
TOTAL RENTAL REGISTRATION	**$ 44,628**	**$ 43,772**	**$ 47,561**
PUBLIC WORKS:			
SANITATION:			
Landfill fees	$ 105,000	$ 122,448	$ 113,355
Outside contracting fees	487,500	542,780	512,633
Recycling Fees	13,000	-	13,717
Replacement Cart Cost	-	11,360	1,360
TOTAL SANITATION	**$ 605,500**	**$ 676,588**	**$ 641,065**

The accompanying notes are an integral part of these financial statements

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2020
PUBLIC WORKS (Continued):			
STREET DEPARTMENT:			
Salary superintendent	$ 79,235	$ 72,866	$ 75,124
Sick Wages		9,410	15,906
Vacation Wages		40,222	39,576
Maintenance/ Utility Wages	46,066	43,532	43,361
Salary skilled laborer and vactor operator	92,133	70,607	82,705
Salary mechanics/operators	51,086	41,654	44,866
Salary sweeper operator	45,365	39,800	41,892
Salary skilled laborer helper	44,699	30,602	33,537
Salary - vactor helper	44,699	35,587	36,850
Salary labor pool	87,277	48,338	76,402
Street FMLA Wages		-	1,686
St Health Insurance Comp	29,700	24,330	29,702
Contracted sick days	4,900	4,900	5,600
Longevity	8,150	8,500	7,900
Overtime	35,000	41,211	39,056
Shift differential	2,000	1,192	1,857
Higher wages	5,000	29,174	7,785
Sewer OT	2,000	933	2,338
Uniforms	4,000	3,933	5,087
Drug and alcohol testing	1,000	675	854
Office supplies	1,000	838	1,080
Property maintenance	20,000	18,239	27,333
Weed Cutting	2,800		2,611
City Building Repairs	18,000	26,740	33,761
Telephone	9,000	7,121	7,073
Utilities - electric	4,000	3,982	4,459
Utilities gas	8,800	11,710	8,550
Utilities - water	500	557	531
Street lights	235,000	219,227	213,606
Traffic signals electricity	3,400	4,306	
7th Avenue lights	2,500	3,969	2,985
Traffic signal repairs	-	930	3,621
Salary snow control	5,000	4,555	9,829
Snow control expenses - supplies	120,000	123,152	88,731
Snow Supply Reimbursements	(3,000)	(6,480)	(3,240)
Street signs	4,000	3,508	4,229
Storm sewer maintenance	1,800	1,421	1,512
Street Maintenance Fuel	20,000	54,790	21,433
Street vehicles maintenance	15,000	25,735	16,679
Street sweeper maintenance	7,000	8,515	8,831
Tools and new equipment	2,500	-	1,995
Safety equipment	1,000	833	887
Vehicle Purchase		48,011	-
Road patching material	11,000	8,629	10,998
Road painting	1,500	1,352	1,779
TOTAL STREET DEPARTMENT	**$ 1,073,110**	**$ 1,119,106**	**$ 1,061,357**
WATER SYSTEM:			
Sick Wages	$	$ 14,374	$ 10,647
Vacation Wages		23,340	37,813
Manager Salary	81,574	71,537	78,848
Operator 1	51,085	44,994	48,712
Operator 2	51,085	1,593	-
Mechanic 1		37,331	46,593
Mechanic 2	46,010	22,651	23,739
Mechanic Laborer	45,365	41,545	41,730
Mechanic/OP Trainee	45,365	63,255	78,162
Higher wages	3,000	4,155	3,204
Secretary - WPCP	21,357	18,690	19,013
Contracted sick days	4,200	4,200	3,500
Longevity	4,200	4,350	6,350
Overtime	16,000	11,628	18,295
Shift differential	750	672	717
Holidays	9,000	8,632	10,127
TOTAL WATER SYSTEM	**$ 378,991**	**$ 372,947**	**$ 427,450**
TOTAL PUBLIC WORKS	**$ 2,057,601**	**$ 2,168,641**	**$ 2,129,873**

The accompanying notes are an integral part of these financial statements

SCHEDULE 2

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET	ACTUAL	(MEMORANDUM ONLY) 2020
CULTURE AND RECREATION:			
PARKS & PLAYGROUNDS:			
Parks Repairs & Maintenance	$ 5,000	$ 1,350	$ 4,407
Recreation payment	7,000	6,703	2,371
Special events		184	-
Parks and playgrounds utilities	6,000	4,164	5,817
TOTAL PARKS & PLAYGROUNDS	**$ 18,000**	**$ 12,401**	**$ 12,595**
TOTAL CULTURE AND RECREATION	**$ 18,000**	**$ 12,401**	**$ 12,595**
DEBT SERVICE:			
Credit Card Fees	$ 300	$ 406	$ 125
Bank Fees	2,000	1,110	1,747
TAN Principal	500,000	500,000	600,000
TAN Interest	8,275	7,437	15,193
FNB Loan Payment	74,850	74,850	81,088
Bond & Debt Svc Admin Fees	1,100	1,100	1,100
TOTAL DEBT SERVICE	**$ 586,525**	**$ 584,903**	**$ 699,253**
INSURANCE:			
Workers Comp Ins	$ 149,458	$ 188,116	$ 164,983
General Ins	130,000	124,745	128,876
Employee Hospital/Life Ins	820,000	878,462	828,387
Employee Ins Cont.	(67,600)	(70,428)	(62,580)
Health Ins Reimbursements	(1,061)	(7,458)	(7,401)
TOTAL INSURANCE	**$ 1,030,797**	**$ 1,113,437**	**$ 1,052,265**
MISCELLANEOUS EXPENSES:			
Non Uniform Pension Contribution	$ 137,708	$ 137,708	$ 169,530
State Pension Transfer	370,000	331,012	369,287
Manager's Pension Contribution	2,805	2,805	2,914
Uniform Pension Contribution	467,138	467,138	737,097
Fireman's Pension Contribution	176,060	176,060	389,550
Social Security other	81,000	82,153	85,334
Medicare	47,000	52,384	50,510
Unemployment Comp			4,098
TOTAL MISCELLANEOUS EXPENSES	**$ 1,281,711**	**$ 1,249,260**	**$ 1,808,320**
OTHER FINANCING USES:			
Refund Prior Year Revenues	$	$	$ 2,998
Transfer to Bond Fund		5,300	
Transfer to Debt Service	604,816	604,816	607,560
TOTAL OTHER FINANCING USES	**$ 604,816**	**$ 610,116**	**$ 610,558**
TOTAL EXPENDITURES AND OTHER FINANCING USES	**$ 8,607,038**	**$ 9,095,683**	**$ 9,371,886**

The accompanying notes are an integral part of these financial statements

SCHEDULE 3

CITY OF BEAVER FALLS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	HIGHWAY AID FUND	LOCAL DRUG INVESTIGATIVE FUND	K-9 FUND	CRIMEWATCH FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS:						
Cash and Cash Equivalents	$ 48,166	$ 33,471	$ 13,023	$ 984	$ 2	$ 95,646
TOTAL ASSETS	$ 48,166	$ 33,471	$ 13,023	$ 984	$ 2	$ 95,646
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Due to Other Funds	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCES:						
Restricted	$ 48,166	$ 33,471	$ 13,023	$ 984	$ 2	$ 95,646
TOTAL FUND BALANCES	$ 48,166	$ 33,471	$ 13,023	$ 984	$ 2	$ 95,646
TOTAL LIABILITIES AND FUND BALANCES	$ 48,166	$ 33,471	$ 13,023	$ 984	$ 2	$ 95,646

The accompanying notes are an integral part of these financial statements

SCHEDULE 4

CITY OF BEAVER FALLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	HIGHWAY AID FUND	LOCAL DRUG INVESTIGATIVE FUND	K-9 FUND	CRIMEWATCH FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES						
Interest and Rents	$ 206	$ 5	$ -	$ -	$ 2	$ 213
Fines & Forfeitures	-	7,030	-	-	-	7,030
Intergovernmental	250,716	-	-	-	-	250,716
Donations	-	-	6,915	890	-	7,805
Total Revenue	**$ 250,922**	**$ 7,035**	**$ 6,915**	**$ 890**	**$ 2**	**$ 265,764**
EXPENDITURES						
General Government	$ -	$ -	$ -	$ 28	$ -	$ 28
Public Safety	-	22,658	250	-	-	22,908
Debt Service	-	-	-	-	604,816	604,816
Total Expenditures	**$ -**	**$ 22,658**	**$ 250**	**$ 28**	**$ 604,816**	**$ 627,752**
Excess (Deficiency) of Revenue over Expenditures	**$ 250,922**	**$ (15,623)**	**$ 6,665**	**$ 862**	**$ (604,814)**	**$ (361,988)**
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	$ -	$ -	$ -	$ -	$ 604,816	$ 604,816
Operating Transfers Out	(256,224)	-	-	-	-	(256,224)
Total Other Financing Sources (Uses)	**$ (256,224)**	**$ -**	**$ -**	**$ -**	**$ 604,816**	**$ 348,592**
NET CHANGE IN FUND BALANCES	**$ (5,302)**	**$ (15,623)**	**$ 6,665**	**$ 862**	**$ 2**	**$ (13,396)**
FUND BALANCE - JANUARY 1, 2021	53,468	49,094	6,358	122	-	109,042
FUND BALANCE - DECEMBER 31, 2021	**$ 48,166**	**$ 33,471**	**$ 13,023**	**$ 984**	**$ 2**	**$ 95,646**

The accompanying notes are an integral part of these financial statements

AMENDED EXHIBIT J2

CITY OF BEAVER FALLS

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

CITY OF BEAVER FALLS
BEAVER COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANT

FOR THE YEAR ENDED DECEMBER 31, 2022

CITY OF BEAVER FALLS

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Mark C. Turnley

Certified Public Accountant

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To the City Council
City of Beaver Falls, Pennsylvania

Independent Auditor's Report

Adverse and Unmodified Opinions

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Beaver Falls, Pennsylvania as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Beaver Falls' basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Adverse
Business-Type Activities	Unmodified
Governmental Fund -General Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Governmental Activities

In my opinion, because of the significance of the matter described in the Basis for Adverse and Unmodified Opinions section of my report, the financial statements referred to above do not present fairly the financial position (Exhibit A) of the governmental activities of City of Beaver Falls as of December 31, 2021 or the changes in financial position (Exhibit B) for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of City of Beaver Falls as of December 31, 2021 and the respective changes in financial position, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of City of Beaver Falls, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on Governmental Activities

As described in Note 1 to the financial statements, City of Beaver Falls prepares its statement of net position (Exhibit A) and statement of activities (Exhibit B) for governmental activities using the modified accrual basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accounting principles generally accepted in the United States of America require the preparation of these government-wide financial statements using the full accrual basis of accounting, including capitalizing and depreciating fixed assets and recognizing long-term debt obligations, which would increase the assets, liabilities and net position and change the expenses of the governmental activities. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the governmental activities has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Beaver Falls' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Beaver Falls' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Beaver Falls' ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Beaver Falls, Pennsylvania's basic financial statements. The supplementary information (Schedules 1 through 4) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records use to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mark C Turnley

Mark C. Turnley, CPA

December 7, 2023
New Brighton, Pennsylvania

CITY OF BEAVER FALLS
STATEMENT OF NET POSITION
DECEMBER 31, 2022

EXHIBIT A

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 860,026	$ 2,457,972	$ 3,317,998
Investments	112,615	-	112,615
Taxes Receivable (net)	175,226	-	175,226
Accounts Receivable - Sanitation/Sewage	-	220,678	220,678
Due From Other Funds	385	-	385
Due From Other Governments	319,149	-	319,149
Other Receivables	61,838	342,263	404,101
Internal Balances	356,940	(356,940)	-
Prepaid Expenses	121,881	-	121,881
Total Current Assets	**$ 2,008,060**	**$ 2,663,973**	**$ 4,672,033**
Noncurrent Assets:			
Buildings and Improvements	$ -	$ 10,010,405	$ 10,010,405
Office Equipment	-	98,523	98,523
Vehicles	-	299,503	299,503
Machinery & Equipment	-	415,645	415,645
Infrastructure	-	2,487,544	2,487,544
Accumulated Depreciation	-	(7,709,083)	(7,709,083)
Total Noncurrent Assets	**$ -**	**$ 5,602,537**	**$ 5,602,537**
TOTAL ASSETS	**$ 2,008,060**	**$ 8,266,510**	**$ 10,274,570**
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 878,926	$ 33,076	$ 912,002
Payroll Liabilities	20,376	-	20,376
Due to Other Funds	385	-	385
Due to Other Governments	45,958	-	45,958
Unearned Revenue	13,180	-	13,180
Customer Deposits	183,955	-	183,955
Total Current Liabilities	**$ 1,142,780**	**$ 33,076**	**$ 1,175,856**
TOTAL LIABILITIES	**$ 1,142,780**	**$ 33,076**	**$ 1,175,856**
NET POSITION			
Net Investment in Capital Assets	$ 121,881	$ 5,602,537	$ 5,724,418
Restricted (Note 1)	603,618	-	603,618
Unrestricted	139,781	2,630,897	2,770,678
TOTAL NET POSITION	**$ 865,280**	**$ 8,233,434**	**$ 9,098,714**
TOTAL LIABILITIES AND NET POSITION	**$ 2,008,060**	**$ 8,266,510**	**$ 10,274,570**

The accompanying notes are an integral part of these financial statements

EXHIBIT B

CITY OF BEAVER FALLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities:							
Administration	$ 1,550,917	$ 75,642	$ 107,451	$ -	$ (1,367,824)		$ (1,367,824)
Public Safety - Police	2,354,729	462,619	333,668	-	(1,558,442)		(1,558,442)
Public Safety - Fire	1,101,632	88,138	160,780	-	(852,714)		(852,714)
Public Safety - Code	60,630	55,298	-	-	(5,332)		(5,332)
Public Safety - Other	147,553	148,797	-	-	1,244		1,244
Public Works - Sanitation	672,938	938,883	1,896	-	267,841		267,841
Public Works - Highways	1,392,369	598,371	335,804	-	(458,194)		(458,194)
Public Works - Wastewater System	533,905	786,097	-	-	252,192		252,192
Culture and Recreation	229,838	175	304,549	-	74,886		74,886
Community Development	140,413	-	-	-	(140,413)		(140,413)
Debt Service and Refunds	684,472	60,800	438,809	-	(184,863)		(184,863)
Insurance	376,405	-	-	-	(376,405)		(376,405)
Miscellaneous Expenses	1,276,843	-	-	-	(1,276,843)		(1,276,843)
Total Governmental Activities	**$ 10,522,644**	**$ 3,214,820**	**$ 1,682,957**	**$ -**	**$ (5,624,867)**		**$ (5,624,867)**
Business-Type Activities:							
Joint Sewer Users	$ 1,496,584	$ 1,578,312	$ -	$ -		$ 81,728	$ 81,728
City Sewer Users	1,707,648	1,576,810	-	-		(130,838)	(130,838)
Total Business-Type Activities	**$ 3,204,232**	**$ 3,155,122**	**$ -**	**$ -**		**$ (49,110)**	**$ (49,110)**
Total Primary Government	**$ 13,726,876**	**$ 6,369,942**	**$ 1,682,957**	**$ -**	**$ (5,624,867)**	**$ (49,110)**	**$ (5,673,977)**
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					$ 1,763,409	$ -	$ 1,763,409
Act 511 Taxes					1,203,094	-	1,203,094
Earned Income Tax Levied for Pension Obligations					1,031,869	-	1,031,869
PURTA/Beverage Licenses/Payments in Lieu of Taxes					35,477	-	35,477
Cable Franchise Fees					115,382	-	115,382
Investment Earnings					24,123	6,382	30,505
Sale of Fixed Assets					12,000	-	12,000
Miscellaneous					131,357	7,440	138,797
Total General Revenues					**$ 4,316,711**	**$ 13,822**	**$ 4,330,533**
Change in Net Position					**$ (1,308,156)**	**$ (35,288)**	**$ (1,343,444)**
Net Position — January 1, 2022					2,173,436	8,268,722	10,442,158
Net Position — December 31, 2022					**$ 865,280**	**$ 8,233,434**	**$ 9,098,714**

The accompanying notes are an integral part of these financial statements

CITY OF BEAVER FALLS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

EXHIBIT C

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:			
Cash and Cash Equivalents	$ 813,521	$ 46,505	$ 860,026
Investments	109,629	2,986	112,615
Taxes Receivable, net	175,226	-	175,226
Due From Other Funds	357,325	-	357,325
Due From Other Governments	319,149	-	319,149
Other Receivables	61,838	-	61,838
Prepaid Expenses	121,881	-	121,881
TOTAL ASSETS	**$ 1,958,569**	**$ 49,491**	**$ 2,008,060**

LIABILITIES AND FUND BALANCES

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
LIABILITIES:			
Accounts Payable	$ 878,926	$ -	$ 878,926
Payroll Liabilities	20,376	-	20,376
Due to Other Funds	-	385	385
Due to Other Governments	45,958	-	45,958
Unearned Revenue	13,180	-	13,180
Customer Deposits	183,955	-	183,955
TOTAL LIABILITIES	**$ 1,142,395**	**$ 385**	**$ 1,142,780**
FUND BALANCES:			
Non-spendable (Note 1)	$ 121,881	$ -	$ 121,881
Restricted (Note 1)	554,512	49,106	603,618
Unassigned	139,781	-	139,781
TOTAL FUND BALANCES	**$ 816,174**	**$ 49,106**	**$ 865,280**
TOTAL LIABILITIES AND FUND BALANCES	**$ 1,958,569**	**$ 49,491**	**$ 2,008,060**

The accompanying notes are an integral part of these financial statements

EXHIBIT D

CITY OF BEAVER FALLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	$ 3,998,372	$ -	$ 3,998,372
Licenses and Permits	317,258	-	317,258
Fines and Forfeitures	119,275	9,450	128,725
Interest and Rents	35,413	1,008	36,421
Intergovernmental	1,475,678	248,368	1,724,046
Charges for Services	2,761,894	-	2,761,894
Miscellaneous	179,150	47,111	226,261
Total Revenue	**$ 8,887,040**	**$ 305,937**	**$ 9,192,977**
EXPENDITURES			
General Government	$ 1,542,702	$ 8,215	$ 1,550,917
Public Safety	3,617,095	47,449	3,664,544
Public Works	2,583,110	16,102	2,599,212
Culture and Recreation	229,838	-	229,838
Community and Develeopement	140,413	-	140,413
Debt Service	77,856	606,616	684,472
Insurance	376,405	-	376,405
Miscellaneous Expenses (Pension/Employer Taxes)	1,275,125	-	1,275,125
Total Expenditures	**$ 9,842,544**	**$ 678,382**	**$ 10,520,926**
Excess (Deficiency) of Revenue over Expenditures	**$ (955,504)**	**$ (372,445)**	**$ (1,327,949)**
OTHER FINANCING SOURCES (USES)			
Sale of Assets	$ 12,000	$ -	$ 12,000
Refund of Prior Year Revenues	(1,719)	-	(1,719)
Refund of Prior Year Expenses	9,512	-	9,512
Operating Transfers In	305,436	606,605	912,041
Operating Transfers Out	(606,605)	(305,436)	(912,041)
Total Other Financing Sources (Uses)	**$ (281,376)**	**$ 301,169**	**$ 19,793**
NET CHANGE IN FUND BALANCES	**$ (1,236,880)**	**$ (71,276)**	**$ (1,308,156)**
FUND BALANCE - JANUARY 1, 2022	2,053,054	120,382	2,173,436
FUND BALANCE - DECEMBER 31, 2022	**$ 816,174**	**$ 49,106**	**$ 865,280**

The accompanying notes are an integral part of these financial statements

EXHIBIT E

CITY OF BEAVER FALLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL
GOVERNMENTAL FUNDS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
REVENUES				
Taxes	$ 3,830,000	$ 3,830,000	$ 3,998,372	$ 168,372
Licenses and Permits	279,300	279,300	317,258	37,958
Fines and Forfeitures	130,900	130,900	119,275	(11,625)
Interest and Rents	35,560	35,560	35,413	(147)
Intergovernmental	905,575	905,575	1,475,678	570,103
Charges for Services	2,646,230	2,646,230	2,761,894	115,664
Miscellaneous	176,300	176,300	179,150	2,850
Total Revenues	**$ 8,003,865**	**$ 8,003,865**	**$ 8,887,040**	**$ 883,175**
EXPENDITURES				
Legislative	$ 16,250	$ 16,250	$ 22,084	$ (5,834)
Executive	259,091	259,091	263,677	(4,586)
Financial Administration	162,950	162,950	232,436	(69,486)
Tax Collection	37,680	37,680	35,404	2,276
Legal	33,000	33,000	67,112	(34,112)
Data Processing	18,550	18,550	23,124	(4,574)
Engineering Services	2,500	2,500	152,159	(149,659)
Municipal Building	47,500	47,500	746,706	(699,206)
Public Safety - Police	1,764,365	1,764,365	2,307,280	(542,915)
Public Safety - Fire	926,530	926,530	1,101,632	(175,102)
Emergency Management	1,000	1,000	899	101
Code Enforcement	56,833	56,833	60,630	(3,797)
Rental Registration	45,200	45,200	48,003	(2,803)
Other Public Safety	73,708	73,708	98,651	(24,943)
Public Works - Sanitation	625,500	625,500	672,938	(47,438)
Public Works - Water Pollution Control	406,780	406,780	523,272	(116,492)
Public Works - Highways	1,148,430	1,148,430	1,376,267	(227,837)
Public Works - Wastewater System	-	-	10,633	(10,633)
Culture and Recreation	17,500	17,500	229,838	(212,338)
Community and Development	20,000	20,000	140,413	(120,413)
Debt Service	502,700	502,700	77,856	424,844
Insurance	1,166,796	1,166,796	376,405	790,391
Miscellaneous Expenses (Pension/Employer Taxes)	1,328,239	1,328,239	1,275,125	53,114
Total Expenditures	**$ 8,661,102**	**$ 8,661,102**	**$ 9,842,544**	**$ (1,181,442)**
Excess (Deficiency) of Revenues over Expenditures	**$ (657,237)**	**$ (657,237)**	**$ (955,504)**	**$ (298,267)**
OTHER FINANCING SOURCES (USES)				
Sale of Assets	$ 39,837,500	$ 39,837,500	$ 12,000	$ (39,825,500)
Refund of Prior Year Revenues	-	-	(1,719)	(1,719)
Refund of Prior Year Expenses	-	-	9,512	9,512
Operating Transfers In	245,000	245,000	305,436	60,436
Operating Transfers Out	(39,285,046)	(39,285,046)	(606,605)	38,678,441
Total Other Financing Sources (Uses)	**$ 797,454**	**$ 797,454**	**$ (281,376)**	**$ (1,078,830)**
NET CHANGE IN FUND BALANCES	**$ 140,217**	**$ 140,217**	**$ (1,236,880)**	**$ (1,377,097)**
FUND BALANCE - JANUARY 1, 2022	-	-	2,053,054	2,053,054
FUND BALANCE - DECEMBER 31, 2022	**$ 140,217**	**$ 140,217**	**$ 816,174**	**$ 675,957**

The accompanying notes are an integral part of these financial statements

EXHIBIT F

CITY OF BEAVER FALLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	JOINT SEWER USERS FUND	CITY SEWER USERS FUND	TOTAL
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 2,036,507	$ 421,465	$ 2,457,972
Accounts receivable:			
Sanitation/Sewage (Net)	-	220,678	220,678
Other	342,263	-	342,263
Total Current Assets	**$ 2,378,770**	**$ 642,143**	**$ 3,020,913**
Noncurrent Assets:			
Buildings and improvements	$ 10,010,405	$ -	$ 10,010,405
Office Equipment	86,638	11,885	98,523
Vehicles	150,933	148,570	299,503
Machinery & Equipment	-	415,645	415,645
Infrastructure	1,700,472	787,072	2,487,544
Accumulated depreciation	(6,943,167)	(765,916)	(7,709,083)
Total Noncurrent Assets	**$ 5,005,281**	**$ 597,256**	**$ 5,602,537**
TOTAL ASSETS	**$ 7,384,051**	**$ 1,239,399**	**$ 8,623,450**
LIABILITIES AND NET POSITION			
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 26,378	$ 6,698	$ 33,076
Due to other funds	68,229	288,711	356,940
Total Current Liabilities	**$ 94,607**	**$ 295,409**	**$ 390,016**
TOTAL LIABILITIES	**$ 94,607**	**$ 295,409**	**$ 390,016**
NET POSITION			
Net Investment in Capital Assets	$ 5,005,281	$ 597,256	$ 5,602,537
Unrestricted	2,284,163	346,734	2,630,897
TOTAL NET POSITION	**$ 7,289,444**	**$ 943,990**	**$ 8,233,434**
TOTAL LIABILITIES AND NET POSITION	**$ 7,384,051**	**$ 1,239,399**	**$ 8,623,450**

The accompanying notes are an integral part of these financial statements

EXHIBIT G

CITY OF BEAVER FALLS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	JOINT SEWER USERS FUND	CITY SEWER USERS FUND	TOTAL
OPERATING REVENUES:			
Sewage charges	$ 1,571,313	$ 1,576,810	$ 3,148,123
Tap-In Fees	4,550	-	4,550
Permit Fees	500	-	500
Miscellaneous	1,949	-	1,949
TOTAL OPERATING REVENUES	**$ 1,578,312**	**$ 1,576,810**	**$ 3,155,122**
OPERATING EXPENSES:			
Contractual services	$ -	$ 712,562	$ 712,562
Wages and Benefits	613,193	200,000	813,193
Administrative	30,000	300,000	330,000
Office	5,573	-	5,573
Repair and maintenance	153,809	134,083	287,892
Billing expense	-	20,226	20,226
Depreciation	199,550	48,547	248,097
Engineering	7,258	52,586	59,844
Legal	-	12,147	12,147
Utilities	166,412	-	166,412
Chemicals/Chlorine	42,934	-	42,934
Sludge/grit removal	108,355	-	108,355
Janitorial Supplies	1,394	-	1,394
Gas and Oil	4,278	-	4,278
Equipment	3,766	-	3,766
Operating Supplies	-	344	344
Uniforms	2,995	-	2,995
Permits and testing	21,823	-	21,823
Certification & Training	858	-	858
Small Tools	3,263	558	3,821
Insurance	30,273	-	30,273
Miscellaneous	850	363	1,213
Property Damage	-	26,232	26,232
Line Rental Expense	100,000	-	100,000
Sewer-Line Reimbursement	-	200,000	200,000
TOTAL OPERATING EXPENSES	**$ 1,496,584**	**$ 1,707,648**	**$ 3,204,232**
OPERATING INCOME (LOSS) BEFORE NON OPERATING REVENUES (EXPENSES)	**$ 81,728**	**$ (130,838)**	**$ (49,110)**
NONOPERATING REVENUES (EXPENSES):			
Interest income	$ 4,931	$ 1,451	$ 6,382
Refund Prior Year Expenses	7,440	-	7,440
TOTAL NONOPERATING REVENUES (EXPENSES)	**$ 12,371**	**$ 1,451**	**$ 13,822**
CHANGE IN NET POSITION	**$ 94,099**	**$ (129,387)**	**$ (35,288)**
NET POSITION - January 1, 2022	7,195,345	1,073,377	8,268,722
NET POSITION - December 31, 2022	**$ 7,289,444**	**$ 943,990**	**$ 8,233,434**

The accompanying notes are an integral part of these financial statements

EXHIBIT H

CITY OF BEAVER FALLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	JOINT SEWER USERS FUND	CITY SEWER USERS FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from User Charges	$ 1,617,378	$ 1,564,248	$ 3,181,626
Miscellaneous Revenue	1,949	-	1,949
Cash Paid to Vendors for Goods and Services	(1,306,816)	(1,528,086)	(2,834,902)
Net cash provided (used) by operating activities	**$ 312,511**	**$ 36,162**	**$ 348,673**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Refund Prior Year Revenues	$ 7,440	$ -	$ 7,440
Net cash provided (used) by capital and related financing activities	**$ 7,440**	**$ -**	**$ 7,440**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	$ 4,931	$ 1,451	$ 6,382
Net cash provided by investing activities	**$ 4,931**	**$ 1,451**	**$ 6,382**
Net increase (decrease) in cash and cash equivalents	**$ 324,882**	**$ 37,613**	**$ 362,495**
CASH AND CASH EQUIVALENTS - January 1, 2022	1,711,625	383,852	2,095,477
CASH AND CASH EQUIVALENTS - December 31, 2022	**$ 2,036,507**	**$ 421,465**	**$ 2,457,972**

	JOINT SEWER USERS FUND	CITY SEWER USERS FUND	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	$ 81,728	$ (130,838)	$ (49,110)
Adjustments to reconcile excess revenues over expenditures provided (used) by operating activities:			
Depreciation	199,550	48,547	248,097
Changes in assets and liabilities:			
(Increase) decrease in sewer/refuse receivables	-	(12,562)	(12,562)
(Increase) decrease in other accounts receivable	41,015	-	41,015
Increase (decrease) in accounts payable	(1,170)	6,680	5,510
Increase (decrease) in due to other funds	(8,612)	124,335	115,723
Net cash provided (used) by operating activities	**$ 312,511**	**$ 36,162**	**$ 348,673**

The accompanying notes are an integral part of these financial statements

EXHIBIT I

CITY OF BEAVER FALLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	POLICE PENSION FUND	FIREFIGHTERS PENSION FUND	CITY EMPLOYEES PENSION FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 296,891	$ 131,502	$ 154,170	$ 582,563
Investments, at Fair Value:				
U.S. Treasury Securities	-	-	-	-
U.S. Agency Securities	-	-		-
Municipal Bonds	-	-	-	-
Corporate Bonds	-	-	-	-
Money Market Funds	702,826	321,603	130,328	1,154,757
Stock Funds	7,334,907	3,054,650	5,150,024	15,539,581
Tax Exempt Bonds	-	61,420	-	61,420
Taxable Bonds	1,090,101	298,705	-	1,388,806
Taxable Bond Funds	2,103,131	1,227,401	2,640,008	5,970,540
Accrued Interest	-	-	-	-
Other Accounts Receivable	401	-	-	401
TOTAL ASSETS	**$ 11,528,257**	**$ 5,095,281**	**$ 8,074,530**	**$ 24,698,068**
LIABILITIES				
Accounts Payable	$ 1,773	$ -	$ -	$ 1,773
TOTAL LIABILITIES	**$ 1,773**	**$ -**	**$ -**	**$ 1,773**
NET POSITION				
Held in Trust for Pension Benefits	$ 11,526,483	$ 5,095,281	$ 8,074,530	$ 24,696,294
TOTAL NET POSITION	**$ 11,526,483**	**$ 5,095,281**	**$ 8,074,530**	**$ 24,696,294**

KW
11/3/2023 Verified

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The City of Beaver Falls was incorporated on December 3, 1928, under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. Beginning in January of 2022 the City began operating under a Home Rule Charter. Any rights and powers of the City not specifically mentioned in the Home Rule Charter are covered under the Third-Class City Code of the Commonwealth of Pennsylvania. The administration of the City consists of four (4) Councilmen and a City Mayor. Members of City Council are elected by the voting public. The City Council appoints a City Manager to administer the day-to-day operations of the City. The major functions of the City include public safety, maintenance of City infrastructure (roads), sanitation and sewage control, maintenance of parks and other recreational facilities for use by City residents and general administrative functions necessary to facilitate City resident needs and responsibilities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City of Beaver Falls consists of all funds, departments, boards, and agencies that are not legally separate from the City. Generally accepted accounting standards defines component units are legally separate entities that are included in the City's reporting entity because of the significance of their operating or financial relationships with the City. The City of Beaver Falls has no component units.

FINANCIAL STATEMENT PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) report information about the City as a whole. These financial statements combine all of the financial activity of the primary government excluding fiduciary funds. As a general rule, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are recorded separately from business-type activities, which rely to a significant extent on fees and charges for services.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies, and contributions that are restricted to meeting the operational or capital requirements of a particular program.

FUND FINANCIAL STATEMENTS – Fund financial statements report detailed information about the City. Under generally accepted accounting standards, the focus of governmental fund financial statements is on major funds rather than reporting funds by type. Major funds represent the City's most important funds and are determined based on a percentage of assets, liabilities, revenues, and expenditures/expenses. For the City of Beaver Falls the General Fund always considered a major fund. Each major governmental fund is presented in a separate column. Non-major governmental funds, if any, are segregated and combined in a single column. Fiduciary funds are reported separately.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The governmental activities on the government-wide financial statements are presented in conformity with the modified accrual basis of accounting, which is a basis of accounting other than generally accepted accounting standards. The governmental fund financial statements of the City of Beaver Falls are presented on the modified accrual basis of accounting, in accordance with accounting standards generally accepted in the United States of America (GAAP) established by the Government Accounting Standards Board (GASB). Business-type activities on the government-wide financial statements, the proprietary fund financial statements, and the Fiduciary Fund financial statements use the accrual basis of accounting in conformity with GAAP.

Revenue resulting from exchange transactions, in which the City receives value without directly giving equal values in return, includes property taxes, grants and contributions. On the modified accrual basis, revenue from current year property taxes is recognized when received, and within sixty days subsequent to year-end if they are both measurable and available to fund current year general operations. Revenues from grants and contributions are recognized in the calendar year in which all eligibility requirements have been satisfied. On the modified accrual basis, revenue from non-exchange transactions must also be 'available' before it can be recognized.

The management of the City of Beaver Falls has determined that the revenues most susceptible to accrual at December 31, 2022 are **1)** current real estate taxes estimated to be collected within 60 days, **2)** delinquent real estate taxes earned by the City in December of 2022, **3)** deed transfer taxes and vehicle violations earned by the City in December of 2022, **4)** certain taxpayer assessed Act 511 taxes, **5)** solid waste and sewage fees billed to City residents, **6)** cable franchise fees earned during the year, and **7)** other miscellaneous revenues estimable and available to the City for 2022 but not as yet collected at December 31, 2022. On the governmental fund financial statements, receivables that will not be collected within the 'available' period have been reported as 'deferred inflows of resources'.

On the modified accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures, with certain exceptions, are recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at December 31, 2022, are those for which the City's intention was to expense these items as budgeted for in the 2022 official budget, and for which the City has incurred an obligation during 2022 but has not paid as of December 31, 2022.

FUND ACCOUNTING

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Fund categories are defined as follows:

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major and non-major governmental funds:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

MAJOR GOVERNMENTAL FUNDS:

GENERAL FUND - Established under 'The Third-Class City Code' of the Commonwealth of Pennsylvania and is used for the general operations of the City. Income in this fund is derived mainly from assessed revenues such as real estate taxes, local taxes established under Act 511, charges for sanitation service and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the City and other miscellaneous operating expenses.

NON-MAJOR GOVERNMENTAL FUNDS:

HIGHWAY AID FUND - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets, and bridges for which the City is responsible.

LOCAL DRUG INVESTIGATIVE FUND - Established to account for monies received primarily from the Local Drug Enforcement Agency for forfeited drug funds to be used for training and other allowable expenses.

K-9 FUND - Established to account for monies received through donations to be used for K-9 expenses.

CRIMEWATCH FUND - Established to account for monies received through donations to be used for Crimewatch expenses.

CAPITAL PROJECTS FUND - Established from the proceeds of a portion of the City's General Obligation Bonds – Series of 2017 to fund capital projects of the City.

DEBT SERVICE FUND - Established from the proceeds of the City's General Obligation Bonds – Series of 2017. The main purpose of the fund is to pay the principal and interest due on the City's general obligation bonds and notes. Funding is received through transfers from the General Fund.

Proprietary Funds - used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the City (internal service funds). The City maintains two (2) proprietary funds: **1)** City Sewer Users Fund and **2)** Joint Sewer Users Fund. Based on the criteria for determining major funds as set forth in GASB Statement No. 34, each of the City's proprietary funds are considered major funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The City has three pension trust funds (police pension, firefighter's pension, and non-uniform service employee's pension). The City does not maintain any other type of fiduciary fund.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the City's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BUDGETS

In December of 2021, the City of Beaver Falls adopted its 2022 annual budget for its General Fund totaling $47,946,148 in accordance with the provisions of Section 1406 of the City's Home Rule Charter. The budgets are prepared utilizing the modified accrual method of accounting in accordance with generally accepted accounting principles. Budgetary transfers among various expenditure line items is authorized in accordance with Section 1407 of the City's Home Rule Carter. The adjusted budgetary amounts, if any, are reflected in these financial statements (Exhibit G). Actual expenditures exceeded budget for calendar year 2022. All appropriations lapse at the end of each calendar year.

The Commonwealth of Pennsylvania's Third-Class City Code, uses the following procedures in establishing budgetary data:

a. In accordance with the Third-Class City Code, each year at the last stated meeting in November, the chief fiscal officer shall, on behalf of Council, present to Council for introduction a proposed budget ordinance. The proposed budget ordinance shall show the estimated receipts, expenditures and liabilities for the ensuing year, with the balance of unexpended appropriations and all other information of value as a basis for fixing the levy and tax rate for the next calendar year. Council shall upon introducing the proposed budget ordinance, fix a date or adoption, which shall be not later than December 31 of that year.

b. When the proposed budget ordinance is submitted to Council and has been introduced, the City Clerk shall immediately make the prosed budget ordinance available for public inspection at the City Clerk's office and shall publish a notice to that effect once in a newspaper of general circulation that states the date fixed by Council for enactment of the proposed budget ordinance. The notice shall be published at least 20 days prior to the time fixed by Council for enactment of the proposed budget ordinance. The proposed budget ordinance shall be available for public inspection at the City Clerk's office for at least 10 days after the newspaper notice is published.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS (Continued)

c. Council shall, after making the changes and modifications as appear proper, enact the budget and any appropriation measures required to put it into effect upon the date fixed for enactment. Any budget revisions whereby total expenditures would be increased by more than 10%, or more than 25% in any individual lie-item over the proposed budget, the proposed budget shall not be enacted unless made available for public inspection for a period of at least 10 days after notice to that effect is published.

CASH AND CASH EQUIVALENTS

For the purposes of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

INVESTMENTS

Provisions of the Third-Class City Code authorize the following investments:

I. Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.

III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker’s acceptances.

IV. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.

Fiduciary fund type investments include investments consisting of fixed income securities, U.S. Treasury securities, mutual funds and exchange-traded products held by Hefren-Tillotson, Inc. for the benefit of the City's pension plans (Trust Funds). Investments are stated at fair value. The City’s portfolio is in compliance with these statutes at December 31, 2022.

RECEIVABLES

Sanitation, sewage, and other receivables are reflected at net realizable value as of December 31, 2022.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the governmental funds balance sheet. For the purposes of the government-wide statement of Net position, governmental inter-fund receivables and payables have been eliminated. Amounts due between governmental activities and business-type activities are offset as ‘Internal Balances’ on the Statement of Net position.

CAPITAL ASSETS AND DEPRECIATION

All capital assets of the City’s business-type activities are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The City does not maintain a specific dollar threshold for fixed asset capitalization. The cost of infrastructure is included in the government-wide statement of net position for business-type activities and the proprietary fund financial statements. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense.

All reported capital assets for business-type activities, except land, are depreciated using the straight-line method over the following useful lives:

CATEGORY	BUSINESS-TYPE ACTIVITIES
Buildings and Improvements	10-50 years
Office Equipment	5-7 years
Vehicles	5-15 Years
Infrastructure	50 Years

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or 'financial flow' measurement focus. This means that only the current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of 'available resources'. Governmental operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of 'available spendable resources' during a period. Under the modified accrual method of accounting, capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit D). The City does not capitalize and depreciate the cost of its governmental activities fixed asset purchases in accordance with generally accepted accounting principles.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements for business-type activities only. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment within 60 days of the end of the fiscal year-end, are considered to be paid with current available financial resources. Notes and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The City's General Fund and Debt Service Fund are typically used to liquidate long-term liability obligations.

LONG-TERM DEBT FINANCING COSTS

Bond and note issue costs are recorded as expenditures in the governmental or proprietary fund financial statements in the year paid. During the 2022 calendar year, the City incurred no bond/note issuance costs.

COMPENSATED ABSENCES

In accordance with the terms of its various collective bargaining unit agreements, the City is responsible to pay eligible employees at the rate of $10 per day for each accumulated unused sick day upon separation of service from the City. For governmental fund financial statements under the modified accrual method of accounting, compensated absences are recorded as expenditures when paid rather than accrued when earned.

NET POSITION

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy City obligations. Net position is classified as follows:

- **Net Investment in Capital Assets** – This component of net position consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- **Restricted Net Position** –This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets. Restricted net position consists of the following:
    - General Fund - Act 205 Earned Income Taxes for pension obligations - $554,512
    - Highway Aid Fund restricted under Act 655 for highway/road projects - $11,061
    - Capital Project Fund restricted for City capital improvements - $452
    - Drug Investigative Fund restricted for police public safety costs - $28,535
    - K-9 Fund restricted for police public safety costs - $8,204
    - Crimewatch Fund restricted for police safety costs - $854

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION (Continued)

- **Unrestricted** – Consists of net position that does not meet the definition of ‘restricted’ or ‘net investment in capital assets’.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources

FUND EQUITY

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity’s fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Non-spendable fund balance** – amounts that are not in spendable form (such as prepaid) or are required to be maintained intact – The City’s non-spendable fund balance is comprised of prepaid expenses paid in calendar year 2022 for the benefit of future periods totaling $121,881.

- **Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Restricted fund balance of $603,618 is detailed above under restricted net position.

- **Committed fund balance** – amount constrained to specific purposes by the City itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

- **Assigned fund balance** – amounts the City intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

- **Unassigned fund balance** – amount that are available for any purpose.

OPERATING REVENUES AND EXPENSES

Proprietary fund operating revenues are those revenues that are generated directly from the primary activity of the City’s Joint Sewer User’s Fund and City Sewer User’s Fund. For the City, these revenues are sewer user charges, tap-in fees, and miscellaneous revenues directly related to the operations of these two funds. Operating expenses are the necessary costs incurred to operate the City’s two proprietary funds. Non-operating revenues of the City consist of interest income and refund of prior year expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ADOPTION OF GASB PRONOUNCEMENTS

The requirements of the following GASB Statement were adopted for the City's 2022 financial statements. Except where noted, the adoption of this pronouncement did not have a significant impact on the Township's financial statements.

GASB issued Statement No. 87*, 'Leases'*. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments.

GASB issued Statement No. 91*, 'Conduit Debt Obligations'*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB issued Statement No. 97, *'Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans'.* The primary objectives of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensations plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

PENDING GASB PRONOUNCEMENTS

GASB issued Statement No. 94*, 'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'*. The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the City's December 31, 2023, financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PENDING GASB PRONOUNCEMENTS (Continued)

GASB issued Statement No. 96, *'Subscription-Based Information Technology Arrangements'.* The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The provisions of this Statement are effective for the City's December 31, 2023, financial statements.

GASB issued Statement No 99, *'Omnibus 2022.* The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PENDING GASB PRONOUNCEMENTS (Continued

GASB issued Statement No 99 (Continued)

- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

The requirements related to leases, PPPs, and SBITAs are effective for the City's December 31, 2023, financial statements.

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the City's December 31, 2024, financial statements.

GASB issued Statement No 100, *'Accounting Changes and Error Correction'.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this Statement are effective for the City's December 31, 2024 financial statements.

GASB issued Statement No 101, *'Compensated Absences'.* The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for the City's December 31, 2024, financial statements.

The effects of implementing these Statements on the City's financial statements have not yet been determined.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS

At December 31, 2022, the City of Beaver Falls had the following carrying values on its cash and cash equivalent accounts held with its depositories:

	Bank Balance	(Memo Only) Book Balance
General Fund	$ 984,313	$ 813,521
Non-Major Governmental Funds	46,505	46,505
Proprietary Funds	2,475,812	2,457,972
Fiduciary Funds	1,428,469	582,563
TOTAL	**$ 4,935,099**	**$ 3,900,561**

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account $250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a separate policy for custodial credit risk in addition to the requirements of the Third-Class City Code. As of December 31, 2022, $4,435,099 of the City's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the City's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of $250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

INVESTMENTS:

The fair value and maturity term of the City's fiduciary fund investments as of December 31, 2022, is as follows:

	Fair Value	No Stated Maturity	1 Year or Less	1-5 Years	6-10 Years	11-15 Years	16-30 Years
U.S. Agencies	$ 327,044	$ -	$ 249,283	$ 22,166	$ -	$ -	$ 55,596
U.S. Treasury	32,277	-	-	910	8,604	-	22,763
Municipal Bonds	588,458	-	19,642	263,950	193,825	111,042	-
Corporate Bonds	502,447	-	45,694	299,805	90,199	20,166	46,581
Mutual Funds	21,555,449	21,555,449	-	-	-	-	-
	$ 23,005,675	**$ 21,555,449**	**$ 314,619**	**$ 586,831**	**$ 292,628**	**$ 131,208**	**$ 124,940**

Investments classified as U.S. Agencies are securities of agencies of the U.S. Government that have an implied but not explicit guarantee.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Custodial Credit Risk:

For an investment, custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The City's investments in mutual funds and money funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The City does not have a specific policy that would limit its investment choices to those with certain credit ratings.

Credit Risk:

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal investment policy, in addition to the requirements of the Third-Class City Code and the Intergovernmental Cooperation Act, that limits its investment choices based on credit ratings by nationally recognized rating organizations. As of December 31, 2022, investments in U.S. Agencies, U.S. Treasury, Municipal Bonds, and Corporate Bonds of the City's pension plans are rated individually by nationally recognized statistical rating agencies (Moody's and S&P) as follows:

Bond Quality	Market Value
AAA	$ 397,131
AA+	75,635
AA	336,053
AA-	117,719
A+	52,731
A-	273,528
Aa1	78,100
A2	19,722
BBB+	27,837
BBB	39,493
Not Rated	-
	$ 1,417,949

Interest Rate Risk:

The City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk:

The City places no limit on the amount it may invest in any one issuer.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Fair Value Measurements:

The City of Beaver Fall's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. Generally accepted accounting standards establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy provides the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes

- **Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data

- **Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

The following schedule presents the Investments of the City by level within the fair value hierarchy:

	Value at 12/31/22	**Fair Value Measurements**		
		Level 1	**Level 2**	**Level 3**
U.S. Treasury	$ 327,044	$ 327,044	$ -	$ -
U.S. Agencies	32,277	32,277	-	-
Municipal Bonds	588,458	588,458	-	-
Corporate Bonds	502,447	502,447	-	-
Mutal Funds	21,555,449	21,555,449	-	-
	$ 23,005,675	**$ 23,005,675**	**$ -**	$ -

NOTE 3 - PROPERTY TAXES

The City of Beaver Falls levies property taxes March 1st of each calendar year. The calendar dates for payment of these taxes are as follows:

PAYMENT PERIOD

February 1 – March 31, 2022	(Discount period)
April 1 – May 31, 2022	(Face period)
June 1 – March 31, 2023	(Penalty period)

NOTE 3 - PROPERTY TAXES (Continued)

Taxpayers are entitled to a 2% discount if taxes are paid prior to May 1st. Collections after June 30th are assessed a 10% penalty. Taxes unpaid as of April of the year following levy are liened through Beaver County. As of December 31, 2022, the City had $250,172 in unpaid 2022 property taxes which represents 14%.6 of the total assessed property taxes for the current year.

The tax millage assessment for the 2022 calendar year is 29 mills on the assessed value of land and buildings, which represents $29.00 of revenue for every $1,000 of assessed value. The total millage includes 19.5928 dedicated for general revenue purposes, 9.1747 dedicated for debt service and .2325 mills dedicated for the maintenance and operation of recreation places. No provision has been made for amounts estimated to be uncollectable.

Taxes receivables, as reflected in Exhibit A and C, consist of the following at December 31, 2022:

Delinquent Real Estate	$ 49,874
Act 511 Taxes	125,352
	$ 175,226

NOTE 4 – INTERFUND TRANSACTIONS

Interfund receivable and payable obligations, as reflected in Exhibit C and Exhibit F, are comprised of the following at December 31, 2022:

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General Fund	$ 357,325	$ -
Capital Projects Fund	-	385
Joint Sewer Users	-	68,229
City Sewer Users	-	288,711
	$ 357,325	**$ 357,325**

During the 2022 calendar year, the following transfers were made between funds:

- General Fund transferred $606,605 to the Debt Service Fund for the Series of B 2017 General Obligation Bond and Series A of 2017 General Obligation Note principal and interest payments

- Highway Aid Fund transferred $286,436 to the General Fund for street lighting

- K-9 Fund transferred $19,000 to the General Fund for reimbursement of a police vehicle purchase

NOTE 5 - DUE FROM OTHER GOVERNMENTAL UNITS

The 'due from other governmental units' total of $319,149, as reflected in Exhibits A and C for governmental activities and governmental funds, represents amounts earned by and due the City of Beaver Falls for 2022 from other governmental agencies as follows:

Fines - Magistrate	$ 4,768
Reimbursements from School District	570
Beaver County Housing Authority	27,364
Grants	228,367
Reimbursements for Police & Fire Services	58,080
	$ 319,149

NOTE 6 – OTHER RECEIVABLES

Other receivables, as reflected in Exhibit A and C, consist of the following at December 31, 2022:

	GOVERNMENTAL ACTIVITIES	**BUSINESS-TYPE ACTIVITIES**
Cable Franchise Fees	$ 27,872	$ -
Sewage	-	342,263
Miscellaneous	33,966	-
	$ 61,838	**$ 342,263**

NOTE 7 – BUSINESS-TYPE FIXED ASSETS

A summary of the business-type fixed asset activity for the 2022 calendar year was as follows:

	Balance 1/1/2022	**Additions**	**Deductions**	**Balance 12/31/2022**
Building and Improvements	$ 10,010,405	$ -	$ -	$ 10,010,405
Office Equipment	98,523	-	-	98,523
Vehicles	299,503	-	-	299,503
Machinery & Equipment	415,645	-	-	415,645
Infrastructure	2,487,544	-	-	2,487,544
	$ 13,311,620	$ -	$ -	$ 13,311,620
Less: Accumulated depreciation				
Building and Improvements	$ (5,853,356)	$ (172,140)	$ -	$ (6,025,496)
Office Equipment	(48,420)	-	-	(48,420)
Vehicles	(265,363)	(6,101)	-	(271,464)
Machinery & Equipment	(275,712)	(36,912)	-	(312,624)
Infrastructure	(1,018,135)	(32,944)	-	(1,051,079)
	$ (7,460,986)	$ (248,097)	$ -	$ (7,709,083)
Business-Type Activities Capital Assets, Net	**$ 5,850,634**	**$ (248,097)**	**$ -**	**$ 5,602,537**

NOTE 8 – LONG TERM DEBT OBLIGATIONS

BONDS PAYABLE – GENERAL OBLIGATION BONDS SERIES B OF 2017

In November of 2017, the City of Beaver Falls issued General Obligation Bonds, Series B of 2017 in the amount of $2,380,000. Proceeds from the sale of the bonds will be used to provide funds for and towards the costs of planning, designing, acquiring, constructing, furnishing, and equipping additions and improvements to the City's capital improvement plan and pay the costs of issuing and insuring the bonds. The bonds were issued in denominations of $5,000 with interest payable on May 15 and November 15 each year through maturity. Interest rates range between 1.55% and 3.375%, with the bonds scheduled to mature on November 15, 2034. The bonds provide for early redemption options for the city as more fully described in the detailed Official Statement.

DEFAULT PROVISIONS

The Bonds are general obligations of the City, payable from its tax and other general revenues, which taxing power presently includes ad valorem taxes which may be levied on all taxable real property within the City presently without limitation as to rate or amount. The City has covenanted that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund , as hereinafter defined, or any other of its revenues or funds, the principal of every maturity of the Bonds and the interest thereon at the dates and place and in the manner stated on the Bonds, and for such budgeting, appropriation and payment the City irrevocably has pledged its full faith, credit and taxing power.

In the event of default of the payment of principle or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure payment of redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the City which is recovered by the City from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the bond insurer at such time and in such amounts as would have been due absence such prepayment by the City unless the bond insurer chooses to pay such amounts at an earlier date. Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the bond insurer without appropriate consent. The bond insurer may direct and must consent to any remedies that that Paying Agent exercises and the bond insurer's consent may be required in connection with amendments to the Ordinance. In the event the bond insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the monies received by the Paying Agent pursuant to the Ordinance. In the event the bond insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The bonds carry a commitment from Build America Mutual Assurance Corporation (BAM) under which a Municipal Bond Insurance Policy will be issued at the time of delivery of the bonds, which policy assure the payment of the principal and interest to the registered owners of the Bonds.

NOTE 8 – LONG TERM DEBT OBLIGATIONS (Continued)

BONDS PAYABLE – GENERAL OBLIGATION BONDS SERIES B OF 2017 (Continued)

A summary of the City of Beaver Fall's General Obligation Bonds outstanding at December 31, 2022, is as follows:

Year End Dec 31	Principal	Interest	Total
2023	$ 10,000	75,226	$ 85,226
2024	10,000	74,926	84,926
2025	10,000	74,626	84,626
2026	10,000	74,326	84,326
2027	10,000	74,026	84,026
2028-2032	1,110,000	349,368	1,459,368
2033-2034	1,150,000	58,132	1,208,132
	$ 2,310,000	**$ 780,630**	**$ 3,090,630**

NOTES PAYABLE – GENERAL OBLIGATION NOTES SERIES A OF 2017

In November of 2017, the City of Beaver Falls issued General Obligation Notes, Series A of 2017 in the amount of $5,880,000. Proceeds from the sale of the notes were used to currently refund the City's outstanding General Obligation Bonds, Series of 2012, and pay the costs of issuing and insuring the bonds. The notes were issued in denominations of $5,000 with interest payable on May 15 and November 15 each year through maturity. Interest rates range between 1.55% and 3.0%, with the notes scheduled to mature on November 15, 2030. The notes provide for early redemption options for the city as more fully described in the detailed Official Statement. Default provisions as described herein Note 8 (Bonds Payable) apply to the City's General Obligation Notes Series A of 2017.

A summary of the City of Beaver Fall's Series A of 2017 General Obligation Notes outstanding at December 31, 2022, is as follows:

Year End Dec 31	Principal	Interest	Total
2023	$ 420,000	102,150	$ 522,150
2024	430,000	92,175	522,175
2025	440,000	81,425	521,425
2026	450,000	70,425	520,425
2027	465,000	58,050	523,050
2028-2030	1,470,000	89,100	1,559,100
	$ 3,675,000	**$ 493,325**	**$ 4,168,325**

NOTE 8 – LONG TERM DEBT OBLIGATIONS (Continued)

NOTES -PAYABLE– FIRST NATIONAL BANK (DIRECT BORROWING)

In December of 2019, the City of Beaver Falls borrowed $600,000 from First National Bank for the following purposes 1) refinancing existing indebtedness and providing additional funds for economic revitalization, and 2) financing the closing costs and attorneys' fees in connection with the loan. The terms of the loan call for 120 monthly principal and interest payments of $6,237.52 at an interest rate of 4.5%. The note is scheduled to mature in December of 2029. The outstanding balance on the loan as of December 31, 2022, is $440,747.

DEFAULT PROVISIONS

The City represents, warrants, and covenants to the Bank that the full faith, credit, and taxing power of the City has been irrevocably pledged to the Bank to secure the payment of this Note. In the event of default, under the Loan Agreement occurs and is continuing upon demand the Bank or any future Registered Owner of this Note, the outstanding principal sum, together with any unpaid accrued interest, will be due and payable in full.

A summary of the City of Beaver Fall's 2019 General Obligation Note outstanding with First National Bank at December 31, 2022, is as follows:

Year End Dec 31	Principal	Interest	Total
2023	$ 56,166	$ 18,684	$ 74,850
2024	58,746	16,104	74,850
2025	61,445	13,405	74,850
2026	64,267	10,583	74,850
2027	67,220	7,630	74,850
2028-2029	132,903	5,872	138,775
	$ 440,747	**$ 72,278**	**$ 513,025**

NOTE 9 – CHANGES IN LONG-TERM DEBT

The following represents the changes in the City's long-term debt during 2022:

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022	Due Within One Year
General Obligation Bonds	$ 2,320,000	$ -	$ 10,000	$ 2,310,000	$ 10,000
General Obligation Notes	4,085,000	-	410,000	3,675,000	420,000
Direct Borowings:					
Note Obligations	494,152	-	53,405	440,747	56,166
	$ 6,899,152	**$ -**	**$ 473,405**	**$ 6,425,747**	**$ 486,166**

NOTE 10 - CITY PENSION PLANS

The following is a summary of the City's police, fire, and non-uniform pension plans:

POLICE PENSION PLAN - The City of Beaver Falls' Police Pension Plan is a single-employer defined benefit pension plan established May 12, 1941, as amended April 26, 2016, to provide retirement and death benefits to qualified police department employees under the provisions governing pension plans in the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of this plan are determined under the Entry Age Normal Actuarial Cost Method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Hefren Tillotson, Inc. A summary of the plan's provisions are as follows:

PARTICIPANTS – All permanent members of the City of Beaver Falls police department who have attained the age of 21.

ELIGIBILITY – All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a City employee and have attained the age of 50.

BENEFITS – Benefit is equal to 50% of the greater of monthly pay at retirement or average monthly pay, plus a service increment, if any.

TERMINATION – The plan provides terminated employees with a return of their contribution without interest.

VESTING – Employees are 100% vested after completion of 12 years of service.

FUNDING – Employee contributions are equal to 4% of monthly earnings plus $1.00 to provide for service increments. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

FIREMEN'S PENSION PLAN - The City of Beaver Falls' Fireman's pension Plan is a single-employer defined benefit pension plan established February 23, 1948, as amended October 25, 2015, to provide retirement and death benefits to qualified fire department employees under the provisions governing firemen's pension plans in the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of the plan are determined under the Entry Age Normal Actuarial Cost method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Merrill Lynch and Hefren Tillotson Inc. A summary of the plan's provisions are as follows:

PARTICIPANTS – All permanent members of the City of Beaver Falls fire department who have attained the age of 21.

ELIGIBILITY – All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a City employee and have attained the age of 50.

NOTE 10 - CITY PENSION PLANS (Continued)

FIREMEN'S PENSION PLAN (Continued)

BENEFITS – Benefit is equal to 50% of average pay at retirement, plus a service increment, if any. For employees hired on or after 8/5/93, lump sum payments for sick pay and vacation pay are not included.

TERMINATION – The plan provides terminated employees with a return of their contribution without interest.

VESTING – Employees are 100% vested after completion of 12 years of service.

FUNDING – Employee contributions are equal to 4% of monthly earnings plus $1.00 to provide for service increments. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

GENERAL EMPLOYEES PENSION PLAN - The City of Beaver Falls' Employee's pension Plan is a single-employer defined benefit pension plan established January 1, 1960, as amended October 22, 1996, to provide retirement and death benefits to qualified non-uniformed service employees under the provisions of Act 205 of the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of the plan are determined under the Entry Age Normal Actuarial Cost method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Hefren-Tillotson, Inc. A summary of the plan's provisions are as follows:

PARTICIPANTS – All permanent members of the City of Beaver Falls other than police or firemen.

ELIGIBILITY – All participants are eligible for retirement benefits provided that they have completed 20 years of aggregate service as a City employee and have attained the age of 60.

BENEFITS – Benefit is equal to 50% of monthly average compensation.

TERMINATION – The plan provides terminated employees with a return of their contribution without interest.

VESTING – Employees are 100% vested after completion of 12 years of service.

FUNDING – Employee contributions are equal to 5% of monthly salary. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

NOTE 10 - CITY PENSION PLANS (Continued)

Plan membership as of January 1, 2021, was comprised of:

	Police	Firemen	Employees
Active employees (non-vested)	16	9	22
Retirees and beneficiaries currently receiving benefits	28	17	19
Terminated employees entitled to benefits but not yet receiving them	-	-	-
Total	**44**	**26**	**41**

NOTE 11 – RISK AND UNCERTAINITIES

INSURANCE

The City of Beaver Falls is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

LEGAL MATTERS

The City of Beaver Falls, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. As of December 31, 2022, the City is unaware of any pending claims or litigations that would be material to the financial position of the City of Beaver Falls.

FEDERAL AND STATE FUNDING

The City of Beaver Falls' state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The City is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

NOTE 12 – SUBSEQUENT EVENTS

The City of Beaver Falls entered into an Asset Purchase Agreement with the Aqua Pennsylvania Wastewater Inc., in October 2021. The final purchase price has been agreed upon in the amount of $41,250,000 and the closing is anticipated to take place at some point during the early part of calendar year 2023 upon the approval of the Pennsylvania Utility Commission and Department of Environmental Protection.

The City of Beaver Falls has opted to operate under the Home Rule Charter Law effective January 1, 2022. All elected officials in office at that time will serve until the end of their respective terms. All city administration officers or employees holding any office or position prior to January 2022 will continue such office or position unless that office or position is eliminated under the Charter or Administrative Code.

Management has determined that there are no other subsequent events after December 31, 2022, through the December 7, 2023, date of the "Independent Auditor's Report' date, which is the date the financial statements were available to be issued, that requires disclosure in the financial statements.

SUPPLEMENTARY

INFORMATION

SCHEDULE 1

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET	ACTUAL	OVER <UNDER> BUDGET
TAXES:			
Real estate - current	$ 1,450,000	$ 1,460,045	$ 10,045
Real estate - prior	37,000	34,554	(2,446)
Real estate - delinquent	225,000	268,810	43,810
Deed transfer	75,000	108,467	33,467
Per capita and residence	20,000	17,224	(2,776)
Per capita and residence - prior	500	360	(140)
Per capita and residence - delinquent	8,500	3,148	(5,352)
Earned income - city	610,000	680,315	70,315
Earned income - Act 205	1,000,000	1,031,869	31,869
Earned income - prior	14,000	21,836	7,836
Mercantile tax	80,000	97,073	17,073
Mercantile License tax	-	250	250
LST	110,000	112,521	2,521
Business privilege tax	200,000	161,900	(38,100)
TOTAL TAXES	**$ 3,830,000**	**$ 3,998,372**	**$ 168,372**
LICENSES AND PERMITS:			
Solicitation Permit	$ 50	$ 850	$ 800
Transient Licenses	100	100	-
Amusement licenses	10,000	23,800	13,800
Cable franchise fee	120,000	115,382	(4,618)
Building permits	40,000	25,278	(14,722)
Demolition permits	1,000	1,295	295
Plumbing licenses	2,300	150	(2,150)
Zoning Permits	2,500	2,125	(375)
Vacant Property Fees	2,000	870	(1,130)
Rental registration	100,000	121,928	21,928
Code Enforcement misc. receipts	-	-	-
Street opening permits	-	23,100	23,100
Dumpster Permits	1,350	2,380	1,030
TOTAL LICENSES AND PERMITS	**$ 279,300**	**$ 317,258**	**$ 37,958**
FINES AND FORFEITURES:			
Magistrate and Clerk of Courts	$ 75,000	$ 70,899	$ (4,101)
Code Restitution	900	679	(221)
Rental Restitution	850	1,272	422
State police fines	4,000	3,440	(560)
Warrant server fees	450	330	(120)
Incarceration fees	12,000	10,087	(1,913)
Police reports	2,700	2,539	(161)
Parking Authority collections	20,000	15,964	(4,036)
Parking Meter Violations	11,000	9,502	(1,498)
Parking Magistrate Fines/Finals	4,000	4,563	563
TOTAL FINES AND FORFEITURES	**$ 130,900**	**$ 119,275**	**$ (11,625)**
INTEREST AND RENTS:			
Investment interest	$ 10,900	$ 23,113	$ 12,213
DEP rent	21,660	9,025	(12,635)
Other Rents	3,000	3,100	100
Parks - Rental of Facilities	-	175	175
TOTAL INTEREST AND RENTS	**$ 35,560**	**$ 35,413**	**$ (147)**
INTERGOVERNMENTAL:			
Fire & EMS Grants	$ -	$ 39,058	$ 39,058
PA recycling grants	-	1,896	1,896
Parks & Recreation Grants	-	279,549	279,549
PA State pension aid	330,000	414,436	84,436
PA Cola refund	5,550	4,350	(1,200)
Fire Relief Tax Distribution	22,000	26,403	4,403
DCED Grant	35,000	107,451	72,451
Covid	436,052	438,809	2,757
PURTA Tax Refund	2,600	2,961	361
PA Liquor License - LCB	2,000	3,350	1,350
Act13 Gas Well Fees	10,000	16,982	6,982
County Grants - Public Safety	-	37,895	37,895
Local Park Grant	-	25,000	25,000
PENNDOT Snow Removal Agreement	31,000	48,371	17,371
PILOT - County Building	30,795	30,795	-
PILOT - Reimbursement to school county	(20,671)	(20,671)	-
PILOT - Morado, Brodhead, Harmony	22,425	19,534	(2,891)
PILOT - Reimbursement to school district	(4,890)	(4,616)	274
PILOT - Current Real Estate	3,714	4,125	411
TOTAL INTERGOVERNMENTAL	**$ 905,575**	**$ 1,475,678**	**$ 570,103**

The accompanying notes are an integral part of these financial statements

SCHEDULE 1

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET	ACTUAL	OVER <UNDER> BUDGET
CHARGES FOR SERVICES:			
Miscellaneous revenue	$ 873	$ 135	$ (738)
School Reimbursement	-	10,209	10,209
Housing Auth Police Reimbursement	50,000	50,170	170
Eastvale Patrol	13,048	13,048	-
West Mayfield Patrol	67,195	67,196	1
Big Beaver Patrol	132,870	132,870	-
Zoning Hearing Fees	4,500	2,200	(2,300)
Tax Cert Fees	14,500	15,900	1,400
Sale of Fire Reports	-	60	60
Lein Letter Fees	11,600	12,758	1,158
Police Reimbursements	18,000	22,686	4,686
AG Task Force Reimbursements	-	18,246	18,246
DUI Task Force Reimbursements	-	10,874	10,874
Fire Dept receipts	-	-	-
Fire Service Ins. Reimbursement	5,000	4,028	(972)
Fire Hydrant Fees	68,422	77,428	9,006
Eastvale Fire Protection	6,720	6,622	(98)
Zoning Occupancy Inspections	16,000	24,670	8,670
Parking Authority	18,825	17,814	(1,011)
Dye Testing	7,500	12,630	5,130
Water Pollution Control - Line Rental	100,000	100,000	-
WPC Expense Reimbursement	660,000	673,467	13,467
Property Maint - PM Liens	8,150	12,858	4,708
Sale of Trash Carts	-	200	200
Solid Waste Admin Fee	150,000	150,000	-
Solid Waste	743,027	775,825	32,798
City SU Admin Exp Reimb	150,000	150,000	-
City SU Sewer Line Reimb	200,000	200,000	-
City SU Wage Reimbursement	200,000	200,000	-
TOTAL CHARGES FOR SERVICES	**$ 2,646,230**	**$ 2,761,894**	**$ 115,664**
MISCELLANEOUS:			
Civil Service Testing	$ 500	$ 991	$ 491
Workers Comp Fund Dividends	100,000	90,471	(9,529)
Donations	15,000	26,888	11,888
County Lease Agreement	60,800	60,800	-
TOTAL MISCELLANEOUS	**$ 176,300**	**$ 179,150**	**$ 2,850**
OTHER FINANCING SOURCES:			
Sale of property - fixed assets	$ 39,837,500	$ 12,000	$ (39,825,500)
Liquid Fuels	245,000	286,436	41,436
K-9	-	19,000	19,000
Tax Anticipation Loan	-	-	-
Refund prior year expenses	-	9,512	9,512
TOTAL OTHER FINANCING SOURCES	**$ 40,082,500**	**$ 326,948**	**$ (39,755,552)**
TOTAL REVENUES AND OTHER FINANCING SOURCES	**$ 48,086,365**	**$ 9,213,988**	**$ (38,872,377)**

The accompanying notes are an integral part of these financial statements

SCHEDULE 2

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET	ACTUAL	OVER <UNDER> BUDGET
GENERAL GOVERNMENT:			
LEGISLATIVE:			
Council & Mayor Expenses	$ 15,000	$ 15,000	$ -
Mayor & Council Supplies	250	30	(220)
Council ER FICA/Medi Exp	-	1,132	1,132
Mayor & Council Memberships Dues	-	130	130
Mayor & Council Training Exp	-	5,792	5,792
COG Payment	1,000	-	(1,000)
TOTAL LEGISLATIVE	**$ 16,250**	**$ 22,084**	**$ 5,834**
EXECUTIVE:			
City Manager's Salary	$ 75,850	$ 75,857	$ 7
Admin Coord/City Clerk Salary	60,000	60,005	5
Admin Secretary Salary	40,000	-	(40,000)
Admin Life/AD&D/STD Ins Exp	-	1,538	1,538
Health Insurance	-	45,393	45,393
Pension Contributions	2,806	2,806	-
Employer FICA Exp	-	12,680	12,680
Admin Contracted Sick Days	700	700	-
Admin Longevity	2,550	2,550	-
Higher Education Bonues	-	1,200	1,200
Administration supplies	5,000	5,105	105
Audit	9,300	8,352	(948)
Telephone	9,400	3,814	(5,586)
Postage	8,000	1,379	(6,621)
Printing and legal ads	7,500	2,857	(4,643)
Managers Bond	-	250	250
Miscellaneous administrative expense	200	250	50
Admin Maint Service	-	874	874
Leased Equipment - Admin	15,000	14,878	(122)
Dues, Subscriptions & Memberships	-	1,405	1,405
Taxes on City Owned Property	7,235	50	(7,185)
Accountant - Part-time	6,000	390	(5,610)
Admin Training/Meeting/Conf	-	65	65
Planning commission	50	-	(50)
Civil service commission expense	1,500	7,537	6,037
Public Relations	500	300	(200)
City Manager's Expenses	7,500	1,900	(5,600)
Capital Purchase-RECLAIM Project	-	11,542	11,542
TOTAL EXECUTIVE	**$ 259,091**	**$ 263,677**	**$ 4,586**
FINANCIAL ADMINISTRATION:			
Salary - treasurer	$ 47,250	$ -	$ (47,250)
Chief Financial Officers Salary	65,100	61,095	(4,005)
Salary - treasurer - vacation wages	-	10,977	10,977
Salary - bookkeeper	40,000	80,248	40,248
Treas Life/AD&D/STD Ins Exp	-	1,740	1,740
Health Insurance	-	61,704	61,704
Employer FICA Exp	-	11,120	11,120
Treasurer's ofc longevity	1,100	1,100	-
Treasurer's ofc supplies	2,500	1,917	(583)
Postage	-	421	421
Insurance and Bonding	2,500	1,349	(1,151)
Computer/Software Maint	4,500	635	(3,865)
Dues, Subscriptions & Memberships	-	80	80
Training/Meeting/Conf	-	50	50
TOTAL FINANCIAL ADMINISTRATION	**$ 162,950**	**$ 232,436**	**$ 69,486**
TAX COLLECTION:			
Tax Bill Printing	$ 5,000	$ 3,349	$ (1,651)
Earned income tax commission	10,000	11,939	1,939
EMS income tax commission	2,400	2,216	(184)
Earned income tax commission act 205	20,280	15,958	(4,322)
Postage	-	1,942	1,942
TOTAL TAX COLLECTION	**$ 37,680**	**$ 35,404**	**$ (2,276)**

The accompanying notes are an integral part of these financial statements

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET	ACTUAL	OVER <UNDER> BUDGET
GENERAL GOVERNMENT (Continued):			
LEGAL:			
Salary - solicitor	$ 18,000	$ 18,000	$ -
Legal fees	15,000	49,112	34,112
TOTAL LEGAL	**$ 33,000**	**$ 67,112**	**$ 34,112**
DATA PROCESSING:			
IT Services	$ 12,000	$ 12,944	$ 944
Credit Card Processing Fee	250	-	(250)
Computer Software & Upgrades	6,300	10,180	3,880
TOTAL DATA PROCESSING	**$ 18,550**	**$ 23,124**	**$ 4,574**
ENGINEERING SERVICES:			
Engineering Services	$ 2,500	$ 64,868	$ 62,368
Engineering/Architectural Services	-	87,291	87,291
TOTAL ENGINEERING SERVICES	**2,500**	**152,159**	**149,659**
MUNICIPAL BUILDING:			
Operating Supplies	$ -	$ 567	$ 567
Repair/Maintenance Supplies	-	191	191
City Building - Phone & Internet	-	6,762	6,762
Telephone Maint Agreement	-	130	130
City Building - electric	20,000	21,194	1,194
City Building - gas	5,500	9,120	3,620
City Building - water	2,000	3,190	1,190
City Building - Contracted Services	20,000	32,864	12,864
Capital Improvements	-	672,688	672,688
TOTAL MUNICIPAL BUILDING	**$ 47,500**	**$ 746,706**	**$ 699,206**
TOTAL GENERAL GOVERNMENT	**$ 577,521**	**$ 1,542,702**	**$ 965,181**
PUBLIC SAFETY:			
POLICE:			
Salary - chief	$ 87,275	$ 78,549	$ (8,726)
Police Sick Wages	-	53,050	53,050
Police Vacation Wages	-	80,672	80,672
Salary - captain	296,608	201,066	(95,542)
Salary - sargeant	206,693	175,006	(31,687)
Salary - non-ranked policemen	596,400	580,554	(15,846)
Police Acting OIC wages	7,000	8,422	1,422
Police Vehicle Repair Wages	-	192	192
Police Life/AD&D/STD Ins Exp	-	11,484	11,484
Health Insurance	-	290,313	290,313
Police ER Medicare Expenses	-	25,388	25,388
Police Heart & Lung Benefit	-	3,076	3,076
Overtime - Regular OT	120,510	222,991	102,481
Overtime - Schools (Training & OT)	20,000	36,642	16,642
Overtime - Major Cases	20,600	13,446	(7,154)
Overtime - Housing Auth Patrol	55,000	37,242	(17,758)
Overtime - Jailer (police)	15,450	18,583	3,133
Overtime - Special Events	8,000	13,553	5,553
Overtime - 1.5 Reimbursable	-	27,138	27,138
Police Sick Day Incentive	1,500	1,700	200
Longevity - police	8,400	8,400	-
Shift differential	7,500	9,579	2,079
Holiday pay	56,779	66,503	9,724
Court time	130,000	163,567	33,567
Education pay	1,000	1,800	800
Uniforms/Cleaning Allowance	15,200	13,214	(1,986)

The accompanying notes are an integral part of these financial statements

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET	ACTUAL	OVER <UNDER> BUDGET
PUBLIC SAFETY (Continued):			
POLICE (Continued):			
Police Tuition Reimbursement	350	-	(350)
Office supplies	5,000	4,830	(170)
Weight equipment	300	100	(200)
Ammunition	13,000	12,113	(887)
Criminal investigation	2,400	781	(1,619)
K-9 supplies	2,000	2,037	37
K-9 veterinarian expenses	500	-	(500)
K-9 Equipment & Training	250	-	(250)
Fuel	15,000	27,626	12,626
Police Uniform Exp (Not Reimburse)	5,000	8,712	3,712
Restricted Spending Exp	500	3,379	2,879
Vehicle maintenance	12,000	15,444	3,444
Employment Physicals	-	1,455	1,455
Police Breathalyzer Testing	200	6,468	6,268
Criminal Drug Testing	-	5,891	5,891
Police Cell Phones	4,000	3,151	(849)
Postage	-	976	976
Radio Maint & Repairs	250	190	(60)
Printing	700	130	(570)
Ticket printing	3,000	-	(3,000)
Range - Utilities	1,000	758	(242)
Police Computer/Software Maintenance	25,000	22,389	(2,611)
Police Equipment Maintenance Svc	-	491	491
Police Storage Rental	-	3,021	3,021
Meetings/Conference/Training	20,000	7,208	(12,792)
Capital Purchase Police Vehicles	-	38,000	38,000
TOTAL POLICE	**$ 1,764,365**	**$ 2,307,280**	**$ 542,915**
FIRE DEPARTMENT:			
Salary - chief	$ 87,276	$ 75,864	$ (11,412)
Sick Hourly Wages	-	22,776	22,776
Vacation Hourly Wages	-	52,345	52,345
Asst Fire Chief Wages	65,279	-	(65,279)
Salary - captain	126,248	143,258	17,010
Salary - firefighters	275,402	235,500	(39,902)
Fire Acting OIC Wages	5,000	3,277	(1,723)
Part-Time Firefighters	20,000	-	(20,000)
Fire Life/AD&D/STD Ins Exp	-	5,927	5,927
Health Insurance	-	137,475	137,475
Fire ER FICA Medicare Expenses	-	11,392	11,392
Heart & Lung Benefits	-	1,256	1,256
Overtime - Call Out (1.5)	47,775	57,593	9,818
Overtime - Double Wages	70,000	85,944	15,944
Overtime - Off-Duty Training Wages	12,000	17,691	5,691
Contracted sick days	3,500	3,500	-
Longevity	3,950	5,750	1,800
Holiday pay	29,400	39,827	10,427
Higher Education Bonus	1,050	1,350	300
Uniforms	8,000	8,697	697
Fire school Reimbursements	4,500	3,200	(1,300)
Office supplies	2,500	2,111	(389)
Minor Equipment	4,000	2,179	(1,821)
Fire Hose Replacement	3,500	-	(3,500)
Cleaning supplies	1,000	1,554	554
Fuel and lubrication	9,000	13,109	4,109
Replacement Fire Gear	9,000	11,719	2,719
SCUBA Equipment	1,000	597	(403)
Truck & Equipment Repairs	25,000	31,104	6,104

The accompanying notes are an integral part of these financial statements

SCHEDULE 2

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET	ACTUAL	OVER <UNDER> BUDGET
PUBLIC SAFETY:			
FIRE DEPARTMENT (Continued):			
Tire Replacement	3,000	1,159	(1,841)
Mask Repair & Parts	3,500	655	(2,845)
Compressr maintenance	1,600	1,812	212
Protective clothing	3,500	-	(3,500)
Fire Computer/Software Maintenance	5,500	5,445	(56)
Physicals	4,400	2,094	(2,306)
Volunteer fire time	17,500	11,768	(5,732)
Telephone	2,600	2,215	(385)
Postage	-	31	31
Radio repairs	3,000	2,278	(722)
Travel	-	50	50
#3 Station - electric	1,300	2,105	805
#3 Station - gas/Pleasantview	1,700	2,437	737
BFMA hydrant rental	21,700	21,700	-
#3 Station - Water	350	282	(68)
Fire Equipment Maint Service	-	118	118
Training	4,500	4,501	1
Fire Grant Expenses	-	41,584	41,584
State Fire Relief Disbursement	22,000	26,403	4,403
Capital Purchases - Equipment	16,000	-	(16,000)
TOTAL FIRE DEPARTMENT	**$ 926,530**	**$ 1,101,632**	**$ 175,102**
EMERGENCY MANAGEMENT:			
Emergency Mgmt Fee	$ 1,000	$ 899	$ (101)
TOTAL EMERGENCY MANAGEMENT	**$ 1,000**	**$ 899**	**$ (101)**
CODE ENFORCEMENT:			
Code enforcement Vacation - Other	$ -	$ 1,279	$ 1,279
Code Office Staff Wages - Other	31,583	31,583	-
Fuel	1,000	1,348	348
Uniforms	400	-	(400)
Vehicle Maintenance	1,000	1,075	75
Zoning Hearing Expense	10,000	1,613	(8,387)
Zoning Ordinance/Comp Plan	-	3,095	3,095
Telephone	750	699	(51)
Postage	-	1,355	1,355
Code - Demolition Expenses	-	4,000	4,000
Code Training & Certificates	1,500	1,158	(342)
Code Life/AD&D/STD Ins Exp	-	622	622
Code ER FICA Medicare Expenses	-	2,841	2,841
Code Longevity	400	400	-
Code Office Supplies	1,200	1,987	787
Code ICC Publication	1,000	809	(191)
Misc Expense	1,000	766	(234)
Inspection Certification	1,000	-	(1,000)
Computer & Software Maintenance	6,000	6,000	-
TOTAL CODE ENFORCEMENT	**$ 56,833**	**$ 60,630**	**$ 3,797**
RENTAL REGISTRATION:			
Rental Admin - Sick Pay	$ -	$ 427	$ 427
Rental Admin - Vacation	-	2,622	2,622
Rental Reg Clerk	36,400	34,825	(1,575)
Rental Reg Life/AD&D/STD Ins Exp	-	373	373
Rental ER FICA Medicare Expenses	-	2,537	2,537
Rental Office Supplies	1,000	-	(1,000)
Rental ICC Publication	1,000	-	(1,000)
Misc Expense	1,000	902	(98)
Computer & Software Maintenance	5,800	6,317	517
TOTAL RENTAL REGISTRATION	**$ 45,200**	**$ 48,003**	**$ 2,803**

The accompanying notes are an integral part of these financial statements

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET	ACTUAL	OVER <UNDER> BUDGET
OTHER PUBLIC SAFETY:			
Daytime Jailer/Clerk Wages	$ 38,958	$ 30,493	$ (8,465)
PT Jailers Wage	4,000	3,585	(415)
Polce Jailer Sicktime	-	3,371	3,371
Meter Patrol Wages	19,950	23,856	3,906
Meter Maintenance Wages	8,000	9,921	1,921
Polce Jailer Vaction Hourly	-	5,095	5,095
Jail/Meter Life/AD&D/STD Ins Exp	-	746	746
Healthcare	-	13,561	13,561
ER FICA Medicare Expenses	-	5,299	5,299
Pkg & Jailer Longevity	2,150	2,150	-
Uniforms	150	122	(28)
Parking Meter Equipment Repair	500	452	(48)
TOTAL OTHER PUBLIC SAFETY	**$ 73,708**	**$ 98,651**	**$ 24,943**
TOTAL PUBLIC SAFETY	**$ 2,867,636**	**$ 3,617,095**	**$ 749,459**
PUBLIC WORKS:			
SANITATION:			
Recycling Service Fees	$ -	$ 7,325	$ 7,325
Trash Cart Expenses	500	2,675	2,175
Landfill fees	115,000	105,781	(9,219)
Trash Collection Services	510,000	557,157	47,157
TOTAL SANITATION	**$ 625,500**	**$ 672,938**	**$ 47,438**
WATER POLUTION CONTROL:			
Manager Salary	$ 85,653	$ 45,685	$ (39,968)
Sick Wages	-	35,654	35,654
Vacation Wages	-	26,496	26,496
Chief Operator	53,128	45,104	(8,024)
Chief Mechanic	53,128	45,888	(7,241)
Mechanic 2 Wages	47,850	10,124	(37,726)
Mechanic Helper Wages	47,180	43,383	(3,796)
Mechanic/OP Trainee	47,180	43,727	(3,453)
Higher wages	5,000	5,541	541
Secretary - WPCP	22,211	19,343	(2,868)
Life/AD&D/STD Ins Exp	-	2,668	2,668
Healthcare	-	126,926	126,926
ER FICA Medicare Expenses	-	26,957	26,957
Contracted sick days	4,900	2,100	(2,800)
Longevity	4,550	4,550	-
Overtime	20,000	26,062	6,062
Shift differential	1,000	460	(540)
Holidays	15,000	12,604	(2,396)
TOTAL WATER POLUTION CONTROL	**$ 406,780**	**$ 523,272**	**$ 116,492**
STREET DEPARTMENT:			
Salary - superintendent	$ 83,197	$ 78,080	$ (5,117)
Sick Wages	-	14,270	14,270
Vacation Wages	-	37,040	37,040
Maintenance/ Utility Wages	47,909	47,124	(785)
Salary - skilled laborer and vactor operator	95,819	57,617	(38,202)
Salary - mechanics/operators	53,128	46,399	(6,729)
Salary - sweeper operator	47,179	34,126	(13,053)
Salary - skilled laborer helper	46,487	25,032	(21,455)
Salary - vactor helper	46,487	27,356	(19,131)
Salary - labor pool	133,474	46,433	(87,041)
Higher wages	15,000	42,853	27,853
Life/AD&D/STD Ins Exp	-	3,464	3,464
Healthcare	-	125,519	125,519
ER FICA Medicare Expenses	-	42,516	42,516
Contracted sick days	6,300	4,200	(2,100)
Longevity	9,150	8,900	(250)
Overtime	40,000	59,318	19,318
Shift differential	2,500	508	(1,992)
Sewer OT	3,000	1,284	(1,716)
HC Opt-Out Bonus	-	21,311	21,311
Uniforms	4,800	6,113	1,313
Office supplies	2,500	2,999	499
Street Supplies	25,000	25,041	41
Street Deprt Fuel	46,000	35,135	(10,865)
Uniform & Safety Equipment	2,500	233	(2,267)
Drug and alcohol testing	2,000	1,772	(228)

The accompanying notes are an integral part of these financial statements

SCHEDULE 2

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET	ACTUAL	OVER <UNDER> BUDGET
PUBLIC WORKS:			
STREET DEPARTMENT (Continued):			
Telephone	7,200	6,124	(1,076)
Utilities - electric	4,600	4,917	317
Utilities - gas	12,000	16,314	4,314
Utilities - water	600	558	(42)
Computer & Software Expenses	-	2,750	2,750
Weed Cutting	3,000	-	(3,000)
St Training/Meetings/Conference	-	100	100
Street Vehicle Purchase	-	90,000	90,000
Salary - snow control	5,000	17,515	12,515
Snow Supply Reimbursements	130,000	123,224	(6,776)
Street signs	4,000	6,038	2,038
Traffic Signal Phone Line	-	479	479
Traffic signals electricity	5,000	5,177	177
Traffic signal repairs	3,000	4,609	1,609
Street lights	210,000	233,654	23,654
7th Avenue lights	3,600	2,749	(851)
Storm sewer maintenance	2,000	741	(1,259)
Street vehicles maintenance	20,000	40,017	20,017
Tools and new equipment	2,500	2,144	(356)
Street sweeper maintenance	10,000	8,347	(1,653)
Road patching material	12,000	13,247	1,247
Road painting	1,500	2,920	1,420
TOTAL STREET DEPARTMENT	**$ 1,148,430**	**$ 1,376,267**	**$ 227,837**
STORMWATER MANAGEMENT:			
MS4 Engineering Fees	$ -	$ 1,733	$ 1,733
MS4 Permits	-	500	500
MS4 Contracted Maintenance	-	8,400	8,400
TOTAL STORMWATER MANAGEMENT	**$ -**	**$ 10,633**	**$ 10,633**
TOTAL PUBLIC WORKS	**$ 2,180,710**	**$ 2,583,110**	**$ 402,400**
CULTURE AND RECREATION:			
PARKS & PLAYGROUNDS:			
Park Operating Supplies	$ -	$ 372	$ 372
Special events	2,000	-	(2,000)
Parks Repairs & Maintenance	2,000	5,289	3,289
Parks and playgrounds - utilities	6,000	5,262	(738)
Parks and playgrounds - water	-	126	126
Recreation payment	7,500	1,529	(5,971)
Park Capital Improvement	-	209,919	209,919
Park Minor Equipment	-	7,341	7,341
TOTAL PARKS & PLAYGROUNDS	**$ 17,500**	**$ 229,838**	**$ 212,338**
TOTAL CULTURE AND RECREATION	**$ 17,500**	**$ 229,838**	**$ 212,338**
COMMUNITY & DEVELOPMENT			
Admin Comm Development Coord	$ 20,000	$ 48,438	$ 28,438
Office Supplies	-	18	18
Minor Equipment	-	1,363	1,363
Special Events Expense	-	4,277	4,277
Community Development Prof Svc	-	7,201	7,201
DCED STMP Grant Expenses	-	79,031	79,031
Meetings/Confernces/Training	-	85	85
TOTAL COMMUNITY & DEVELOPMENT	**$ 20,000**	**$ 140,413**	**$ 120,413**
DEBT SERVICE:			
Bond & Debt Svc Admin Fees	$ 1,100	$ 1,500	$ 400
Bank Fees	700	1,506	806
FNB Loan Payment	500,900	53,405	(447,495)
FNB Note Interest	-	21,445	21,445
TOTAL DEBT SERVICE	**$ 502,700**	**$ 77,856**	**$ (424,844)**
INSURANCE:			
Workers Comp Ins	$ 173,621	$ 231,374	$ 57,753
General Ins	150,000	137,795	(12,205)
Employee Ins Cont.	(78,225)	-	78,225
Employee Hospital/Life Ins	893,800	7,236	(886,564)
Cost of Health Ins Reimbursements	35,000	-	(35,000)
Health Ins Reimbursements	(7,400)	-	7,400
TOTAL INSURANCE	**$ 1,166,796**	**$ 376,405**	**$ (790,391)**

The accompanying notes are an integral part of these financial statements

CITY OF BEAVER FALLS
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUDGET	ACTUAL	OVER <UNDER> BUDGET
MISCELLANEOUS EXPENSES:			
Non-Uniform Pension Contribution	$ 147,778	$ 147,778	$ -
State Pension Transfer	330,000	414,436	84,436
Uniform Pension Contribution	512,841	512,841	-
Fireman's Pension Contribution	200,070	200,070	-
Social Security - other	85,050	-	(85,050)
Medicare	52,500	-	(52,500)
TOTAL MISCELLANEOUS EXPENSES	**$ 1,328,239**	**$ 1,275,125**	**$ (53,114)**
OTHER FINANCING USES:			
Refund Prior Year Revenues	$ -	$ 1,719	$ 1,719
Transfer to Capital	32,786,738	-	(32,786,738)
Transfer to Debt Service	6,498,308	606,605	(5,891,703)
TOTAL OTHER FINANCING USES	**$ 39,285,046**	**$ 608,324**	**$ (38,676,722)**
TOTAL EXPENDITURES AND OTHER FINANCING USES	**$ 47,946,148**	**$ 10,450,868**	**$ (37,495,280)**

The accompanying notes are an integral part of these financial statements

CITY OF BEAVER FALLS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

SCHEDULE 3

	HIGHWAY AID FUND	LOCAL DRUG INVESTIGATIVE FUND	K-9 FUND	CRIMEWATCH FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS:							
Cash and Cash Equivalents	$ 8,075	$ 28,535	$ 8,204	$ 854	$ 837	$ -	$ 46,505
Investments	2,986	-	-	-	-	-	2,986
TOTAL ASSETS	**$ 11,061**	**$ 28,535**	**$ 8,204**	**$ 854**	**$ 837**	**$ -**	**$ 49,491**
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Due to Other Funds	$ -	$ -	$ -	$ -	$ 385	$ -	$ 385
TOTAL LIABILITIES	**$ -**	**$ -**	**$ -**	**$ -**	**$ 385**	**$ -**	**$ 385**
FUND BALANCES:							
Restricted	$ 11,061	$ 28,535	$ 8,204	$ 854	$ 452	$ -	$ 49,106
TOTAL FUND BALANCES	**$ 11,061**	**$ 28,535**	**$ 8,204**	**$ 854**	**$ 452**	**$ -**	**$ 49,106**
TOTAL LIABILITIES AND FUND BALANCES	**$ 11,061**	**$ 28,535**	**$ 8,204**	**$ 854**	**$ 837**	**$ -**	**$ 49,491**

The accompanying notes are an integral part of these financial statements

SCHEDULE 4

CITY OF BEAVER FALLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	HIGHWAY AID FUND	LOCAL DRUG INVESTIGATIVE FUND	K-9 FUND	CRIMEWATCH FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES							
Interest and Rents	$ 963	$ 3	$ -	$ -	$ 33	$ 9	$ 1,008
Fines & Forfeitures	-	9,450	-	-	-	-	9,450
Intergovernmental	248,368	-	-	-	-	-	248,368
Donations	-	-	47,111	-	-	-	47,111
Total Revenue	**$ 249,331**	**$ 9,453**	**$ 47,111**	**$ -**	**$ 33**	**$ 9**	**$ 305,937**
EXPENDITURES							
General Government	$ -	$ -	$ -	$ -	$ 8,215	$ -	$ 8,215
Public Safety	-	14,389	32,930	130	-	-	47,449
Public Works	-	-	-	-	16,102	-	16,102
Debt Service	-	-	-	-	-	606,616	606,616
Total Expenditures	**$ -**	**$ 14,389**	**$ 32,930**	**$ 130**	**$ 24,317**	**$ 606,616**	**$ 678,382**
Excess (Deficiency) of Revenue over Expenditures	**$ 249,331**	**$ (4,936)**	**$ 14,181**	**$ (130)**	**$ (24,284)**	**$ (606,607)**	**$ (372,445)**
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	$ -	$ -	$ -	$ -	$ -	$ 606,605	$ 606,605
Operating Transfers Out	(286,436)	-	(19,000)	-	-	-	(305,436)
Total Other Financing Sources (Uses)	**$ (286,436)**	**$ -**	**$ (19,000)**	**$ -**	**$ -**	**$ 606,605**	**$ 301,169**
NET CHANGE IN FUND BALANCES	**$ (37,105)**	**$ (4,936)**	**$ (4,819)**	**$ (130)**	**$ (24,284)**	**$ (2)**	**$ (71,276)**
FUND BALANCE - JANUARY 1, 2022	48,166	33,471	13,023	984	24,736	2	120,382
FUND BALANCE - DECEMBER 31, 2022	**$ 11,061**	**$ 28,535**	**$ 8,204**	**$ 854**	**$ 452**	**$ -**	**$ 49,106**

The accompanying notes are an integral part of these financial statements

AMENDED EXHIBIT J3

2023 JSU Budget

448-122	Administration	$30,000.00
448-130	Manager	$88,234.00
448-131	Chief Operator	$55,245.00
448-136	Operator Trainee	$49,067.00
448-133	Chief Mechanic	$55,245.00
448-134	Mechanic #2	$49,754.00
448-135	Mechanic Help	$49,067.00
448-138	Higher Wages	$5,200.00
448-141	Secretary	$22,641.00
448-151	Hospital & Life	$160,000.00
448-163	Pension	$130,000.00
448-169	Social Security	$40,000.00
448-181	Contract Sick	$4,200.00
448-182	Longevity	$5,000.00
448-183	Overtime	$20,000.00
448-184	Shift Differential	$1,000.00
448-185	Holiday	$15,000.00
448-351	Insurance	$35,000.00
448-354	Worker's Comp.	$28,000.00
448-201	Chemicals	$30,000.00
448-202	Chlorine	$30,000.00
448-204	Sludge Removal	$105,000.00
448-205	Grit Removal	$3,000.00
448-206	Gasoline & Oil	$5,000.00
448-207	School & Seminars	$3,000.00
448-208	Natural Gas	$25,000.00
448-209	Electric	$125,000.00
448-210	Water	$12,000.00
448-211	Telephone	$25,000.00
448-212	Uniforms	$3,600.00
448-213	Safety Equipment	$7,500.00
448-214	Office Supplies	$5,000.00
448-215	Petty Cash	$500.00
448-216	Engineering Services	$12,000.00
448-219	Repairs, Parts, & Maint.	$140,000.00
448-220	Equip. Purchases (Major)	$80,000.00
448-221	Permits/Test/Lab	$25,000.00
448-222	Bank Charges	$500.00
448-223	Janitorial Supplies	$3,000.00
448-260	Small Tool Purchases	$3,000.00
448-341	Advertising	$1,000.00
448-421	Dues & Subscriptions	$200.00
448-720	Const. & Improv.	$10,000.00
493-100	Operating Reserve	$7,351.00
448-125	Line Rental	$100,000.00
TOTAL		$1,604,304.00

Total operating expenses:
$1,604,304.00

Estimated billable gallons:
353,371,000

Estimated Income
$1,604,304.00

AMENDED EXHIBIT J4

CITY OF BEAVER FALLS
2024 WATER POLUTION CONTROL PLANT BUDGET

	2024 BUDGET
REVENUE	
OPERATING REVENUE	
SEWAGE FEES	
WPC Sewage Charges	$ 1,592,000.00
Tap-In Fees	$ -
Other charges	$ -
Total SEWAGE FEES	$ 1,592,000.00
INTEREST	
Investment Interest	$ 20,000.00
Total INTEREST	$ 20,000.00
Total REVENUE	$ 1,612,000.00
EXPENSES	
PERSONNEL	
WAGES & SALARIES	
Manager	$ 88,234.00
Chief Operator	$ 57,456.00
Chief Mechanic	$ 57,450.00
Mechanic#2	$ 51,022.00
Mechanic Help	$ 51,022.00
Mech/OP Trainee (1)	$ 51,030.00
Higher Wages	$ 6,126.00
Secretary	$ 22,660.00
Total WAGES & SALARIES	$ 385,000.00
BENEFITS & EMPLR CONTRIBUTIONS	
Healthcare & Life Insurance	$ 170,000.00
Pension	$ 66,000.00
Social Security	$ 29,500.00
Worker's Comp.	$ 28,000.00
Total BENEFITS & EMPLOYR CONTRIBUTIO	$ 293,500.00
OTHER SALARIES & WAGES	
Contract Sick	$ 4,200.00
Lonqevity	$ 5,000.00
Overtime	$ 36,000.00
Shift Differential	$ 1,000.00
Holiday	$ 16,000.00
Uniforms	$ 3,600.00
Total OTHER WAGES	$ 65,800.00
Total PERSONEL	$ 744,300.00
OPERATING EXPENSES	
Office Supplies	$ 5,000.00
Petty Cash	$ 500.00
Small Tool Purchases	$ 3,000.00
Janitorial Supplies	$ 5,000.00
Chemicals	$ 30,000.00
Gasoline & Oil	$ 5,000.00
Chlorine	$ 30,000.00
Safety Equipment	$ 9,500.00

CITY OF BEAVER FALLS
2024 WATER POLUTION CONTROL PLANT BUDGET

		2024 BUDGET
Repairs, Parts, Maint.	$	150,000.00
Engineering Services	$	20,000.00
Bank Charges	$	500.00
Permits/Test/Lab	$	30,000.00
Telephone	$	25,000.00
Advertising	$	1,000.00
Insurance	$	35,000.00
Electric	$	125,000.00
Natural Gas	$	25,000.00
Line Rental	$	100,000.00
Water	$	12,000.00
Sludge Removal	$	115,000.00
Grit Removal	$	3,000.00
Dues & Subscription	$	200.00
Administration	$	30,000.00
School & Sem.	$	3,000.00
Total OPERATING EXPENSES	$	762,700.00
OTHER EXPENSES		
Const. & Improv.	$	10,000.00
New. Equip. (Major)	$	80,000.00
Operating Reserve	$	15,000.00
Total OPERATING EXPENSES	$	105,000.00
Total EXPENSES	$	1,612,000.00
REVENUES OVER EXPENSES	$	-

AMENDED EXHIBIT K

DCED-CLGS-30 (9-09)

Received by DCED: 11/29/2023

Department of Community & Economic Development
Governor's Center for Local Government Services
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
Ph: 888-223-6837 | fax: 717-783-1402

2022 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT

040152 BEAVER FALLS CITY, BEAVER COUNTY

BALANCE SHEET

BEAVER FALLS CITY, BEAVER County

BALANCE SHEET

December 31, 2022

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	923,150	48,655	837		2,457,972		24,697,667			28,128,281
140-144	Tax Receivable	175,226									175,226
121-129, 145-149	Accounts Receivable (excluding taxes)	380,987				562,941		400			944,328
130.00	Due From Other Funds	357,325									357,325
131-139, 150-159	Other Current Assets	121,881									121,881
160-169	Fixed Assets					5,602,537					5,602,537
180-189	Other Debits									6,425,747	6,425,747
Total Assets and Other Debits		1,958,569	48,655	837		8,623,450		24,698,067		6,425,747	41,755,325
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	20,375									20,375
200-209, 231-239	All Other Current Liabilities	1,122,018				33,076		1,773			1,156,867
230.00	Due To Other Funds			385		356,940					357,325

DCED-CLGS-30 (09-09)

BEAVER FALLS CITY, BEAVER County

BALANCE SHEET

December 31, 2022

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									5,939,581	5,939,581
240-259	Current Portion of Long-Term Debt and Other Credits									486,166	486,166
Total Liabilities and Other Credits		1,142,393		385		390,016		1,773		6,425,747	7,960,314

Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	816,176	48,655	452		8,233,434		24,696,294			33,795,011
291-299	Other Equity										
Total Fund and Account Group Equity		816,176	48,655	452		8,233,434		24,696,294			33,795,011

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	41,755,325

BEAVER FALLS CITY, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

REVENUES

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
	Taxes								
301.00	Real Estate Taxes	1,191,384	14,138		557,888				1,763,410
305.00	Occupation Taxes (levied under municipal code)								
308.00	Residence Taxes (levied by cities of the 3rd Class)	10,366							10,366
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)								
310.00	Per Capita Taxes	10,366							10,366
310.10	Real Estate Transfer Taxes	108,467							108,467
310.20	Earned Income Taxes / Wage Taxes	1,734,019							1,734,019
310.30	Business Gross Receipts Taxes	161,901							161,901
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	112,521							112,521
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes	121,123							121,123
310.90	Other: _______________								
	Other: _______________								
	Total Taxes	3,450,147	14,138		557,888				4,022,173
	Licenses and Permits								
320-322	All Other Licenses and Permits	178,076							178,076
321.80	Cable Television Franchise Fees	115,382							115,382
	Total Licenses and Permits	293,458							293,458
	Fines and Forfeits								
330-332	Fines and Forfeits	119,275	9,450						128,725
	Total Fines and Forfeits	119,275	9,450						128,725

BEAVER FALLS CITY, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

REVENUES

Interest, Rents and Royalties

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
341.00	Interest Earnings	23,113	967	33	9	6,382		931,550	962,054
342.00	Rents and Royalties	12,300							12,300
Total Interest, Rents and Royalties		35,413	967	33	9	6,382		931,550	974,354

Federal

		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
351.03	Highways and Streets								
351.09	Community Development								
351.00	All Other Federal Capital and Operating Grants								
352.01	National Forest								
352.00	All Other Federal Shared Revenue and Entitlements	438,809							438,809
353.00	Federal Payments in Lieu of Taxes								
Total Federal		438,809							438,809

State

		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
354.03	Highways and Streets	48,371							48,371
354.09	Community Development								
354.15	Recycling / Act 101	1,896							1,896
354.00	All Other State Capital and Operating Grants	426,057							426,057
355.01	Public Utility Realty Tax (PURTA)	2,961							2,961
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		248,368						248,368
355.04	Alcoholic Beverage Licenses	3,350							3,350
355.05	General Municipal Pension System State Aid	418,786							418,786
355.07	Foreign Fire Insurance Tax Distribution	26,403							26,403
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution	16,982							16,982

BEAVER FALLS CITY, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

REVENUES

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
State									
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
Total State		944,806	248,368						1,193,174
Local Government Units									
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants	62,895							62,895
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services								
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes	29,167							29,167
Total Local Government Units		92,062							92,062
Charges for Service									
361.00	General Government	139,503							139,503
362.00	Public Safety	404,218							404,218
363.20	Parking	17,814							17,814
363.00	All Other Charges for Highway & Street Services								
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)	550,000				2,442,561			2,992,561
364.30	Solid Waste Collection and Disposal Charge (trash)	938,683							938,683
364.60	Host Municipality Benefit Fee for Solid Waste Facility								
364.00	All Other Charges for Sanitation Services								
365.00	Health								
366.00	Human Services								
367.00	Culture and Recreation								
368.00	Airports								

BEAVER FALLS CITY, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

REVENUES

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
	Charges for Service								
369.00	Bars								
370.00	Cemeteries								
372.00	Electric System								
373.00	Gas System								
374.00	Housing System								
375.00	Markets								
377.00	Transit Systems								
378.00	Water System	773,467							773,467
379.00	All Other Charges for Service								
	Total Charges for Service	2,823,685				2,442,561			5,266,246
	Unclassified Operating Revenues								
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	26,888	47,111						73,999
388.00	Fiduciary Fund Pension Contributions							1,472,655	1,472,655
389.00	All Other Unclassified Operating Revenues								
	Total Unclassified Operating Revenues	26,888	47,111					1,472,655	1,546,654
	Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	12,000							12,000
392.00	Interfund Operating Transfers	877,462			606,605				1,484,067
393.00	Proceeds of General Long-Term Debt								
394.00	Proceeds of Short Term-Debt								

BEAVER FALLS CITY, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
REVENUES									
Other Financing Sources									
395.00	Refunds of Prior Year Expenditures	99,983				7,440			107,423
Total Other Financing Sources		989,445			606,605	7,440			1,603,490
TOTAL REVENUES		9,213,988	320,034	33	1,164,502	2,456,383		2,404,205	15,559,145
EXPENDITURES									
General Government									
400.00	Legislative (Governing) Body	22,084							22,084
401.00	Executive (Manager or Mayor)	75,858							75,858
402.00	Auditing Services / Financial Administration	232,436							232,436
403.00	Tax Collection	35,404							35,404
404.00	Solicitor / Legal Services	67,112							67,112
405.00	Secretary / Clerk	60,005							60,005
406.00	Other General Government Administration	127,813		4,215					132,028
407.00	IT-Networking Services-Data Processing	23,124							23,124
408.00	Engineering Services	152,159							152,159
409.00	General Government Buildings and Plant	746,706		4,000					750,706
Total General Government		1,542,701		8,215					1,550,916
Public Safety									
410.00	Police	2,307,280	47,450						2,354,730
411.00	Fire	1,101,632							1,101,632
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	47,205							47,205

BEAVER FALLS CITY, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

EXPENDITURES

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
Public Safety									
414.00	Planning and Zoning								
415.00	Emergency Management and Communications	899							899
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety	98,651							98,651
Total Public Safety		3,555,667	47,450						3,603,117
Health and Human Services									
420.00-425.00	Health and Human Services	61,428							61,428
Total Health and Human Services		61,428							61,428
Public Works - Sanitation									
426.00	Recycling Collection and Disposal	7,325							7,325
427.00	Solid Waste Collection and Disposal (garbage)	665,613							665,613
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection					995,086			995,086
Total Public Works - Sanitation		672,938				995,086			1,668,024
Public Works - Highways and Streets									
430.00	General Services - Administration	965,913							965,913
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal	140,740							140,740
433.00	Traffic Control Devices	11,126		15,717					26,843
434.00	Street Lighting	241,580							241,580

BEAVER FALLS CITY, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

EXPENDITURES

Public Works - Highways and Streets

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
435.00	Sidewalks and Crosswalks								
436.00	Storm Sewers and Drains	741		385					1,126
437.00	Repairs of Tools and Machinery								
438.00	Maintenance and Repairs of Roads and Bridges	16,167							16,167
439.00	Highway Construction and Rebuilding Projects								
Total Public Works - Highways and Streets		1,376,267		16,102					1,392,369

Other Public Works Enterprises

		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
440.00	Airports								
441.00	Cemeteries								
442.00	Electric System								
443.00	Gas System								
444.00	Markets								
445.00	Parking								
446.00	Storm Water and Flood Control	10,633							10,633
447.00	Transit System								
448.00	Water System	523,272				1,496,584			2,019,856
449.00	Water Transport and Terminals								
Total Other Public Works Enterprises		533,905				1,496,584			2,030,489

Culture and Recreation

		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
451.00	Culture-Recreation Administration								
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks	229,838							229,838

BEAVER FALLS CITY, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

EXPENDITURES

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
Culture and Recreation									
455.00	Shade Trees								
456.00	Libraries								
457.00	Civil and Military Celebrations								
458.00	Senior Citizens’ Centers								
459.00	All Other Culture and Recreation								
Total Culture and Recreation		229,838							229,838
Community Development									
461.00	Conservation of Natural Resources								
462.00	Community Development and Housing								
463.00	Economic Development	140,413							140,413
464.00	Economic Opportunity								
465-469	All Other Community Development								
Total Community Development		140,413							140,413
Debt Service									
471.00	Debt Principal (short-term and long-term)	53,406			420,000				473,406
472.00	Debt Interest (short-term and long-term)	21,444			186,616				208,060
475.00	Fiscal Agent Fees	3,006							3,006
Total Debt Service		77,856			606,616				684,472
Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation								
482.00	Judgments and Losses							4,927,990	4,927,990
483.00	Pension / Retirement Fund Contributions	1,275,125							1,275,125

BEAVER FALLS CITY, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

EXPENDITURES

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
Employer Paid Benefits and Withholding Items									
484.00	Worker Compensation Insurance	231,374							231,374
487.00	Other Group Insurance Benefits	7,236							7,236
Total Employer Paid Benefits and Withholding Items		1,513,735						4,927,990	6,441,725
Insurance									
486.00	Insurance, Casualty, and Surety	137,795							137,795
Total Insurance		137,795							137,795
Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid							1,574,888	1,574,888
489.00	All Other Unclassified Expenditures							184,238	184,238
Total Unclassified Operating Expenditures								1,759,126	1,759,126
Other Financing Uses									
491.00	Refund of Prior Year Revenues	1,720							1,720
492.00	Interfund Operating Transfers	606,605	319,574		557,888				1,484,067
493.00	All Other Financing Uses								
Total Other Financing Uses		608,325	319,574		557,888				1,485,787
TOTAL EXPENDITURES		10,450,868	367,024	24,317	1,164,504	2,491,670		6,687,116	21,185,499
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		-1,236,880	-46,990	-24,284	-2	-35,287		-4,282,911	-5,626,354

BEAVER FALLS CITY

December 31, 2022

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES
Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
General Obligation Bond	Bond	2017	2034	2,380,000	2,320,000		10,000		2,310,000		2,310,000
General Obligation Note	Note	2017	2030	5,880,000	4,085,000		410,000		3,675,000		3,675,000
Revenue Bonds and Notes											
Lease Rental Debt											
FNB Loan	Note	2019	2029	600,000	494,153		53,406		440,747		440,747
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	6,425,747
Capitalized lease obligations	0
Net debt	6,425,747

BEAVER FALLS CITY, BEAVER County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2022

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government		672,688	672,688
Health			
Housing			
Libraries			
Mass Transit			
Parks		209,918	209,918
Police	43,206		43,206
Recreation			
Sewer			
Solid Waste			
Streets / Highways	90,000		90,000
Water			
Other: _______________			
TOTAL CAPITAL EXPENDITURES	133,206	882,606	1,015,812

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)	3,845,523

Independent Public Accountant/Certified Public Accountant Submission Page

Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Mark C. Turnley Appointed Auditor/CPA

DCED-CLGS-30 (9-09)

December 31, 2022

NOTES / COMMENTS

Employer paid taxes such as FICA/Medicare and unemployment compensation were reported as part of each departments overall expenditures during 2022 and were not broken out separately and reported under line-item 481.000 like in prior years.

VERIFICATION

I, William C. Packer, Vice President, Regulatory Accounting & Regional Controller of Aqua Pennsylvania, Inc., hereby state that the facts set forth in the letter of Counsel of Aqua Pennsylvania Wastewater, Inc., dated May 15, 2024, addressing information requests of the Bureau of Technical Utility Services in the matter at PaPUC Docket No. A-2022-3033138, 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 herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

William C. Packer

William C. Packer
Vice President, Regulatory
Accounting & Regional Controller
Aqua Pennsylvania, Inc.

Dated: May 15, 2024

VERIFICATION

I, William C. Packer, Vice President, Regulatory Accounting & Regional Controller of Aqua Pennsylvania, Inc., hereby state that the facts set forth in the letter of Counsel of Aqua Pennsylvania Wastewater, Inc., dated May 15, 2024, addressing information requests of the Bureau of Technical Utility Services in the matter at PaPUC Docket No. A-2022-3033138, 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 herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

William C. Packer

William C. Packer
Vice President, Regulatory
Accounting & Regional Controller
Aqua Pennsylvania, Inc.

Dated: May 15, 2024

Date Created	Filing Number
5/15/2024	2574143

Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Harrisburg, PA 17105-3265
EFILING - FILING DETAIL

Your filing has been electronically received. Upon review of the filing for conformity with the Commission's filing requirements, a notice will be issued acknowledging acceptance or rejection (with reason) of the filing. The matter will receive the attention of the Commission and you will be advised if any further action is required on your part.

The date filed on will be the current day if the filing occurs on a business day before or at 4:30 p.m. (EST). It will be the next business day if the filing occurs after 4:30 p.m. (EST) or on weekends or holidays.

Docket Number: A-2022-3033138
Case Description:
Transmission Date: 5/15/2024 4:15 PM
Filed On: 5/15/2024 4:15 PM
eFiling Confirmation Number: 2574143

File Name	Document Type	Upload Date
Beaver Falls Application Third Deficiency List and Attachments (FINAL).pdf	Reply to Data Request	5/15/2024 4:15:26 PM

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