

EXHIBIT T1



Gannett Fleming
Valuation and Rate Consultants, LLC

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April 17, 2024

[Via email to WCPackerJr@essential.co](mailto:WCPackerJr@essential.co)

William C. Packer
Vice President Controller
Aqua Pennsylvania, Inc.
762 W. Lancaster Ave
Bryn Mawr, PA 19010

Dear Bill:

Fair Market Value Appraisal – Greenville Water System

In response to your request, Gannett Fleming Valuation and Rate Consultants, LLC (Gannett Fleming) is pleased to submit this cost proposal to provide Aqua Pennsylvania, Inc. (Aqua) with a fair market value appraisal of Greenville Borough and The Municipal Authority of the Borough of Greenville's water system assets (Water System) consistent with the date of the Engineer's Assessment.

SCOPE OF SERVICES

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

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

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

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

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

SITE INSPECTION

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

APPRAISAL REPORT

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

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

QUALIFICATIONS

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

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

We design each study and its related report to meet the specific requirements of our clients. These studies require objective analyses of basic data, informed professional judgment, and clear presentation of the results. Our staff includes professionals specialized in public utility accounting and ratemaking, valuation, cost of capital, lead lag, depreciation, associated technical services, and financial analysis. We are experienced utility valuation experts who determine fair market value using the cost, market, and income approaches in accordance with 66 Pa. C.S. Section 1329. Gannett Fleming is approved as a "Utility Valuation Expert" by the Pennsylvania Public Utility Commission (PaPUC) within the context of 66 Pa. C.S. Section 1329, Valuation of Acquired Water and Wastewater Systems.

FIDUCIARY DUTY

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

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



Gannett Fleming is not directly or indirectly owned, partnered or in any way affiliated with a water/wastewater distribution company.

BASIS FOR COMPENSATION

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

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

SCHEDULE

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

PROPOSAL

Based on the understanding outlined in this letter, we propose that Aqua Pennsylvania, Inc. retain Gannett Fleming Valuation and Rate Consultants, LLC to perform the requested services as outlined in this letter. If this proposal is satisfactory to you, please so indicate by signing where indicated below and scanning and emailing the executed copy to me via email at hwalker@gfnet.com, with a copy to our Administrative Manager, Cheryl Rutter, at crutter@gfnet.com.



We thank you for the opportunity to provide valuation services in connection with the fair market value appraisal of the Greenville Water System’s assets. We look forward to acceptance of our proposal and to a successful project.

Respectfully Submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

HAROLD WALKER, III
Manager, Financial Studies

JOHN J. SPANOS
President

Aqua Pennsylvania, Inc. accepts the foregoing Proposal and authorizes Gannett Fleming Valuation and Rate Consultants, LLC to proceed with the services described herein.

ACCEPTED BY:

William C. Packer
(Signature)

William C. Packer
William C. Packer
(Printed Name)

VP - Regulatory Accounting & Regional Controller
(Title)

April 18, 2024
(Date)

STANDARD TERMS & CONDITIONS

This schedule describes Gannett Fleming's Standard Terms and Conditions for professional services. Proposal cost estimates are valid for 30 days from the date of the proposal, unless an alternate period is specified therein. Acceptance of a proposal by the Client constitutes a valid and binding contract subject to the following terms and conditions.

1. AGREEMENT DOCUMENTS

This Agreement, including the written proposal and any attachments thereto, is the complete agreement between the Client and Gannett Fleming. No other document shall be part of this Agreement unless specifically agreed to by the Client and Gannett Fleming in writing.

2. STANDARD OF CARE

All services will be provided in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently providing the same or similar services under similar circumstances and in accordance with applicable standards in effect at the time services are provided. All estimates, recommendations, opinions, and decisions of Gannett Fleming will be made upon the basis of the information available to Gannett Fleming and Gannett Fleming's experience, technical qualifications, and professional judgment. OTHER THAN AS EXPRESSLY AGREED, GANNETT FLEMING PROVIDES NO WARRANTY, EITHER EXPRESS OR IMPLIED, OR GUARANTEES REGARDING THE OUTCOME OF ITS SERVICES.

3. CLIENT RESPONSIBILITIES

By virtue of entering into this Agreement and providing the described services, Gannett Fleming does not assume responsibility for any conditions at the Client's site(s) that may present a danger, either potential or real, to health, safety, or the environment. Moreover, the Client hereby agrees that it is the Client's responsibility to notify any and all appropriate federal, state, or local authorities, as required by law, of the existence of any such potential or real danger and otherwise to disclose to all appropriate or affected individuals or entities, in a timely manner, any information that may be necessary to prevent any danger to health, safety, or the environment.

4. PAYMENT TERMS

Invoices will be rendered to the on a monthly basis. Invoices are due and payable upon receipt. Any questions regarding the invoiced terms or amounts shall be addressed to Gannett Fleming within 30 days of the date of the invoice. Otherwise, the invoice shall be considered correct, payable, and not disputed by the Client. If the invoice is not paid in full within 30 days after the date of

the invoice, the Client further agrees to pay interest of 1% per month (compounded) from the date of invoice on the unpaid balance until the invoice is paid in full. If Gannett Fleming retains a collection agency or attorney to collect receivables due more than 30 days, the Client agrees to pay the fees imposed by such collection agency or attorney, as well as any other costs of collection.

5. INDEMNIFICATION

The Client shall indemnify, defend, and hold harmless Gannett Fleming, its affiliates, independent professional associates, consultants, and employees from and against all claims, damages, losses, and expenses, including, but not limited to, fees and charges of attorneys and court and arbitration costs arising out of or resulting from the project, or claims against Gannett Fleming arising from the work of others, unless the claims, damages, losses, or expenses result from the proven negligence of Gannett Fleming.

This indemnification shall not be limited in amount or type of damages, compensation or benefits payable under workers' compensation acts, disability benefit acts, or other employee benefit acts.

6. ALLOCATION OF RISK

The Client hereby agrees, to the fullest extent permitted by law, that the allocation of risk for Gannett Fleming's total liability to the Client for any and all injuries, claims, losses, expenses, or damages whatsoever, arising out of or in any way related to Gannett Fleming's services under this Agreement, including, but not limited to negligence, errors, omissions, strict liability, breach of contract, or breach of warranty, shall not exceed the amount of Gannett Fleming's fees or \$50,000, whichever is less.

7. INSURANCE

During the entire service period covered by this Agreement, Gannett Fleming will procure and maintain the following insurance coverages:

- A. Workers' Compensation and Employers Liability Coverage - Statutory Limits
- B. Commercial General Liability including Contractual Liability - \$2,000,000 Combined Single Limit.
- C. Commercial Automobile Liability - \$2,000,000 Combined Single Limit.
- D. Professional Liability Insurance - \$1,000,000
- E. Umbrella Policy-\$5,000,000

8. CLIENT PARTICIPATION

The Client's personnel directly or indirectly involved in this Agreement shall participate as the Client's employees. Gannett Fleming assumes no liability for claims related to injury to such employees.

9. ACCESS

The Client shall arrange for and guarantee access to and make all provisions for Gannett Fleming to enter upon public and private property as required for Gannett Fleming to perform its services.

10. RE-USE OF DOCUMENTS

All reports, original final reproducible drawings, plans, specifications, calculations, studies, software program tapes, models, notes, and memoranda assembled or prepared by Gannett Fleming pursuant to this Agreement are instruments of service in respect to the Project, and Gannett Fleming shall retain full ownership and property interest therein, whether or not the Project is completed. The Client may, upon full payment for all services rendered, make and retain copies for information and reference in connection with the Project; however, such documents are not intended or represented to be suitable for re-use by the Client or others on extensions of the Project or on any other project. Any modification, changes, or reuse without written verification or adaptation by Gannett Fleming for the specific purpose intended will be at the Client's sole risk and without liability or legal exposure to Gannett Fleming, and the Client agrees to indemnify and hold harmless Gannett Fleming against any and all costs, expenses, fees, losses, claims, demands, liabilities, suits, actions, and damages whatsoever arising out of or resulting therefrom. Any such verification or adaptation will entitle Gannett Fleming to further compensation at rates to be agreed upon by the Client and Gannett Fleming.

11. PROPERTY RIGHTS

All Intellectual Property rights to any tangible property and tangible work products created by Gannett Fleming pursuant to or in the course of this Agreement shall belong exclusively to Gannett Fleming, as well as all systems, programs, and specifications, and other materials and hardware or ideas, concepts, know-how, or techniques relating to data processing, systems, or programs developed and used by Gannett Fleming herein. The same shall continue to belong exclusively to Gannett Fleming whether or not specifically adapted for the Client's use. Nothing herein precludes development and marketing by Gannett Fleming of any competitive system, program, data processing materials, or other Intellectual Property, irrespective of whether same are similar or related to that developed or incorporated for the Client pursuant to this Agreement. The Client is granted a personal, nonexclusive, nontransferable license to use the software, data, and related materials based on the terms and conditions of this Agreement.

12. CONSEQUENTIAL DAMAGES

The Client hereby agrees that to the fullest extent permitted by law Gannett Fleming shall not be liable to the Client for any special, indirect, or consequential damages

whatsoever, whether caused by Gannett Fleming's negligence, errors, omissions, strict liability, breach of contract, breach of warranty, or other cause or causes whatsoever, including, but not limited to, delay of use of equipment or facility, loss of profit or revenue, or cost of using alternative or replacement equipment or facilities.

13. DISPUTES

Any claim, controversy, or dispute between the parties to this Agreement arising out of or in connection with this Agreement, or any breach thereof, shall, upon the request of either party, be submitted to the senior officers of each party responsible for this Agreement. In the event that the senior officers cannot agree, either party may request mediation and, if both parties agree, the matter shall be submitted to mediation. Upon written notice, the parties shall select a mediator acceptable to both parties in order to resolve the dispute. Any suits brought under this Agreement or in any way arising out of this Agreement must be filed within one year from the time mediation was terminated unsuccessfully or from the time the cause of action arose (if no mediation is undertaken) or it shall be time barred.

14. TERMINATION OF AGREEMENT

This Agreement may be terminated by either party upon thirty (30) days written notice, by mutual consent or in the event of substantial failure by the other party to perform in accordance with the terms of the Agreement through no fault of the terminating party. The Client may terminate this Agreement for its convenience, in whole or in part, by thirty (30) days written notice to Gannett Fleming specifying the extent to which performance of services is terminated and the date upon which such termination becomes effective.

15. COMPENSATION UPON TERMINATION

In the event of termination by the Client, Gannett Fleming shall be paid for unbilled services, including expenses rendered to the date of termination. In the event of any such termination, Gannett Fleming shall also be paid for all reasonable termination expenses. "Termination expenses" means expenses attributable to termination, including termination settlement costs incurred by Gannett Fleming relating to commitments that had become firm prior to termination, but shall not include lost revenue and/or lost profits.

16. OVERTIME

Overtime will be billed at a premium rate of 1.5 times the straight direct labor rate for employees subject to premium overtime for project time in excess of the standard work day established for the project, Monday through Friday, and for work on weekends and holidays.

***** End of Standard Terms and Conditions *****