

# EXHIBIT AA

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**AQUA PENNSYLVANIA, INC.**

**DOCKET NO. A-2024-3049015**

**AQUA STATEMENT NO. 3**

**DIRECT TESTIMONY OF  
SCOTT STEFFY, P.E.**

**With Regard To  
Description of the System  
Aqua's Technical Fitness  
Environmental Compliance**

**April 2025**

**TABLE OF CONTENTS**

I.	INTRODUCTION .....	1
II.	OVERVIEW OF AQUA AND THE SYSTEM .....	2
III.	ENVIRONMENTAL COMPLIANCE.....	6
IV.	INTEGRATION OF THE GWA SYSTEM, TECHNICAL FITNESS, AND PUBLIC BENEFIT .....	9
V.	CONCLUSION.....	13

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1    **I.    INTRODUCTION**

2    **Q.    Please state your name and business address.**

3    A.    My name is Scott Steffy. My business address is 762 West Lancaster Avenue, Bryn Mawr,  
4        PA 19010.

5  
6    **Q.    By whom are you employed and in what capacity?**

7    A.    I am employed by Aqua Pennsylvania, Inc. (“Aqua”), as a Project Engineer III.

8  
9    **Q.    Please provide a brief description of your education and work experience.**

10   A.    I received a Bachelor of Science Degree (B.S.) in Engineering Management in 2016 from  
11        York College of Pennsylvania and am currently pursuing a Master of Environmental  
12        Engineering degree from Villanova University. I have worked in various engineering roles  
13        and have over 8 years of experience in civil & environmental engineering related to  
14        municipal and industrial water treatment, distribution and operations. I have worked at  
15        Aqua since 2022 in roles related to water treatment and distribution facilities including  
16        planning, design, start-up, and operations. Prior to Aqua, I worked as an engineer for  
17        Gannett Fleming, Inc., a consulting engineering firm. I am a Registered Professional  
18        Engineer in Pennsylvania and Maryland.

19

20   **Q.    Have you previously testified before the Pennsylvania Public Utility Commission**  
21        **(“PUC” or the “Commission”)?**

22   A.    No.

23

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1 **Q. What is the purpose of your Direct Testimony?**

2 A. The purpose of my Direct Testimony is as follows: (1) to provide a general description of  
3 the Greenville Water Authority (“GWA”) water system (the “System”); (3) to describe  
4 Aqua’s technical fitness to run the System; and (4) to discuss the benefits of the transaction.

5  
6 **Q. Are you sponsoring any Exhibits with the Company’s filing?**

7 A. Yes. Appendix A to my Direct Testimony is the 10-year capital plan for the System.  
8

9 **II. OVERVIEW OF AQUA AND THE SYSTEM**

10 **Q. Please provide a general overview of Aqua.**

11 A. Aqua owns and operates 11 surface water treatment plants (“WTP”), approximately 300  
12 wells, and approximately 6,000 miles of main throughout Pennsylvania. Aqua has  
13 approximately 600 employees bringing extensive expertise in providing water service to  
14 citizens of Pennsylvania. Aqua’s Western Division has 10 water systems in close  
15 proximity to the Borough of Greenville (“Greenville” or “Borough”) and the System  
16 allowing for operational efficiencies arising from the transaction. Aqua Pennsylvania  
17 Wastewater, Inc. (“APW”) currently owns the wastewater system serving the Borough  
18 (formerly Greenville Sanitary Authority).

19  
20 **Q. Please provide a description of the System.**

21 A. The Borough is located in the northwest part of Mercer County, Pennsylvania and the  
22 majority of the Borough is served by the public water system. The System is a treatment  
23 and distribution system owned by GWA that distributes water to the Borough, and to

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1 portions of Hempfield Township, Sugar Grove Township, and West Salem Township. The  
2 GWA water treatment plant (“WTP”) draws water from an intake on the Shenango River.  
3 The System operates under Water Allocation Permit – Permit No. WA-74B – issued by  
4 Department of Environmental Resources (predecessor agency to the Pennsylvania  
5 Department of Environmental Protection (“DEP”)). The System also operates under  
6 National Pollution Discharge Elimination System (“NPDES”) Permit No. PA0221970 –  
7 issued by DEP. The current NPDES permit has expired, but GWA submitted a timely  
8 application for a NPDES permit that is currently being reviewed by DEP.

9 The GWA WTP was constructed in the 1990s and was originally designed to be a  
10 Super Pulsator Plant. The WTP though operates as an up-flow clarifier system. The  
11 System consists of a new booster station and five storage tanks. The WTP has a permitted  
12 capacity of 2.016 million gallons per day (“MGD”). The WTP produces approximately  
13 279-million-gallons of potable water per year (0.76 million gallons per day (“MGD”)) to  
14 approximately 2,731 customers. The treatment of the water within the WTP includes both  
15 chemical and physical treatment applications. The chemical treatment systems used are  
16 Potassium Permanganate, Polyaluminum Chloride (PAC), Superfloc N 1986,  
17 Hydrofluorosilicic Acid, Caustic Soda, Chlorine Gas, AquaMag, and Liquid Ammonium  
18 Sulfate. The physical treatment of the water is achieved by one in-line static mixer, one  
19 flocculating flash mixer, two super pulsator up-flow clarifiers with settling plates and  
20 tubes, and four multi-media rapid sand filters.

21 The booster station consists of two pumps with a capacity of 500 GPM that push  
22 finished water into the distribution system. The distribution system consists of five (5)  
23 water storage tanks – the East Tank #1 (0.25 MG), East Tank #2 (1.0 MG), West Tank

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1 (0.255 MG), South Tank (0.75 MG), and North Tank (0.75 MG). The System also consists  
2 of 212 hydrants (183 public hydrants, 29 private hydrants), 765 valves, 2,689 active meters,  
3 and approximately 45-miles of distribution main. The distribution and transmission piping  
4 are summarized in the Engineering Assessment included as Exhibit D to the Application.

5  
6 **Q. Please provide the elevations for the GWA WTP, storage tanks, booster station, and**  
7 **the Requested Territory.**

8 A. GWA WTP: elevation generally varies between EL 937 to EL 946.

9 East Tank #1: EL 1,257.

10 East Tank #2: EL 1,254.

11 West Tank: EL 1,205.

12 South Tank: EL 1,205.

13 North Tank: EL 1,203.

14 Booster Station: EL 1,065.

15 Requested Territory: Area elevations vary generally from:

- 16 • EL 957 to EL 1,220 along the western boundary.
- 17 • EL 933 to EL 1,190 along the southern boundary.
- 18 • EL 946 to EL 1,190 along the northern boundary.
- 19 • EL 1,037 to EL 1,268 along the eastern boundary.

20

21

22

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1   **Q.    Please state the approximate time of the installation of the component facilities of the**  
2       **System.**

3    A.    The GWA WTP was constructed in the 1990s and was upgraded in 1995. The upgrade  
4        was made to treat backwash water from the clarifiers and filters.

5                Portions of the GWA system were originally constructed in the 1890s and remain  
6        in service today. Additions to the system have been made over the years expanding the  
7        system. GWA has replaced mains within the System, the distribution system is mostly  
8        made up of cast iron, PVC, and ductile iron pipe.

9

10   **Q.    Is Aqua planning any capital projects over the next 10 years for the System?**

11   A.    Yes. Aqua reviewed the System and has identified capital improvement needs for  
12        distribution mains, emergency power, storage tanks, and meters based on facility  
13        conditions observed, facility age, and safety. Aqua estimates that it will invest  
14        approximately \$10 million over the next 10 years. Approximately \$6 million of that  
15        investment will be for distribution main replacement.

16                Upgrades to the WTP include safety upgrades, security, chemical feed, belt filter  
17        press rehabilitation, filter media replacement, and replacement of pumps in the WTP.  
18        Distribution system main rehabilitation and replacement will occur based on an assessment  
19        of pipe age and condition.

20

21

22

23

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1 **Q. Do you foresee any other projects that would be required in the immediate future?**

2 A. Replacement and upgrade of facilities will continue beyond Aqua’s 10-year capital plan  
3 based on facility age and expected facility life span. Additional capital may be necessary  
4 as Aqua begins to operate the system, and identifies other issues that need to be addressed.

5  
6 **Q. Please state the actual number of GWA customers by class and gallons treated.**

7 A. GWA has 2,731 customers. A breakdown of consumption by class for the calendar year  
8 ended December 31, 2024 is below.

9

Service Area	Residential	Commercial	Industrial	Public	Private Fire	Total
Customers	2,401	251	3	21	55	2,731
Gallons	87,793,000	36,796,000	8,805,000	11,691,000	0	145,085,000

10

11 **III. ENVIRONMENTAL COMPLIANCE**

12 **Q. Does the Application include Public Water Supply (“PWS”) Permits?**

13 A. Yes. The PWS permits for the GWA WTP are included with the Application as Exhibit  
14 M.

15

16 **Q. Does the Application include a NPDES permit?**

17 A. Yes. The NPDES discharge permit for the GWA WTP is included in the Application as  
18 Exhibit N.

19

20

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1 **Q. Does the Application include a Water Allocation permit?**

2 A. Yes. The Water Allocation permit for the GWA WTP is included in the Application as  
3 Exhibit E.

4

5 **Q. Does the Application include Consumer Confidence Reports (“CCRs”)?**

6 A. Yes. CCRs for the GWA System for the past five (5) years are included as Exhibits N2.

7

8 **Q. Are there any violations issued to GWA by the DEP in the last five (5) years?**

9 A. Yes. A list of violations issued by DEP to GWA is included as Exhibit O to the  
10 Application. As shown on the list of violations, compliance was achieved in each of the  
11 violations. To Aqua’s knowledge, GWA has no other violations within the last five (5)  
12 years other than those listed and included with the Application.

13

14 **Q. Have there been any Consent Assessments of Civil Penalty (“CACP”) entered into by  
15 GWA and the DEP?**

16 A. No. There are no current CACPs entered into by the GWA and the DEP.

17

18 **Q. Please state if there are any current environmental compliance issues for the System.**

19 A. The Company is aware that there are lead service lines (“LSL”), both customer and  
20 company owned, within the System. The System would come under Aqua’s Lead Service  
21 Line Replacement (“LSLR”) Program, which would allow for the replacement of customer  
22 and company owned LSLs through no direct cost to the customer. Aqua would integrate  
23 the data that GWA has collected thus far and incorporate the System into its overall plan

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1 for replacements. GWA customers would then be able to view their service line  
2 information on Aqua’s online mapping tool.<sup>1</sup> Aqua would also work to identify lead  
3 service lines that are identified as “unknown” in GWA’s service territory. The GWA had  
4 submitted inventory information to DEP as shown in the table below.

	Company Owned Service Line Count	Customer Owned Service Line Count
Lead	70	0
Galvanized	3	267
Unknown	61	1,628
Non-Lead	2,624	863
Total	2,758	2,758

6  
7 The GWA system will still need to identify approximately 60% of the unknown customer  
8 service line material.

9  
10 **Q. Are there any noncompliance issues pending with the United States Environmental**  
11 **Protection Agency (“EPA”)?**

12 A. No.

13  
14 **Q. Please state the estimated number of future connections for the System for the next**  
15 **five (5) years.**

16 A. GWA anticipates 5 new connections in the next five (5) years – one per year. In 2025  
17 GWA anticipates a one connection to be a 40 unit senior housing property.

18  

---

<sup>1</sup> See [www.aquawater.com/leadmap](http://www.aquawater.com/leadmap).

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1 **Q. Is there present System capacity to meet the demands of current and future**  
2 **customers?**

3 A. Yes. Water Allocation Permit (WA 54-44C) grants GWA a right to withdraw up to 1.65  
4 MGD from the Shenango River. The WTP has a permitted treatment capacity of 2.016  
5 MGD. In 2024 Average Day Demand (consumption) by all customers (residential,  
6 commercial, industrial etc.) was approximately 397,493 gallons per day (145,085,000  
7 gallons / 365 days). Thus, the allocation, WTP capacity and available tank storage;  
8 including the East Tank #1 (0.25 MG), East Tank #2 (1.0 MG), West Tank (0.255 MG),  
9 South Tank (0.75 MG), and North Tank (0.75 MG), ensure the System will have adequate  
10 capacity to meet current and future customer demands.

11

12 **IV. INTEGRATION OF THE GWA SYSTEM, TECHNICAL FITNESS, AND**  
13 **PUBLIC BENEFIT**

14

15 **Q. Please state how many miles the System is from Aqua’s existing service territory.**

16 A. The System’s distance from Aqua’s existing service territory is as follows:

Buyer's Plant	Location	Approximate Distance to GWA (miles)
Shenango Water System	Sharon, PA	10
Lake Latonka (Water) System	Mercer, PA	12
Western Division Office	Sharon, PA	14

17

18 Moreover, Aqua PA has recently acquired the Greenville Sanitary Authority  
19 (“GSA”) system, and by acquiring both the water and wastewater systems, Aqua will be  
20 able to coordinate projects where feasible between water and wastewater infrastructure.

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**Q. Will the System be physically interconnected with Aqua’s system or be operated as a standalone system?**

A. Aqua plans to operate the GWA system as a stand alone system within Aqua’s footprint.

**Q. Please describe how Aqua will integrate the operation of the System into its current operations.**

A. The operation of the System will be managed from Aqua’s Western Division Office in Sharon, PA. Management, customer service, regulatory compliance, engineering, financial, and ancillary services will also be provided seamlessly from our Southeastern Division office, in Bryn Mawr, PA. Aqua plans to offer employment to the GWA employees as set forth in Schedule 7.03 to the Asset Purchase Agreement, included with the Application as Exhibit B.

**Q. Will other Aqua employees assist in the operation of the System, if needed?**

A. Yes. Aqua has approximately 100 licensed water plant operators which may be called upon to assist in the operations of the System. These operators are also supported by Aqua employees proficient in engineering and field service functions, as well as electricians, mechanics, lab staff, and instrument technicians which will benefit customers.

**Q. Does Aqua plan any physical, operational, and managerial changes after closing?**

A. As mentioned above, there are planned capital improvements for the System and Aqua plans to offer employment to eleven (11) GWA employees. The GWA System will be

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1           operated from Aqua’s Western Division office. There are no other planned physical,  
2           operational, and managerial changes at this time.

3

4   **Q.    Is the System similar to other systems owned and operated by Aqua?**

5   A.    Yes. The GWA System includes a 2.016 MGD capacity WTP and five (5) storage tanks,  
6           and one booster station. Aqua owns and operates four (4) treatment plants similar in size  
7           and thirteen (13) WTPs, overall, with a treatment processes similar to the GWA WTP.

8

9   **Q.    Do you believe that Aqua is technically fit to own and operate the System?**

10  A.    Yes.

11

12  **Q.    Please describe the Company’s technical fitness and how the Company can provide**  
13  **quality and reliable service to GWA customers.**

14  A.    Aqua is a Class A utility that already has certificates of public convenience to operate  
15  throughout the Commonwealth and has acquired many systems in the last three (3)  
16  decades. Aqua will provide quality and reliable service to the GWA water customers given  
17  the Company’s operational expertise as well as engineering support local to the System.  
18  Aqua has expertise in troubleshooting mechanical equipment as well as water treatment  
19  processes. Aqua also has expertise in operating water treatment and distribution systems.  
20  Aqua strives to ensure the treatment, transmission and distribution systems which the  
21  Company owns provide continuous safe and reliable service. Aqua has worked with the  
22  Commission and statutory advocates to acquire and improve troubled water systems (e.g.,  
23  Sun Valley Water system, Docket No. A-2017-2626577 and James Black Water Service

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1 Company (Belle Aire Acres), Docket No. M-2019-3012563). In addition, Aqua was  
2 appointed receiver the Twin Lakes Utilities, Inc. water systems<sup>2</sup>, the Rhodes Utilities water  
3 systems<sup>3</sup>, and the Deer Haven (Water) system<sup>4</sup>. Aqua has provided operations service and  
4 improvements to those systems to ensure quality and reliable service.

5  
6 **Q. Does Aqua have emergency preparedness measures in place?**

7 A. Yes. Aqua currently has emergency preparedness measures in place in order to ensure  
8 security and continued service in emergency circumstances all of which have been  
9 reviewed by the Commission.

10  
11 **Q. Please explain Aqua's safety programs.**

12 A. Aqua maintains safety programs that entail basic safety training in all the major categories  
13 which operators and operations management personnel are required to complete, including  
14 but not limited to:

- 15 • Confined Space Training
- 16 • Back and Lifting Safety
- 17 • Work Zone Traffic Control
- 18 • Excavation Safety Awareness
- 19 • Fall Protection Training
- 20 • Hazard Communication
- 21 • Personal Protective Equipment
- 22 • Emergency Egress, Exits and Fire Safety
- 23 • Electrical Safety Training
- 24 • Control of Hazardous Energy | Lockout Tagout
- 25 • Respiratory Protection
- 26 • Hearing Conservation

---

<sup>2</sup> See Docket No. P-2020-3020914.

<sup>3</sup> See Docket Nos. M-2023-3042180, I-2023-3042312, and P-2024-3045205.

<sup>4</sup> See Docket No. P-2024-3050545.

AQUA PENNSYLVANIA, INC.  
DIRECT TESTIMONY OF SCOTT STEFFY, P.E.

1 Aqua's safety program and procedures provide public benefits in that the GWA customers  
2 will have a leader in the water industry providing service.

3

4 **Q. Can Aqua provide adequate water supply, treatment, storage and distribution**  
5 **capacity to meet present and future customer demands?**

6 A. Yes. As stated above, through the existing facilities Aqua can provide adequate supply,  
7 treatment, storage and distribution capacity for present and future customers. Aqua will  
8 continue to make improvements to the System to ensure any future customer demands are  
9 met.

10

11 **Q. Please summarize why you believe it is in the public benefit for Aqua to own and**  
12 **operate the System.**

13 A. My explanation of Aqua's current operations, the System's similarity to other systems  
14 operated by Aqua, the System's proximity to Aqua's existing service territory, and the  
15 additional expertise and support that will be provided by Aqua as an experienced water  
16 utility all support that it is in the public interest for Aqua to own and operate the System.

17

18 **V. CONCLUSION**

19 **Q. Does this conclude your Direct Testimony?**

20 A. Yes, it does. However, I reserve the right to supplement my Direct Testimony as additional  
21 issues and facts arise during the course of this proceeding.

	System Component	Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL
1	WTP	Sed. Basin Rehab					\$ 150,000						\$ 150,000
2	WTP	Plant Audit		\$ 50,000									\$ 50,000
3	WTP	WTP Safety Upgrades	\$ 10,000	\$ 10,000	\$ 10,000								\$ 30,000
4	WTP	WTP Chem Feed Upgrades	\$ 25,000										\$ 25,000
5	WTP	Add Generator		\$ 5,000	75,000								\$ 80,000
6	WTP	Security	\$ 5,000	\$ 125,000									\$ 130,000
7	WTP	Meter Upgrades			\$ 200,000								\$ 200,000
8	WTP	Replace Filter Media and Nozzle	\$ 50,000										\$ 50,000
9	WTP	Repl Valve Actuators											\$ -
10	WTP	New Raw Pump					\$ 40,000						\$ 40,000
11	WTP	Parking Lot Repairs											\$ -
12	WTP	2 new High Service Pumps				\$ 60,000	\$ 60,000						\$ 120,000
13	WTP	Press Rehab				\$ 75,000							\$ 75,000
14	WTP	Raw Water Meter				\$ 15,000							\$ 15,000
15	WTP	Security Fencing		\$ 20,000									\$ 20,000
16	WTP	Replace Gate Access		\$ 10,000									\$ 10,000
17													
18	W. Main Street Tank	Paint W. Main Street Tank						\$ 400,000					\$ 400,000
19	Hadlrey Road Tank #2	Paint Hadley Tank #2									\$ 800,000		\$ 800,000
20	All Tanks	Assess inside of Tanks w/ROV	\$ -										\$ -
21	All Tanks	Site Security inspections	\$ 15,000										\$ 15,000
22	North and South Tank	Security Upgrades (Ladders)	\$ 25,000										\$ 25,000
23													
24	Booster Pump Station	Add Generator											\$ -
25	Booster Pump Station	Safety Upgrades											\$ -
26	Booster Pump Station	Structural Improvements											\$ -
27													
28	Distribution System	Main Replacement	\$ 50,000	\$ 50,000	\$ 500,000	\$ 500,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000			\$ 5,900,000
29	Distribution System	Transfer Services			\$ 70,000	\$ 70,000	\$ 168,000	\$ 168,000	\$ 168,000	\$ 168,000			\$ 812,000
30	Distribution System	Install Hydrants			\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000			\$ 50,000
31	Distribution System	Meter & ERT Replacements				\$ 691,250							\$ 691,250
32	Distribution System	Service Line Inventory	\$ 15,000										\$ 15,000
33													
34	SCADA	SCADA Upgrades	\$ 40,000	\$ 10,000	\$ 200,000								\$ 250,000
		<b>TOTALS</b>	\$ 235,000	\$ 280,000	\$ 1,060,000	\$ 1,416,250	\$ 1,628,000	\$ 1,778,000	\$ 1,378,000	\$ 1,378,000	\$ -	\$ 800,000	\$ 9,953,250
		Rolling Total	\$ 235,000	\$ 515,000	\$ 1,575,000	\$ 2,991,250	\$ 4,619,250	\$ 6,397,250	\$ 7,775,250	\$ 9,153,250	\$ 9,153,250	\$ 9,953,250	