
Pennsylvania Public
Utility Commission
Bureau of Investigation
& Enforcement Petition
to Request the
Commission Open a
Section 529
Investigation Into the
Acquisition of Rock
Spring Water Company

In Person Evidentiary
Hearing

Docket No.: P-2024-3051313

Pages 439 - 578

PA Public Utility Commission
Hearing Room 2

Commonwealth Keystone
Building - Plaza Level
400 North Street

Harrisburg, PA

Monday, October 20, 2025
Commencing at 10:03 a.m.

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Docket No. P-2024-3051313

Hearing Date: October 20, 2025

NUMBER

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DEP EXHIBIT 38

I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY

DOCKET NOS. P-2024-3051313

PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL PROTECTION ("PADEP") – SET I

- 1. Should PAWC acquire the public water system from Rock Spring Water Company, what plans does PAWC have to upgrade the public water system?**

Response: PAWC has conducted a site visit to the Rock Springs Water Company. Based on the site visit and information that is available PAWC has developed the following preliminary plan to address regulatory compliance issues.

- Install Telemetry for the treatment facilities for remote monitoring of the system.
- Acquire spare well pump and motor.
- Install a SCADA System that includes chlorine and pH analyzers in accordance with the Groundwater Rule with automatic shutdown capabilities.
- Construct a new treatment building including new chemical feed, safety, SCADA, and security improvements
- Install security fencing for the well and treatment facility
- Conduct a comprehensive leak survey of the system
- Initiate a small diameter main replacement program
- Install customer meters
- Begin a main replacement program based on the leak detection survey

Responsible Witness: **Michael J. Guntrum, Senior Project Engineer - Business Development**
Pennsylvania-American Water Company

Date: **January 16, 2025**

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

- 2. Should PAWC acquire the public water system from Rock Spring Water Company, how does PAWC plan to operate the public water system both temporarily and long term?**

Response: PAWC will operate the Rock Springs Water Company as part of its greater North Central operations which include the Philipsburg, Boggs Township, and Nittany water systems.

Responsible Witness: Michael J. Guntrum, Senior Project Engineer - Business Development
Pennsylvania-American Water Company

Date: January 16, 2025

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

- 3. What are the temporary measures PAWC will put in place to address unaccounted for water loss and water collecting in the well pit?**

Response: Upon acquisition of the system, PAWC would conduct a comprehensive leak detection survey. Major leaks would be fixed as they are found. PAWC also noted water was collecting in the well pit during the site visit and would plan to address the many issues at the treatment and well site including addressing the water collecting in the well pit by constructing drainage and well head protection measures.

Responsible Witness: Michael J. Guntrum, Senior Project Engineer - Business Development
Pennsylvania-American Water Company

Date: January 16, 2025

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

4. What is the operational staff capacity of the PAWC?

Response: PAWC has over 40 water quality and operational staff in the Northcentral operational district alone that will be available to operate the Rock Spring Water Company. PAWC employees in the Northcentral operation district are under the PAWC management and supported by a shared support team supporting common functions such as external affairs, supply chain, environmental compliance, health and safety, customer service, human resources, and engineering. Employees in the Northcentral operation districts will support each other when appropriate and necessary, particularly in emergency situations. All operations and employees within PAWC and within the broader American Water Works Company, Inc. ("American Water") footprint have access to each other when circumstances require or when a very specialized skill or experience is required to support all local issues.

Responsible Witness: **Michael J. Guntrum, Senior Project Engineer - Business
Development
Pennsylvania-American Water Company**

Date: **January 16, 2026**

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

- 5. PAWC acquire the public water system from Rock Spring Water Company, will there be staff dedicated to working solely for this public water system, or will PAWC staff currently working at other systems be expected to cover both their current systems and the system at Rock Spring Water Company?**

Response: PAWC does not foresee the Rock Springs Water Company requiring full-time operations, especially once improvements are constructed. Therefore, PAWC plans to operate the Rock Springs Water Company utilizing personnel from its greater North Central operations.

Witness: Michael J. Guntrum, Senior Project Engineer - Business
Development
Pennsylvania-American Water Company

Date: January 16, 2025

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

6. What are the capabilities of PAWC to address emergencies related to the distribution system such as waterline breaks and issuing public notice?

Response: PAWC has a long track record of operational excellence. PAWC has dedicated engineering, water quality, and operational personnel to address any emergencies that may occur in the Rock Springs Water Company system, including waterline breaks and issuing public communications and notices. PAWC plans to install SCADA and remote monitoring that will be monitored 24/7 by existing PAWC personnel. PAWC also has existing public notice systems including telephonic and online notification for issuing public notices.

Responsible Witness: Michael J. Guntrum, Senior Project Engineer - Business Development
Pennsylvania-American Water Company

Date: January 16, 2025

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

7. Should PAWC acquire the public water system from Rock Spring Water Company, what does PAWC intend to do with the well pit?

Response: PAWC's plan is to install any necessary well head protection and drainage improvements required to address the water issue at the well pit.

Responsible Witness: Michael J. Guntrum, Senior Project Engineer - Business Development
Pennsylvania-American Water Company

Date: January 16, 2025

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

- 8. As Rock Spring Water Company does not currently have the well at the public water system listed with the Susquehanna River Basin Commission, what will PAWC do to ensure that the well is in compliance with the Susquehanna River Basin Commission's rules and policies?**

Response: PAWC is aware the Rock Spring Water Company does not have the well listed with the Susquehanna River Basin Commission. The issue is the quantity of water used by the Rock Spring Water Company. PAWC's plan is to bring the water lost in the distribution system under control and work with the Susquehanna River Basin to secure any necessary permitting.

Responsible Witness: Michael J. Guntrum, Senior Project Engineer - Business Development
Pennsylvania-American Water Company

Date: January 16, 2025

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

- 9. As the well is the only source for redundancy at the public water system, what will PAWC do to address issues with the well head if the well pit is flooded?**

Response: PAWC plans to address drainage and well head protection issues at the Rock Spring Water Company. Initially, PAWC will purchase a spare well pump and motor and have it available for fast installation in case anything happens to the existing well pump or motor. PAWC has longer term plans to address reliability issues in the system to include exploring the installation of a second well once PAWC has acquired the system and performed the initial improvements to the system.

Responsible Witness: Michael J. Guntrum, Senior Project Engineer - Business Development
Pennsylvania-American Water Company

Date: January 16, 2025

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

10. Does PAWC have a plan to address source redundancy, such as drilling new sources or connecting to a new source?

Response: Once initial system improvements are completed, our plans are to address reliability and redundancy issues. This would include exploring the possibility of installing a second well and approaching State College Borough Authority to discuss an emergency interconnection.

**Responsible Witness: Michael J. Guntrum, Senior Project Engineer - Business
Development
Pennsylvania-American Water Company**

Date: January 16, 2025

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

11. Should PAWC acquire the public water system from Rock Spring Water Company, what specific projects will PAWC prioritize to repair the public water system within the first year?

Response: Within the first 12 months after the acquisition, PAWC's initial plans are:

- Acquire a spare well pump and motor.
- Begin design, permitting, and initial construction of a new treatment building to include SCADA System, chlorine and pH analyzers, telemetry, security fencing.
- Conduct a comprehensive leak survey of the system
- Begin repairing leaks and developing a main replacement program
- Install any wellhead protection including drainage that can be installed without a permit and, if necessary, begin design and permitting on any improvements where a permit would be required.
- Begin a new meter replacement program

Responsible Witness: **Michael J. Guntrum, Senior Project Engineer - Business Development
Pennsylvania-American Water Company**

Date: **January 16, 2025**

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET I**

- 12. Should PAWC acquire the public water system from Rock Spring Water Company, what specific projects will PAWC prioritize to repair the public water system within the first year?**

Response: PAWC will specifically prioritize the comprehensive leak detection survey, well head protection work, initial chemical feed improvements, and leak repair of the system to quickly bring the Rock Spring Water Company into compliance while other improvements are planned, designed, permitted, and constructed.

Responsible Witness: Michael J. Guntrum, Senior Project Engineer - Business Development
Pennsylvania-American Water Company

Date: January 16, 2025

VERIFICATION

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



Michael J. Guntrum, Senior Project Engineer
Pennsylvania-American Water Company

Dated: January 16, 2025

DEP EXHIBIT 39

**COMMONWEALTH OF PENNSYLVANIA
BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
Bureau of Investigation & Enforcement	:	
Petition to Request the Commission Open	:	P-2024-3051313
Section 529 Investigation into the Acquisition	:	
of Rock Spring Water Company	:	

STATE COLLEGE BOROUGH WATER AUTHORITY'S
AMENDED ANSWERS TO DEPARTMENT OF ENVIRONMENTAL
RESOURCES INTERROGATORIES - SET I

1. Should SCBWA acquire the public water system from Rock Spring Water Company, what plans does SCBWA have to upgrade the public water system?

ANSWER: SCBWA has the following basic plan and tentative timeline in which to make the necessary improvements to reduce unaccounted for water; improve water quality; improve system reliability; provide fire protection and ensure compliance with DEP regulations.

**Rock Springs Water Company
Capital Improvement Projects**

Project	Estimated Cost	Year
Temporary Production System/SCADA Improvements	\$100,000	1
Leak Detection for Replacement Prioritization	\$60,000	1 - 3
System Interconnection & Pump Station	\$2,100,000	1 - 2
Whitehall Road Transmission Main	\$9,600,000	1 - 2
Meter Infrastructure Replacement	\$300,000	1
Storage Tank Stopgap Repairs	\$50,000	1
Storage Tank Replacement	\$375,000	4
System Wide Main Replacement/Improvement	\$7,500,000	2 - 5
System Mapping	<u>\$25,000</u>	1 - 5
	<u>\$20,110,000</u>	

The above plan is a best estimate of the steps necessary to make both short-term temporary and long-term improvements to the system. Upon assuming ownership and operational control of the water company, SCBWA through detailed inspection of the service area will revise and add detail the above the plan ensuring that SCBWA's actions are the most appropriate course to serve the Rock Springs customers.

2. Should SCBWA acquire the public water system from Rock Spring Water Company, how does SCBWA plan to operate the public water system both temporarily and long term?

ANSWER: SCBWA plans to operate the existing system as is, with necessary stop gap improvements initiated immediately upon receiving the system. Some of the stop gap improvements will be made by SCBWA staff, others will be conducted by a contractor. Stop gap measures include leak detection, leak repair, additional well system monitoring controls.

SCBWA personnel and a representative from the Authority's consulting engineers met with Mr. Campbell on December 23, 2024 to tour the well/production facility and storage tank site. The purpose of the meeting was to evaluate the current system to begin to develop an operational plan. SCBWA personnel have begun to contact vendors to prepare to obtain necessary materials and services upon receiving the system. A similar meeting is scheduled for the week of January 13, 2025 with SCBWA distribution personnel, meter shop personnel and a representative from Gwin Dobson and Foreman Engineers to learn more about the Rock Spring distribution system.

Long-term operation of the system will see the construction of an interconnect which will supply water to Rock Spring from SCBWA's zone 5. The interconnection will ensure a redundant supply of water by connecting to multiple production facilities and 2 additional storage tanks. After the interconnection is complete and operational, the existing Rock Spring well will be abandoned. Leak detection and repair will continue; customer meter upgrades; plans for water line upgrades will continue and lead service line inventory will be conducted.

3. What are the temporary measures SCBWA will put in place to address unaccounted for water loss and water collecting in the well pit?

ANSWER: SCBWA will initiate the following to address unaccounted for water loss.

1. Conduct system wide leak detection, repairing leaks when located.
2. SCBWA believes there is a potential for unmetered taps to exist. A survey of the system accounts and usage will be undertaken to locate any potential unmetered taps.
3. A meter replacement project will be implemented ensuring that water usage is accurately accounted for.

Due to the well pit's proximity to Beaver Branch stream eliminating the water in the well pit may be a challenge during high water level events. An attempt to improve the pit to help keep water out will be undertaken. Those improvements will include sealing around any penetrations and applying a water tight membrane to the outside of the pit. A larger sump pump will also be installed to help control the level of the water in the well pit.

4. Should SCBWA acquire the public water system from Rock Spring Water Company, what does SCBWA intend to do with the well pit?

ANSWER: SCBWA will implement temporary measures satisfactory to DEP to control the water in the well pit. Upon completion of the interconnection to the existing SCBWA system the well will no longer be used eliminating the need for a long-term permanent fix.

5. As Rock Spring Water Company does not currently have the well at the public water system listed with the Susquehanna River Basin Commission, what will SCBWA do to ensure that the well is in compliance with the Susquehanna River Basin Commission's rules and policies?

ANSWER: SCBWA contacted the Susquehanna River Basin Commission in December of 2024 inquiring about the permit status of the current well. The Commission provided SCBWA with the steps necessary to comply with Commission requirements. When appropriate, SCBWA will follow through with completing those necessary steps to ensure compliance.

6. Should SCBWA acquire the public water system from Rock Spring Water Company, what specific projects will SCBWA prioritize to repair the public water system within the first year?

ANSWER: Please refer to the response to question 1 for a tentative schedule.

7. What is the operational staff capacity of the SCBWA?

ANSWER: SCBWA provides full service to its current customer base with separate distribution, production, meter/backflow and customer service departments along with an administrative support team. The Authority currently employees 43 full time employees. All employees work out of the main office located on W. Branch Road, State College. The entire staff is familiar with our current service area, helping to provide 24/7 customer service.

8. Should SCBWA acquire the public water system from Rock Spring Water Company, will SCBWA hire additional staff to work on the public water system? If so, how many new staff members does SCBWA anticipate hiring?

ANSWER: SCBWA sees a potential need for additional distribution personnel to help repair and maintain the Rock Spring system. A thorough evaluation of workloads will be conducted early on after acquiring the system. A preliminary assessment of current staffing and anticipated work loads indicates that at maximum an additional 3-person distribution crew may be necessary.

9. What are the capabilities of SCBWA to address emergencies related to the distribution system such as waterline breaks and issuing public notice?

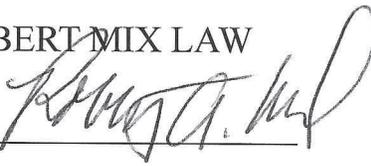
ANSWER: SCBWA's main office and shop are located approximately 7 miles from the Ramblewood neighborhood near the center of the Rock Spring system. Crews will be dispatched from the office or location of the nearest crew to the incident. SCBWA owns and operates a full complement of dump trucks, rubber-tired backhoes, hydraulic excavators, vacuum excavator truck and all necessary implements to efficiently repair a waterline break. A complete inventory

of repair bands, ductile iron pipe fittings, brass fittings, specialized fittings and several thousand feet of all sizes of pipe currently in use in the SCBWA system is maintained. In addition to SCBWA's own capabilities, it has well established partnerships with other local resources to assist. SCBWA's response to water emergencies is around the clock response. The Centre County region is situated on karst geology making the region susceptible to sinkhole formation. For this reason, it is important that responses to waterline breaks be local and as swift as possible limiting the potential for property damage and personal injury. Should SCBWA assume operations of Rock Spring, any additional required materials specific to that system will be added to the regular inventory.

SCBWA has various options for issuing public notice. When selecting a notice method(s) there are several factors considered such as the number of customers impacted, the size of the impacted area and availability of personnel to properly and efficiently issue the notice. For precautionary boil water notices resulting from a waterline break, SCBWA's preferred method is personal contact with the issue of a door tag. SCBWA also uses website posting and an automated phone notification system. If a case were to arise requiring a very large notification, SCBWA would look to local media outlets and the local municipalities we serve.

Respectfully submitted

ROBERT MIX LAW

By: 

Robert A. Mix, Esquire
211 Kimport Avenue
Boalsburg, PA 16827
Attorney ID # 16164
Phone: (814) 880-2366
E-mail: bmix470@gmail.com

VERIFICATION

Brian Heiser states that he is the Executive Director of the State College Borough Water Authority; that he is acquainted with the facts set forth in the foregoing Answers to the Department of Environmental Protection's Interrogatories (Set 1); that the same are true and correct to the best of his knowledge, information and belief; and that this statement is made subject to the penalties of 18 Pa. C.S. Section 4904 relating to unsworn falsification to authorities.



Brian Heiser

DEP EXHIBIT 40



pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHCENTRAL REGIONAL OFFICE

March 30, 2011

CERTIFIED MAIL NO. 7010 1870 0001 7875 8073

Mr. J. Roy Campbell, President
Rock Spring Water Company
1750 Tadpole Road
PA Furnace, PA 16865

Re: 4-log Treatment of Viruses for Groundwater Sources
Public Water Supply ID #4140085
Ferguson Township, Centre County

Dear Mr. Campbell:

The Pennsylvania Department of Environmental Protection (Department) reviewed your Groundwater Rule 4-log Treatment of Viruses demonstration package that was submitted for Entry Point 101. The permit for this was issued on January 27, 2011. It was recently discovered that the entry point for Well #1 is actually Entry Point 102. The previous permit for Entry Point 101 from January 27, 2011 will be null and void. Enclosed is the updated permit reflecting the correct entry point.

Compliance monitoring of free chlorine at Entry Point 102 should begin April 1, 2011.

The reporting requirements associated with compliance monitoring for the entry point include (Refer to Attachment 1):

- Report the date, time and lowest value each day the free chlorine residual remains equal to or greater than 0.40 mg/l.
- Report the initial date, time and value for each occurrence that the free chlorine residual is less than 0.40 mg/l, and the subsequent date, time and value that the free chlorine residual is equal to or greater than 0.40 mg/l.
- Report each date the entry point is not in operation.

These reporting requirements can be satisfied by completing an SDWA-1 form and submitting it to the Department within the first 10 days following the end of each monthly monitoring period. Enclosed with this letter are a copy of an SDWA-1 form and instructions for completing it.

Any person aggrieved by this action may appeal, pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. Section 7514, and the Administrative Agency Law, 2 Pa. C.S. Chapter 5A, to the Environmental Hearing Board, Second Floor, Rachel Carson State Office Building, 400 Market Street, P.O. Box 8457, Harrisburg, PA 17105-8457, 717-787-3483. TDD users may contact the Board through the Pennsylvania Relay Service, 800-654-5984. Appeals must be filed with the Environmental

Mr. J. Roy Campbell, President

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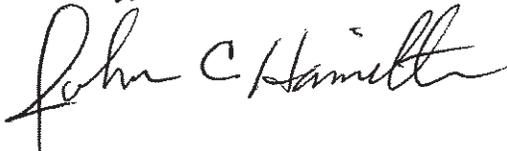
Hearing Board within thirty (30) days of receipt of written notice of this action unless the appropriate statute provides a different time period. Copies of the appeal form and the Board's rules of practice and procedure may be obtained from the Board. The appeal form and the Board's rules of practice and procedure are also available in Braille or on audiotape from the Secretary to the Board at 717-787-3483. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

IF YOU WANT TO CHALLENGE THIS ACTION, YOUR APPEAL MUST REACH THE BOARD WITHIN 30 DAYS. YOU DO NOT NEED A LAWYER TO FILE AN APPEAL WITH THE BOARD.

IMPORTANT LEGAL RIGHTS ARE AT STAKE, HOWEVER, SO YOU SHOULD SHOW THIS DOCUMENT TO A LAWYER AT ONCE. IF YOU CANNOT AFFORD A LAWYER, YOU MAY QUALIFY FOR FREE PRO BONO REPRESENTATION. CALL THE SECRETARY TO THE BOARD (717-787-3483) FOR MORE INFORMATION.

If you have any questions concerning this matter, please contact me at 570-327-0540.

Sincerely,



John C. Hamilton, P.E.
Environmental Program Manager
Water Supply Management

Enclosures

cc: Greg Wells
Tina McCafferty
Harrisburg
File

JCH/brs

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER STANDARDS AND FACILITY REGULATION**

PUBLIC WATER SUPPLY PERMIT

NO. Minor Amendment

<p>A. PERMITTEE: (Name and Address)</p> <p>Rock Spring Water Company 1750 Tadpole Road PA Furnace, PA 16865</p>	<p>B. PROJECT/PLANT LOCATION</p> <p>Municipality <u>Ferguson Township</u></p> <p>County <u>Centre</u></p>
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C. THIS PERMIT APPROVES FOR: 1. CONSTRUCTION 2. OPERATION OF FACILITIES

AS INDICATED BELOW: Approved Under Construction Permit No. _____

Source	Facilities	BVRB
<input checked="" type="checkbox"/> Well(s)	<input type="checkbox"/> Impoundment	<input type="checkbox"/> Bottled Water System
<input type="checkbox"/> Spring(s)	<input type="checkbox"/> Settling	<input type="checkbox"/> Bulk Water Hauling System
<input type="checkbox"/> Surface Water	<input type="checkbox"/> Filtration	<input type="checkbox"/> Vended Water System
<input type="checkbox"/> Finished Water	<input type="checkbox"/> Iron and Manganese Treatment	<input type="checkbox"/> Retail Water Facility
	<input type="checkbox"/> Softening	
	<input type="checkbox"/> Fluoridation	
	<input type="checkbox"/> Distribution Facility	
	<input type="checkbox"/> General Corrosion Control	
	<input type="checkbox"/> Corrosion Control for lead/copper	
	<input checked="" type="checkbox"/> Disinfection	
	<input type="checkbox"/> Pump Station(s)	
	<input type="checkbox"/> Transmission Lines	
	<input type="checkbox"/> Finished Water Storage	
	<input type="checkbox"/> Other _____	

KNOWN AS Well #1, 4-Log Inactivation of Viruses at Entry Point 102

LIMIT OF AUTHORIZATION

YOU ARE HEREBY AUTHORIZED TO CONSTRUCT OR OPERATE, AS INDICATED ABOVE, PROVIDED THAT FAILURE TO COMPLY WITH CHAPTER 109, OF THE RULES AND REGULATIONS OF THE DEPARTMENT OF ENVIRONMENTAL PROTECTION OR THE TERMS OR CONDITIONS OF THIS PERMIT SHALL VOID THE AUTHORITY GIVEN TO THE PERMITTEE BY THE ISSUANCE OF THE PERMIT.

THE PLANS, SPECIFICATIONS, REPORTS AND SUPPORTING DOCUMENTS SUBMITTED AS PART OF THE PERMIT APPLICATION BECOME PART OF THE PERMIT.

NO DEVIATIONS FROM APPROVED PLANS OR SPECIFICATIONS AFFECTING THE TREATMENT PROCESS OR QUALITY OF WATERS SHALL BE MADE WITHOUT WRITTEN APPROVAL FROM THE DEPARTMENT.

THIS PERMIT IS ISSUED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION UNDER THE AUTHORITY OF THE PENNSYLVANIA SAFE DRINKING WATER ACT, THE ACT OF MAY 1, 1984 (P.L. 206, NO. 43). OPERATION SHALL COMPLY WITH THE PROVISIONS OF CHAPTER 109 ADOPTED UNDER THE AUTHORITY IN SECTIONS 4 AND 6(e) OF THE PENNSYLVANIA SAFE DRINKING WATER ACT.

THIS PERMIT IS SUBJECT TO THE ATTACHED SPECIAL CONDITIONS A through E

PERMIT ISSUED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Date March 30, 2011

By *John C. Hamilton*

Title Environmental Program Manager

Public Water Supply
Minor Amendment - Operation
Rock Spring Water Company
Ferguson Township, Centre County

SPECIAL CONDITIONS

The above referenced operation permit is subject to the following special conditions:

- A. Rock Spring Water Company shall maintain a minimum free chlorine residual of 0.40 mg/L at Entry Point 102 when Well #1 is in use.
- B. Rock Spring Water Company shall secure a grab sample at Entry Point 102, following the contact piping, and record the results at least once each day that water from Well #1 is served to the public.
- C. Rock Spring Water Company shall notify the Department within 1 hour if the system discovers that the peak flow through the entry point exceeds 230 gpm for greater than 4 continuous hours.
- D. Rock Spring Water Company shall notify the Department within 1 hour if the system discovers that conditions exist which have reduced the amount of storage from what was reported on the CWS Demonstration of 4-Log Treatment of Viruses for Groundwater Sources for greater than 4 continuous hours.
- E. Compliance monitoring and reporting for the Groundwater Rule shall begin on April 1, 2011.

DEP EXHIBIT 41



Pennsylvania
Department of Environmental Protection

March 11, 2025

Rock Spring Water Company
John Roy Campbell
4607 W Whitehall Road
Pennsylvania Furnace, PA 16865

Re: **NOTICE OF VIOLATION**

Failure to comply with the PA Safe Drinking Water Act and the Water and Wastewater Operators' Certification Act and Regulations
PWSID #4140085
Client ID #194209
Certificate No. W1580

Dear Mr. Campbell:

As the certified operator of Rock Spring Water Company, you are responsible for making process control decisions in accordance with the regulations of the PA Safe Drinking Water Act and/or the Water and Wastewater Operators' Certification Act.

Per your system's Groundwater Rule Permit issued March 30, 2011 that was sent to your email at rsw5@comcast.net on November 17, 2023, you are required to sample daily from entry point #102. Entry point #102 is a frost-free hydrant located after the detention piping used for chlorine contact time. The chlorine result taken daily from that location should be recorded and entered into DWELR within the appropriate timeframe.

Between January 16, 2025 and January 24, 2025, the Department conducted an investigation of sampling activities completed at the entry point hydrant. It was found that there was no evidence of the entry point hydrant being visited between January 16, 2025 to January 21, 2025 until a low chlorine event was noted on January 21, 2025 at 11:03. Photographic evidence of no tracks in the snow near the entry point hydrant and/or no new tracks aside from the Sanitarian's were obtained during the investigation.

On January 22, 2025, Bureau of Investigation staff performed surveillance at the entry point hydrant from 16:30-18:30 and did not observe any activity at the entry point hydrant during that time period. Rock Spring Water Company submitted data in DWELR on February 9, 2025 which stated that an entry point chlorine sample was taken at 18:30 on January 22, 2025.

Based on these two investigations, it appears that J. Roy Campbell is not sampling the entry point

hydrant daily as required and is either sampling other locations in the system and reporting the data as an entry point sample or not sampling at all. A C7 violation was previously noted during a 2015 full inspection conducted by the Department for failure to collect chlorine samples from the entry point. At that time, the water system was sampling at the water system office at 1750 Tadpole Road PA Furnace PA 16865, instead of the correct entry point #102 hydrant.

The following violations have been cited against the water system:

Failure to report data accurately, in violation of § 109.701(i)(1)

An entry point sample was submitted through DWELR that was not consistent with evidence gathered during a Department investigation. A free chlorine sample was reported to be collected at the entry point #102 hydrant at 18:30 on January 22, 2025. No water system staff were observed at the entry point hydrant at that time, leading to the conclusion that this sample was either taken elsewhere or not at all.

Failure to monitor chlorine at the entry point daily, in violation of § 109.1305(2)(i)

No evidence of activity at the entry point hydrant, as noted by the Sanitarian, indicates that entry point chlorine sampling was not occurring during the days leading up to the January 21, 2025 low chlorine event. § 109.1305(2)(i) requires a chlorine grab sample to be collected once per day for water systems that serve 3,300 or less customers.

Failure to comply with a permit condition, in violation of § 109.703(a)

The Rock Spring Water Company's Groundwater Rule Permit states in Special Condition B that a chlorine grab sample shall be secured at the entry point #102 daily and recorded. It is the conclusion of these investigations that this permit condition is not being met.

The following violation has been cited against you as a certified operator:

Failure to comply with a permit condition, in violation of § 302.1201(a)

Based on the previous full inspection conducted in 2023, J. Roy Campbell as the certified operator is the only water system staff who has completed an Analyst Initial Demonstration of Capability under EPA Method 334. Therefore, J. Roy Campbell is the only individual who is able to collect chlorine measurements for compliance in accordance with § 109.304. The certified operator, J. Roy Campbell, failed to adhere to Special Condition B in Rock Spring Water Company's Groundwater Rule Permit, failed to take an entry point chlorine sample in accordance with § 109.1305(2)(i), and was complicit in reporting an inaccurate result to the Department based on the evidence gathered during the investigations. The operator did all of this despite water system previously being cited in 2015 for taking entry point chlorine samples at the incorrect location.

In response to these violations, the Department requests that the following actions be taken:

1. Within 45 days, provide a written response indicating how and on what schedule these violations will be addressed. Please provide specific corrective actions and due dates for completion.

John Roy Campbell

March 11, 2025

If you have any questions concerning this matter, please contact me at maccettull@pa.gov or 570.916.4997.

Sincerely,



Mark Accettulla
Sanitarian Supervisor
Safe Drinking Water Program

cc: File

Nathan White, Sanitarian
Sasha Minium, Environmental Group Manager
Laura Chambers, Operator Certification



3800-FM-WSFR0132 9/2005

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER STANDARDS AND FACILITY REGULATION

Page 1 _____ of 2 _____

Narrative Description Form for Water Supply Systems (Consultation, etc.)

Facility Name: Rock Spring Water Company		Date: 01/16/2025- 02/28/2025	PWS No.: 4140085
Address: 1750 Tadpole Road		City, Boro, Twp.: PA Furnace	County: Centre
<p>An investigation occurred at the Rock Spring Water Company Entry Point 102 Frost Free Hydrant from 01/16/2025-01/24/2025. The following notes for each day were taken during the investigation:</p> <p>01/16/2025</p> <p>No tracks in snow leading up to the hydrant were noted</p> <p>Sample hydrant was ran for two minutes before collecting sample.</p> <p>A 0.44 mg/L chlorine result was received at 8:31</p> <p>01/17/2025</p> <p>Previous footprints from Sanitarian were noted.</p> <p>No new tracks were noted.</p> <p>Approximately 1 inch of snow was present over the Sanitarian's tracks from the previous day</p> <p>Sample hydrant was ran for two minutes before collecting chlorine sample</p> <p>A 0.80 mg/L chlorine result was received at 9:12am.</p> <p>01/21/2025</p> <p>Returned to hydrant after weekend, last snow occurred on 01/19/2025</p> <p>No tracks were seen leading to the hydrant, previous tracks from Sanitarian were covered by new snow.</p> <p>Sample hydrant was ran for two minutes before collecting chlorine sample.</p> <p>0.30 mg/L chlorine sample result at 11:03am</p> <p>It was investigated if pumps in water treatment plant were running, tire tracks and footprints were noted at the water treatment plant. Service pumps were running at the time of the low chlorine event</p> <p>Roy was contacted at 11:38 via cell phone, no answer and full voicemail box</p> <p>Roy was contacted again at 11:39 at his home phone, no answer but was able to leave a message</p> <p>Roy was contacted again at 1:29 via his cell phone, he answered and said he had a satisfactory chlorine at 12:19pm.</p> <p>Sanitarian met with Roy at entry point hydrant and resampled at 14:59.</p> <p>A 0.78 mg/L chlorine was received at 14:59.</p> <p>01/22/2025</p> <p>Tracks were unable to be discerned due to previous day's activity at the entry point hydrant</p> <p>Sample hydrant was ran for 2 minutes before collecting water sample</p>			

A 0.63 mg/L chlorine was received at 8:48.

BOI staff sat at hydrant from 17:30-18:30

01/23/2025

Tracks were unable to be discerned due to activity that occurred on 01/21/2025.

Sample hydrant was ran for 2 minutes before collecting water sample

A 0.61 mg/L chlorine sample was received at 9:29.

01/24/2025

A lock was noted on the entry point hydrant

No further investigative activity was taken

Photos documenting lack of tracks to the hydrant, the Sanitarian's tracks to the hydrant and tracks following the low chlorine event on 01/21/2025 were taken during each day.

Received By (Signature and Date)

Nathan White
02/28/2025
Investigator (Signature and Date)

Supervisor's Initials

- White – District Office
- Yellow – Regional Office
- Pink - Facility
- Goldenrod – Central Office



First photo taken January 16th, 2025 at 8:24am leading up to the entry point frost free hydrant. No tracks from the previous day were visible in the snow.

Taken by Nathan White at Rock Spring Water Company, Centre County, PWSID 4140085.



Second photo taken January 16th, 2025 at 8:24am showing another angle of no tracks leading to the entry point hydrant.

Taken by Nathan White at Rock Spring Water Company, Centre County, PWSID 4140085.



Third photo taken January 16th, 2025 at 8:37am of Sanitarian's tracks made by sampling activities.

Taken by Nathan White at Rock Spring Water Company, Centre County, PWSID 4140085.



Fourth photo taken January 16th, 2025 at 8:37am of Sanitarian's tracks from sampling activities. Photo taken from a different angle to further document tracks left by the Sanitarian.

Taken by Nathan White at Rock Spring Water Company, Centre County, PWSID 4140085.



First and only photo taken January 17th, 2025 at 9:06am of Sanitarian's tracks from the previous day covered in new snow. No additional tracks were noted at the hydrant.

Taken by Nathan White at Rock Spring Water Company, Centre County, PWSID 4140085.



First photo taken January 21st, 2025 at 10:57am. No tracks were noted from the previous day.

Taken by Nathan White at Rock Spring Water Company, Centre County, PWSID 4140085.



Second photo taken January 21st, 2025 at 10:57am taken from a slightly different angle to further illustrate that no tracks leading to frost free hydrant were present from the previous day.

Taken by Nathan White at Rock Spring Water Company, Centre County, PWSID 4140085.



Third photo taken January 21st, 2025 at 11:05am showing tracks made by Sanitarian leading up to the hydrant.

Taken by Nathan White at Rock Spring Water Company, Centre County, PWSID 4140085.



First and only photo taken January 22nd, 2025 at 8:42am. Note the previous day's tracks and activity at the top right hand corner next to the wooden post.

Taken by Nathan White at Rock Spring Water Company, Centre County, PWSID 4140085.

DEP EXHIBIT 42



March 17, 2025

Rock Spring Water Company
John Roy Campbell
4607 W Whitehall Road
Pennsylvania Furnace, PA 16865

Re: **NOTICE OF VIOLATION**
Failure to comply with the PA Safe Drinking Water Act and the Water and Wastewater Operators' Certification Act and Regulations
PWSID #4140085
Client ID #194209
Certificate No. W1580

Dear Mr. Campbell:

As the certified operator of Rock Spring Water Company, you are responsible for making process control decisions in accordance with the regulations of the PA Safe Drinking Water Act and/or the Water and Wastewater Operators' Certification Act.

Per your system's Groundwater Rule Permit issued March 30, 2011 that was re-sent to your email at rsw5@comcast.net on November 17, 2023, you are required to sample daily from entry point #102. Entry point #102 is a frost-free hydrant located after the detention piping used for chlorine contact time. The chlorine result taken daily from that location should be recorded and entered into DWELR within the appropriate timeframe. Each time Rock Spring Water Company submits data through DWELR, you acknowledge with your electronic signature that all information is official data being submitted in accordance with 18 P.S. § 4904 (unsworn falsification to authorities).

On February 26, 2025, Department staff performed surveillance at the entry point hydrant from 17:17 to 19:32 and did not observe any activity at the entry point hydrant during that period of time. On March 9, 2025, Rock Spring Water Company submitted data in DWELR stating that an entry point chlorine sample with a result of 0.95 mg/L was taken at 18:15 on February 26, 2025. Based on the surveillance performed by the Department, J. Roy Campbell did not sample the entry point hydrant daily as required and is complicit in falsifying data reported to the Department.

The following violations have been cited against the water system:

Failure to report data accurately, in violation of § 109.701(i)(1) and failure to monitor chlorine at the entry point daily, in violation of § 109.1305(2)(i)

Rock Spring Water Company submitted falsified entry point chlorine data through DWELR. Rock Spring Water Company reported a free chlorine sample as being collected at entry point #102 at 18:15 on February 26, 2025. No water system staff were observed at the entry point hydrant at that time, which would indicate that the submitted sample was taken at another location in the water

system or was not collected at all.

Failure to comply with a permit condition, in violation of § 109.703(a)

Rock Spring Water Company's Groundwater Rule Permit states in Special Condition B that a chlorine grab sample shall be secured at the entry point #102 daily and recorded. Failure to monitor entry point chlorine daily at the appropriate location violates the water system's Groundwater Rule Permit.

The following violation has been cited against you as a certified operator:

Failure to comply with a permit condition, in violation of § 302.1201(a)

J. Roy Campbell as the certified operator is the only water system staff who has completed an Analyst Initial Demonstration of Capability under EPA Method 334. Therefore, J. Roy Campbell is the only individual who is able to collect chlorine measurements for compliance in accordance with § 109.304. The certified operator, J. Roy Campbell, failed to adhere to Special Condition B in Rock Spring Water Company's Groundwater Rule Permit, failed to take an entry point chlorine sample in accordance with § 109.1305(2)(i), and was complicit in reporting a falsified entry point chlorine sample to the Department based on Department surveillance.

In response to these violations, the Department requests that the following actions be taken:

1. Immediately begin monitoring at the entry point 102 frost-free hydrant in accordance with § 109.1305(2)(i) and Rock Spring Water Company's Groundwater Rule Permit; and,
2. Provide a written response by April 25, 2025 indicating how and on what schedule these violations will be addressed. Please provide specific corrective actions and due dates for completion, to include submittal of a data correction request for the February 26, 2025 chlorine sample and any other samples that were reported but were not actually collected at the entry point hydrant.

This Notice of Violation is neither an order nor any other final action of the Department of Environmental Protection. It neither imposes nor waives any enforcement action available to the Department under any of its statutes. If the Department determines that an enforcement action is appropriate, you will be notified of the action.

If you have any questions concerning this matter, please contact me at sminium@pa.gov or 570.262.2750.

Sincerely,



Sasha Minium
Environmental Group Manager
Safe Drinking Water Program

John Roy Campbell, Rock Spring Water Co.

March 17, 2025

Enclosures: Inspection Narrative, Reported DWELR data, DWELR trade partner agreement

cc: File

Nathan White, Sanitarian (electronic)

Mark Accettulla, Sanitarian Supervisor (electronic)

Laura Chambers, Operator Certification (electronic)

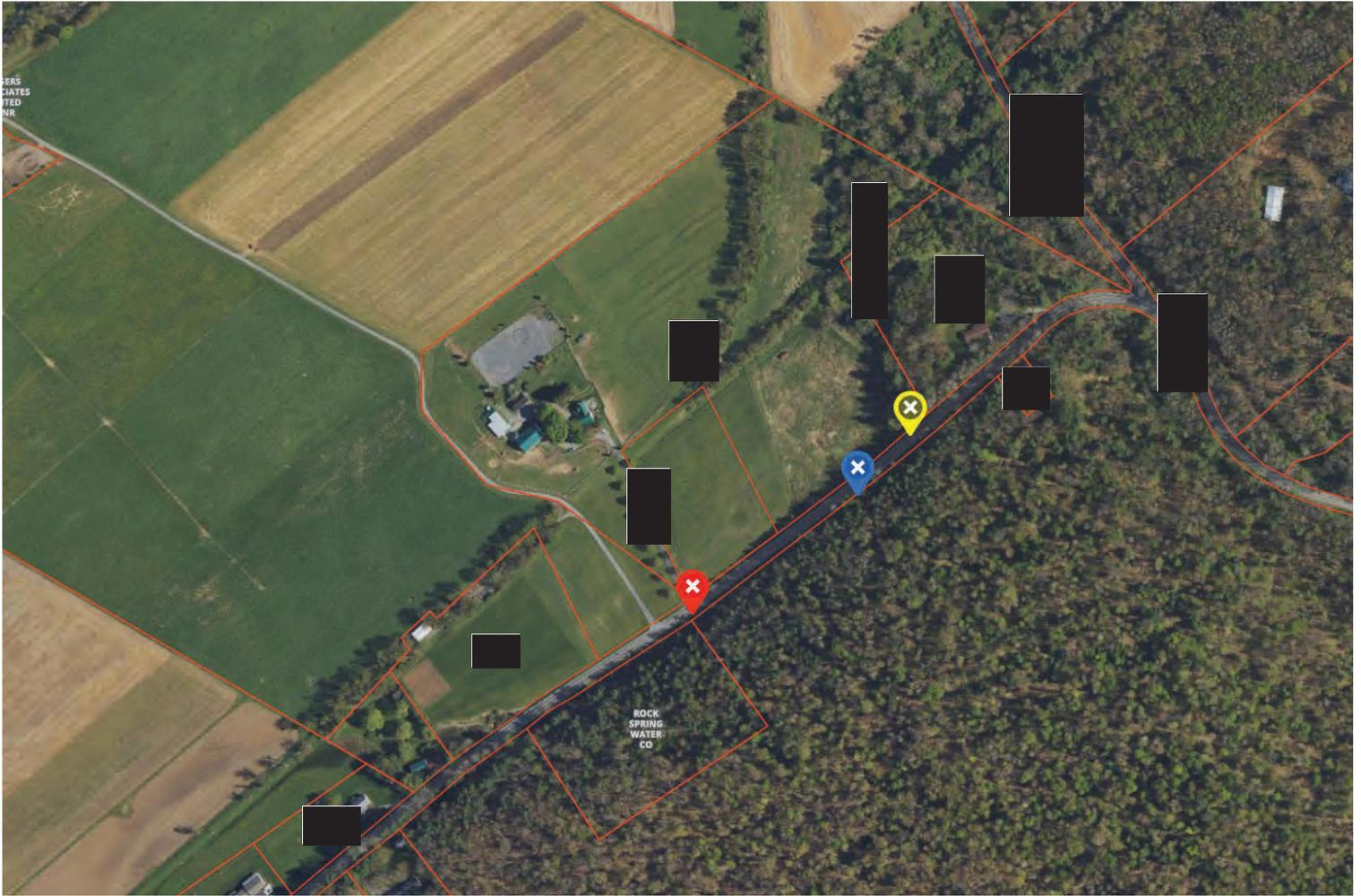
**NARRATIVE DESCRIPTION FORM FOR WATER SUPPLY SYSTEMS
 (CONSULTATION, ETC.)**

Facility Name: Rock Spring Water Company		Date: 02/26/2025	PWS No.: 4140085
Address: 1750 Tadpole Road, Pennsylvania Furnace 16865		City, Boro, Twp.: Ferguson Twp	County: Centre
Item No.:	Enter Description:		
	I arrived onsite at 17:17 today to observe the water treatment plant and the Entry Point #102 sampling hydrant for any activity or chlorine residual sampling. I parked at a location where both the water treatment plant driveway and the Entry Point sampling hydrant were visible, approximately [REDACTED]. At my arrival, there was no activity or sampling visible at either location, although there were fresh vehicle tracks in the snow and ice at the water treatment plant driveway. There were no persons or vehicles present at either the water treatment plant or the Entry Point hydrant when I arrived onsite.		
	From 17:55 through 18:02, I photographed the water treatment plant driveway, my parking location (as a comparison example of vehicle tracks in the mud, ice, and snow), and the Entry Point #102 hydrant. There were no visible vehicle or human tracks around the Entry Point sampling hydrant in the mud, ice, or snow. The Entry Point #102 hydrant is located at approximately [REDACTED]. The hydrant is south of the berm of Tadpole Road, approximately 10-15 feet off the edge of the road. A padlock is affixed to the handle of the hydrant and was locked while I was onsite. Therefore, use of the hydrant for sampling would necessitate exiting a vehicle, travelling over to the hydrant, and removing the lock from the handle.		
	By 18:20, the sun had set and it became too dark to see the water treatment plant driveway or the Entry Point hydrant without the aid of a flashlight or vehicle headlights. Conversely, by 18:20 it became too dark to effectively operate the Entry Point hydrant or collect a water sample from it without the aid of a flashlight or vehicle headlights.		
	At 18:40, I relocated to a point on Tadpole Road east of the Entry Point #102 hydrant (approximately [REDACTED] [REDACTED] where the hydrant and surrounding area could be seen with the aid of my vehicle headlights. I photographed my vehicle location and the Entry Point hydrant from 18:41 through 18:46.		
	At 19:32, I took a final photograph of the Entry Point hydrant location, and I departed the site. From 17:17 through 19:32, I did not observe any activity at the water treatment plant or Entry Point #102, nor did I observe any individuals collecting water samples from Entry Point #102. There was also no evidence (i.e. vehicle tracks or human tracks in the snow, ice, or mud) that any individuals came to the water treatment plant or the Entry point #102 hydrant that I did not see while I was onsite.		

--DEP File--
 Received By (Print Name) _____ Mark Accettulla
 Investigator (Print Name)

Received By Signature _____ Date _____ *Mark Accettulla* Date 02/26/2025 Supervisor's Initials _____

- White – District Office
 Yellow – Regional Office
 Pink - Facility
 Goldenrod – Central Office



Area location map showing my initial observation location (red pin at [redacted]), the Entry Point #102 hydrant location (blue pin at [redacted]), and my second observation location (yellow pin at [redacted]).



Fresh vehicle tire tracks (center of frame near road) in the snow and ice at the water treatment plant driveway, for comparative purposes to the Entry Point hydrant location



Older vehicle tire tracks in the snow and ice at the water treatment plant driveway, for comparative purposes to the Entry Point hydrant location



My tire tracks in the mud, snow, and ice along Tadpole Road, for comparison purposes to the Entry Point hydrant location. This was my observation point from arrival onsite until 18:40.



My tire tracks in the snow and ice along Tadpole Road, for comparison purposes to the Entry Point hydrant location



The Entry Point #102 hydrant as seen from the shoulder of Tadpole Road looking SE. No human or vehicle tracks were visible in the snow, ice, or mud



Zoomed in view from previous photo of Entry Point #102 hydrant, no tracks of any kind visible



Another view of the Entry Point #102 hydrant from Tadpole Road looking SW from a road culvert. No human or vehicle tracks were visible in the area. (note culvert marker location compared to Entry Point hydrant location for perspective in subsequent photos taken after dark)



Looking WSW down Tadpole Road at the Entry Point hydrant from a road culvert. No vehicle or human tracks were visible in this area



Another view looking WSW down Tadpole Road at the Entry Point hydrant from a road culvert. No vehicle or human tracks were visible anywhere along the road edge. Note the speed limit sign boxed in red for perspective in subsequent photos taken after dark.



Another zoomed in view looking WSW down Tadpole Road with rock pile as a reference from the previous photo. My vehicle is in the background past the speed limit sign. No vehicle or human tracks visible anywhere along the road edge.



Zoomed in photo from Tadpole Road looking SE at the hydrant, to show no visible human or vehicle tracks in the snow leading to the hydrant



Zoomed in photo from Tadpole Road looking S at the hydrant, to show no visible human or vehicle tracks in the snow leading to the hydrant



Photo looking back at Tadpole Road near the road culvert, to show my foot tracks (boxed in red) as a comparison to the undistributed snow and ice around the Entry Point hydrant. I walked a loop around the east side of the hydrant to access it



Looking west from the Entry Point hydrant along Tadpole Road, where no vehicle or human tracks were visible in the snow and ice



Looking N from the Entry Point hydrant towards Tadpole Road, no vehicle or human tracks were present other than my own



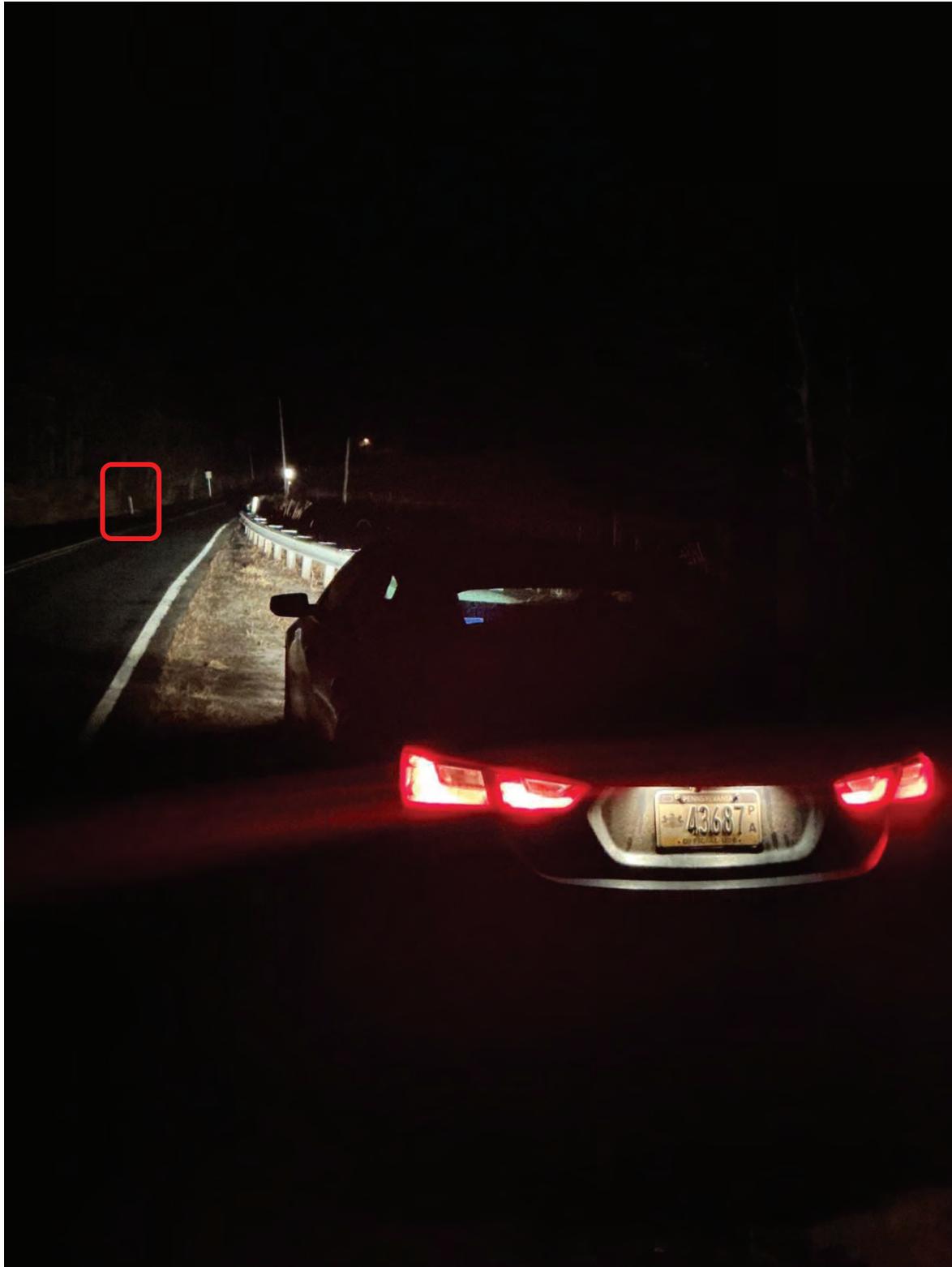
Looking NW from the Entry Point hydrant towards Tadpole Road, along the path Roy Campbell and DEP used to access the hydrant during the November 2023 full inspection to perform sampling. No tracks were present



Zoomed in view from the previous photo to show no tracks present. Looking NW from the Entry Point hydrant towards Tadpole Road



Looking WSW at the Entry Point hydrant from Tadpole Road, to show some of my tracks (red box) made while taking previous photos as a comparison



View of my vehicle after I moved observation locations at 18:40, so I could look down the road at the Entry Point hydrant and illuminate the area with my headlights. Road culvert marker from previous photos has a red box around it for perspective



View after moving observation points at 18:40, looking down Tadpole Road towards the Entry Point hydrant. The road culvert marker and speed limit sign from previous photos are boxed in red for perspective



Zoomed in photo of previous view, showing road culvert marker and speed limit sign for reference. I observed no activity in the Entry Point hydrant area along Tadpole Road while onsite.



Photo taken of Entry Point hydrant location after dark, but poor quality due to the iPad not having flash



Looking back (E) along Tadpole Road to my parked vehicle from the road shoulder near the Entry Point hydrant. Any activity occurring around the hydrant would have been visible from my vehicle and illuminated by the headlights



Final photo taken of the Entry Point hydrant from Tadpole Road prior to departing the site at 19:32, to illustrate no further activity was observed in the area corroborated by absence of any vehicle or human tracks in the snow and ice.

Public Water Supply Sample Analysis Data

08:10 Monday, March 17, 2025 1

All Results

PWSID = 4140085 Contaminant/Group = 1013 Sample Type = E Sample Period = 02/01/2025 - 02/28/2025

PWSID	ENTRY POINT ID	Contam ID	Analysis Result	MCLVAL	Signif Digit	Sample Date	Sample Time	Sample Type	Lab ID	Analy. Method	Analysis Date	Sample Received Date
4140085	102	1013	0.86		0	02/01/2025	18:00:00	E	04704	301	02/01/2025	03/09/2025
4140085	102	1013	0.69		0	02/02/2025	18:30:00	E	04704	301	02/02/2025	03/09/2025
4140085	102	1013	0.64		0	02/03/2025	18:15:00	E	04704	301	02/03/2025	03/09/2025
4140085	102	1013	0.96		0	02/04/2025	18:00:00	E	04704	301	02/04/2025	03/09/2025
4140085	102	1013	0.58		0	02/05/2025	18:45:00	E	04704	301	02/05/2025	03/09/2025
4140085	102	1013	0.63		0	02/06/2025	18:00:00	E	04704	301	02/06/2025	03/09/2025
4140085	102	1013	0.71		0	02/07/2025	18:45:00	E	04704	301	02/07/2025	03/09/2025
4140085	102	1013	0.79		0	02/08/2025	18:15:00	E	04704	301	02/08/2025	03/09/2025
4140085	102	1013	0.71		0	02/09/2025	18:00:00	E	04704	301	02/09/2025	03/09/2025
4140085	102	1013	0.8		0	02/10/2025	18:30:00	E	04704	301	02/10/2025	03/09/2025
4140085	102	1013	0.75		0	02/11/2025	18:00:00	E	04704	301	02/11/2025	03/09/2025
4140085	102	1013	0.77		0	02/12/2025	18:45:00	E	04704	301	02/12/2025	03/09/2025
4140085	102	1013	0.81		0	02/13/2025	18:00:00	E	04704	301	02/13/2025	03/09/2025
4140085	102	1013	0.65		0	02/14/2025	18:30:00	E	04704	301	02/14/2025	03/09/2025
4140085	102	1013	0.76		0	02/15/2025	18:00:00	E	04704	301	02/15/2025	03/09/2025
4140085	102	1013	0.58		0	02/16/2025	18:45:00	E	04704	301	02/16/2025	03/09/2025
4140085	102	1013	0.88		0	02/17/2025	18:00:00	E	04704	301	02/17/2025	03/09/2025
4140085	102	1013	0.76		0	02/18/2025	18:30:00	E	04704	301	02/18/2025	03/09/2025
4140085	102	1013	0.82		0	02/19/2025	18:00:00	E	04704	301	02/19/2025	03/09/2025
4140085	102	1013	0.75		0	02/20/2025	18:30:00	E	04704	301	02/20/2025	03/09/2025
4140085	102	1013	0.79		0	02/21/2025	18:00:00	E	04704	301	02/21/2025	03/09/2025
4140085	102	1013	1.03		0	02/22/2025	18:30:00	E	04704	301	02/22/2025	03/09/2025
4140085	102	1013	1.15		0	02/23/2025	18:15:00	E	04704	301	02/23/2025	03/09/2025
4140085	102	1013	0.88		0	02/24/2025	18:00:00	E	04704	301	02/24/2025	03/09/2025
4140085	102	1013	0.68		0	02/25/2025	18:15:00	E	04704	301	02/25/2025	03/09/2025
4140085	102	1013	0.95		0	02/26/2025	18:15:00	E	04704	301	02/26/2025	03/09/2025
4140085	102	1013	0.82		0	02/27/2025	18:45:00	E	04704	301	02/27/2025	03/09/2025
4140085	102	1013	0.96		0	02/28/2025	18:15:00	E	04704	301	02/28/2025	03/09/2025

TRADING PARTNER AGREEMENT

Identification: Your name and password are identifying you. If you are using another person's name and password, you are submitting false information. If someone else has access to your name and password, notify us immediately.

Security Procedure: When you send us information, we will display it as it will appear in the Department of Environmental Protection's official record. If you have corrections to make to the displayed information, resubmit the information or click on the "Cancel" button. **Do not click the "Submit" button if the information is incorrect.** If the information is correct, click the "Submit" button to make it part of DEP's official record.

False Reporting: You are submitting official information. Any false statement may be subject to substantial civil and criminal penalties, including 18 P.S. § 4904 (unsworn falsification to authorities). If you discover that the information you submitted is incorrect, notify us immediately.

Electronic Signature: When you click a button labeled "I Agree" or "Submit," it has the same legal effect as a written signature under the Electronic Transactions Act, 73 P.S. § 2260.101 et seq.

Confidential Information: You must identify any confidential information. Any information that is not identified as confidential will be treated as public information. The Department will notify you if it does not agree that the identified information is confidential.

Agreement: By clicking the "I Agree" button, you agree to be bound by the terms of this Trading Partner Agreement, which shall be governed by the laws of Pennsylvania and enforced in Pennsylvania courts.

DEP EXHIBIT 43

DEPARTMENT OF ENVIRONMENTAL PROTECTION
Bureau of Water Standards and Facility Regulation

DOCUMENT NUMBER: 383-2129-004

TITLE: Policy for Determining When Loss of Positive Pressure Situations in the Distribution System Require One-Hour Reporting to the Department and Issuing Tier 1 Public Notification

EFFECTIVE DATE: October 3, 2009

AUTHORITY: Pennsylvania's Safe Drinking Water Act (35 P.S. §721.1 *et seq.*) and regulations at Title 25 Pa. Code Chapter 109

POLICY: Public water suppliers and Department of Environmental Protection (DEP) staff should follow the guidance and procedures presented in this document to respond to loss of positive pressure situations in the distribution system.

PURPOSE: The purpose of this document is to establish uniform instructions and protocol for responding to loss of positive pressure situations in the distribution system to ensure the protection of public health.

APPLICABILITY: This guidance will apply to all public water systems.

DISCLAIMER: The policies and procedures outlined in this guidance are intended to supplement existing requirements. Nothing in the policies or procedures shall affect regulatory requirements.

The policies and procedures herein are not an adjudication or a regulation. There is no intent on the part of DEP to give the rules in these policies that weight or deference. This document establishes the framework within which DEP will exercise its administrative discretion in the future. DEP reserves the discretion to deviate from this policy statement if circumstances warrant.

PAGE LENGTH: 9 pages

LOCATION: Volume 22, Tab 16

DEFINITIONS: See Title 25 Pa. Code Chapter 109

**POLICY FOR DETERMINING WHEN LOSS OF POSITIVE PRESSURE SITUATIONS
IN THE DISTRIBUTION SYSTEM REQUIRE ONE-HOUR REPORTING TO THE
DEPARTMENT AND ISSUING TIER 1 PUBLIC NOTIFICATION**

I. PURPOSE:

This document is intended to provide a policy to public water suppliers and Department of Environmental Protection (DEP) staff for evaluating and responding to possible contamination of water distribution systems during loss of positive pressure situations caused by a physical disruption (i.e., line breaks, valve repairs, new construction, etc.) or an operational disruption (i.e., pump failure, power outage, telemetry failure, extreme fire flows, source outage, depletion of storage, etc.). This policy provides uniform procedures to ensure water supplies are safe for potable use during a loss of positive pressure situation and after pressure is restored.

II. BACKGROUND:

Any disruption of a water distribution system that results in a loss of positive pressure may allow contaminants to enter the distribution system. Water suppliers can minimize contamination by implementing acceptable department and water industry standards and practices. Pursuant to Chapter 109 of the Department's regulations and *Part II of the Department's Public Water Supply Manual*, water suppliers shall adhere to the American Water Works Association (AWWA) Standard C-651-05 – Disinfecting Water Mains when repairing or replacing water mains to ensure that water quality is not compromised or degraded. Standard C-651-05 includes procedures for adequate flushing, disinfection and microbiological testing. Refer to Section V for more information about Standard C-651-05.

In certain situations, additional measures may be necessary in order to protect public health. This guidance will discuss when one-hour reporting to DEP and issuance of Tier 1 public notification (PN) may be warranted.

III. APPLICABLE REGULATIONS OF TITLE 25 PA CODE CHAPTER 109 (SAFE DRINKING WATER):

- A. § 109.4. Requirement to effectively operate and maintain public water system facilities and to take whatever investigative or corrective action is necessary to assure that safe and potable water is continuously supplied to users.
- B. § 109.408. Tier 1 public notice.
- C. § 109.602(a) - (c). Acceptable design.
- D. § 109.606. Chemicals, materials and equipment.
- E. § 109.607. Pressures.
- F. § 109.701(a)(3). One-hour reporting requirements.
- G. § 109.702. Operation and maintenance plan. The operation and maintenance plan must generally conform to the guidelines contained in the Department's *Public Water Supply*

Manual and contain at least the following information: ... Procedures for repairing and replacing water mains that conform to the Department and water industry standards.

- H. § 109.709. Cross-connection control program.
- I. § 109.710. Disinfectant residual in the distribution system.
- J. § 109.711. Disinfection of facilities prior to placing them into service. After repairing a facility or performing other activities which place the facility out of service, and before returning the facility to service, the public water supplier shall disinfect the facilities in accordance with the most recent procedures established by the American Water Works Association.

IV. OTHER APPLICABLE REFERENCES:

- A. “Public Water Supply Manual, Part II: Community System Design Standards”, DEP #383-2125-108, May 6, 2006. All DEP publications are available on DEP’s Web site at www.depweb.state.pa.us, keyword: eLibrary.
- B. “Policy for Issuing and Removing Water Supply Warnings”, DEP #383-2129-005, 2009.
- C. Latest standards issued by the American Water Works Association (AWWA) and the American National Standards Institute (ANSI), including ANSI/AWWA Standard C651-05 - Disinfecting Water Mains.

AWWA Standards are copyrighted materials. To place an order, please call AWWA Customer Service at 800-926-7337. Or, you can download a Bookstore Order Form from AWWA’s Web site at <http://www.awwa.org/>, complete it, and mail or fax it to:

Customer Service
AWWA
6666 West Quincy Avenue
Denver, CO 80235-3098
FAX 303-347-0804

Individual AWWA Standards may also be ordered online.

- D. “Disinfection of Pipelines and Storage Facilities Field Guide”, AWWA, 2006.
- E. “Recommended Standards for Water Works”, Great Lakes – Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers, 2007 edition. These Standards are otherwise known as 10 State Standards and are available from Health Research Inc., Heath Education Services Division at <http://www.hes.org/>.

V. POLICY:

A. One-Hour Reporting Requirements for Loss of Positive Pressure Situations.

Under 109.701(a)(3), a public water supplier shall report the circumstances to the Department within 1 hour of discovery when circumstances exist which may adversely affect the quantity or quality of drinking water including, but not limited to, a situation that causes a loss of positive water pressure in any portion of the distribution system where there is evidence of contamination or a water supplier suspects a high risk of contamination.

To further clarify this requirement, a water supplier shall notify DEP within 1 hour when:

1. A loss of positive pressure within the distribution system is caused by a situation other than a main break, such as a power outage, pump failure, source outage, or depletion of storage.
2. A loss of positive pressure within the distribution system is caused by a main break, repair or replacement **AND**:
 - There is evidence of contamination **OR**,
 - A high risk of contamination.

Some examples of evidence of contamination may include:

- Changes to the physical characteristics, such as unusual discoloration, taste or odor.
- Changes to the water chemistry as evidenced by field test results.

Some examples of situations with a high risk of contamination include:

- A flooded trench that cannot be properly dewatered or remedied by best management practices where the water level is at or above the level of the pipe being repaired.
- Evidence of contamination caused by leaking sewer lines near the site of the main break.
- Evidence of contamination caused by nearby failing on-lot septic systems near the site of the main break.
- Evidence of contamination caused by back flow or a cross connection entering the main in the area of the main break or other impacted area.
- High system unaccounted for water loss (> 20%) due to leaks in the distribution system near the site of the main break.
- Low system water storage which results in loss of service to customers.
- Evidence of contamination caused by a stream or river crossing near the site of the main break.
- Any condition that allows contaminated water to enter the distribution system.

3. Repairs to a main break associated with a loss of positive pressure cannot be completed as per the requirements under Standard C-651-05 and this policy.
4. Special bacteriological samples collected as per Standard C-651-05 and this policy are positive for fecal coliform or *E. coli*.

B. Tier 1 PN Requirements for Loss of Positive Pressure Situations.

For any of the situations listed above, a water supplier shall also consult with DEP regarding the need for and issuance of Tier 1 PN in the form of a Boil Water Advisory (BWA) or some other water supply warning. Tier 1 PN will generally be required for situations meeting the criteria in 2, 3 or 4 above. Situations meeting the criteria in 1 above may require a Tier 1 PN.

Refer to the *Department's Policy for Issuing and Removing Water Supply Warnings* for more information about PN and additional follow-up actions. For example, additional follow-up actions for a BWA may include: repairing/replacing water lines, establishing and maintaining higher chlorine residuals, flushing lines, collecting check samples, etc.

C. Best Management Practices for Main Breaks Which Result in a Loss of Positive Pressure (ANSI/AWWA Standard C-651-05).

Pursuant to Chapter 109 and *Part II of the Department's Public Water Supply Manual*, water suppliers shall adhere to department and water industry standards and practices when repairing or replacing water mains to ensure that water quality is not compromised or degraded. Industry standards and practices include procedures for adequate flushing, disinfection, and microbiological testing. Practical application procedures based on the standard may also be found in AWWA's field guide entitled, "Disinfection of Pipelines and Storage Facilities."

The following check list summarizes the best management practices. Please refer to the AWWA standard for more details.

D. Best Management Practices Check List for Main Breaks Which Result in a Loss of Positive Pressure (ANSI/AWWA Standard C-651-05).

1. Minimize entry of contaminants:

- Isolate the affected main segment.
- Shut off all affected service connections that lack adequate backflow prevention, where practical.
- Dewater excavation trenches prior to repairs. Disinfect wet trenches where practical or where evidence of contamination exists.

2. Disinfect the pipe:

- Swab or spray pipe interiors and associated fittings with a 1% solution of hypochlorite prior to installation.
- Where practical or where evidence of contamination exists, disinfect the entire affected main segment using the slug chlorination method. Refer to Standard C-651 for detailed disinfection procedures.

Note: Leaks or breaks that are repaired with clamping devices while the main remains full of pressurized water may present little danger of contamination and therefore may not require disinfection.

3. Remove contaminants and dechlorinate chlorinated-waste discharge:

- Flush the affected main segment until discolored water is eliminated and the disinfectant residual concentration in the water exiting the main is no higher than the residual disinfectant concentration in the distribution system.
- Dechlorinate the chlorinated-waste discharge by applying an adequate amount of reducing agent to thoroughly neutralize the chlorine residual remaining in the water. Refer to Standard C-651 for information about dechlorination procedures.

4. Determine effectiveness of procedures:

- Measure the disinfectant residual concentration to verify establishment of an acceptable residual.
- As per Standard C-651, collect special follow-up total coliform bacteriological samples to confirm that contamination did not occur during repair or replacement activities. Refer to Table 1 for the minimum number of required samples. Samples must be analyzed by an accredited environmental laboratory. Representative sampling locations must be downstream of the main break or repair. If the direction of flow is unknown, samples must be taken both up and downstream.

Table 1: Minimum # Daily Samples Required for Line Repair	
Population Affected¹	Minimum # of Samples
1 – 500	1
501 – 1,000	2
1,001 – 2,000	3
2,001 – 3,000	4
3,001 – 4,000	5
4,001 – 5,000	6
5,001 – 7,500	7
7,501 – 10,000	8
10,001 – 25,000	9
25,001 – 50,000	10
> 50,000	11

¹Population affected = # service connections x 2.7 people

- Sampling shall be continued until **two consecutive days of negative samples** are obtained.
- If follow-up total coliform sample results are negative for two consecutive days, go to the last check list item and record the details in your Repair Log.
- If any follow-up total coliform samples are positive, ensure that the lab is also analyzing the samples for fecal coliform or *E. coli*.
 - If results are total coliform-positive only**, continue flushing, disinfecting and collecting follow-up samples until such time as samples are negative for total coliform bacteria.
 - If results are positive for fecal coliform or *E. coli***, notify DEP within 1 hour and issue a BWA as soon as possible, but no later than 24 hours. Refer to the *Department's Policy for Issuing and Removing Water Supply Warnings* for additional information about follow-up actions.

Where practical or where evidence of contamination exists, repaired or replaced water mains must be completely installed, flushed, disinfected and satisfactory bacteriological sample results received prior to returning the main to service.

As per Standard C-651, and as per the water supplier's best professional judgment, after the appropriate disinfection and flushing procedures have been completed, the existing main may be returned to service prior to the completion of bacteriological testing in order to minimize the time customers are without water.

In certain situations, and as per the water supplier's best professional judgment, the collection of bacteriological samples may be avoided. In order to avoid collecting bacteriological samples, **all of the following criteria must be met:**

- There is no evidence of contamination or a high risk of contamination.
- All repair parts are disinfected as per Standard C-651, or if service connections are shut off, the main is disinfected utilizing the slug chlorination method.
- Any area of repair is flushed thoroughly and background chlorine residual levels of at least 0.2 mg/L (as free chlorine or its equivalent) are re-established.
- The water supplier has had no coliform MCL violations in the last year.
- The water supplier is in compliance with the requirements of The Water and Wastewater Systems Operators' Certification Act and associated regulations. Specifically, an available operator with the appropriate level of certification must make all process control decisions related to repairing or replacing the water main.
- The crew must utilize written standard operating procedures that are in conformance with Standard C-651 and this policy.

If a water supplier cannot comply with Standard C-651 and this policy for responding to a loss of positive pressure situation, water quality may be compromised. The water supplier shall notify DEP within 1 hour to discuss whether Tier 1 PN is necessary.

5. Complete recordkeeping:

- Record details of the main break in a Repair Log, including all follow-up coliform sample results, or an indication that all criteria were met to avoid bacteriological sampling. Retain the Repair Log on-site, and make it available to DEP upon request.

E. Maintain a Repair Log for Loss of Positive Pressure Situations:

Water suppliers should record the main break event in their repair log. This log should include:

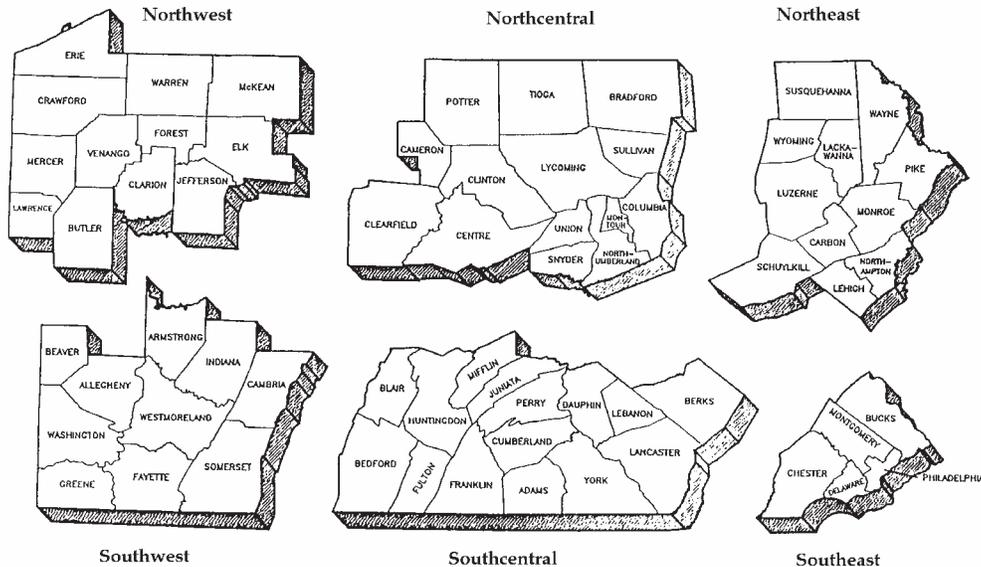
- Date, location and type of repair needed to correct the break.
- Time it was discovered.
- Population affected.
- Length of time required to repair.
- Type of disinfection method used.
- Date and time disinfectant residuals were detected.
- Date and time coliform bacteria samples were collected, or an indication that appropriate criteria were met to avoid bacteriological sampling.
- Results of the coliform bacteria samples and the date results were obtained.

The log should be made available to DEP upon request.

VI. DEP FIELD OPERATIONS REGIONAL OFFICES:

**For more information,
call the DEP regional office in your area or contact:**

**Department of Environmental Protection
Bureau of Water Standards and Facility Regulation
P.O. Box 8467
Harrisburg, PA 17105-8467
717-787-5017**



DEP Regional Offices

Northwest Region

230 Chestnut St.
Meadville, PA 16335-3481
Main Telephone: 814-332-6945
24-Hour Emergency: 1-800-373-3398

Counties: *Butler, Clarion, Crawford, Elk, Erie, Forest, Jefferson, Lawrence, McKean, Mercer, Venango and Warren*

Southwest Region

400 Waterfront Drive
Pittsburgh, PA 15222-4745
Main Telephone: 412-442-4000
24-Hour Emergency: 412-442-4000

Counties: *Allegheny, Armstrong, Beaver, Cambria, Fayette, Greene, Indiana, Somerset, Washington and Westmoreland*

Northcentral Region

208 W. Third St., Suite 101
Williamsport, PA 17701
Main Telephone: 570-327-3636
24-Hour Emergency: 570-327-3636

Counties: *Bradford, Cameron, Clearfield, Centre, Clinton, Columbia, Lycoming, Montour, Northumberland, Potter, Snyder, Sullivan, Tioga and Union*

Southcentral Region

909 Elmerton Ave.
Harrisburg, PA 17110
Main Telephone: 717-705-4700
24-Hour Emergency: 1-877-333-1904

Counties: *Adams, Bedford, Berks, Blair, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Perry and York*

Northeast Region

2 Public Square
Wilkes-Barre, PA 18711-0790
Main Telephone: 570-826-2511
24-Hour Emergency: 570-826-2511

Counties: *Carbon, Lackawanna, Lehigh, Luzerne, Monroe, Northampton, Pike, Schuylkill, Susquehanna, Wayne and Wyoming*

Southeast Region

2 E. Main St.
Norristown, PA 19401
Main Telephone: 484-250-5900
24-Hour Emergency: 484-250-5900

Counties: *Bucks, Chester, Delaware, Montgomery and Philadelphia*

DEP EXHIBIT 44

DEPARTMENT OF ENVIRONMENTAL PROTECTION
Bureau of Safe Drinking Water

DOCUMENT NUMBER: 393-2129-003

TITLE: Policy for Determining When Loss of Positive Pressure Situations in the Distribution System Require One-Hour Reporting to the Department and Issuing Tier 1 Public Notification

EFFECTIVE DATE: April 2, 2022

AUTHORITY: Pennsylvania's Safe Drinking Water Act (35 P.S. § 721.1 *et seq.*) and regulations at 25 Pa. Code Chapter 109

POLICY: Public water suppliers and Department of Environmental Protection (Department or DEP) staff should follow the guidance and procedures presented in this document to respond to loss of positive pressure situations in the distribution system.

PURPOSE: The purpose of this guidance document is to provide a uniform protocol for public water systems when responding to loss of positive pressure situations in the distribution system to ensure the protection of public health.

APPLICABILITY: This guidance will apply to all public water systems.

DISCLAIMER: The policies and procedures outlined in this guidance are intended to supplement existing requirements. Nothing in the policies or procedures shall affect regulatory requirements.

The policies and procedures herein are not an adjudication or a regulation. DEP does not intend to give this guidance that weight or deference. This document establishes the framework, within which DEP will exercise its administrative discretion in the future. DEP reserves the discretion to deviate from this policy statement if circumstances warrant.

PAGE LENGTH: 10 pages

DEFINITIONS: See 25 Pa. Code Chapter 109

POLICY FOR DETERMINING WHEN LOSS OF POSITIVE PRESSURE SITUATIONS IN THE DISTRIBUTION SYSTEM REQUIRE ONE-HOUR REPORTING TO THE DEPARTMENT AND ISSUING TIER 1 PUBLIC NOTIFICATION

I. PURPOSE

This policy document is intended to provide a uniform protocol for public water suppliers and Department of Environmental Protection (Department or DEP) staff to use in evaluating and responding to possible contamination of water distribution systems during loss of positive pressure situations caused by a physical disruption (i.e., line breaks, valve repairs, new construction, etc.) or an operational disruption (i.e., pump failure, power outage, telemetry failure, extreme fire flows, source outage, depletion of storage, etc.). This policy provides uniform procedures to ensure water supplies are safe for potable use during a loss of positive pressure situation and after pressure is restored.

II. BACKGROUND

Any disruption of a water distribution system that results in a loss of positive pressure may allow contaminants to enter the distribution system. Water suppliers can minimize contamination by implementing acceptable DEP and water industry standards and practices. Pursuant to DEP's safe drinking water regulations at 25 Pa. Code [Chapter 109](#) and DEP's *Public Water Supply Manual – Part II (383-2125-108)*, water suppliers shall adhere to the most recent edition of the American Water Works Association (AWWA) Standard C-651, Disinfecting Water Mains, when repairing or replacing water mains to ensure that water quality is not compromised or degraded. Standard C-651 includes procedures for adequate flushing, disinfection, and microbiological testing. Refer to Section V of this policy for more information about Standard C-651.

In certain situations, additional measures may be necessary in order to protect public health. This guidance document will discuss when one-hour reporting to DEP and issuance of Tier 1 public notification (PN) may be warranted.

III. APPLICABLE REGULATIONS

The following sections of DEP's safe drinking water regulations at 25 Pa. Code Chapter 109 are relevant to this policy:

- A. § 109.4.** Requirement to effectively operate and maintain public water system facilities and to take whatever investigative or corrective action is necessary to assure that safe and potable water is continuously supplied to users.
- B. § 109.408.** Tier 1 public notice.
- C. § 109.602(a)-(c).** Acceptable design.
- D. § 109.606.** Chemicals, materials and equipment.
- E. § 109.607.** Pressures.
- F. § 109.701(a)(3).** One-hour reporting requirements.

- G. § 109.702. Operation and maintenance plan. (a) A community water supplier shall develop an operation and maintenance plan for the community water system. The operation and maintenance plan must generally conform to the guidelines contained in the Department's *Public Water Supply Manual* and contain at least the following information: ... (3) Procedures for repairing and replacing water mains that conform to the Department and water industry standards.
- H. § 109.709. Cross-connection control program.
- I. § 109.710. Disinfectant residual in the distribution system.
- J. § 109.711. Disinfection of facilities prior to placing them into service. ... (b) After repairing a facility or performing other activities which place the facility out of service, and before returning the facility to service, the public water supplier shall disinfect the facilities in accordance with the most recent procedures established by the American Water Works Association.

IV. OTHER APPLICABLE REFERENCES

- A. DEP's *Public Water Supply Manual – Part II: Community System Design Standards* ([383-2125-108](#)).
- B. DEP's *Policy for Issuing and Removing Water Supply Warnings* ([383-2129-005](#)).
- C. Latest standards issued by the American Water Works Association (AWWA) and the American National Standards Institute (ANSI), including the most recent edition of ANSI/AWWA Standard C651 - Disinfecting Water Mains.

AWWA Standards are copyrighted materials. To place an order, please call AWWA Customer Service at 800-926-7337.

Individual AWWA Standards may also be ordered online from AWWA's website at www.awwa.org.

- D. *Disinfection of Pipelines and Storage Facilities Field Guide*, AWWA, 2006.
- E. *Recommended Standards for Water Works*, Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers, most recent edition. These Standards are otherwise known as 10 State Standards.

V. POLICY

A. **One-Hour Reporting Requirements for Loss of Positive Pressure Situations**

Under § 109.701(a)(3)(iii), a public water supplier shall report the circumstances to the Department within one (1) hour of discovery when circumstances exist which may adversely affect the quantity or quality of drinking water including, but not limited to, a situation that causes a loss of positive water pressure in any portion of the distribution

system where there is evidence of contamination or a water supplier suspects a high risk of contamination.

To clarify this requirement, **a water supplier shall notify DEP within one (1) hour if any of the following circumstances occur:**

1. A loss of positive pressure within the distribution system is caused by a situation other than a main break, including (but not limited to) a power outage, pump failure, source outage, or depletion of storage. Situations such as these are likely to result in widespread impacts, increasing the likelihood of potential pathways for contamination, and making it extremely difficult to fully and effectively evaluate the situation to rule out the risk of contamination within all affected portions of the distribution system.
2. A loss of positive pressure within the distribution system is caused by a main break, repair, or replacement **and** there is either:
 - Evidence of contamination **or**
 - A high risk of contamination.

Each main break, repair, or replacement needs to be evaluated on a case-by-case basis to determine whether there is evidence or a high risk of contamination. These evaluations are considered process control decisions as defined in 25 Pa. Code [Chapter 302](#) (relating to administration of the water and wastewater systems operators' certification program). Section 302.104(a) requires process control decisions to be made by an appropriately certified operator, and Section 302.901(a)(5) identifies Class E as the appropriate classification for water distribution systems.

Therefore, it is critical to note that a Class E Distribution certified operator needs to be on site if possible, or at a minimum, be available for consultation by phone with someone who is on site and can clearly convey observations in order to evaluate each situation. **If a Class E certified operator is not available to evaluate the risk of contamination, the situation is considered to be a high risk for contamination and the one-hour reporting requirement applies.**

Some examples of evidence of contamination within the distribution system include, but are not limited to:

- Changes to the physical characteristics of the water, such as unusual discoloration, taste or odor, or increased temperature due to backflow from a hot water heater.
- Changes to the water chemistry as evidenced by field test results.

Some examples of situations with a high risk of contamination include, but are not limited to:

- A flooded trench that cannot be properly dewatered or remedied by best management practices where the water level is at or above the level of the pipe being repaired.
- Evidence of contamination of nearby soils from leaking sewer lines near the site of the main break.
- Evidence of contamination of nearby soils from failing on-lot septic systems near the site of the main break.
- Evidence of contamination caused by back flow or a cross connection entering the distribution system in the area of the main break or other impacted area.
- High system unaccounted for water loss (i.e., > 20%) due to leaks in the distribution system.
- Low system water storage as a result of a main break, which causes loss of service to customers, including any customers located outside of the immediate area surrounding the break, such as those located in lower pressure zones or a higher elevation.
- Evidence of contamination caused by a stream or river crossing.
- Any condition that allows contaminated water to enter the distribution system.

Section 109.701(a)(3)(iii) provides that if there is loss of positive pressure in “any portion of the distribution system,” the one-hour reporting requirement may apply. During a repair completed while maintaining positive pressure in the immediate area, other portions of the distribution system, including higher elevations or other lower pressure zones, may be vulnerable to a loss of pressure. The Class E certified operator evaluating the situation should consider the need to monitor pressure in areas of the system outside the immediate area surrounding the break. **If any portion of the distribution system experiences a loss of positive pressure, a potential public health threat may exist; therefore, that portion of the system needs to be evaluated to determine if the one-hour reporting requirement applies.**

3. Repairs to a main break associated with a loss of positive pressure cannot be completed as per the requirements under ANSI/AWWA Standard C-651 and this policy. Section 109.711 requires public water suppliers to follow the most recent procedures established by AWWA for disinfection of facilities before returning the facility to service after repair. Therefore, all public water suppliers should have access to a copy of the standard; at a minimum, they should ensure that their

staff and/or contractors conducting repairs have access to **and** are following Standard C-651 for any main break repairs.

4. Special bacteriological samples collected as per ANSI/AWWA Standard C-651 and this policy are positive for *E. coli*.

It is important to note that distribution pressures should be monitored using all available data, and the need for one-hour reporting should be routinely reevaluated, throughout any situation with the potential for loss of pressure in the distribution system. For example, a main break may be repaired under reduced operating pressure, but if the operator determines that positive pressure has been lost in any portion of the distribution system during the repair, that portion of the system needs to be evaluated to determine whether the one-hour reporting requirement applies. If so, the time clock for one-hour reporting would begin upon that determination.

B. Tier 1 PN Requirements for Loss of Positive Pressure Situations

For any of the situations listed above, a water supplier shall also consult with DEP regarding the need for and issuance of Tier 1 PN in the form of a Boil Water Advisory (BWA) or some other water supply warning, as provided in 25 Pa. Code § 109.408(b)(3). Tier 1 PN will generally be required for situations meeting the criteria in Section V.A.2, Section V.A.3, or Section V.A.4 of this policy. Situations meeting the criteria in Section V.A.1 of this policy may require a Tier 1 PN.

Refer to DEP's *Policy for Issuing and Removing Water Supply Warnings* ([383-2129-005](#)) for more information about PN and additional follow-up actions. For example, additional follow-up actions for a BWA may include: repairing/replacing water lines, establishing and maintaining higher chlorine residuals, flushing lines, collecting check samples, etc.

C. Best Management Practices for Main Breaks Which Result in a Loss of Positive Pressure (ANSI/AWWA Standard C-651)

Pursuant to 25 Pa. Code Chapter 109 and DEP's *Public Water Supply Manual – Part II* ([383-2125-108](#)), water suppliers shall adhere to DEP and water industry standards and practices when repairing or replacing water mains to ensure that water quality is not compromised or degraded. Industry standards and practices include procedures for adequate flushing, disinfection, and microbiological testing. Practical application procedures based on the standard may also be found in AWWA's field guide entitled, *Disinfection of Pipelines and Storage Facilities*.

D. Best Management Practices Checklist for Main Breaks Which Result in a Loss of Positive Pressure (ANSI/AWWA Standard C-651)

The following checklist summarizes the best management practices to address main breaks resulting in a loss of positive pressure. It is important to note that this checklist is intended only to summarize the key points in ANSI/AWWA Standard C-651; this

checklist is not intended to be used in place of following the standard. Please refer to ANSI/AWWA Standard C-651 for more details and full procedures.

1. Minimize entry of contaminants

- Isolate the affected main segment.
- Shut off all affected service connections that lack adequate backflow prevention, where practical.
- Dewater excavation trenches prior to repairs. Disinfect wet trenches where practical or where evidence of contamination exists.

2. Disinfect the pipe

- Swab or spray pipe interiors and associated fittings with a 1% solution of hypochlorite prior to installation.
- Where practical or where evidence of contamination exists, disinfect the entire affected main segment using one of the chlorination methods in Standard C-651. Refer to Standard C-651 for detailed disinfection procedures.

Note: Leaks or breaks that are repaired with clamping devices while the main remains full of pressurized water may present little danger of contamination and therefore may not require disinfection.

3. Remove contaminants and dechlorinate chlorinated-waste discharge

- Flush the affected main segment until discolored water is eliminated and the disinfectant residual concentration in the water exiting the main is no higher than the residual disinfectant concentration in the distribution system.
- Dechlorinate the chlorinated-waste discharge by applying an adequate amount of reducing agent to thoroughly neutralize the chlorine residual remaining in the water. Refer to Standard C-651 for information about dechlorination procedures.

4. Determine effectiveness of procedures

- Measure the disinfectant residual concentration to verify establishment of an acceptable residual.
- Collect special follow-up total coliform bacteriological samples in accordance with Standard C-651 to confirm that contamination did not occur during repair or replacement activities. Refer to Table 1 for the minimum number of required samples. Bacteriological samples must be analyzed by an appropriately accredited environmental laboratory.

Representative sampling locations must be downstream of the main break or repair. If the direction of flow is unknown, samples must be taken both up and downstream.

Table 1: Minimum # Daily Samples Required for Line Repair	
Population Affected ¹	Minimum # of Samples
1 – 500	1
501 – 1,000	2
1,001 – 2,000	3
2,001 – 3,000	4
3,001 – 4,000	5
4,001 – 5,000	6
5,001 – 7,500	7
7,501 – 10,000	8
10,001 – 25,000	9
25,001 – 50,000	10
> 50,000	11

¹ Population affected = # service connections x 2.7 people

- Sampling should be continued until **two consecutive days of negative samples** are obtained.
- If follow-up total coliform sample results are negative for two consecutive days, go to checklist item #5 (complete recordkeeping) and record the details in your Repair Log.

Where practical, or where evidence of contamination exists, repaired or replaced water mains must be completely installed, flushed, and disinfected, and satisfactory bacteriological sample results must be received prior to returning the main to service.

As per Standard C-651, and as per the properly certified operator’s best professional judgment, after the appropriate disinfection and flushing procedures have been completed, the existing main may be returned to service prior to the completion of bacteriological analysis in order to minimize the time customers are without water.

- If any follow-up total coliform samples are positive, ensure that the lab is also analyzing the samples for *E. coli*.
 - If results are total coliform-positive only**, continue flushing, disinfecting, and collecting follow-up samples until samples are negative for total coliform bacteria.
 - If results are positive for *E. coli***, notify DEP within one (1) hour and issue a BWA as soon as possible, but no later than 24 hours. Refer to DEP’s *Policy for Issuing and Removing Water Supply*

Warnings ([383-2129-005](https://www.penn.gov/dep/383-2129-005)) for additional information about follow-up actions.

5. Complete recordkeeping

- Record details of the main break in a Repair Log, including all follow-up coliform sample results. Retain the Repair Log on site and make it available to DEP upon request.

If a water supplier cannot comply with Standard C-651 and this policy for responding to a loss of positive pressure situation, water quality may be compromised. The water supplier shall notify DEP within one (1) hour of discovery of the loss of positive pressure to discuss whether Tier 1 PN is necessary.

E. Special Considerations

In certain situations, if it is in the best professional judgement of an appropriately certified Class E operator, the collection of bacteriological samples may be avoided. In order to avoid collecting bacteriological samples, **all of the following criteria must be met**:

- There is no evidence of contamination or a high risk of contamination.
- All repair parts are disinfected in accordance with Standard C-651, or, if service connections are shut off, the main is disinfected utilizing the slug chlorination method.
- Any area of repair is flushed thoroughly and background disinfectant residual levels of at least 0.2 mg/L (as required by 25 Pa. Code § 109.710) are reestablished.
- The water supplier has had no Level 1 or Level 2 assessments triggered under the Revised Total Coliform Rule in the last year.
- The water supplier is in compliance with the requirements of Pennsylvania's Water and Wastewater Systems Operators' Certification Act and associated regulations. Specifically, an available operator with the appropriate level of certification must make all process control decisions related to repairing or replacing the water main.
- The crew must utilize written standard operating procedures that are in conformance with Standard C-651 and this policy.

F. Maintain a Repair Log for Loss of Positive Pressure Situations

Water suppliers should record details of the loss of positive pressure event in their Repair Log; this log should include:

- Date, location, and cause of the loss of positive pressure

- If the cause is a main break, the type of repair needed to correct the break
- Time it was discovered
- Population affected
- Time of notification to DEP, name and phone number of DEP representative notified, and summary of conversation
- Length of time required to repair
- Type of disinfection method used
- Date and time disinfectant residuals were detected
- Date and time coliform bacteria samples were collected, or an indication that appropriate criteria were met to avoid bacteriological sampling
- Results of the coliform bacteria samples and the date results were obtained

The log should be made available to DEP upon request.

VI. DEP FIELD OPERATIONS REGIONAL OFFICES

**For more information,
call the [DEP regional office](#) in your area or contact:**

**Department of Environmental Protection
Bureau of Safe Drinking Water
P.O. Box 8467
Harrisburg, PA 17105-8467
717-787-9633**

**To determine the contact information for your local DEP office, consult
DEP Office and County Health Department Contact Information by County ([3930-FM-BSDW0560](#)).**

DEP EXHIBIT 45

**ROCK SPRING WATER COMPANY
INITIAL STATUS REPORT
MAY 20, 2025**

1. BACKGROUND

On March 21, 2025, the Public Utility Commission (“PUC”) issued an Order appointing Pennsylvania-American Water Company (“PAWC”) as the Receiver for the Rock Spring Water Company (“Rock Spring”) and its property, facilities and assets (“System”).

Appendix A, Paragraph 1(o) of the Order requires PAWC to submit an initial status report to the Commission within 60 days of assuming operations and then quarterly thereafter to detail any relevant updates pursuant to duties and responsibilities assigned through receivership.

This document provides the 60-day Initial Status Report required by the Order.¹ Conditions found and actions taken are summarized in Section 2.

2. CONDITIONS FOUND & ACTIVITIES PERFORMED

This section describes the conditions of the System found upon assumption of receivership operations by PAWC on March 21, 2025, and the corrective actions taken to date. Photographs referenced in the discussion below are found at the end of this report. This section is organized as follows: (2.1) - Safety Program; (2.2) - Water Supply and Treatment; (2.3) - Water Distribution System; (2.4) - SCADA System; (2.5) - Water Quality & Environmental Compliance Program; and (2.6) Public Outreach Program.

¹ Appendix A, Paragraph 1(c), of the Order requires PAWC to provide a listing of recommended capital improvements, identifying the capital improvements necessary to improve the performance of the system, to address or anticipate the obsolescence of portions of the system, to reduce the cost of operating the system, to provide cost savings or efficiency innovations to the system, or to comply with existing or anticipated changes to applicable laws and regulations.

PAWC is conducting this evaluation and will submit this analysis when complete.

2.1 Safety Program

PAWC has observed and reviewed Rock Spring's safety procedures, programs and equipment for compliance with applicable regulations, industry standards and best practices, and took immediate action, as necessary. To date, PAWC's actions have included the following:

1. Ensure proper PPE is used when working with hazardous chemicals.
2. Determined that Rock Spring was feeding chlorine at the wrong location in the process, and that there was a leak in the raw water line. PAWC fixed the leak and changed the chlorine injection point to the permitted location by pulling new plastic tubing and installing a new chemical feed pump.
3. PAWC determined there is no secondary containment on the chemical tank. PAWC is working on installing secondary containment on the chemical tank.
4. PAWC determined that Rock Spring was feeding an insufficient dose of chlorine to maintain a proper disinfection residual at the end of the distribution system. PAWC increased the chlorine dosage to ensure a proper disinfection residual throughout the distribution system.

2.2 Water Supply and Treatment

PAWC has operated the water supply and treatment system, interviewed Rock Spring employees, reviewed process control and compliance testing, evaluated the adequacy and condition of treatment equipment, and identified deficiencies and improvement opportunities. Immediate actions taken to improve the performance of the water supply and treatment are listed below.

1. Met with the DEP Sanitarian at well site to review what immediate improvements are planned for the well site and all required samples for Rock Spring.
2. Met with Rock Spring to review the PUC order, including Appendix A.
3. Installed an off gas device on the chlorine feed pump.
4. Installing containment for the hypo day tank.
5. Chlorine shutdowns were installed and tested.
6. Installed a chlorine analyzer at the well site with high levels and low-level shutdowns alarms to ensure the proper amount of chlorine is being fed at the well site.
7. Installed new locks and security devices at the well, treatment site, and storage tank.
8. The existing well pump failed. PAWC worked with DEP and performed an emergency well pump procurement and replacement. The system was supplied by the tank during the replacement. PAWC performed the work quickly so that the customers were not out of water and it was not necessary to issue a boil water notice.

2.3 Water Distribution System

PAWC has operated the water distribution system, interviewed Rock Spring employees, observed the water storage tank, reviewed water quality testing data, and identified deficiencies and improvement opportunities. Immediate actions taken to improve the performance of the distribution system are listed below.

1. Rock Spring employees informed PAWC of a suspected leak. Staff from PAWC's Philipsburg operation pinpointed and repaired the leak, resulting in a reduction of system delivery of approximately 40,000 gpd. Once the leak was fixed system, delivery dropped from 140-160,000 gpd to 100-120,000 gpd.
2. PAWC is continuing leak detection efforts and anticipates finding and repairing more leaks which should result in additional reductions in system delivery.

2.4 SCADA System

PAWC completed an evaluation of the Supervisory Control and Data Acquisition (“SCADA”) system and has made the following improvements.

1. New SCADA functionality was tested and is operational to include tank levels, power feed, and chlorine levels in the System.
2. A new mast was installed on top of the well building roof for better cell signal for the SCADA system.
3. Rock Spring SCADA data is now sent to PAWC’s Milton operations for access and 24/7 monitoring.

2.5 Water Quality & Environmental Compliance Program

PAWC has observed and reviewed Rock Spring's water quality and environmental compliance testing and reporting procedures versus regulatory requirements, interviewed Authority employees, evaluated the tools and equipment in place for compliance monitoring, reviewed compliance testing data and reported the data to the DEP, and identified deficiencies and improvement opportunities. Immediate actions taken to improve the water quality and environmental compliance program are listed below.

1. Samples are taken daily to ensure compliance with water quality regulations.
2. PAWC has begun the process of setting up a new bacteria sample location.

2.6 Public Outreach Program

Over the past 60 days, PAWC has been keeping customers informed through various channels, including:

1. PAWC reached out to the Ferguson Township Manager and agreed to stay in communication throughout the receivership. PAWC discussed how to get the word out to customers about what is happening with the receivership. Ferguson Township is finalizing a resident township mailer that will go out to all Ferguson residents in a few weeks with information about the Rock Spring receivership.
2. PAWC intends to work with Ferguson Township to post updates on the township website.
3. PAWC invited the Township Supervisors out for a tour of the improvements it made to the System.
4. Customers have a PAWC-specific email address for contacting PAWC with any questions or concerns.

PHOTOS



Continuous Chlorine Analyzer



Secured Compliance Sample Point



Secured Chlorine Injection Point Pit



New Chlorine Feed Equipment



Emergency Well Pump Replacement



New well pump

DEP EXHIBIT 46

**ROCK SPRING WATER COMPANY
QUARTERLY STATUS REPORT
August 20, 2025**

1. BACKGROUND

On March 21, 2025, the Public Utility Commission (“PUC”) issued an Order appointing Pennsylvania-American Water Company (“PAWC”) as the Receiver for the Rock Spring Water Company (“Rock Spring”) and its property, facilities and assets (“System”).

Appendix A, Paragraph 1(o) of the Order requires PAWC to submit an initial status report to the Commission within 60 days of assuming operations and then quarterly thereafter to detail any relevant updates pursuant to duties and responsibilities assigned through receivership.

This document provides the first Quarterly Report required by the Order.¹ Conditions found and actions taken are summarized in Section 2.

2. ACTIVITIES PERFORMED SINCE INITIAL STATUS REPORT

This section describes the continuing activities performed since the Initial Status Report. This section is organized as follows: (2.1) - Customer and Employee Safety Program; (2.2) - Water Supply and Treatment; (2.3) - Water Distribution System; (2.4) - SCADA System; (2.5) - Water Quality & Environmental Compliance Program; and (2.6) Public Outreach Program.

¹ Appendix A, Paragraph 1(c), of the Order requires PAWC to provide a listing of recommended capital improvements, identifying the capital improvements necessary to improve the performance of the system, to address or anticipate the obsolescence of portions of the system, to reduce the cost of operating the system, to provide cost savings or efficiency innovations to the system, or to comply with existing or anticipated changes to applicable laws and regulations.

PAWC is conducting this evaluation and will submit this analysis when complete.

2.1 Customer and Employee Safety Program

PAWC has observed and reviewed Rock Spring's safety procedures, programs and equipment for compliance with applicable regulations, industry standards and best practices, and took immediate action, as necessary. In the last quarter, PAWC's continuing actions have included the following:

1. Ensure proper PPE is used when working with hazardous chemicals.
2. PAWC installed secondary containment on the chemical tank.
3. Automatic shutdowns were installed and are functioning to halt the well pump and send an alarm when the proper concentration of chlorine is not being fed.
4. Installed improved lighting in the well building.
5. PAWC continues to feed a proper chlorine dosage to ensure a proper disinfection residual throughout the distribution system.

2.2 Water Supply and Treatment

PAWC has operated the water supply and treatment system, interviewed Rock Spring employees, reviewed process control and compliance testing, evaluated the adequacy and condition of treatment equipment, and identified deficiencies and improvement opportunities. In the last quarter, actions taken to improve the performance of the water supply and treatment are listed below.

1. Continue to communicate with the DEP Sanitarian at well site to review operations of the system.
2. Installed an off-gas device on the chlorine feed pump.
3. Installed secondary containment for the hypochlorite day tank.
4. Chlorine shutdowns were installed, tested and are functioning.
5. Maintained a chlorine analyzer at the well site with high levels and low-level shutdowns alarms to ensure the proper amount of chlorine is being fed at the well site. Chlorine levels are monitored remotely 24/7.
6. Maintained new locks and security devices at the well, treatment site, and storage tank.

2.3 Water Distribution System

PAWC has operated the water distribution system, interviewed Rock Spring employees, observed the water storage tank, reviewed water quality testing data, and identified deficiencies and improvement opportunities. In the last quarter, actions taken to improve the performance of the distribution system are listed below.

1. PAWC is continuing leak detection efforts and anticipates finding and repairing more leaks which should result in additional reductions in system delivery. To date we have identified and repaired 5 customer side service leaks, two company side service leaks that have been repaired, and we have fixed two main breaks. The last full quarter prior to our involvement, November 1, 2024 – January 31, 2025, saw an average daily delivery of 156,446 gallons per day (gpd). The first full 3 months of our involvement, April 1, 2025 – June 30, 2025, saw an average daily delivery of 102,228 gpd, a 35 percent reduction in average daily delivery.

2.4 SCADA System

PAWC completed an evaluation of the Supervisory Control and Data Acquisition (“SCADA”) system and has made the following improvements.

1. SCADA continues to remotely monitor tank levels, power feed, and chlorine levels in the System via the cellular system 24/7 at PAWC’s Milton operations center. In addition, the data is now being monitored at PAWC’s Phillipsburg operations.

2.5 Water Quality & Environmental Compliance Program

PAWC has observed and reviewed Rock Spring's water quality and environmental compliance testing and reporting procedures versus regulatory requirements, interviewed Authority employees, evaluated the tools and equipment in place for compliance monitoring, reviewed compliance testing data and reported the data to the DEP, and identified deficiencies and improvement opportunities. In the last quarter, actions taken to improve the water quality and environmental compliance program are listed below.

1. Samples are taken daily to ensure compliance with water quality regulations.
2. PAWC has set up a new bacteria sample location.
3. Lead and copper, nitrate, and nitrite samples were taken and reported to DEP.

2.6 Public Outreach Program

In the last quarter, PAWC has continued to keep customers informed through various channels, including:

1. PAWC has set up and maintains a web site dedicated to Rock Spring to keep customers up to date on activities at Rock Spring.
2. PAWC continues to work with Ferguson Township to post updates on the township website.
3. Customers have a PAWC-specific email address for contacting PAWC with any questions or concerns.
4. Postcard updates have been mailed to customers to keep them informed of system updates and changes.

PHOTOS



Continuous Chlorine Analyzer



Secured Compliance Sample Point



Secured Chlorine Injection Point Pit



New Chlorine Feed Equipment

DEP EXHIBIT 47

From: [rock springs](#)
To: [Minium, Sasha](#)
Subject: RE: [External] NOTICE OF VIOLATION
Date: Friday, April 9, 2021 2:34:52 PM

Listed on quarter report as **MONITOR N 7/2020**

The Professional Leak Detection Company will be contacted and ask if able to provide RSWC with documentation.

Customer Reminder

*Make sure correct account number is included on your check

*Make sure correct account name is **written** on check if another name is **printed** on check

*Email notifications will be sent to all whom submitted customer contact form. Email notifications may contain additional documented information, please check email also if you have requested other communication options.

Rock Spring Water Company
1750 Tadpole Rd.
Pa Furnace, Pa.16865
Phone 814-231-2911
Fax 814-238-2102
Emergency 814-644-1788

On 04/07/2021 3:13 PM Minium, Sasha <sminium@pa.gov> wrote:

Hello,

I can confirm that we do have the last quarterly report (February 2021). We received it from you the day after the NOV was mailed. As a reminder, the August 27, 2018 Administrative Order states that quarterly reports shall occur the same months that Rock Spring does its quarterly billing, which we understand to be February, May, August, and November. If the Department has not received a quarterly report by the end of those months, they are considered late. If your quarterly billing schedule has changed, please inform us so that we know when to expect the quarterly reports.

In regard to the SCADA installation, Sondra and Valerie confirmed during an inspection on 7/1/20 that it had not yet been installed. I reviewed the quarterly reports submitted since that inspection on 7/1/20 (August 2020, November 2020, and February 2021), and there is no specific mention that I can find about the SCADA replacement. We are aware that you replaced the flowmeter last year (as reported in the November 2020 report), but that is not the same as the SCADA system replacement described in the Corrective Action Plan prepared by Nittany Engineering and approved by the Department in April 2019 (attached for your convenience). Please provide us a date as to when the SCADA installation was

finished.

In regard to the professional leak detection services, what person/company did Rock Spring hire to conduct the leak detection, and when did they conduct their annual visit? What were the findings? Did they provide any documentation to you of their findings? Please be aware that your Corrective Action Plan states that not only will Rock Spring continue to utilize its own leak detection equipment to identify problems, but that it will also hire a professional company for complete annual evaluations of your distribution system. If those annual evaluations have not been occurring, then Rock Spring is in violation of the Administrative Order and will likely not be able to meet upcoming milestones in the Corrective Action Plan. This is why we are requesting the above information, to verify that it has been completed and to try to make sure that Rock Spring remains on a path to compliance.

Thank you.

Sasha Minium | Environmental Group Manager
Department of Environmental Protection | Safe Drinking Water
North Central Regional Office
208 West Third Street Suite 101 | Williamsport PA 17701
Phone: 570.327.0553 | Cell: 570.262.2750 | Fax: 570.327.3565
www.dep.pa.gov

From: rock springs <rsw5@comcast.net>
Sent: Wednesday, April 7, 2021 2:20 PM
To: Minium, Sasha <sminium@pa.gov>
Subject: [External] NOTICE OF VIOLATION

***ATTENTION:** This email message is from an external sender. Do not open links or attachments from unknown sources. To report suspicious email, forward the message as an attachment to CWOPA_SPAM@pa.gov.*

Sasha

1-February 2021 Quarter report was already sent in.

2-SCADA system was already replaced 2020 and listed in the quarter report.

3-Leak detection was already done and listed in the quarter report.

VIOLATION LETTER RECEIVED 4/7/2021

Customer Reminder

*Make sure correct account number is included on your check

*Make sure correct account name is **written** on check if another name is **printed** on check

*Email notifications will be sent to all whom submitted customer contact form. Email notifications may contain additional documented information, please check email also if you have requested other communication options.

Rock Spring Water Company
1750 Tadpole Rd.
Pa Furnace, Pa.16865
Phone 814-231-2911

Fax 814-238-2102

Emergency 814-644-1788

DEP EXHIBIT 48

Accettulla, Mark

From: Accettulla, Mark
Sent: Friday, June 24, 2022 11:49 AM
To: rsw5@comcast.net
Cc: Minium, Sasha; Nathan White (nathwhite@pa.gov); David B. Bonkovich (TheDTecter@aol.com); Eric Lundy; Ayers, Geoffrey J; Chad Miller (chadmiller@pa.gov)
Subject: RE: [External] Rock Spring May 2022 Quarter report
Attachments: RSWC May 2022 Quarter report.pdf; 25 Pa. Code § 109.6. Inspection authorization_.pdf; Rock Springs Inspection Email Reply.pdf

Good morning,

We have received the May 2022 report, thank you. I did however want to address the comments in the report about Nathan White and I trespassing during the 5/27/2022 inspection we conducted.

The PA Safe Drinking Water Act (specifically 25 Pa. Code § 109.6) authorizes the Department and its employees to conduct inspections to verify compliance with the regulations, permits, and orders. It also authorizes the Department and its employees to enter and examine a property, facility, operation, or activity under the control of a public water system. That section of the regulations is attached, pasted below, and the full text is available here: [25 Pa. Code § 109.6. Inspection authorization. \(pacodeandbulletin.gov\)](#)

In this case, we needed to conduct an inspection to examine the improvements made to the well pit and drainage and to see if the work was completed as previously approved. The artesian overflow and potential for back-siphonage in the well pit were previously cited by Sondra Hollister as a Significant Deficiency violation, and we were well past the 120-day deadline provided by the regulations (25 Pa. Code § 109.717) to correct Significant Deficiencies.

While you did reply to Nathan's email on 5/20/22 (your response is attached), Roy did not contact Nathan to schedule the inspection as indicated in the email. After 7 days, we were unable to wait for contact any longer. Nathan also called and left a voicemail on 5/18/22 requesting to schedule the inspection. Nathan has also tried to call the Rock Springs Water Co emergency phone number, but the calls have not been picked up and the voicemail box was full so we were unable to leave messages.

If there is a preferred phone number or email address that is checked often and can be used to schedule inspection, please provide that to us and we would be happy to use it going forward. Our preference is always to schedule inspections with water system staff and have them onsite during the process. But as described above, with the 5/27/22 inspection we were unable to wait any longer and knew the components we needed to inspect were outdoors.

§ 109.6. Inspection authorization.

(a) At any reasonable time, the Department and its agents and employees will:

(1) Have access to and require the production of any feature of a public water system, monitor system and books, papers, records and data pertinent to any matter under investigation or require be kept under the act or this chapter.

(2) Enter and examine a property, facility, operation or activity under the control of a public water system and conduct tests and sampling, including the examination and copying of books, papers, records and data, for the purpose of making an investigation or inspection as may be necessary to ascertain the compliance or noncompliance by a person with the environmental acts, the act or this chapter.

(b) The Department and its agents and employees may conduct inspections of public water systems at least once prior to construction or modification, at least once during construction or modification at least once prior to operation and at least once per year thereafter.

(c) The Department and its agents and employees may conduct additional inspections, including follow-up inspections, of public water systems and activities related to public health, safety, welfare or the environment, to determine compliance with the act, the environmental acts, this title, the terms or conditions of a permit or the requirements of an order.

Mark Accettulla | Sanitarian Supervisor
208 West Third Street, Suite 101 | Williamsport, PA 17701
Cell: 570.916.4997 | Fax: 570.327.3565 | Office: 570.327.3650

From: rock springs <rsw5@comcast.net>
Sent: Thursday, June 23, 2022 9:35:48 PM
To: Minium, Sasha <sminium@pa.gov>
Cc: rock springs <rsw5@comcast.net>; Eric Lundy <elundy@nittanyengineering.com>; thedtecter@aol.com
<thedtecter@aol.com>
Subject: [External] May 2022 Quarter report

ATTENTION: This email message is from an external sender. Do not open links or attachments from unknown senders. To report suspicious email, use the [Report Phishing button in Outlook](#).

May 2022 quarter report

Thank you

Rock Spring Water Company
1750 Tadpole Rd.

Pa Furnace, Pa.16865
Phone 814-231-2911
Fax 814-238-2102
Emergency 814-644-1788

Rock Spring Water Company Quarterly Report

PWSID #: 4140085

Quarter: **May Quarterly Report 2022**

	Notes/Comments
Previous Quarter Ending Pump Meter Total:	0.00
This Quarter's Ending Pump Meter Total:	15,713,000.00 99844-85278=14566+157+991=15713
Total Gallons Pumped	15,713,000.00
Total of read meters for quarter	4,228,000.00 Total billed water
Gallons unaccounted for:	11,485,000.00 Total pumped minus total meters read
Percentage unaccounted for water:	73.09%
Previous quarter's percentage unaccounted for water:	59.07% From last quarter's report
Two quarters ago percentage unaccounted for water:	59.61% From the report two quarters ago
Three quarters ago percentage unaccounted for water:	53.46% From the report three quarters ago
Running annual average of unaccounted for water:	61.31% Total of last four quarters, inclusive, divided by 4

Number of Meters installed:	3.00
Number of leaks found:	4.00
Number of leaks repaired:	4.00
Number of valves replaced or installed:	
Number of hydrants replaced or repaired:	
Feet of main line replaced:	
Service lines replaced:	1.00

Explanations and details:

EMERGENCY/REPAIR WATER LOSS- G

FOUND/REPAIR/SERVICE LINES WATER LOSS- 2200G

FLUSH WATER LOSS- 1950G

PERCENTAGE UNACCOUNTED FOR WATER WITH THE TOTALS OF WATER LOSS
EMERGENCY/FOUND/REPAIR/FLUSH 73 %

Nathan White and Mark Accettulla did an inspection on 5/27/2022 on posted "private property no trespassing" sign

- RSWC did respond to Nathans email on 5/20/2022

Rossmann-found partial unmetered line for closing, meter pit installed

Tank overflowed

Before master meter rolled over $99844-85278=14566$

$100000-99844=156$

$14566+156=15713$

After master meter rolled over 991

Soft start N

§ 109.6. Inspection authorization.

(a) At any reasonable time, the Department and its agents and employes will:

(1) Have access to and require the production of any feature of a public water system, monitoring system and books, papers, records and data pertinent to any matter under investigation or required to be kept under the act or this chapter.

(2) Enter and examine a property, facility, operation or activity under the control of a public water system and conduct tests and sampling, including the examination and copying of books, papers, records and data, for the purpose of making an investigation or inspection as may be necessary to ascertain the compliance or noncompliance by a person with the environmental acts, the act or this chapter.

(b) The Department and its agents and employes may conduct inspections of public water systems at least once prior to construction or modification, at least once during construction or modification, at least once prior to operation and at least once per year thereafter.

(c) The Department and its agents and employes may conduct additional inspections, including follow-up inspections, of public water systems and activities related to public health, safety, welfare or the environment, to determine compliance with the act, the environmental acts, this title, the terms or conditions of a permit or the requirements of an order.

(d) The Department and its agents and employes may also conduct inspections of public water systems and related activities whenever a person presents information to the Department which gives the Department reason to believe that a condition exists which may threaten the public health, safety or welfare or the environment, or a person:

(1) Is in violation of a requirement of the act, this chapter, an order or a permit issued thereunder.

(2) May have violated an environmental act, or a condition of a permit issued under a regulation promulgated under an environmental act.

(e) This section is subject to the availability of personnel and financial resources. This section does not create a duty by the Department to conduct, or a right in a person to expect, a minimum number of inspections per year, inspections for a particular reason or during a certain period or set a maximum number of inspections.

Source

The provisions of this § 109.6 adopted May 15, 1992, effective May 16, 1992, 22 Pa.B. 2621.

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Accettulla, Mark

From: Accettulla, Mark
Sent: Friday, June 24, 2022 11:24 AM
To: Accettulla, Mark
Subject: FW: [External] Re: Partial Inspection

From: rock springs <rsw5@comcast.net>
Sent: Friday, May 20, 2022 2:14 PM
To: White, Nathan <nathwhite@pa.gov>
Subject: [External] Re: Partial Inspection

ATTENTION: This email message is from an external sender. Do not open links or attachments from unknown sources. To report suspicious email, forward the message as an attachment to CWOPA_SPAM@pa.gov.

Roy has been given your contact and will schedule a time.

On 05/19/2022 2:24 PM White, Nathan <nathwhite@pa.gov> wrote:

Hello,

My name is Nathan White with the DEP Bureau of Safe Drinking Water and I am the new Sanitarian for Centre county. I would like to come out to your water system to conduct a partial inspection to determine what progress you have made on your corrective action plan. If you could give me a call at [570-220-9217](tel:570-220-9217) we can schedule a date for the partial inspection.

Thank you,

Nathan White

Nathan White | Environmental Trainee

Department of Environmental Protection | Safe Drinking Water North Central Regional Office

186 Enterprise Drive | Philipsburg PA 16866

Phone: [+1 570.220.9217](tel:+15702209217) | Fax: [814.342.8216](tel:8143428216) www.dep.pa.gov

Thank you

Rock Spring Water Company
1750 Tadpole Rd
Pa Furnace, PA 16865
Phone 814-231-2911
Fax 814-238-2102
Emergency 814-644-1788

DEP EXHIBIT 49

Accettulla, Mark

From: Accettulla, Mark
Sent: Friday, June 21, 2024 9:33 AM
To: rock springs
Cc: White, Nathan; Chad Miller (chadmiller@pa.gov); Minium, Sasha; Amanda Chaplin (achaplin@pa.gov)
Subject: Rock Spring Contacting DEP
Attachments: DEP_OFFICE_AND_COUNTY_HEALTH_DEPARTMENT_CONTACT_INFORMATION_BY_COUNTY.pdf; 1-Hour Reporting Situations Groundwater CWS.pdf

Importance: High

Good morning Elizabeth and Roy,

I just wanted to clarify that Nate followed our workplace policies/procedures in terms of responding to your email request about lifting the boil water advisory on Beaver Branch Road. This sounds very similar to a situation from a few years ago when Bonnie Jacobs was trying to reach Valerie Elsasser after hours on Christmas Eve about lifting a boil water advisory. Our Sanitarians are not on-call employees, and can only work overtime with prior approval from both regional management and Harrisburg. Therefore, they are not expected to work (including checking their phone and email) outside of business hours, on holidays, or on weekends.

Our records indicate that you emailed Nate the sample results at 16:56 on Tuesday 6/18/24, which was outside of his working hours. As he indicated below, DEP employees were also off work Wednesday 6/19/24 for the holiday. Our records show you emailed Nick Barndt the sample results on Wednesday 6/19/24 at 16:08, which was on a holiday and also outside of business hours. Our records show Nate then replied to you at 07:30 yesterday 6/20/24, which was the exact minute that his work shift started.

Anytime you are unable to reach Nate within a reasonable timeframe during business hours (he may be on leave, off sick, working in the field, outside of cell service range, etc.) you are welcome to try to contact me at 570-916-4997 or maccettull@pa.gov. If you are unable to reach either of us within a reasonable timeframe during business hours, you are welcome to call our main office number 570-327-3636.

For any urgent or emergency matter (and any situation requiring 1-hour notification to DEP) that occurs outside of business hours (8am-4pm), occurs on holidays, or occurs on weekends, please call our 24 hour number at 570-327-3636 or toll-free at 1-800-541-2050 We have an answering service and on-call duty officers who are able to provide assistance outside of DEP's business hours. For your reference, I have attached DEP's office contact information by County and a list of situations requiring 1-hour notification to DEP. If you have any additional questions, please let me know.

From: rock springs <rsw5@comcast.net>
Sent: Wednesday, June 19, 2024 4:08 PM
To: Barndt, Nicholas <nibarndt@pa.gov>
Subject: [External] RSWC boil water for Beaver Branch

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Nicholas

Following up with you on the boil water notice for beaver branch. The absent results documents were sent to Nathan yesterday and I emailed again today and I have not had a response. Can this be lifted since the results are absent? Customers are asking how long this will take.
Tried calling 814 342 8146 and that number does not work.

Thank you Elizabeth

Rock Spring Water Company
1750 Tadpole Rd
Pa Furnace, PA 16865
Phone 814-231-2911

From: rock springs <rsw5@comcast.net>
Sent: Tuesday, June 18, 2024 4:56 PM
To: White, Nathan <nathwhite@pa.gov>
Subject: [External] B.Branch results

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Nathan

Attached are the B.Branch results.
Thank you

Rock Spring Water Company
1750 Tadpole Rd
Pa Furnace, PA 16865
Phone 814-231-2911

Mark Accettulla | Sanitarian Supervisor
Department of Environmental Protection | Safe Drinking Water
Northcentral Regional Office
208 West Third Street, Suite 101 | Williamsport, PA 17701
Cell: 570.916.4997 | Fax: 570.327.3565 | Office: 570.327.3650
www.dep.pa.gov

From: White, Nathan <nathwhite@pa.gov>
Sent: Thursday, June 20, 2024 9:11 AM
To: rock springs <rsw5@comcast.net>
Cc: Accettulla, Mark <maccettull@pa.gov>
Subject: Re: [External] PN/Problem Corrected documents for B.Branch

As soon as possible. The written results were sent to me after my work day ended Tuesday. State employees were off yesterday in observance of Juneteenth. I responded this morning at the start of my shift.

From: rock springs <rsw5@comcast.net>
Sent: Thursday, June 20, 2024 9:01:51 AM
To: White, Nathan <nathwhite@pa.gov>
Cc: Accettulla, Mark <maccettull@pa.gov>
Subject: Re: [External] PN/Problem Corrected documents for B.Branch

What is the turn around time for a lift after the results were submitted. These results were submitted two days ago.

On 06/20/2024 8:28 AM EDT White, Nathan <nathwhite@pa.gov> wrote:

My mistake I was looking at the wrong date.

You have approval to lift the BWA. Please provide updated copies of all documents once the Problem Corrected Notice is distributed.

From: rock springs <rsw5@comcast.net>
Sent: Thursday, June 20, 2024 8:19:46 AM
To: White, Nathan <nathwhite@pa.gov>
Cc: Accettulla, Mark <maccettull@pa.gov>
Subject: Re: [External] PN/Problem Corrected documents for B.Branch

You'll want to be looking at the samples date section of the documents which are 6/13 and 6/14. Those do clearly state two different consecutive days. Please reread.

On 06/20/2024 7:30 AM EDT White, Nathan <nathwhite@pa.gov<<mailto:nathwhite@pa.gov>>> wrote:

Hello Elizabeth,

I reviewed your sample results and noticed that both total coliform samples were taken at the exact same time, 06/14/2024 at 16:50.

In order to lift a boil water advisory in this case, two samples are required that are taken on two different consecutive days at least 12 hours apart. The samples can be more than 12 hours apart so long as they fall on different consecutive days.

As an example, if you sampled total coliform at 9pm tonight you would be able to resample starting at 9am tomorrow until the end of the day. If you sampled at 10 am this morning, you would be need to ensure that you got a sample between 12:01am-11:59pm tomorrow.

As I stated in my Field Order, please resample and ensure that the two required total coliform samples are taken on two different consecutive days at least 12 hours apart. Once these sample results are received I can give approval to lift the BWA.

Thank you,
Nathan

Nathan White | Sanitarian

Department of Environmental Protection | Safe Drinking Water North Central Regional Office

186 Enterprise Drive | Philipsburg PA 16866

Phone: +1 570.220.9217 | Fax: 814.342.8216 www.dep.pa.gov<<http://www.dep.pa.gov>>

From: rock springs <rsw5@comcast.net<<mailto:rsw5@comcast.net>>>
Sent: Wednesday, June 19, 2024 12:47:05 PM
To: White, Nathan <nathwhite@pa.gov<<mailto:nathwhite@pa.gov>>>

Subject: RE: [External] PN/Problem Corrected documents for B.Branch

Any update on the lift. Results were sent yesterday.

On 06/18/2024 2:50 PM EDT White, Nathan <nathwhite@pa.gov<mailto:nathwhite@pa.gov>> wrote:

Thanks for sending this over Elizabeth. Did you find a copy of the sample results for the total coliform samples? That is the last thing I would need to give permission to lift the BWA.

Nathan White | Sanitarian

Department of Environmental Protection | Safe Drinking Water North Central Regional Office

186 Enterprise Drive | Philipsburg PA 16866

Phone: +1 570.220.9217<<tel:+1570.220.9217>> | Fax: 814.342.8216<<tel:814.342.8216>>
www.dep.pa.gov<<http://www.dep.pa.gov>/>

From: rock springs <rsw5@comcast.net<mailto:rsw5@comcast.net>>

Sent: Tuesday, June 18, 2024 2:37 PM

To: White, Nathan <nathwhite@pa.gov<mailto:nathwhite@pa.gov>>

Subject: RE: [External] PN/Problem Corrected documents for B.Branch

Attached is the completed PN for B.Branch.

On 06/18/2024 2:19 PM EDT White, Nathan

<nathwhite@pa.gov<mailto:nathwhite@pa.gov>><mailto:nathwhite@pa.gov<mailto:nathwhite@pa.gov>>> wrote:

Hello Elizabeth,

If you can provide me a copy of those sample results, then I can give permission to lift the boil water advisory. The problem corrected notice and PN certification look good to me, though you will need to sign the PN certification before you send that over.

In regards to your previous email related to dishwasher use during a BWA, I would reference the section of the Tier 1 Loss of Positive Pressure notice below in saying that it would probably best to boil water used for dishwashing.

[cid:image001.png@01DAC18E.D18063A0<mailto:image001.png@01DAC18E.D18063A0>]

Thanks,

Nathan

Nathan White | Sanitarian

Department of Environmental Protection | Safe Drinking Water North Central Regional Office

186 Enterprise Drive | Philipsburg PA 16866

Phone: +1 570.220.9217<tel:+1570.220.9217> | Fax: 814.342.8216<tel:814.342.8216>
www.dep.pa.gov<http://www.dep.pa.gov/>

From: rock springs
<rsw5@comcast.net<mailto:rsw5@comcast.net><mailto:rsw5@comcast.net<mailto:rsw5@comcast.net>>>>
Sent: Tuesday, June 18, 2024 2:08 PM
To: White, Nathan
<nathwhite@pa.gov<mailto:nathwhite@pa.gov><mailto:nathwhite@pa.gov<mailto:nathwhite@pa.gov>>>>
Subject: [External] PN/Problem Corrected documents for B.Branch

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<<https://www.oa.pa.gov/Documents/Cofense-Report-Phishing-User-Guide.pdf>>

Nathan

Attached is the PN and Problem corrected documents. Is the problem correct document good to send out now.

Thank you

Rock Spring Water Company

1750 Tadpole Rd

Pa Furnace, PA 16865

Phone 814-231-2911

Thank you

Rock Spring Water Company

1750 Tadpole Rd

Pa Furnace, PA 16865

Phone 814-231-2911

Thank you

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Pa Furnace, PA 16865

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Thank you

Rock Spring Water Company

1750 Tadpole Rd

Pa Furnace, PA 16865

Phone 814-231-2911

Thank you

Rock Spring Water Company

1750 Tadpole Rd

Pa Furnace, PA 16865

Phone 814-231-2911

DEP EXHIBIT 50

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET II**

1. Please describe the results of any leak detection surveys conducted by Pennsylvania American Water Company on the Rock Spring Water Company public water system and provide any corresponding documentation.

Response:

Pennsylvania American Water's leak detection efforts have found numerous leaks that have been fixed by the company or the customer if it was a customer side service leak. A list of all the leaks found and confirmed fixed is attached. Please note the first main break identified on the list was prior to the receivership date on March 20, 2025 but Pennsylvania American Water leak detection staff provided mutual aid at the request of the Rock Spring Water Company owner and pinpointed that leak so Rock Springs staff could have a contractor fix the leak.

Customer Side Service Leaks that were identified and confirmed repaired by customer:

3785 West Whitehall Road

769 Beaver Branch Road

1750 Tadpole Road

757 Beaver Branch Road

229 Val Verda Road

Company Side Service Leaks that were identified and repaired:

107 Gardner Lane – Repaired 6/10/25

110 Gardner Lane – Repaired 7/25/25

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET II**

Main Leaks identified and repaired:

Rosewood Circle main - Repaired 3/12/25

Near 6307 West Whitehall Road (Baileyville) - 4" AC main repair on 4/22/25

**Responsible Witness: Joseph F. Woodward, Senior Director - Operations
 Pennsylvania-American Water Company**

Date: August 25, 2025

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET II**

- 2.** During its time acting as receiver, has Pennsylvania American Water Company discovered any unmetered connections to the Rock Spring Water Company public water system?

Response:

Pennsylvania American Water has not discovered any unmetered connections to the Rock Spring Water Company public water system but we have discovered a metered connection for yard hydrants at the Penn State Ag Progress Days at the Russel E. Larson Agricultural Research Center that does not get invoiced.

Responsible Witness: **Joseph F. Woodward, Senior Director - Operations
Pennsylvania-American Water Company**

Date: **August 25, 2025**

**I&E PETITION TO REQUEST THE COMMISSION TO OPEN A SECTION 529 INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NOS. P-2024-3051313

**PAWC'S RESPONSES TO PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL
PROTECTION ("PADEP") – SET II**

- 3.** If so, please identify each unmetered connection and provide the address and location of each unmetered connection.

Response:

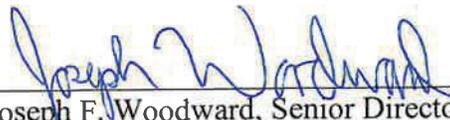
Please see response to Question 2.

Responsible Witness: Joseph F. Woodward, Senior Director - Operations
Pennsylvania-American Water Company

Date: August 25, 2025

VERIFICATION

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



Joseph F. Woodward, Senior Director – Central and
Southeast Pennsylvania Operations
Pennsylvania-American Water Company

Dated:

8-25-25

DEP EXHIBIT 51

CORRECTIVE ACTION PLAN

FOR

ROCK SPRING WATER COMPANY

FERGUSON TOWNSHIP, CENTRE COUNTY, PENNSYLVANIA

AUGUST 22, 2006

RECEIVED

AUG 24 2006

WATER SUPPLY



NITTANY ENGINEERING & ASSOCIATES, LLC.

136 WEST MAIN STREET, POST OFFICE BOX 700

MILLHEIM, PENNSYLVANIA 16854-0700

Ph: (814) 349-5760 Fax: (814) 349-8140

nea@nittanyengineering.com

CORRECTIVE ACTION PLAN

ROCK SPRING WATER COMPANY

PUBLIC WATER SUPPLY SYSTEM

August 22, 2006

TABLE OF CONTENTS

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I. Introduction.....	1
II. Implementation Schedule.....	2
APPENDIX A.....	Unaccounted Water Loss Calculations
APPENDIX B.....	Water Conservation Program, dated June 5, 2003
APPENDIX C.....	Letter to DEP dated August 17, 2006

I. INTRODUCTION

This Corrective Action Plan (CAP) has been prepared to address the violations identified in the Consent Order and Agreement, dated June 20, 2006. The CAP is structured to reduce the Rock Spring Water Company's (RS) unaccounted water loss to 30% or less within five (5) years and includes a plan and schedule to correct the violation at Well Number 1 (pumping more than the permitted capacity).

The CAP also includes the following:

1. An accurate estimate of the current unaccounted water loss has been provided to DEP per certified mail dated 8/17/06. Updated unaccounted for water loss calculations for the 2nd Quarter of 2006 are included in this report in Appendix A.
2. A copy of a detailed map of the entire distribution system, as prepared by the Centre County Planning Commission, based on information provided by RS and an Operation and Maintenance Manual has been provided to DEP per certified mail dated 8/17/06.
3. A systematic method and schedule for evaluating the entire. Distribution system for leaks. See the previously prepared Water Conservation Program, dated June 5, 2003 in Appendix B.
4. A prompt plan of leak repair or line replacement upon identification of leaks. See the previously prepared Water Conservation Program, dated June 5, 2003 in Appendix B.
5. As stated previously, a plan and schedule to correct the violation at Well Number 1 (pumping more than the permitted capacity).
6. A five (5) year schedule to reduce unaccounted for water to 30% or less. See Section II. Implementation Schedule.

II. SCHEDULE

1st Year

By 8/31/2006 – Install Butterfly Valve to manually throttle the pumping rate of the well pump to 230 gpm, which is the maximum permitted rate.

By 9/31/2006 – Concurrently with Butterfly valve installation submit to DEP a minor permit amendment for the Butterfly valve installation.

Between 8/31/06 & 4/31/07 – Have State College Borough Water Authority (SCBWA) do a complete leak detection survey on the entire distribution system (valves, hydrants, service lines and mains). If SCBWA is not available to complete the leak detection survey, then Rock Spring Water Company (RSWC) shall hire a consultant who specializes in leak detection to complete the survey.

All leaks detected shall be placed on a copy of the distribution system map per the Water Conservation Program.

Between 8/31/06 & 8/31/07 – Repair all leaks identified by the leak detection survey.

By 9/31/06 – verify that Penn State University has repaired the one (1) leak identified during the 5/31/06 leak detection survey. The leak is on the service line to the PSU farm residence.

By 12/31/06 – install the by-pass meter at the storage tank site, as described in the Water Conservation Program, dated June 5, 2003 and as prepared by Dana R. Boob Surveying & Engineering. A copy of the Water Conservation Program is located in Appendix B.

Between 12/31/06 & 8/31/07 – use the by-pass flow meter at the tank site and isolate sections of the distribution system. Identify/locate problem leak area(s) on the distribution map and repair leaks within the time period identified in the Water Conservation Plan.

By 12/31/06 – locate the leak on the 4" transite line detected near the intersection of West Whitehall Road and Deibler Road and repair.

By 8/31/07 – replace approximately 1-1/4" or 2" service line located on the north side of West Whitehall Road approximately 850' east of the intersection of West Whitehall Road and Gardner Lane with new and properly bedded waterline.

***Calculate the unaccounted for water every billing quarter.**

2nd Year

Between 8/31/07 & 4/31/08 – Have State College Borough Water Authority (SCBWA) do a complete leak detection survey on the entire distribution system (valves, hydrants, service lines and mains). If SCBWA is not available to complete the leak detection survey, then Rock Spring Water Company (RSWC) shall hire a consultant who specializes in leak detection to complete the survey.

Between 8/31/07 & 8/31/08 – use the by-pass flow meter at the tank site and isolate sections of the distribution system. Identify/locate problem leak area(s) on the distribution map and repair leaks within the time period identified in the Water Conservation Plan. This should be done at a minimum on a quarterly basis.

All leaks detected shall be placed on a copy of the distribution system map per the Water Conservation Program.

Between 8/31/07 & 8/31/08 – Repair all leaks identified by the leak detection survey.

***Calculate the unaccounted for water every billing quarter.**

3rd Year

Between 8/31/08 & 4/31/09 – Have State College Borough Water Authority (SCBWA) do a complete leak detection survey on the entire distribution system (valves, hydrants, service lines and mains). If SCBWA is not available to complete the leak detection survey, then Rock Spring Water Company (RSWC) shall hire a consultant who specializes in leak detection to complete the survey.

Between 8/31/08 & 8/31/09 – use the by-pass flow meter at the tank site and isolate sections of the distribution system. Identify/locate problem leak area(s) on the distribution map and repair leaks within the time period identified in the Water Conservation Plan. This should be done at a minimum on a quarterly basis.

All leaks detected shall be placed on a copy of the distribution system map per the Water Conservation Program.

Between 8/31/08 & 8/31/09 – Repair all leaks identified by the leak detection survey.

***Calculate the unaccounted for water every billing quarter.**

4th Year

Between 8/31/09 & 4/31/10 – Have State College Borough Water Authority (SCBWA) do a complete leak detection survey on the entire distribution system (valves, hydrants, service lines and mains). If SCBWA is not available to complete the leak detection survey, then Rock Spring Water Company (RSWC) shall hire a consultant who specializes in leak detection to complete the survey.

Between 8/31/09 & 8/31/10 – use the by-pass flow meter at the tank site and isolate sections of the distribution system. Identify/locate problem leak area(s) on the distribution map and repair leaks within the time period identified in the Water Conservation Plan. This should be done at a minimum on a quarterly basis.

All leaks detected shall be placed on a copy of the distribution system map per the Water Conservation Program.

Between 8/31/09 & 8/31/10 – Repair all leaks identified by the leak detection survey.

***Calculate the unaccounted for water every billing quarter.**

5th Year

By 9/31/10 - If the unaccounted for water usage is still greater than 30%, then a waterline replacement project shall be defined based on the previous years leak detection survey information, age and type of lines.

By 12/31/10 – complete design of waterline replacement project.

By 3/31/11 – secure all permits and funding required for waterline replacement project.

By 8/31/11 – Complete line replacement project.

***Calculate the unaccounted for water every billing quarter.**

6th Year and after

Continuously Implement the Water Conservation Program.

***Calculate the unaccounted for water every billing quarter.**

APPENDIX A

UNACCOUNTED WATER LOSS CALCULATIONS
Updated 8/21/2006

$$\frac{\text{Total Gallons Pumped} - \text{Total Gallons Billed} *}{\text{Total Gallons Pumped}} \times 100$$

Estimates based on information supplied by Rock Spring Water Company

2nd Quarter 2006 (May/June/July)

$$\frac{23,908,816 - 8,675,000}{23,908,816} \times 100 = 64\%$$

1st Quarter 2006 (February/March/April)

$$\frac{25,087,292 - 6,005,020}{25,087,292} \times 100 = 76\%$$

4th Quarter 2005 (November/December/January)

$$\frac{26,668,730 - 6,899,013}{26,668,730} \times 100 = 74\%$$

* Note: The total gallons billed was not adjusted to include un-metered use (ie. main flushings, fire flows, etc.) since that type of information is unknown.

APPENDIX B

Water Conservation Program
June 5, 2003

WATER CONSERVATION PROGRAM

FOR THE
ROCK SPRING WATER COMPANY

June 5, 2003

As Prepared By:

DANA R. BOOB SURVEYING & ENGINEERING
P.O. Box 699, 136 West Main Street
Millheim, Pennsylvania 16854-0699

(814) 349-5760

Rock Spring Water Company
WATER CONSERVATION PLAN

Supply Management Methods:

A. Leakage/Loss Control

1. See attached water distribution map showing the Main Transmission Lines, valves, water main meters, fire hydrant locations, breaks/leaks repaired and areas of potential system expansion and/or interconnection.
2. The following facilities will be monitored on a timed basis as indicated for each facility:
 - Tank Levels - Continuously
 - Chlorinator - Minimum once per day
 - Pump Run Times - Daily
 - Master Meter Flows - Daily
 - Customer Meters - Quarterly
 - Tank Bypass Meter - As needed for leak detection
3. Two employees will be engaged on a part-time basis (two nights per week) to conduct an ongoing leak detection program. At this point in time no formal leak detection program exists. However, the PA Rural Water Associations has conducted a limited leak detection survey for a limited area of the distribution system in 2002-2003.

Rock Spring Water Company (RSWC) is installing a one-inch flow meter at their water storage tank. This flow meter will be operational by July 30, 2003. The flow meter will be used to isolate sections of the distribution system during low usage periods to identify leakage.

The RSWC has purchased a Metrotech HL400 leak detector and pipe locator in May, 2003. They will begin conducting a leak detection program by the start of August 1, 2003. This leak detection program will consist of a systematic check of the water distribution system beginning with areas of known and/or highly suspicious leak areas. These areas shall be identified on the water distribution map and all leaks located shall be located on the map.

Once leaks are identified in water lines/facilities owned and maintained by the RSWC, the RSWC shall repair the leaks within a reasonable time period. The time period shall be based on the estimated severity of the leak in gpm. See the following table for time periods:

Estimated Flow Range of Leak (gpm)	Time Period within which the RSWC must have the leak repaired. The time period begins from the date the leak was identified.
0.5 - 2.0	Thirty (30) Days
2.0 - 5.0	Fourteen (14) Days
5.0 - 10.0	Seven (7) Days
10.0 and over	Three (3) Days

Leaks that are identified in private water service lines and/or facilities shall be documented by the RSWC employees conducting the leak detection program and reported to the RSWC secretary. The RSWC secretary shall inform the property owner of the leak via the telephone and written correspondence and state the leak must be repaired within a reasonable time period. This time period shall be based on the estimated severity of the leak in gpm. See the following table for time periods:

Estimated Flow Range of Leak (gpm)	*Time period within which the Property Owner must have the leak repaired. The time period begins from the date the Property Owner was notified of the leak by the RSWC.
0.5 - 2.0	Thirty (30) Days
2.0 - 5.0	Fourteen (14) Days
5.0 - 10.0	Seven (7) Days
10.0 and over	Three (3) Days

*The RSWC shall reserve the right to shut off the water to the property where a leak has been identified until such time that the leak has been repaired to the RSWC's satisfaction. The letter that the RSWC sends out to the property owner should be sent certified mail and shall state at a minimum the following: The Property Owner shall notify the RSWC prior to fixing the private water line/facility and that the Property Owner is responsible for all costs associated with repairing the leak, restoring the disturbed areas due to the repair activity and any costs the RSWC may incur due to the repair of the leak (inspection costs, PADOT permit costs, etc.).

20% OR LOWER

Leak detection shall be ongoing until ^{20%} unaccounted for water is achieved. Leak detection shall be initiated anytime the master meter trends show increased usage or the unaccounted for water exceeds ^{20%} ~~30%~~.

4. Valve and Hydrant Maintenance: Each month, weather permitting, a minimum of six (6) main line valves shall be exercised by closing (slowly) and opening (slowly) main line valves. Leak detection equipment shall be used for each valve exercised and any leaking valves shall be documented accordingly. Each month, weather permitting, a minimum of four (4) fire

hydrants and hydrant valves shall be exercised by flushing the hydrants and closing (slowly) and opening (slowly) the hydrant valves. Leak detection equipment shall be used for each valve exercised and any leaking valves/fire hydrant lines shall be documented accordingly. Any unusable or dysfunctional hydrant valves and/or fire hydrants shall be documented accordingly and scheduled for repair as needed. Any unusable fire hydrants shall be removed from service and scheduled for repair and/or replacement. Unusable hydrants will be bagged or otherwise marked to notify the Fire Company of their status.

5. Any known areas of freezing and/or subsidence problems within the water distribution area shall be noted on the map. The RSWC shall indicate the age of the waterline in these areas as well as the size and type of water line.
6. See attached log sheet that is to be used to record leak detection/repair activities. This log sheet is to be filled out and kept on record at the RSWC Office each time a leak detection survey is completed and/or when a leak is repaired.

B. Water Meter Management

1. All sources and service connections need to be metered to insure accountability of water delivered. RSWC has developed a plan outlining a time schedule for installing any remaining service connections that are not metered. The following Meter Testing Replacement Schedule is to be used by the RSWC to ensure the installed meters are functioning properly.

Meter Size (inches)	Test/Replacement Period (years)	Registration Variance (Less than 4%) at Flow
Source Meter	1	—
6	8	300
4	8	180
3	8	90
2	8	50
1 ½	8	30
1	20	20
¾	20	10
5/8	20	6

See attached meter/testing replacement log sheet for use each time a meter is tested/replaced. These logs are to be kept on file at the RSWC Office.

None Metered Connection to be Metered

Name	Date to Install Meter
1. Old Fairbrook Church	July 30, 2003
2. Community Hall	July 30, 2003
3. PSU Ag Progress Days •Special Events Building •Horse Arena Frost Free Hydrant •Office and Barn •Four Drinking Fountains	July 30, 2003 Not to be metered. Used only during Ag Progress Days May 2003 Not to be metered. Used only during Ag Progress Days
4. Oscar DeArmit Shop	Not to be Metered
5. Elwood Homan Frost Free Hydrant	Not to be Metered
6. Roy Campbell Field Hydrant	Not to be Metered
7. Kocher Farm Field Hydrant	Not to be Metered
8. Wayne Homan Shop	Not to be Metered

**RECORD SHEET FOR WATER MAIN/SERVICE
LINE BREAKS AND REPAIRS**

Report Number:

Break:

Reported By:
Date:
Location:
Type:
Obvious Cause: (example: construction blasting)

Pipe:

Diameter:
Thickness:
Material:
Joint:
Corrosion or Siltation:

Site Data:

Soil Type:
Depth of Pipe:
Other Structures/Pipe in Contact:

Repairs:

Start:
Time: Date:

Finish:
Time: Date:

Repairs:

Why:
Supervisor:

Conditions at Break:
Valves shut down:
(Number, size, location and time)

RECORD SHEET FOR METER TEST/REPAIR/REPLACEMENT

Meter Information:

ID Number:
 Manufacturer:
 Size:
 Installation Date:
 Last Inspection Repair Date:
 Meter Reader Route:
 Reason for Testing:

Test Information:

Date:
 Test No.:
 Pipe Size:
 Rate During Test:
 Pitometer Results:
 Meter Reading:

Results:

Flow	_____ (1* gpm)	_____ (6* gpm)	_____ (10* gpm)
Result (OK or Bad)			
% Fast			
% Slow			

Flow: Normal Induced
 Length of Test:

Remarks:

Examiner:

*Suggested flow rates for a 5/8" meter

DEMAND MANAGEMENT METHODS

A. **Pricing:**

1. Investigate pricing schemes that discourage water waste.

B. **Water Conservation Education:** Within the next 5 years RSWC B shall initiate the following Water Conservation Education Programs.

1. Promote water conservation benefits and techniques in the local newspaper, public service announcements, information centers at local fairs, public displays or exhibits.
2. Promote water conservation benefits and techniques in local schools by seeking cooperation with schools officials.
3. Initiate a water conservation program in high use facilities like schools, hospitals, country clubs, involving a retrofit of existing plumbing fixtures with water saving models and providing water conservation literature.
4. Provide leak detection tips on billing notices. Review meter readings for households regularly and inform customers immediately that have unusually high-recorded water use so they can check for household water leaks.
5. Speak to civic organizations on water conservation.
6. Conduct a workshop for plumbers, plumbing fixture suppliers, builders, and major water users to discuss water conservation benefits and techniques and the importance of installation of water saving plumbing fixtures.

C. **Local Water Use Regulations:**

1. Within the next five years adopt water conservation policy that requires the installation of water saving plumbing fixtures and fittings in all new buildings constructed or in existing homes where a building permit is issued for remodeling or expansion.
2. In the water conservation policy list requirements for the installation of water saving plumbing fixtures and fittings as a condition prior to hook-up for new customers.
3. In the water conservation policy restrict lawn/garden watering to non-daylight hours during the peak summer use period.

4. In the water conservation policy outline fines for the unauthorized use of water such as illegal hook-ups and/or hydrant discharges.
5. Cooperate with surrounding municipalities by encouraging them to enact ordinances that protect the watershed(s) in which the water supply is located within.
6. Contact DEP for further guidance on model ordinances, water conservation literature, establishment of educational programs, and additional water conservation techniques that can be effectively used by RSWC to conserve water and reduce unaccounted for water.

APPENDIX A

UNACCOUNTED WATER LOSS CALCULATIONS

$$\frac{\text{Total Gallons Pumped} - \text{Total Gallons Billed} *}{\text{Total Gallons Pumped}} \times 100$$

Estimates based on information supplied by Rock Spring Water Company

2nd Quarter 2006 (May/June/July)

$$\frac{23,908,816 - 8,675,000}{23,908,816} \times 100 = 64\%$$

1st Quarter 2006 (February/March/April)

$$\frac{25,087,292 - 6,005,020}{25,087,292} \times 100 = 76\%$$

4th Quarter 2005 (November/December/January)

$$\frac{26,668,730 - 6,899,013}{26,668,730} \times 100 = 74\%$$

* Note: The total gallons billed was not adjusted to include un-metered use (ie. main flushings, fire flows, etc.) since that type of information is unknown.

APPENDIX C

Letter to DEP dated August 17, 2006



NITTANY ENGINEERING & ASSOCIATES, FILE COPY

136 West Main Street
Post Office Box 700
Millheim, Pennsylvania 16854-0700

Tel: (814) 349-5760
Fax: (814) 349-8140
nea@nittanyengineering.com

August 17, 2006

Certified/Return Receipt:
7003 0500 0005 2436 2104

Jeffery Hoover
Compliance Specialist
PA DEP
Suite 101
208 West Third Street
Williamsport PA 17701

Reference: *Corrective Action Plan per Consent Order & Agreement dated June 20, 2006*
PWS#4140085
Rock Spring Water Company

Dear Mr. Hoover:

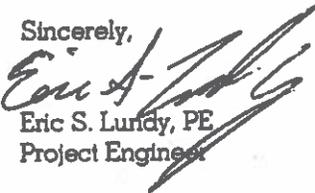
On behalf of Rock Spring Water Company, please accept the following documents and map as part of the Corrective Action required per paragraphs DD.3.(a), DD.3.(b)(1) and DD.3.(b) (2) of the Consent Order & Agreement dated June 20, 2006.

1. Unaccounted Water Loss Calculations – Appendix A.
2. Operation and Maintenance Plan for Rock Spring Water Co. dated 3/28/2003, last updated 6/20/2006.
3. Entire System Distribution Map as prepared by the Centre County Planning Commission (1" = 700')

The remaining Corrective Action Plan requirements as outlined in paragraphs DD.3.(b)(3-5) are intended to be faxed to your attention on Monday, August 21, 2006.

Thank you for your assistance and please call me at this office with any questions.

Sincerely,



Eric S. Lundy, PE
Project Engineer

elundy@nittanyengineering.com

ESL/jdr
Enclosures

cc: Bonnie Jacobs, Rock Spring Water Co. (w/o encl.)
NEA File No. 06-061 (w/o encl.)

Nittany Engineering & Associates, LLC
Engineering, Surveying and Consulting Services

DEP EXHIBIT 52

January 10, 2018

Mr. J. Roy Campbell, President
Rock Spring Water Company
1750 Tadpole Road
PA Furnace, PA 16865

Re: **NOTICE OF VIOLATION**
Rock Spring Water Company
PWS ID# 4140085
Ferguson Township, Centre County

Dear Mr. Campbell:

An inspection conducted on December 19, 2017, of the above facility revealed the following violation:

1. (a) Free chlorine residual samples collected at Entry Point 102 were less than 0.40 mg/l for four (4) hours and forty (40) minutes, according to samples collected during the inspection and my conversation with you on December 19, 2017 at 4:40PM.

(b) This violates §109.1302(a)(2) "*Community groundwater systems*" (2) Maintain at each groundwater entry point a residual disinfectant concentration no less than 0.40 mg/L expressed as free chlorine or its equivalent as approved by the Department...to provide 4-log treatment of viruses.

Based on the violation above, Tier 1 public notice was required. The Department provided a Tier 1 public-notice template for your use via email on 12/19/2017 around 3:30PM in the event it would be needed. According to documentation obtained by the Department, the following violations have occurred:

2. (a) As of today, eight (8) customers have indicated in writing to the Department that they received no boil water notice during the event.

(b) This violates §109.408(d)(1) "*Delivery of a Tier 1 public notice*" (1) Community water systems shall provide public notice to each service connection using one or more of the following forms of direct delivery:
 - (i) Hand delivery.
 - (ii) Electronic mail.
 - (iii) Automatic telephone dialing systems or other best available technology.
 - (iv) Another form of direct delivery approved in writing by the Department.

3. (a) As of today, five (5) customers have provided to the Department the notice(s) they received from you for the boil water advisory. The Tier 1 public notice(s) did not meet the minimum requirements for content.

(b) This violates §109.411(a) *Elements of a public notice*. When a public water system is required to give public notice under this subchapter, each public notice must include the following elements:

- (1) A description of the violation or situation, including the contaminants of concern, and (as applicable) the contaminant levels.
- (2) When the violation or situation occurred.
- (3) Any potential adverse health effects from the violation or situation, including the standard language under subsection (e)(1) or (2), whichever is applicable.
- (4) The population at risk, including subpopulations particularly vulnerable if exposed to the contaminant in their drinking water.
- (5) Whether alternative water supplies should be used.
- (6) What actions consumers should take, including when they should seek medical help, if known.
- (7) What the system is doing to correct the violation or situation.
- (8) When the water system expects to return to compliance or resolve the situation.
- (9) The name, business address and telephone number of the water system owner, operator or designee of the public water system as a source of additional information concerning the notice.
- (10) A statement to encourage the notice recipient to distribute the public notice to other persons served, using the standard language under subsection (e)(3), when applicable.

As discussed in my email from December 22, 2017, a public notice certification form is required to document when, where and to whom the public notice was delivered. The form itself (3930-FM-BSDW0076) indicates that submission is due within ten (10) days of issuing the public notice described. In another email dated January 4, 2018, I described the 10-day window. I told you that you could use one certification form for both notices. If the problem-corrected notice was issued on December 26, 2017, then the certification form describing how both notices were delivered would have been due to me by January 5, 2018. The following violation has occurred:

4. (a) As of today, the Department has not received the public notice certification form or copies of the distributed public notices.

(b) This violates §109.701(a)(4) "*Reporting requirements for public water systems*" (4) *Notice*. The water supplier shall, within 10 days of completion of each public notification required under Subchapter D (relating to public notification) with the exception of a CCR, submit to the Department a certification that it has fully complied with the public notification requirements. The water supplier shall include with this certification a representative copy of each type of notice distributed, published, posted and made available to persons served by the system and to the media and a description of the means undertaken to make the notice available.

Any violation of the PA Title 25 Chapter 109, The Safe Drinking Water Act, subjects a person to a variety of enforcement actions, including civil and criminal penalties. Each day the violation continues constitutes a separate offense.

In order to return to compliance with Title 25 Chapter 109, the Department recommends you do the following:

1. Ensure that the free chlorine residual at Entry Point 102 remains at or above 0.40 mg/l, according to your Groundwater Rule permit and §109.1302(a)(2).
2. If the free chlorine residual at Entry Point 102 remains below 0.40 mg/l for more than four hours, provide public notice as described in §109.408(d)(1).
3. If the free chlorine residual at Entry Point 102 remains below 0.40 mg/l for more than four hours, provide public notice as described in §109.411(a).
4. If the free chlorine residual at Entry Point 102 remains below 0.40 mg/l for more than four hours, and public notice is issued, please provide copies of the notice with the certification form within 10 days as described in §109.701(a)(4).

Your prompt correction of these violations will be considered in any decision to take enforcement action in response to these violations.

This Notice of Violation is neither an order nor any other final action of the Department of Environmental Protection. It neither imposes nor waives any enforcement action available to the Department under any of its statutes. If the Department determines that an enforcement action is appropriate, you will be notified of the action.

If you have any questions concerning this matter, please contact me by email at velsasser@pa.gov or by calling 570.327.3679.

Sincerely,



Valerie Elsasser
Sanitarian
Safe Drinking Water Program

cc: Derik Dressler, Environmental Group Manager
Chad Miller, Program Manager
John Leo, Compliance Specialist
File

DEP EXHIBIT 53



May 21, 2018

CERTIFIED MAIL NO.: 7015 0640 0001 9232 0828

Ms. Bonnie Jacobs
Rock Spring Water Company, Inc.
1750 Tadpole Road
Pennsylvania Furnace, PA 16865

Re: *Notice of Violation*
Rock Spring Water Company
Ferguson Township, Centre County
PWS ID# 4140085

Dear Ms. Jacobs:

The reports required by 25 Pa Code §109.701(a)(1) for the monitoring required for Volatile Organic Chemicals under 25 Pa Code §109.301(5)(iv) disclosed the following violations at the above facility:

Failure to sample for the twenty-one volatile organic chemicals (VOCs) in the fiscal year 2017. You were previously notified of this missed monitoring by email from Valerie Elsasser on January 26, 2018.

In order to return to compliance with the Safe Drinking Water Act, the Department recommends you do the following:

By June 30, 2018, sample for the VOCs and report the results through the Department's Drinking Water Electronic Laboratory Reporting (DWELR) system by July 10, 2018. Report these samples as "S" samples.

The reports required by 25 Pa Code §109.701(a)(1) for the monitoring required under 25 Pa Code §109.1305(b) disclosed the following reporting violation for the above facility:

On December 19, 2017, Rock Spring Water reported a single residual chlorine of 0.7 mg/L at Entry Point 102 at 9:00 AM, however, at 11:50 AM, the chlorine residual was below a measurable level at Entry Point 102, and was not back at the required level until more than four hours later. Rock Spring failed to report the lowest chlorine residual of the day, and failed to report a follow-up chlorine residual on or before four hours after that measurement and when the system returned to compliance at 4:40 PM that same day.

In order to return to compliance with the Safe Drinking Water Act, the Department recommends you do the following:

By June 10, 2018, report the chlorine residual for December 19, 2018 for the times noted above through the DWELR system. This may be submitted at the same time as the current month's residuals are submitted.

Provide Tier 3 Public Notice for the reporting violation associated with the December 19, 2017 violation. This may be attached to the revised Consumer Confidence Report.

The Consumer Confidence Report required under §109.416 contained the following reporting violations:

The failure of Rock Spring Water to maintain an entry point residual at the required level on December 19, 2017 was not identified on the Entry Point Disinfectant Residual table of the Consumer Confidence Report as a violation. Prior public notice does not negate the requirement for Rock Springs Water to report the violation on the Consumer Confidence Report. Rock Springs Water may remind their customers that they have already received public notice about the particular event.

The Entry Point Disinfectant Residual table includes a violation for May 3, 2017, which Rock Springs Water had previously told the Department was a typo and which the Department had invalidated. It should not be reported on that table.

The failure of Rock Springs Water to complete a Level 1 Assessment for a total coliform positive sample by the due date of November 20, 2017 is to be included as a violation in the Violations summary paragraph ahead of the Educational Information paragraph. Prior public notice does not negate the requirement for Rock Springs Water to report the violation on the Consumer Confidence Report. Rock Springs Water may remind their customers that they have already received notification about the particular event.

In order to return to compliance with the Safe Drinking Water regulations, the Department recommends you do the following:

As soon as possible draft a revision of the Consumer Confidence Report which includes the December 19, 2017 violation and submit it to myself for review, then distribute the revised 2017 Consumer Confidence Report. Return a certification of distribution for the revised Consumer Confidence Report to the Department no later than June 30, 2018. Templates for the Consumer Confidence Reports are found on the Department's web site at <http://www.depgreenport.state.pa.us/elibrary/GetFolder?FolderID=3195>.

Any violation of the Safe Drinking Water Act could result in further enforcement action, including civil and criminal penalties. Each day the violation continues constitutes a separate offense.

Rock Spring Water Co. PWSID #4140085
Ferguson Township, Centre County

-3-

May 21, 2018

This Notice of Violation is neither an order nor any other final action of the Department of Environmental Protection. It neither imposes nor waives any enforcement action available to the Department under any of its statutes. If the Department determines that an enforcement action is appropriate, you will be notified of the action.

If you have any questions concerning this matter, please contact me at 814.342.8128

Sincerely,



Sondra L. Hollister
Sanitarian
Safe Drinking Water Program

cc: Rock Spring Water Company, 1st Class Mail
Derik Dressler, Environmental Group Manager
Val Elsasser, Sanitarian Supervisor
Tina McCafferty, Environmental Protection Compliance Specialist
NCRO File
MDO File

DEP EXHIBIT 54

Rock Spring Water Company Quarterly Report
PWSID #: 4140085

Quarter: ROCK SPRING WATER COMPANY (PWSID 4140085) - AUGUST 2025 QUARTERLY REPORT

	Notes/Comments
Previous Quarter Ending Pump Meter Total:	16,166,000.00
This Quarter's Ending Pump Meter Total:	26,665,000.00
Total Gallons Pumped	10,499,000.00
Total of read meters for quarter:	6,314,000.00 Total billed water
Gallons unaccounted for:	4,185,000.00 Total pumped minus total meters read
Percentage unaccounted for water:	39.86%
Previous quarter's percentage unaccounted for water:	52.49% From last quarter's report
Two quarters ago percentage unaccounted for water:	60.33% From the report two quarters ago
Three quarters ago percentage unaccounted for water:	56.66% From the report three quarters ago
Running annual average of unaccounted for water:	52.34% Total of last four quarters, inclusive, divided by 4

Number of Meters installed:	0.00
Number of leaks found:	6.00 4-customer side services, 2-company side services
Number of leaks repaired:	6.00
Number of valves replaced or installed:	0.00
Number of hydrants replaced or repaired:	0.00
Feet of main line replaced:	0.00
Service lines replaced:	6.00 4 - customer side services replaced/ repaired, 2 - company side services replaced/ repaired

Explanations and details:

The 39.86% of water calculated above is the Non-Revenue Water for the quarter.
 The following estimates are accounted for losses:
 20,056 gallons - CI2 analyzer water
 45,000 gallons - flushed through blow-offs and hydrants for routine maintenance



PUBLIC NOTIFICATION (PN) CERTIFICATION FORM

Public Water System Name: Rock Spring Water Company PWSID Number: 4140085

Date of Violation/Situation: See Attachment

Description of Violation/Situation: See Attachment

Notified DEP (or CHD) within 1 hour Date or NA: NA

Consulted with DEP within 24 hours Date or NA: NA

PN Level: Tier 1 Tier 2 Tier 3

Type of notice addressed by this certification: Initial Repeat

Methods and date of public notice deliveries to customers:

Method: <u>See Attachment</u>	Date: _____
Method: _____	Date: _____
Method: _____	Date: _____
Method: _____	Date: _____

The public notice included the required elements: a description of the violation/situation; potential health effects; the population at risk; if alternate water supplies need to be used; when the violation/situation occurred; when the system will resolve the violation/situation; what is being done to correct the problem; actions consumers can take; water system contact information; and language encouraging broader distribution of the notice.

A copy of each type of notice that was distributed is attached to this certification form

Certified by:

As a representative of the Public Water System (PWS) indicated above, I certify that public notification addressing the above violation/situation was distributed to all customers in accordance with the prescribed content, format, deadlines and delivery requirements outlined in Chapter 25 Pa. Code Chapter 109 Subchapter D of the Department of Environmental Protection (DEP)'s regulations.

Signature: *Cody Cutler* Date: 5-13-25

Print Name and Title: Cody Cutler / Water Quality Supervisor / PAWC

Phone Number: 717-663-9933

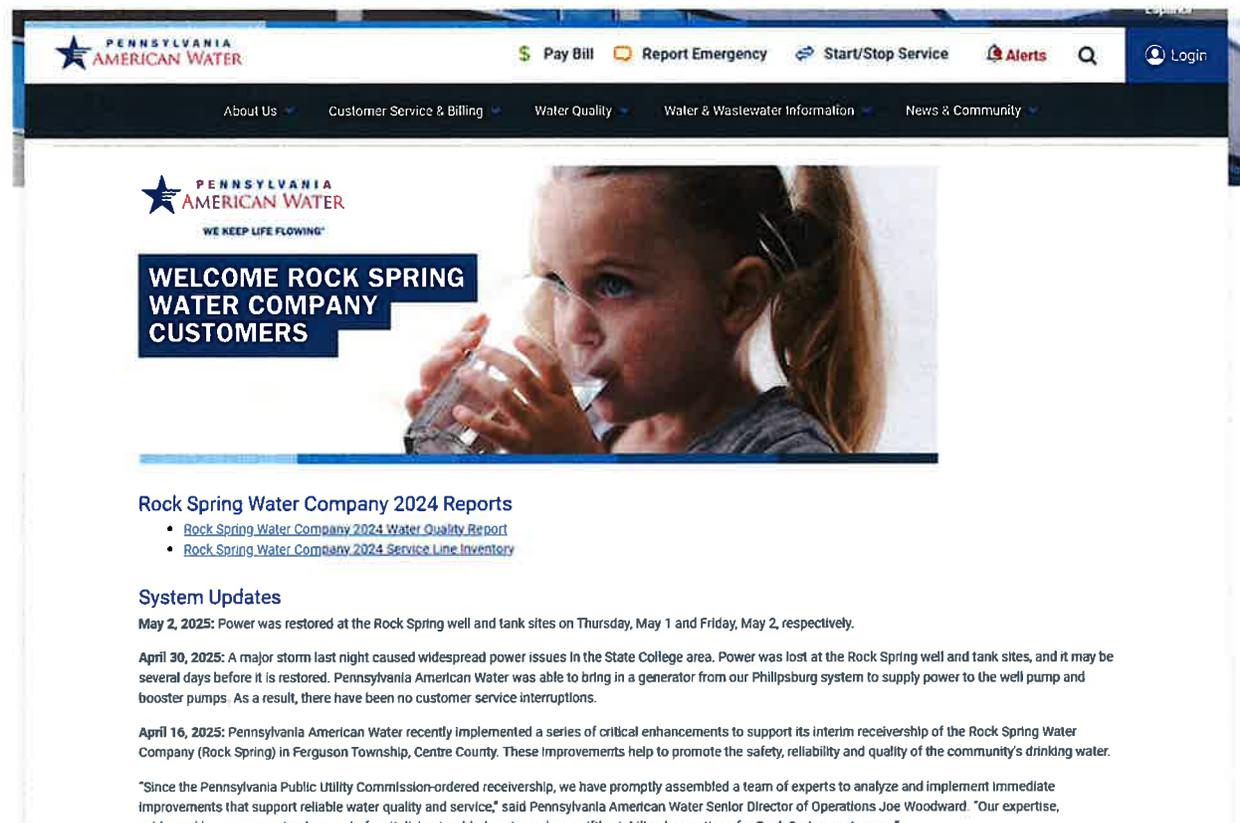
Complete and submit this form to your local DEP office **within 10 days** of issuing the public notification described above. DEP District Office and County Health Department contact information can be found within DEP document number 3930-FM-BSDW0560, which can be located by searching for document number 3930-FM-BSDW0560 in DEP's eLibrary at the following link: <http://www.depgreenport.state.pa.us/elibrary/Search> .

For DEP use only. Checked by: _____	Date: _____
-------------------------------------	-------------

Date of Violation(s)	Violation Type(s)	Monitoring Period	Description
3/11/2025 and 3/17/2025	Failure to monitor and report disinfectant residual levels at entry points (EP) for Ground Water Rule (GWR)	1/1/2025 - 2/28/25	RSWC was required to collect entry point free chlorine once per day as per the systems operation permits. RSWC failed to collect free chlorine samples from the entry point during this time and violated the permit.
10/22/2024	Failure to monitor and report routine samples for specified contaminants	Sep-24	RSWC was required to monitor the distribution system for disinfection by products (TTHM/HAA5). RSWC failed to monitor or report results from HAA5 in a timely manner. RSWC was also required to notify customers of the failure to collect HAA samples.
4/23/2024	Failure to monitor or report for a Disinfectant/Disinfection Byproduct (D/DBP) contaminant	Q1 2024	RSWC was required to monitor the distribution system for perfluorinated compounds (PFAS and PFOA). RSWC failed to monitor or report results from PFAS and PFOA in a timely manner. RSWC was also required to notify customers of the failure to collect PFAS and PFOA samples. RSWC failed to issue a T3 PN timely.

Rock Spring page on American Water Website – posted 5-6-25

<https://www.amwater.com/paaw/about-us/Infrastructure-Investment/rockspring>



WELCOME ROCK SPRING WATER COMPANY CUSTOMERS

Rock Spring Water Company 2024 Reports

- [Rock Spring Water Company 2024 Water Quality Report](#)
- [Rock Spring Water Company 2024 Service Line Inventory](#)

System Updates

May 2, 2025: Power was restored at the Rock Spring well and tank sites on Thursday, May 1 and Friday, May 2, respectively.

April 30, 2025: A major storm last night caused widespread power issues in the State College area. Power was lost at the Rock Spring well and tank sites, and it may be several days before it is restored. Pennsylvania American Water was able to bring in a generator from our Phillipsburg system to supply power to the well pump and booster pumps. As a result, there have been no customer service interruptions.

April 16, 2025: Pennsylvania American Water recently implemented a series of critical enhancements to support its interim receivership of the Rock Spring Water Company (Rock Spring) in Ferguson Township, Centre County. These improvements help to promote the safety, reliability and quality of the community's drinking water.

"Since the Pennsylvania Public Utility Commission-ordered receivership, we have promptly assembled a team of experts to analyze and implement immediate improvements that support reliable water quality and service," said Pennsylvania American Water Senior Director of Operations Joe Woodward. "Our expertise, evidenced by our proven track record of revitalizing troubled systems, has swiftly stabilized operations for Rock Spring customers."

Rock Spring Postcard – Mailed to all customers date range from May 8-10

***IMPORTANT WATER QUALITY MESSAGE:

Your annual Water Quality Report can be viewed electronically at

<https://www.pennsylvaniaamwater.com/RockSpring>

If you prefer a paper copy to be sent to you, please contact Cody Cutler at

rock.spring.customer@amwater.com

or at 717.663.9933



Consumer Confidence Report (CCR) Certification Form

Name of CWS: Rock Spring Water Company PWSID Number: 4140085

The community water system (CWS) named above confirms that its CCR for the period of January 1, 2024 through December 31, 2024 has been distributed to customers (and appropriate notices of availability have been given). The system also confirms that the information in the CCR is correct and consistent with the compliance monitoring data previously submitted to the Pennsylvania Department of Environmental Protection (DEP).

Please check all items that apply to your CCR delivery.

- CCR was hand-delivered to customers. Date delivered: _____
- CCR was distributed by mail. Date mailed: _____
- CCR was distributed by other direct delivery method(s). (check all that apply):
 - Mail notification that CCR is available on website via a direct uniform resource locator (URL)*
Direct URL address: www.https://www.pennsylvaniaamwater.com/RockSpring Date mailed: 5-12-2025
 - E-mail – direct URL to CCR*
 - E-mail – CCR sent as an attachment to the e-mail* } Date(s) email sent: _____
 - E-mail – CCR sent embedded in the e-mail*

* If the CCR was provided electronically, attach a description of how a customer requests a paper copy.

- "Good faith" efforts were used to reach non-bill paying consumers:
 - posting the CCR on the Internet at www.https://www.pennsylvaniaamwater.com/RockSpring
 - mailing the CCR to postal patrons within the service area (attach a list of zip codes used)
 - advertising the availability of the CCR in news media (attach copy of announcement)
 - publication of CCR in local newspaper (attach copy of newspaper announcement)
 - posting the CCR in public places (attach a list of locations)
 - delivery of multiple copies to single bill addresses serving several persons
 - delivery to community organizations (attach a list)
 - electronic newsletter or listserv (attach a copy of the article or notice)
 - electronic announcement of CCR availability via social media outlets (attach list of outlets utilized)
- The CCR was posted on a publicly-accessible Internet site because this system serves 100,000 or more.
Internet site address: www._____
- Delivered CCR to other agencies as required by the state/primacy agency (attach a list)
- A copy of the CCR and a completed CCR Certification Form have been sent to the DEP district office (or the Allegheny County Health Department) that provides oversight and support of this water system. (See back of form for addresses.)

Certified by: Signature: Cody Cutler Print Name: Cody Cutler
Title: Water Quality Supervisor Phone: 717-663-9933 Date: 5-13-25

For DEP use only. Checked by: _____ Date: _____

**Safe Drinking Water Program Regional Office and County Health Department Contact Information
for CCR and CCR Certification Form Submissions**

- The completed form is to be addressed to: PA DEP - Safe Drinking Water and sent to the address of the appropriate district office or county health department (CHD) having jurisdiction over the water system.
- District and CHD addresses by county can be found within DEP document number 3930-FM-BSDW0560. This document can be located by searching under "forms" for document number 3930-FM-BSDW0560 on eLibrary at the following link: <http://www.depgreenport.state.pa.us/elibrary/GetFolder?FolderID=3195>.

**2024 ANNUAL DRINKING WATER QUALITY REPORT
Rock Spring Water Company**

PWSID #: 4140085

Este informe contiene información importante acerca de su agua potable. Haga que alguien lo traduzca para usted, ó hable con alguien que lo entienda. (This report contains important information about your drinking water. Have someone translate it for you or speak with someone who understands it.)

WATER SYSTEM INFORMATION:

This report shows our water quality and what it means. If you have any questions about this report or concerning your water utility, please contact Cody Cutler at rock.spring.customer@amwater.com or call 717-663-9933. We want you to be informed about your water supply.

SOURCE(S) OF WATER:

Our water source is a groundwater well located on Tadpole Road.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the *Safe Drinking Water Hotline* (800-426-4791).

MONITORING YOUR WATER:

Rock Spring Water Company routinely monitors for contaminants in your drinking water according to federal and state laws. The following tables show the results of our monitoring for the period of January 1 to December 31, 2024. The State allows Rock Spring to monitor for some contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of our data is from prior years in accordance with the Safe Drinking Water Act. The sample date has been noted on the sampling results table.

DEFINITIONS AND ABBREVIATIONS:

Action Level (AL) – The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

Maximum Contaminant Level (MCL) – The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

Maximum Contaminant Level Goal (MCLG) – The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

Maximum Residual Disinfectant Level (MRDL) – The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG) – The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Minimum Residual Disinfectant Level (MinRDL) – The minimum level of residual disinfectant required at the entry point to the distribution system.

Level 1 Assessment – A Level 1 assessment is a study of the water system to identify potential problems and determine (if possible) why total coliform bacteria have been found in our water system.

Level 2 Assessment – A Level 2 assessment is a very detailed study of the water system to identify potential problems and determine (if possible) why an *E. coli* MCL violation has occurred and/or why total coliform bacteria have been found in our water system on multiple occasions.

Treatment Technique (TT) – A required process intended to reduce the level of a contaminant in drinking water.

Mrem/year = millirems per year (a measure of radiation absorbed by the body)

pCi/L = picocuries per liter (a measure of radioactivity)

ppb = parts per billion, or micrograms per liter (µg/L)

ppm = parts per million, or milligrams per liter (mg/L)

ppq = parts per quadrillion, or picograms per liter

ppt = parts per trillion, or nanograms per liter (ng/L)

DETECTED SAMPLE RESULTS:

Entry Point Disinfectant Residual							
Contaminant	Minimum Disinfectant Residual	Lowest Level Detected	Range of Detections	Units	Sample Date	Violation Y/N	Sources of Contamination
Chlorine (Entry Point 102)	0.40	0.40	0.40 – 1.88	ppm	4/12/2024	N	Water additive used to control microbes.

Chemical Contaminants								
Contaminant	MCL in CCR Units	MCLG	Level Detected	Range of Detections	Units	Sample Date	Violation Y/N	Sources of Contamination
Chlorine (Distribution)	MRDL = 4	MRDLG=4	0.27	0.27 – 0.83	ppm	2024 Sampled Weekly	N	Water additives used to control microbes.
Trihalomethanes (TTHM)	80	N/A	3.82	N/A	ppb	September 2024	N	By-Product of drinking water chlorination

Contaminant	Action Level (AL)	MCLG	90th Percentile Value	Units	# of Sites Above AL of Total Sites	Violation Y/N	Sources of Contamination
Lead (2022)	15	0	3.8	ppb	0 out of 10	N	Corrosion of household plumbing.
Copper (2022)	1.3	1.3	0.094	ppm	0 out of 10	N	Corrosion of household plumbing.

OTHER VIOLATIONS:

Rock Spring Water Company received multiple violations. These violations are described below. All monitoring violations have all been addressed to bring monitoring within the system current with what is required.

Pennsylvania American Water, acting as receiver on behalf of the Rock Spring Water Company, is meeting the monitoring, reporting, and public notification requirements as of March 21, 2025. The following provides a summary of the additional violations received by Rock Spring Water Company during calendar year 2024 that have not been discussed above.

Rock Spring Water Company violated several drinking water standards over the past year. Even though these were not emergencies, as Rock Spring customers, you have a right to know what happened and what Rock Spring did to correct these situations.

Rock Spring Water Company is required to monitor your drinking water for specific contaminants on a regular basis. Results of regular monitoring are an indicator of whether or not our drinking water meets health standards. During 2024 and January/February 2025, Rock Spring failed to monitor for the following contaminants and therefore cannot be sure of the quality of your drinking water during that time.

What should I do?

There is nothing you need to do at this time.

The table below lists the contaminant(s) Rock Spring did not properly test for during the last year, the required sampling frequency, how many samples they took, when samples should have been taken, and the date on which corrective action samples were (or will be) taken.

Violations					
Contaminant	Required Sample Frequency	Number of Samples Required	Number of Samples Taken	When Samples should have been taken	When Samples were Taken
Chlorine (EP 102)	Daily	1	0	1 per day during Jan & Feb 2025	Daily sampling resumed in March 2025
Haloacetic Acids (HAA5)	Annually	1	1	September 2024	Collected properly but reported late
PFOS / PFOA	Quarterly in 2024	1 per Quarter for 4 consecutive quarters	1 in Q2/Q3/Q4 2024	Q1 2024	Q2/Q3/Q4 2024 and Q1 2025

Under the current operating permit, the Rock Spring Water Company is required to collect a daily free chlorine grab sample at the entry point to the distribution system. During January and February 2025, the Department of Environmental Protection determined that the daily chlorine grab samples were not taken at the entry point. This resulted in the following notice of violations:

- Failure to report data accurately and failure to monitor chlorine at the entry point daily
- Failure to comply with permit conditions
 - o Failure to collect a grab sample at the entry point
 - o Failure to adhere to Special Condition B in the Rock Springs Groundwater Rule Permit

In September 2024, Disinfection By-product sampling was conducted in the Rock Spring Water Company System. Haloacetic Acids(HAA5) sample results from the laboratory conducting the testing missed the reporting deadline and were reported late. While this is a violation, this did not impact the quality of water in the system.

Rock Spring Water Company was to begin initial monitoring for the newly regulated PFAS compounds starting in the first quarter of 2024. The first quarter of sampling was missing, resulting in a violation. Rock Spring Water Company has since completed 4 consecutive quarterly samples.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

For more information regarding this notice, please contact Cody Cutler at rock.spring.customer@amwater.com or at 717-663-9933.

EDUCATIONAL INFORMATION:

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

- Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban stormwater run-off, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems.
- Radioactive contaminants, which can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, EPA and DEP prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. FDA and DEP regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's *Safe Drinking Water Hotline* (800-426-4791).

INFORMATION ABOUT LEAD:

Lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Rock Spring Water Company is responsible for providing high-quality drinking water and is removing lead pipes, but it cannot control the variety of materials used in plumbing components in your home. You share the responsibility for protecting yourself and your family from the lead in your home plumbing. You can take responsibility by identifying and removing lead materials within your home plumbing and taking steps to reduce your family's risk. Before drinking tap water, flush your pipes for several minutes by running your tap, taking a shower, doing laundry, or a load of dishes. You can also use a filter certified by an American National Standards Institute-accredited certifier to reduce lead in drinking water. If you are concerned about lead in your water and wish to have your water tested, contact Rock Spring Water Company at Rock.Spring.Customer@amwater.com or call 717-663-9933. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available at <http://www.epa.gov/safewater/lead>.

Rock Spring Water Company has prepared a service line inventory that includes the type of materials contained in each service line in our distribution system. This inventory can be accessed online at <https://www.amwater.com/paaw/about-us/Infrastructure-Investment/rockspring> or by contacting Cody Cutler at rock.spring.customer@amwater.com or at 717-663-9933.



Pennsylvania Department of Environmental Protection

WILLIAMSPORT NORTH DISTRICT OFFICE
208 WEST THIRD ST, SUITE 101
WILLIAMSPORT, PA-17701
PHONE: 570.327.3636

NOTICE OF VIOLATION

ROCK SPRING WATER CO
ROY CAMPBELL
1750 TADPOLE RD
PENNSYLVANIA FURNACE, PA-16865

RE: FAILURE TO MONITOR OR REPORT RESULTS
PWSID: 4140085

DEAR ROY CAMPBELL,

The Safe Drinking Water Act requires any person that operates a public water system test the water for certain contaminants on a routine basis and issue public notification to the consumers whenever the water fails to meet Pennsylvania standards or whenever there is a failure to have the testing or reporting performed on time. A review of our records indicates that you have failed to have certain water tests performed, or your laboratory has not submitted the test results to the Department or you have failed to submit required reports or forms.

The following table summarizes the water tests for which results have not been submitted.

Violation ID	Reason for Violation	Location ID	No.of Samples Required	No.of Samples Taken	Violation Begin Date
31707	Not enough HAA5 distribution samples collected or reported.		1	0	07/01/2024

Failure to conduct required monitoring is a violation of Title 25 Pa. Code, Chapter 109.301.

To assure your compliance with the Safe Drinking Water Act, the Department requests that you complete the following activities:

1. Contact your local DEP office to determine the actions needed to return to compliance.

2. If you did not conduct this monitoring as required, issue public notification (PN) to your customers and/or employees within 1 year in accordance with Section 109.410. A PN template can be found by searching for 3930-FM-BSDW0196 at:
<http://www.depgreenport.state.pa.us/elibrary/search>

This Notice of Violation is neither an order nor any other final action of the Department of Environmental Protection. It neither imposes nor waives any enforcement action available to the Department under any of its statutes. If the Department determines that an enforcement action is appropriate, you will be notified of the action.

If you have any questions, please contact me at the above telephone number or address.

Sincerely,

Mark Accettulla
Sanitarian Supervisor
Safe Drinking Water

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
Bureau of Investigation & Enforcement : Docket No. P-2024-3051313
Petition to Request the Commission Open :
Section 529 Investigation into the :
Acquisition of Rock Spring Water Company :

DIRECT TESTIMONY

of

Nicholas A. DeMarco

On behalf of the

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

Date Served: February 20, 2025

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1 I&E outlines Rock Spring Water Company’s history of violations and/or deficiencies under
2 the Public Utility Code, with the Pennsylvania Department of Environmental Protection
3 (DEP), and the lack of evidence that the Company complied with terms of the Joint Petition
4 for Settlement of All Issues In the Rate Proceeding (Joint Settlement) adopted by the
5 Commission on June 13, 2013.^{1,2}

6 On February 6, 2025, the OCA submitted a petition for an Interim Emergency Order for
7 the Receivership of Rock Spring³ and on February 14, 2025, a hearing was held regarding
8 the OCA’s Interim Emergency Order for the Receivership of Rock Spring. The matter of
9 the OCA’s Petition will be addressed later in my testimony.

10 **Q. Please summarize your conclusions and recommendations.**

11 A. My testimony will show that State College Borough Water Authority (SCBWA) is
12 financially, managerially, and technically capable to repair and operate the Rock Spring
13 system. While Pennsylvania American Water (PAWC) is also a capable option, SCBWA’s
14 proximity, familiarity with the system, and interest in purchasing the system makes them a
15 better option than PAWC in this case. The Commission should allow the current
16 negotiations between Rock Spring and SCBWA to continue and/or help facilitate
17 SCBWA’s purchase of the system.

¹ *Section 529 Investigation of Rock Spring Water Company*, Docket No. I-2024-3051313 (Petition filed Sep. 20, 2024) pg. 4-8.

² *Pa. P.U.C. v. Rock Spring Water Company*, Docket No. R-2012-2336662 (Order entered June 13, 2013).

³ Petition for Interim Emergency Order, Docket No. P-2024-3051313.

Commission Review Process

1
2 **Q. What authority is the Commission granted under Section 529 of the Public Utility**
3 **Code?**

4 A. Section 529(a) of the Public Utility Code allows the Commission to order a capable public
5 utility to acquire a small water or wastewater system if it determines that all the criteria set
6 forth in Section 529(a) are met. In summary, the Commission must find that Rock Spring
7 (1) is in violation of statutory or regulatory standards, which affect the safety, adequacy,
8 efficiency or reasonableness of the service provided by the small water or sewer utility; (2)
9 has failed to comply, within a reasonable period of time, with any order of DEP or the
10 Commission concerning the safety, adequacy, efficiency or reasonableness of service; (3)
11 cannot reasonably be expected to furnish and maintain adequate, efficient, safe and
12 reasonable service and facilities in the future. 66 Pa. C.S. §§ 529(a)(1)-(3). Additionally,
13 the Commission must find that that alternatives to acquisition have been considered in
14 accordance with Section 529(b) and have been determined by the commission to be
15 impractical or not economically feasible. 66 Pa. C.S. § 529(a)(4). Finally, the Commission
16 must find that the acquiring capable public utility is financially, managerially and
17 technically capable of acquiring and operating the small water or sewer utility in
18 compliance with applicable statutory and regulatory standards and that the rates charged
19 by the acquiring capable public utility to its preacquisition customers will not increase
20 unreasonably because of the acquisition. 66 Pa. C.S. §§ 529(a)(5)-(6).

1 **Q. Please describe the Rock Spring Water System.**

2 A. Rock Spring serves 452 residential and 12 commercial customers in Centre County.⁴ It is
3 my understanding that the Company is owned and run by President J. Roy Campbell with
4 the assistance of his daughter.

5 **Q. Please state whether alternatives to acquisition have been considered as required**
6 **under Section 529(a)(4) and (b)(1)-(5).**

7 A. Yes, other options have been considered [REDACTED]. Regarding Section 529(b)(1),
8 reorganization under new management cannot be reasonably expected. [REDACTED]

[REDACTED]

[REDACTED] Regarding the alternatives
17 set forth in Section 529(b)(2), (4), and (5), as part of Rock Spring Water Company’s last
18 rate case in 2012, a provision of the settlement required the Company to attempt to sell the
19 system, which has not yet occurred.⁶ Regarding Section 529(b)(3), the Commission is
20 currently considering the appointment of an emergency receiver under Section 529(g)

⁴ Class “C” Water Company PUC Annual Report of Rock Spring Water Company for the Year Ended December 31, 2023, included as I&E Exhibit A to the I&E Petition to Request the Commission Open a Section 529 Investigation into the Acquisition of Rock Spring Water Company.

⁶ Pa. PUC v. Rock Spring Water Company, Docket No. R-2012-2336662.

1 during the pendency of the Section 529 proceeding, but given the circumstances of this
2 case, in my opinion, a temporary receivership pending an ultimate acquisition of the system
3 by a capable provider is a viable solution for this water provider, while receivership itself
4 is not a viable alternative to acquisition.

5 **Q. Has the Commission yet considered the appointment of a temporary, emergency**
6 **receiver to operate the Rock Spring system under Section 529(g) pending the**
7 **outcome of this Section 529 proceeding?**

8 A. Yes. The matter is currently under the ALJ's consideration. On February 6, 2025, the OCA
9 submitted a petition for an Interim Emergency Order for the Receivership of Rock Spring,⁷
10 concerning the imminent cessation of adequate, efficient, safe and reasonable water service
11 by Rock Spring.⁸

12 On February 14, 2025, a hearing was held regarding the OCA's Interim Emergency Order
13 for the Receivership of Rock Spring. The OCA, I&E, DEP, Aqua, PAWC, and SCBWA
14 submitted testimony on the matter of which entity should be appointed the receiver. On
15 February 18, 2025, the parties submitted briefs on the matter.

16
17 **Summary of I&E Review**

18 **Q. What were I&E witnesses Cline and Keller's recommendations regarding the**
19 **Section 529 proceeding?**

20 A. I&E witness Cline examined Section 529(a)(1) through (3), which address the safety,
21 adequacy, and efficiency of the services offered by the Rock Spring Water Company to its

⁷ Petition for Interim Emergency Order, Docket No. P-2024-3051313.

⁸ Petition at 19.

1 customers. I&E witness Cline concluded that the evidence supported a final determination
2 that elements (a)(1) through (3) had been met.⁹

3 I&E witness Keller testified regarding the results of I&E's 529 investigation of the
4 companies and whether (a)(4) through (6) of Section 529 had been met. In particular, he
5 examined whether alternatives were available, whether the acquiring utility – PAWC – was
6 financially, managerially, and technically capable, and whether the rates would increase
7 unreasonably as a result of PAWC's acquisition. Mr. Keller concluded that the remaining
8 three elements had been met.¹⁰

9 **Q. Did you also review whether the elements of 529(a) have been met?**

10 A. Yes, as discussed below, I have reviewed the elements of Section 529(a) and believe that
11 they are met in this case for the Rock Spring Water Company.

12 **Q. Do you agree with the recommendations of I&E witnesses Cline and Keller?**

13 A. To a certain extent, yes. Where we differ is on the recommendation of the acquiror. I&E
14 witness Keller recommends that the Commission direct PAWC to acquire the Rock Spring
15 system but is open to the option that SCBWA acquires the system, assuming that SCBWA
16 can demonstrate its financial, managerial, and technical fitness to the Commission, and that
17 it is interested in acquiring the Rock Spring system.¹¹ Mr. Keller notes that because
18 SCBWA is not a certificated public utility, there is no presumption of fitness.¹²

19 I do not dispute PAWC's fitness to acquire, capably repair, and operate the system.

20 However, I believe that SCBWA is financially, managerially, and technically capable and

21 it is in Rock Spring's consumers' best interests that SCBWA be allowed to acquire and

⁹ I&E St. No. 2 pg. 3-11.

¹⁰ I&E St. No. 2 pg. 4-14.

¹¹ I&E St. No. 2 pg. 15.

¹² I&E St. No. 2 pg. 15 ln. 5-10.

1 integrate the Rock Spring system into its existing water system. SCBWA has a history of
2 assisting Rock Spring in operating its system, having helped it with various repairs and
3 projects with little to no charge since 1998, and has expressed interest in purchasing the
4 system in the past.¹³ My testimony will show that SCBWA is financially, managerially,
5 and technically capable to repair and operate the Rock Spring system. Additionally, in my
6 opinion, the integration of the Rock Spring system into that of the SCBWA's will promote
7 the Commission's policy of regionalization and consolidation in a way that benefits
8 Pennsylvania's consumers.

9 **Capability of Acquiring Utility**

10 **Q. Please list all of the capable water and wastewater utilities that have the potential to**
11 **Acquire Rock Spring Water Company and who are actively participating in this**
12 **proceeding.**

13 A. Currently, Aqua Pennsylvania, Pennsylvania-American Water Company, and State
14 College Borough Water Authority are the three capable and active water and wastewater
15 utilities participating in this case.

16 **Q. Please state whether Aqua is financially, managerially, and technically capable of**
17 **acquiring and operating a small water or sewer utility in compliance with applicable**
18 **statutory and regulatory standards.**

19 A. While Aqua Pennsylvania is financially, managerially, and technically capable of acquiring
20 and operating a small water or sewer utility in compliance with the applicable statutory and
21 regulatory standards, in this case Aqua has indicated that it believes that other proximate

¹³ SCBWA response OCA-I-10 & 11.

1 public utilities or municipal corporations are closer and in a better position to acquire Rock
2 Spring.¹⁴

3 **Q. Do you agree with Aqua’s determination that there are other proximate public**
4 **utilities or municipal corporations that are closer and in a better position to acquire**
5 **Rock Spring?**

6 A. Yes. In this specific case, Aqua’s closest water customer connection is approximately 38
7 miles away.¹⁵ SCBWA’s closest water customer connection is approximately 4,200 feet
8 away along a road.¹⁶ PAWC’s nearest water customer connection is 13 miles away across
9 a valley.¹⁷

10 **Q. Please state whether PAWC is financially, managerially, and technically capable of**
11 **acquiring and operating a small water or sewer utility in compliance with applicable**
12 **statutory and regulatory standards.**

13 A. As a certificated public utility, PAWC is presumed to be fit, and I do not challenge PAWC’s
14 fitness in this proceeding.

15 **Q. Please generally describe how PAWC would proceed if it were ordered to acquire**
16 **Rock Spring under Section 529.**

17 A. If acquired by PAWC, Rock Spring will be incorporated into PAWC’s existing tariff as a
18 separate Rock Spring division, which would be managed by nearby established PAWC
19 operations.¹⁸ The distance between PAWC’s closest water customer connection and Rock
20 Spring is in their Phillipsburg Water system 13 miles away, across a valley.¹⁹ PAWC states

¹⁴ Aqua response OCA-I-1, 2, 3, 4, 7, 8, 9, 10.

¹⁵ Aqua response OCA-I-11.

¹⁶ SCBWA response OCA-1-9.

¹⁷ PAWC response OCA-I-11.

¹⁸ PAWC Response OCA-I-3.

¹⁹ PAWC Response OCA-I-11.

1 that their Phillipsburg system, along with two other systems they operate in the area, are
2 ground water systems, similar to the Rock Spring system. “Having these similar facilities
3 nearby would allow PAWC to operate the systems efficiently, sharing resources and
4 expertise easily.”²⁰ Due to the distance between PAWC’s existing operations and Rock
5 Spring, PAWC plans to: (1) operate the system as a stand-alone system utilizing its North
6 Central regional team; and (2) repair and maintain the existing well.²¹ PAWC also plans to
7 drill an additional well in the future.²²

8 PAWC states that Rock Spring customers would also benefit from: PAWC’s lead service
9 line replacement program; newly established limits for per- and polyfluoroalkyl
10 substances; and Rock Spring low-income customers would benefit from participation in
11 PAWC’s customer assistance programs, including the bill discount program, arrearage
12 management program, and the Hardship Fund.²³ If PAWC were to acquire the Rock Spring
13 Water Company, PAWC would need to hire three additional employees to its regional team
14 to assist in bringing Rock Spring into regulatory compliance.²⁴ When asked to provide an
15 estimate of the capital costs that the Company would expect to incur if it were to acquire
16 and operate Rock Spring, PAWC estimated a cost of \$16.1 million over five years.²⁵
17 However, PAWC is evaluating whether any creative options are available for reducing this
18 budget, but will need more information from Rock Spring first.²⁶

²⁰ PAWC Response OCA-I-1.

²¹ PAWC Response I&E- I-7,8,9.

²² PAWC Response I&E- I-10.

²³ PAWC Response OCA-I-2.

²⁴ PAWC Response OCA-I-4.

²⁵ PAWC Response OCA-I-5.

²⁶ PAWC Response OCA-I-5.

1 **Q. Does PAWC have a current partnership with Ferguson Township?**

2 A. No, PAWC does not have a current partnership with Ferguson Township.²⁷

3 **Q. Does PAWC plan to partner with Ferguson Township regarding any necessary**
4 **repairs or future plans to maintain or upgrade the Rock Spring system?**

5 A. PAWC states that if it were to acquire the Rock Spring system, PAWC would partner with
6 Ferguson Township regarding any necessary repairs or future plans to maintain or upgrade
7 the Rock Spring system.²⁸

8 **Q. Will the rates charged to PAWC's pre-acquisition customers increase unreasonably**
9 **if PAWC acquires Rock Spring Water Company?**

10 A. PAWC states that it cannot identify the impact the acquisition of Rock Spring Water
11 Company would have on the rates for existing water customers given that the information
12 necessary to calculate a rate impact (e.g. the purchase price) is not known at this time.²⁹

13 **Q. How does PAWC current main rate zone rates compare to the rates of Rock**
14 **Spring?**

15 A. Currently, a Rock Spring customer pays a quarterly customer charge of \$17.50 a quarter
16 and a volumetric charge of \$4.00 per thousand gallons for the first 25,000 gallons.³⁰ A
17 chart presented in the SCBWA response to OCA-I-2 shows that Rock Spring Residential
18 customers who use 15,000 gallons of water per quarter are currently charged \$77.50.³¹

19 PAWC customers pay a monthly customer charge of \$18.80 a month and \$18.77 per
20 thousand gallons.³² This means that a customer using 15,000 gallons of water per quarter

²⁷ PAWC Response OCA-I-7.

²⁸ PAWC Response OCA-II-4.

²⁹ PAWC Response OCA-I-7.

³⁰ Rock Spring Water Company Tariff pg. 4.

³¹ SCBWA Response OCA-I-2.

³² PAWC rate zone 1 - <https://www.amwater.com/paaw/customer-service-billing/your-water-and-wastewater-rates>

1 could expect to pay \$337.95 per quarter at the same usage level.³³ PAWC would manage
 2 Rock Spring as a separate rate division.

3 **Q. Does PAWC plan to use PENNVEST grants or loans to finance any necessary work**
 4 **needed on the Rock Spring system to bring it into compliance?**

5 A. PAWC states that if it were to acquire the Rock Spring system, PENNVEST funding would
 6 be considered for financing necessary work to bring the system into compliance.³⁴

7 **Q. Does SCBWA have a current partnership with Furgeson Township?**

8 A. Yes. SCBWA and Ferguson Township have a current partnership with regards to the care
 9 of the Rock Spring Water system. The Township and SCBWA have a Memorandum of
 10 Understanding (MOU) where the Township will support SCBWA’s effort to acquire the
 11 system and provides for the two entities to work together to secure funding for the system
 12 going forward.³⁵

13 **Q. Why should the Commission consider whether a potential acquiring utility has a**
 14 **partnership with Ferguson Township?**

15 A. Ferguson Township, as evidenced by its involvement in this proceeding, has a vested
 16 interest in finding a suitable acquiring utility for Rock Spring. There are significant local
 17 concerns surrounding Rock Spring due to the protracted issues its customers face regarding
 18 adequacy of service. Ferguson Township’s current and historic partnership with SCBWA
 19 in operating and improving the Rock Spring system demonstrates a substantial benefit to
 20 Rock Spring’s customers if SCBWA were to acquire the Rock Spring system because of

³³ $(\$18.80*3)+(\$18.77*15)= \$337.95.$

³⁴ PAWC Response OCA-II-2.

³⁵ SCBWA Response OCA-II-4.

1 the pre-existing and long-standing cooperation between the two entities to improve service
2 for Rock Spring's customers.

3 **Q. Does SCBWA have basic knowledge of the Rock Spring system?**

4 A. SCBWA has provided decades of mutual aid to the Rock Spring system, its owners, and
5 customers. SCBWA's work in assisting the owners of Rock Spring dates back to 1993.
6 SCBWA provided assistance to Rock Spring with various tasks, such as rebuilding of
7 chemical metering pumps, leak detection, and determining water line locations. The
8 majority of this aid was conducted as gratuitous service.³⁶

9 **Q. Have SCBWA and Rock Spring Water Company entered into negotiations for the
10 sale of the Rock Spring water system to SCBWA in the past?**

11 A. Yes. According to SCBWA responses to OCA-I-10, several conversations have occurred
12 between the two entities between 2008 and now. In 2023, Rock Spring approached
13 SCBWA to sell the water system. Rock Spring provided a draft memorandum of
14 understanding to SCBWA with a sale price of \$250,000 for the Rock Spring water system.
15 SCBWA informed Rock Spring that the offer was unacceptable, and no further action was
16 taken.³⁷ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

³⁶ SCBWA Response OCA-I-11c.

³⁷ SCBWA Response OCA-I-10.

³⁸ SCBWA Response OCA-I-10a.

[REDACTED]

1 **Q. Please state whether SCBWA is financially, managerially, and technically capable of**
2 **acquiring and operating a small water or sewer utility in compliance with applicable**
3 **statutory and regulatory standards.**

4 A. While SCBWA is not entitled to a presumption of fitness under the Public Utility Code, it
5 is fit to acquire and operate a small water system. SCBWA has been providing water to the
6 State College area, in one form or another, since the early 1900s and was incorporated by
7 the Borough of State College in 1940. Since then, it has grown both organically and through
8 the acquisition of small water systems throughout the area.⁴⁰ At present, SCBWA provides
9 service not only to the Borough of State College, but also to Ferguson, College, Halfmoon,
10 Harris, Patton, and Benner Townships, and has assumed operation of water systems in
11 Boalsburg, Pine Grove Mills, and Ridgemont.⁴¹

12 SCBWA serves approximately 74,201 customers through approximately 14,924
13 connections.⁴² In 2023, SCBWA produced approximately 1.8 billion gallons of water, with
14 the average per day production of 4.9 million gallons.⁴³ Of this amount, approximately
15 8.6% was unaccounted-for due to SCBWA’s aggressive leak detection and correction
16 efforts, an amount well below the Commission’s 20% benchmark for excessive water
17 loss.⁴⁴ SCBWA has no outstanding compliance concerns regarding violations of
18 environmental regulations, and has been awarded “Outstanding Treatment Facility
19 Performance” by the U.S. Environmental Protection Agency as recently as 2023 for its

⁴⁰ Annual Report – 2023 Water System Operation, *State College Borough Water Authority* at p. 4 (last accessed Feb. 3, 2025) https://www.scbwa.org/sites/default/files/2024-07/scbwa_2023_annual_report_0.pdf (2023 SCBWA Annual Report).

⁴¹ *Id.*

⁴² *Id.* at 5.

⁴³ *Id.* at 21.

⁴⁴ *Id.* at 13; 52 Pa. Code § 65.20(4).

1 Woodside water treatment facility.⁴⁵ SCBWA has also been piloting treatment systems for
2 the removal of polyfluoralkyd substances (PFAS) and other emerging contaminants,
3 including membrane filtration, granular activated carbon, and ultraviolet processes at its
4 Nixon-Kocher treatment plant for implementation at its other water treatment facilities.⁴⁶
5 SCBWA also has a lead service line replacement program with a mapping tool.⁴⁷
6 Therefore, I conclude that SCBWA is technically fit to acquire and operate the Rock Spring
7 water system, a system with substantially less complexity and fewer customers than the
8 SCBWA's current system, and I would further highlight SCBWA's low unaccounted-for
9 water percentage indicates that they would be a capable operator to mitigate one of Rock
10 Spring's current greatest challenges.

11 In 2023, SCBWA had operating revenues of \$13,280,610 with net revenues of
12 \$6,614,439.⁴⁸ The SCBWA plant in service had a depreciated original cost of \$99,513,707
13 in 2023.⁴⁹ Further, SCBWA maintains substantial reserve funding for significant capital
14 improvements and unforeseen expenses.⁵⁰ In the past 20 years, SCBWA has invested
15 nearly \$53 million in major capital improvement projects, with approximately \$31.8
16 million of that amount being invested between 2018 and 2023.⁵¹ SCBWA has also recently
17 utilized PennVEST funding for major capital improvements.⁵² As a result, I conclude that
18 SCBWA is financially fit to acquire and operate the Rock Spring system because it has
19 sufficient income to support capital expenditures in the system, reserve capital to overcome

⁴⁵ 2023 SCBWA Annual Report at 23.

⁴⁶ *Id.* at 23-24.

⁴⁷ <https://www.scbwa.org/service-line-inventory>

⁴⁸ 2023 SCBWA Annual Report at App'x II, p. 6.

⁴⁹ *Id.* at App'x II, p. 7.

⁵⁰ *Id.* at App'x II, p. 8.

⁵¹ *Id.* at 31-32.

⁵² *Id.* at 6.

1 unforeseen or emergent challenges with improving the system, and familiarity with the
2 PennVEST system which, when utilized, provides substantial savings for ratepayers.

3 SCBWA is also managerially fit to acquire and operate the Rock Spring system.
4 SCBWA has approximately 42 employees and also retains engineering and hydrogeologist
5 consultants to facilitate the system's operations and capital improvements.⁵³ Of the 42 full-
6 time employees, 35 are operations and management personnel licensed by the
7 Pennsylvania Department of Environmental Protection who are responsible for operating
8 the water treatment and distribution system.⁵⁴ While SCBWA indicated that labor expenses
9 for water production, meter replacement, and distribution system maintenance would
10 initially increase following the acquisition of the system, as SCBWA is able to repair leaks
11 and make critical capital improvements, that expense will decrease over time.⁵⁵ I see no
12 indication that the SCBWA is anything less than a well-staffed and well-run utility.

13 **Q. Did SCBWA testify as to its fitness at the February 14, 2025, hearing on the OCA's**
14 **Emergency Petition?**

15 A. Yes. SCBWA presented the testimony of two witnesses: Brian C Heiser, SCBWA's
16 Executive Director, and Katie McCaulley, SCBWA's Assistant Executive Director. Mr.
17 Heiser testified as to the general history of SCBWA and its technical and operational
18 fitness, including the state of its facilities and the number of employees SCBWA retains to
19 provide water service and customer service. Ms. McCaulley testified as to the financial
20 fitness of SCBWA, including its capital response fund, end-of-year balances, budget, and
21 outstanding debt. Based on their testimony, and what information I have reviewed

⁵³ *Id.* at 43.

⁵⁴ *Id.*

⁵⁵ SCBWA Response OCA-I-1.

1 regarding SCBWA through discovery and its annual reports, I believe that SCBWA would
2 be fit to acquire the Rock Spring system.

3 **Q. Please describe how SCBWA would proceed if it were ordered to acquire the Rock**
4 **Spring system.**

5 A. If acquired by SCBWA, Rock Spring Water Company customers will be incorporated into
6 SCBWA's existing customer base and treated as current customers of SCBWA.⁵⁶ The
7 distance between SCBWA's closest customer connection and the Rock Spring system is
8 approximately 4,200 feet away along a road.⁵⁷ Due to this short distance, SCBWA plans
9 to integrate the Rock Spring system directly into the existing SCBWA system within the
10 first two years, operating the system independently in the meantime.⁵⁸ The existing plans
11 SCBWA has to integrate the Rock Spring system into its own system will see economies
12 of scale continually reduce SCBWA's cost of expansion as the leaks and other repairs or
13 replacements are made.⁵⁹ SCBWA and Rock Spring held several conversations regarding
14 the sale of the system in the past⁶⁰ and in 2008 commissioned Gwin Dobson and Foreman
15 Consulting Engineers (GD&F) to complete an evaluation of the water system. The system
16 evaluation concluded that the entire system would need to be rebuilt.⁶¹ In 2019 and 2023
17 Ferguson Township commissioned GD&F to complete more in-depth studies of the system
18 under the Rock Spring system. These studies were completed using the 2008 study.
19 Additionally, the list of upgrades necessary to restore the system to compliance were made

⁵⁶ SCBWA Response OCA-I-2.

⁵⁷ SCBWA Response OCA-1-9.

⁵⁸ SCBWA Response DEP-I-1,2.

⁵⁹ SCBWA Response OCA-I-1.

⁶⁰ SCBWA Response OCA-1-10.

⁶¹ SCBWA Response OCA-I-5.

1 using the assumption that SCBWA would assume ownership of the system. The 2019 and
2 2023 studies were completed in close cooperation with SCBWA.⁶²

3 Additionally, SCBWA has a history of acquiring neighboring systems that were
4 either in poor condition or lacked the experienced personnel required to meet changing
5 regulatory requirements. Each acquisition provided an opportunity to expand and develop
6 additional sources of water creating a larger more efficient water system for the growing
7 community.⁶³

8 **Q. Will the rates charged to SCBWA's pre-acquisition customers increase unreasonably**
9 **if SCBWA's acquires Rock Spring Water Company?**

10 A. If SCBWA were to acquire Rock Spring Water Company, there would not be an increase
11 to existing customers as a direct result of the acquisition.⁶⁴

12 **Q. How do SCBWA current main rates compare to the rates of Rock Spring?**

13 A. A chart presented in SCBWA response to OCA-I-2 shows that Rock Spring Residential
14 customers who use 15,000 gallons of water per quarter are currently charged \$77.50. Under
15 SCBWA they will be charged \$126.00 for the same amount of water.⁶⁵ While this may be
16 a large increase, when compared to what a customer could pay under PAWC it is more
17 reasonable for Rock Spring customers and customers who may be stuck paying the revenue
18 shortfall.⁶⁶ In the past SCBWA has implemented a special charge to the newly acquired
19 customers to help recover capital funds used to improve the system. SCBWA has not
20 determined if a special rate would be necessary at this time.⁶⁷

⁶² SCBWA Response OCA-I-5.

⁶³ SCBWA Response OCA-I-11c.

⁶⁴ SCBWA Response OCA-I-2.

⁶⁵ SCBWA Response OCA-I-2.

⁶⁶ \$337.95.

⁶⁷ SCBWA Response OCA-I-2.

█ █ [REDACTED]

█ [REDACTED]

█ █ [REDACTED]

█ [REDACTED]

█ [REDACTED]

6 **Consumer Perspective**

7 **Q. How many customers does Rock Spring Water Company have?**

8 A. Rock Spring serves 452 residential and 12 commercial customers in Centre County.⁶⁹

9 **Q. What violations have I&E alleged in its Petition?**

10 A. In its petition I&E alleges that not only does Rock Spring have multiple environmental and
11 public utility code violations but also failed to follow through on the terms of its 2012 rate
12 case, the following is a list of those terms and violations:⁷⁰

- 13 - Failure to reduce unaccounted for water within the agreed upon timeframe of
- 14 66 months.
- 15 - Paragraph 7.f of the Joint Settlement required Rock Spring to install two
- 16 isolation valves, not to exceed a maximum installation of 10 new isolation
- 17 valves over the 66-month period, if it fails to achieve the agreed upon 10%
- 18 reduction in any 12-month period and to report installation of the isolation
- 19 valves. I&E does not have a record of these valves being installed or of the
- 20 reporting as required in this Settlement commitment.

█ [REDACTED]
⁶⁹ Class “C” Water Company PUC Annual Report of Rock Spring Water Company for the Year Ended December 31, 2023 included as I&E Exhibit A to the I&E Petition to Request the Commission Open a Section 529 Investigation into the Acquisition of Rock Spring Water Company.

⁷⁰ *I&E Petition to Request the Commission Open Section 529 Investigation into the Acquisition of Rock Spring Water Company*, Docket No. P-2024-3051313, Exhibit D, pp. 4-8.

- 1 - Paragraph 7.g of the Joint Settlement required Rock Spring to make efforts to
2 sell the system to a competent buyer and to provide the OCA and I&E with the
3 status of those negotiations, discussions or offers. I&E does not have a record
4 of the Company's compliance with this settlement term.
- 5 - On June 20, 2006, Rock Spring entered into a Consent Order and Agreement
6 (2006 COA) with DEP to address its excessive water loss and failure to properly
7 operate and maintain its distribution system.
- 8 - In August 2006, Rock Spring submitted a corrective action plan (CAP)
9 outlining a plan and schedule to reduce its UFW loss to less than 30% by
10 September 31, 2010. As per the CAP, if Rock Spring's UFW was greater than
11 30%, it would begin a waterline replacement project, including design and
12 completion by no later than August 31, 2011.
- 13 - According to the DEP, Rock Spring failed to meet the 30% or less UFW target,
14 failed to implement a waterline replacement project by the August 31, 2011
15 deadline as required by the 2006 COA, and has not done so to date.
- 16 - DEP conducted an inspection of the Rock Spring public water system on
17 December 19, 2017. DEP employees conducted residual-chlorine sampling and
18 discovered that three samples collected at Entry Point 102 were less than .40
19 mg/L for four (4) hours and forty minutes.
- 20 - DEP issued Rock Spring a Notice of Violation (NOV) dated January 10, 2018.
21 The violations included the following: failure to provide appropriate public
22 notification (PN), failure to provide PN certification to DEP, failure to monitor
23 for twenty-one volatile organic chemicals (VOCs) in the year 2017. The January

1 10 NOV recommended that Rock Spring ensure free chlorine at entry point 10
2 remain at or above .40 mg/L, provide appropriate PN, and provide certification
3 of PN to DEP. DEP subsequently reported that Rock Spring did not follow
4 recommendations to correct the violations.

- 5 - DEP issued another NOV dated May 21, 2018 to Rock Spring for the failure to
6 monitor the VOCs, report chlorine residuals after the monitoring violation
7 observed on December 19, 2017, provide public notice, and include a Level 1
8 Assessment for a total coliform positive-sample violation in the Consumer
9 Confidence Report. Rock Spring did not respond to the May 21 NOV.
- 10 - On October 17, 2018, DEP assessed a civil penalty of \$40,000 on Rock Spring,
11 noting the continued failure to comply with the 2006 COA. On November 14,
12 2018, Rock Spring filed an appeal. This appeal was later withdrawn.
- 13 - On August 27, 2018, DEP issued an Administrative Order (AO) that required
14 Rock Spring to install a Supervisory Control and Data Acquisition (SCADA)
15 system by September 2019 for the operation of the well, booster pumps, and
16 finished water storage tank. The AO also required Rock Spring to contract with
17 a professional leak detection company to conduct a complete system
18 evaluation/leak detection surveys until the UFW loss is 30% or less. It is I&E's
19 understanding that Rock Spring has not complied with the AO.
- 20 - On January 18, 2024, DEP's Petition to Enforce Administrative Order was
21 granted by an order of the Commonwealth Court. The Commonwealth Court's
22 Order required Rock Spring to submit a written report to DEP within 90 days
23 of the date of the Order.

[REDACTED]

11 **Q. If the Rock Spring Water Company addressed the service issues discussed above,**
12 **would there be a financial impact on customers? Please explain.**

13 A. PAWC and SCBWA estimate that it would take between \$16⁷² and \$20⁷³ million or an
14 average of \$18⁷⁴ million to repair the Rock Spring Water system. If this cost was split
15 between the 452 residential and 12 commercial customers it could cost, on average,
16 \$38,793⁷⁵ dollars per customer. This amount only includes the capital cost calculation.
17 Once the revenue requirement is added, the cost per customer would be more. Even if this
18 was spread out over a number of years, this would be such a large increase that the
19 customers would not be able to financially or economically support it.

⁷² PAWC Response OCA-I-5.
⁷³ SCBWA Response OCA-I-5.
⁷⁴ $(\$20,000,000 + \$16,000,000) / 2 = \$18,000,000$.
⁷⁵ $\$18,000,000 / (452 + 12) = \$38,793$.

1 **Q. When was the last base rate case for the Company?**

2 A. The last rate case for Rock Spring Water Company was filed in 2012 and was decided in
3 2013.

4 **Q. Would the SCBWA's acquisition of the Rock Spring system further the Commission's**
5 **Policy Statement that encourages the regionalization and consolidation of water**
6 **systems in a way that benefits customers?⁷⁶**

7 A. In my opinion, yes. SCBWA would need to install less than one mile of mains in order to
8 interconnect with the Rock Spring system. Once interconnected, SCBWA would be able
9 to potentially eliminate the water production from Rock Spring operating well, reducing
10 the number of duplicative facilities and creating economies of scale. If approved, this
11 acquisition would also provide greater environmental and economic benefits to customers
12 by reducing the amount of unaccounted-for water produced by Rock Spring at present,
13 reducing leaks and repairing meters, and beginning to monitor volatile organic chemicals.
14 In other words, SCBWA's acquisition of Rock Spring is more than merely reducing the
15 number of water service providers in Pennsylvania by one; rather, interconnecting Rock
16 Spring to a capable system only 4000 feet away, if permitted by the Commission, just
17 makes sense.

18 **Conclusion**

19 **Q. Please summarize your recommendations in this proceeding.**

20 A. In conclusion, I recommend that the Commission allow SCBWA to acquire Rock Spring
21 system and/or help to facilitate this outcome. I believe that SCBWA is financially,
22 managerially, and technically capable and it is in consumers' best interests that SCBWA

⁷⁶ 52 Pa. Code § 69.721(a).

1 be allowed to acquire and integrate the Rock Spring system into its existing water system.
2 SCBWA has an operational history, having helped Rock Spring with various repairs and
3 projects with little to no charge since 1998, and has expressed interest in purchasing the
4 system in the past.⁷⁷ My testimony demonstrates that SCBWA is financially, managerially,
5 and technically capable to repair and operate the Rock Spring system. Additionally, in my
6 opinion, the integration of the Rock Spring system into that of SCBWA's will promote the
7 Commission's policy of regionalization and consolidation in a way that benefits
8 Pennsylvania's consumers.

9 **Q. Does this conclude your direct testimony at this time?**

10 A. Yes.

⁷⁷ SCBWA response OCA-I-10 & 11

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Section 529 Investigation of Rock Spring : Docket No. P-2024-3051313
Water Company :

VERIFICATION

I, Nicholas A. DeMarco, hereby state that the facts above set forth in my Direct Testimony, OCA Statement 1, 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).

DATED: February 20, 2025

Signature: */s/ Nicholas A. DeMarco*
 Nicholas A. DeMarco

Address: 555 Walnut Street
 Fifth Floor, Forum Place
 Harrisburg, PA 17101

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I&E Petition to Request the Commission Open a : Docket No. P-2024-3051313
Section 529 Investigation Into the Acquisition of Rock :
Spring Water Company :

**LIST OF STATEMENTS AND EXHIBITS TO BE INTRODUCED
ON OCTOBER 20, 2025¹ ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

I. Testimony of Michael J. Guntrum

A. Direct Testimony of Michael J. Guntrum, PAWC Statement No. 1 (dated February 20, 2025);

B. Supplemental Direct Testimony of Michael J. Guntrum, PAWC Statement No. 1-Supp. (dated August 27, 2025), including PAWC Exhibits MJG-1 through MJG-4;

C. Rebuttal Testimony of Michael J. Guntrum, PAWC Statement No. 1-R (dated September 17, 2025), including PAWC Exhibits MJG-5 through MJG-10; and

D. Surrebuttal Testimony of Michael J. Guntrum, PAWC Statement No. 1-SR (dated October 8, 2025), including PAWC Exhibit MJG-11.

II. Testimony of Marcus Kohl

A. Direct Testimony of Marcus Kohl, PAWC Statement No. 2 (dated August 27, 2025), including PAWC Exhibits MK-1 through MK-3²;

B. Rebuttal Testimony of Marcus Kohl, PAWC Statement No. 2-R (dated September 17, 2025), including PAWC Exhibit MK-4; and

¹ On February 13, 2025, the Testimony of Michael J. Guntrum, PAWC Statement No. 1-E (regarding the Office of Consumer Advocate's Petition for Issuance of an Emergency Order) was introduced into the record.

² Mr. Kohl's Direct Testimony references PAWC Exhibit MK-3, but it was inadvertently omitted from the testimony as originally served on the parties. It is not being introduced into the record because it would be repetitive of PAWC Exhibit MK-4, attached to Mr. Kohl's Rebuttal Testimony.

C. Surrebuttal Testimony of Marcus Kohl, PAWC Statement No. 2-SR (dated October 8, 2025).

III. Testimony of Dr. Christina E. Chard

A. Direct Testimony of Dr. Christina E. Chard, PAWC Statement No. 3 (dated August 27, 2025), including Appendix A.



February 20, 2025

VIA E-MAIL

David P. Zambito

Direct Phone 717-703-5892

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Administrative Law Judge John Coogan
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement
Petition to Request the Commission Open a Section 529 Investigation into the
Acquisition of Rock Spring Water Company; Docket No. P-2024-3051313**

Direct Testimony of Pennsylvania-American Water Company

Dear Administrative Law Judge Coogan:

Enclosed please find the following testimony of Pennsylvania-American Water Company:

- Direct Testimony of Michael J. Guntrum, PAWC Statement No. 1.

Copies of this testimony are being served in accordance with the attached Certificate of Service.

Thank you for your attention to this filing. Please contact me if you have any questions or concerns.

Sincerely,
Cozen O'Connor

A handwritten signature in blue ink, appearing to read "David P. Zambito".

Counsel for
Pennsylvania-American Water Company

DPZ
Enclosure

cc: Rosemary Chiavetta, Secretary (*Cover Letter and Certificate of Service Only*)
Per Certificate of Service
Elizabeth R. Triscari, Esq.
Teresa K. Harrold, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
Bureau of Investigation and Enforcement :
Petition to Request the Commission Open : Docket No. P-2024-3051313
A Section 529 Investigation into the Acquisition :
of Rock Spring Water Company :

CERTIFICATE OF SERVICE

I hereby certify that I am this 20th day of February, 2025, serving the above-referenced **Direct Testimony of Pennsylvania-American Water Company** upon the persons and in the matter indicated below, which service satisfies the requirements of 52 Pa. Code § 1.54 (related to service by a party).

SERVICE BY E-MAIL ONLY

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Authority*

Respectfully submitted,



David P. Zambito, Esq.
Counsel for *Pennsylvania-American Water
Company*

VERIFICATION

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

Date: February 20, 2025



**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I&E Petition to Request the Commission Open a : Docket No. P-2024-3051313
Section 529 Investigation Into the Acquisition of Rock :
Spring Water Company :

**DIRECT TESTIMONY OF
MICHAEL J. GUNTRUM ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

Date: February 20, 2025

PAWC Statement No. 1

**DIRECT TESTIMONY OF
MICHAEL J. GUNTRUM**

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

2 **A.** My name is Michael J. Guntrum, P.E., and my business address is 852 Wesley Drive,
3 Mechanicsburg, PA 17055.

4

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

6 **A.** I am employed by Pennsylvania-American Water Company (“PAWC”) as a Senior Project
7 Engineer for the Business Development Department.

8

9 **Q. WHAT ARE YOUR RESPONSIBILITIES AS A SENIOR PROJECT ENGINEER?**

10 **A.** As a Senior Project Engineer for PAWC, I am responsible for the performance of due
11 diligence activities related to potential water and wastewater acquisitions in the
12 Commonwealth of Pennsylvania.

13

14 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EDUCATION AND EXPERIENCE.**

15 **A.** I received my Bachelor of Science (B.S.) degree in civil engineering in 1994 and a Master
16 of Engineering degree (M.E.) in Environmental Engineering in 1995 from the University
17 of Idaho. In 2010, I received my Master in Business Administration (MBA) from Lebanon
18 Valley College. I have worked in various engineering roles and have over 30 years of
19 experience in environmental engineering related to municipal and industrial water and
20 wastewater treatment. I have worked at PAWC since 2003 in roles related to the

1 acquisition of water and wastewater facilities. I am a registered Professional Engineer in
2 Pennsylvania.

3
4 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PENNSYLVANIA**
5 **PUBLIC UTILITY COMMISSION (“COMMISSION”)?**

6 **A.** Yes. I have testified before the Commission on several occasions, including both water
7 and wastewater proceedings.

8 In fact, I previously testified in this proceeding. I submitted PAWC Statement No.
9 1-E on February 14, 2025 concerning the Office of Consumer Advocate’s (the “OCA’s”)
10 Petition for Interim Emergency Order (the “Petition”).

11
12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

13 **A.** The purpose of my testimony is to present PAWC’s response to being named as a capable
14 water utility under the Section 529 Investigation (the “529 Investigation”) of Rock Spring
15 Water Company (“Rock Spring”) and being named as a potential receiver in the Petition.

16
17 **ACQUISITION OF ROCK SPRING**

18 **Q. WHAT PROXIMATE WATER SERVICE PROVIDERS ARE FINANCIALLY,**
19 **MANAGERIALLY, AND TECHNICALLY CAPABLE OF ACQUIRING ROCK**
20 **SPRING?**

21 **A.** In its Petition, I&E identified five public utilities, municipalities, municipal authorities or
22 cooperatives (including PAWC and State College Borough Water Authority (“SCBWA”))
23 as being potential capable proximate water service providers. Not all the entities identified

1 have chosen to participate in the proceeding, leaving PAWC and SCBWA as the two most
2 likely options to acquire the Rock Spring system.

3
4 **Q. HOW CLOSE ARE PAWC AND SCBWA WATER SYSTEMS TO ROCK SPRING?**

5 **A.** PAWC has identified its closest system is approximately 13 miles from Rock Spring.
6 SCBWA has identified its closest system is approximately 0.8 miles from Rock Spring.

7
8 **Q. HAS SCBWA EXPRESSED INTEREST IN ACQUIRING ROCK SPRING'S**
9 **WATER SYSTEM?**

10 **A.** In I&E's direct testimony, I&E states SCWBA is interested in acquiring the Rock Spring
11 water system. In addition, counsel for Rock Spring submitted a letter to counsel for
12 SCBWA, indicating that Rock Spring agreed to sell its system to SCBWA for \$65,000.
13 **Exhibit A to the OCA's Petition.**

14
15 **Q. HOW COULD SCBWA ACQUIRE ROCK SPRING'S WATER SYSTEM?**

16 **A.** The preferable path forward would be the voluntary sale of Rock Spring to SCBWA,
17 conditioned upon the Commission's approval of the abandonment of Rock Spring's
18 certificate of public convenience.

19
20 **Q. ARE THERE ANY IMPEDIMENTS TO SCBWA BEING DIRECTED TO**
21 **ACQUIRE ROCK SPRING?**

22 **A.** Yes. I am advised by counsel that municipal authorities like SCBWA are not regulated by
23 the PUC and as such do not fall under its jurisdiction. The PUC could order SCBWA to

1 acquire Rock Spring if SCBWA would voluntarily submit to the Commission’s jurisdiction
2 and become certificated (on a temporary¹ or permanent basis) to provide public utility
3 service beyond the service territory authorized by its incorporating municipality.

4 If the SCBWA does not voluntarily submit to the Commission’s jurisdiction, the
5 procedure for the Commission to compel a sale would be more complicated. PAWC will
6 discuss this scenario more in briefs, but one option would be for the Commission to order
7 Rock Spring to be sold to a capable public utility, conditioned on Commission approval of
8 an application for that utility to immediately sell Rock Spring to SCBWA.

9
10 **Q. WHAT IS PAWC’S POSITION ON BEING ORDERED TO ACQUIRE ROCK**
11 **SPRING?**

12 A. Although PAWC is able and willing to acquire Rock Spring, it is PAWC’s position that
13 SCBWA is the logical choice for acquiring Rock Spring. SCBWA has expressed interest
14 in acquiring Rock Spring and Rock Spring has indicated a willingness to sell to SCBWA.
15 SCBWA is more proximate to Rock Spring by approximately 12 miles. SCBWA is legally,
16 financially, and technically capable of acquiring Rock Spring. Moreover, the acquisition
17 of SCBWA would promote regionalization and consolidation of water systems more
18 effectively because of the proximity of SCBWA’s existing system.

19
20 **RECEIVER OF ROCK SPRING**

21 **Q. HAS THERE BEEN ANY SUBSEQUENT FILINGS SINCE I&E’S DIRECT**
22 **TESTIMONY REGARDING ROCK SPRING’S WATER SYSTEM?**

¹ For example, SCBWA could apply for a certificate of public convenience so the Commission could order the acquisition and then apply to abandon it following closing on the acquisition.

1 A. Yes, on February 6, 2025, the OCA filed its Petition, asking the PUC to appoint a receiver
2 to operate the Rock Spring water system until such time as a capable utility acquires the
3 system.

4
5 **Q. IN THE PETITION, WHICH POTENTIAL RECEIVERS DID THE OCA**
6 **IDENTIFY?**

7 A. The OCA identified PAWC, Aqua Pennsylvania, Inc. (Aqua), and SCBWA as potential
8 receivers.

9
10 **Q. HAS SCBWA EXPRESSED INTEREST IN BECOMING THE INTERIM**
11 **RECEIVER OF ROCK SPRING’S WATER SYSTEM?**

12 A. According to the OCA’s Petition, Counsel for SCBWA informed the Centre County Court
13 of Common Pleas, at the January 30, 2025, hearing on Rock Spring’s Emergency Petition
14 for Appointment of Receiver before that Court, that SCBWA is ready, willing, and able to
15 act as interim receiver for Rock Spring.

16
17 **Q. HAS PAWC BEEN APPOINTED AS RECEIVER FOR A TROUBLED WATER**
18 **SYSTEM IN THE PAST?**

19 A. Yes, PAWC has been appointed receiver of several troubled water systems. PAWC is
20 presently the receiver of the East Dunkard Water Authority.

21
22 **Q. IS PAWC CAPABLE OF PERFORMING THE DUTIES OF INTERIM RECEIVER**
23 **OF ROCK SPRING?**

1 A. Yes, PAWC is fully capable of performing the duties of an interim receiver.

2

3 **Q. WHAT IS PAWC'S POSITION ON BEING NAMED AS THE INTERIM**
4 **RECEIVER OF ROCK SPRING?**

5 A. It is PAWC's position that SCBWA is the logical choice for interim receiver for Rock
6 Spring. SCBWA has expressed interest in acquiring Rock Spring and has also expressed
7 interest in being appointed interim receiver of the system. SCBWA's water system is more
8 proximate to Rock Spring. The OCA agrees in its Petition that SCBWA is capable of
9 acting as receiver.

10

11 **Q. ARE THERE ANY IMPEDIMENTS TO SCBWA BEING NAMED AS THE**
12 **INTERIM RECEIVER OF ROCK SPRING?**

13 A. Yes. I am advised by counsel that municipal authorities like SCBWA are not regulated by
14 the PUC and as such do not fall under its jurisdiction. The PUC likely cannot direct
15 SCBWA by order to serve as the interim receiver of Rock Spring unless and until SCBWA
16 voluntarily submits to the Commission's jurisdiction and obtains a certificate of public
17 convenience (on a temporary or permanent basis) to provide public utility service beyond
18 the service territory authorized by its incorporating municipality.

19 SCBWA would not however have to submit itself to the Commission's jurisdiction
20 in order to become interim receiver of Rock Spring if the Commission and the Court of
21 Common Pleas of Centre County coordinate their respective jurisdictions and the timing
22 of their actions. The Court has the authority to appoint SCBWA as the interim receiver for
23 Rock Spring if the Commission, exercising its primary jurisdiction over Rock Spring as a

1 certified public utility, first consents to the appointment of SCBWA as interim receiver.
2 I note that, if SCBWA is appointed to be interim receiver by the Court, SCBWA would be
3 required to operate Rock Spring in compliance with Rock Spring's obligations as a public
4 utility under the Pennsylvania Public Utility Code until such time that the Commission
5 approves the abandonment of Rock Spring's certificate of public convenience as result of
6 the sale of Rock Spring to SCBWA.

7
8 **Q. IS TIME OF THE ESSENCE IN THE NAMING OF AN INTERIM RECEIVER OF**
9 **ROCK SPRING?**

10 A. Yes, Rock Spring is no longer capable of managing the water system and cannot reasonably
11 be expected to furnish and maintain efficient, safe and reasonable water service and
12 facilities. Due to the imminent cessation of efficient, safe and reasonable water service by
13 Rock Spring, the OCA requested a receiver be appointed to ensure that customers continue
14 to receive service and to ensure that Rock Spring does not cease providing service to its
15 customers.

16
17 **Q. IN THE EVENT SCBWA IS NOT NAMED AS THE INTERIM RECEIVER OF**
18 **ROCK SPRING, IS PAWC WILLING TO BE NAMED AS INTERIM RECEIVER**
19 **UNTIL SUCH TIME AS ROCK SPRING IS ACQUIRED BY A CAPABLE**
20 **UTILITY?**

21 A. Yes, in the interest of protecting the health and safety of Rock Spring's customers, in the
22 event SCBWA is not named as the interim receiver of the Rock Spring water system,
23 PAWC is willing to be named interim receiver until such time as Rock Spring can be

1 acquired by a capable utility. In such an event, PAWC would, however, request deferred
2 regulatory accounting treatment and the creation of a regulatory asset for any costs incurred
3 in acting as interim receiver for Rock Spring.
4

5 **Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE IMMEDIATE NEEDS OF**
6 **THE ROCK SPRING SYSTEM AND AN ESTIMATE OF THE COSTS THAT**
7 **PAWC WOULD INCUR TO ACT AS INTERIM RECEIVER OF ROCK SPRING?**

8 A. As interim receiver of Rock Spring PAWC would immediately begin to address the lost
9 water in the system and address regulatory compliance issues. To address lost water, leak
10 detection would begin to locate any large leaks that can be repaired quickly. To address
11 regulatory compliance issues, PAWC would have operational staff operate the system on
12 a daily basis. PAWC would also work with the Pennsylvania Department of
13 Environmental Protection to gain emergency permitting to install instrumentation to
14 monitor compliance and provide remote alarms and shutdown in the event of equipment
15 failure. The cost PAWC will incur as the interim receiver will depend on how long PAWC
16 functions in the role of interim receiver, which is unknown at this time. An initial estimate
17 of the costs that PAWC will incur as interim receiver is approximately \$400,000.
18

19 **Q. WHO WOULD PAY FOR THE COSTS INCURRED BY PAWC TO ACT AS**
20 **INTERIM RECEIVER FOR ROCK SPRING?**

21 A. Assuming that the Commission allows the creation of a regulatory asset and PAWC is
22 permitted to recover its costs, PAWC's existing customers would be required to pay for

1 the vast majority of the costs associated with the remediation and operation of the Rock
2 Spring system. Rock Spring's existing customers would not be able to bear the costs alone.

3 The costs of receivership would be more properly borne by SCBWA because
4 SCBWA is the entity most likely to acquire Rock Spring. SCBWA would be able to
5 recover the costs of receivership from its entire customer base, including Rock Spring's
6 customers, over time. Whereas, if PAWC is appointed interim receiver and SCBWA
7 eventually acquires Rock Spring, PAWC's customers would be required to pay for costs
8 associated with the Rock Spring receivership well into the future without any contribution
9 from Rock Spring system customers.

10 The alternative would be for SCBWA to reimburse PAWC for its receivership costs
11 as part of an agreement of sale of Rock Spring to SCBWA which could unnecessarily
12 complicate and delay the eventual acquisition of Rock Spring by SCBWA. The
13 Commission could condition its approval of the abandonment of Rock Spring's certificate
14 of public convenience upon SCBWA's reimbursement of the costs incurred by PAWC for
15 the receivership. This would protect PAWC's ratepayers from bearing responsibility for
16 the costs.

17
18 **CONCLUSION**

19 **Q. PLEASE SUMMARIZE THE POSITION OF PAWC.**

20 A. There are many paths that the Commission could take with regard to the interim
21 receivership and acquisition of Rock Spring. While PAWC is willing to act as interim
22 receiver if necessary for the benefit of the public, the cleanest and quickest path for all
23 involved appears to be receivership of Rock Spring by SCBWA and the eventual

1 acquisition of Rock Spring by SCBWA. To make this happen, the Commission and the
2 Court of Common Pleas of Centre County need to coordinate their respective jurisdictions.
3 The Commission should exercise its primary jurisdiction and authorize SCBWA's
4 receivership of Rock Spring and the Court should then, based on the Commission's order,
5 appoint SCBWA as the interim receiver. SCBWA would then operate Rock Spring as a
6 regulated public utility until such time as the Commission approves the sale of Rock Spring
7 to SCBWA and the abandonment of Rock Spring's certificate of public convenience.

8
9 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

10 **A.** Yes. However, I reserve the right to supplement my direct testimony as additional issues
11 or facts arise during the course of this proceeding. Thank you.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I&E Petition to Request the Commission Open a : Docket No. P-2024-3051313
Section 529 Investigation Into the Acquisition of Rock :
Spring Water Company :

**SUPPLEMENTAL DIRECT TESTIMONY OF
MICHAEL J. GUNTRUM ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

Date: August 27, 2025

PAWC Statement No. 1-Supp.

**SUPPLEMENTAL DIRECT TESTIMONY OF
MICHAEL J. GUNTRUM**

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

2 **A.** My name is Michael J. Guntrum, P.E., and my business address is 852 Wesley Drive,
3 Mechanicsburg, PA 17055.

4
5 **Q. ARE YOU THE SAME MICHAEL J. GUNTRUM, P.E. WHO PREVIOUSLY**
6 **SUBMITTED TESTIMONY IN THIS PROCEEDING?**

7 **A.** Yes, I submitted Direct Testimony (Pennsylvania-American Water Company (“PAWC”)
8 Statement No. 1-E) on February 14, 2025 and again on February 20, 2025 (PAWC
9 Statement No. 1), to present PAWC’s response to being named as a capable water utility
10 under the Section 529 Investigation (the “529 Investigation”) of Rock Spring Water
11 Company (“Rock Spring”), and being named as a potential receiver in the Office of
12 Consumer Advocate’s (the “OCA’s”) Petition for Interim Emergency Order.

13
14 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT TESTIMONY**
15 **IN THIS PROCEEDING?**

16 **A.** The purpose of my Supplemental Direct Testimony is to describe the activities PAWC has
17 undertaken since being appointed Receiver of the Rock Spring water system (the
18 “System”), to describe PAWC’s technical fitness to own and operate the System, to present
19 PAWC’s initial capital plan for improvements if PAWC is order to acquire Rock Spring,
20 and to discuss whether there are practical and economically feasible alternatives to ordering
21 PAWC to acquire Rock Spring.

1 PAWC'S ACTIVITIES AS RECEIVER OF ROCK SPRING

2 **Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE IMMEDIATE**
3 **ACTIVITIES OF PAWC AS THE RECEIVER OF THE ROCK SPRING SYSTEM**
4 **AND AN ESTIMATE OF THE COSTS THAT PAWC HAS INCURRED AS THE**
5 **RECEIVER OF ROCK SPRING?**

6 A. As Receiver of Rock Spring, PAWC immediately began to address the lost water in the
7 System and regulatory compliance issues. To address lost water, leak detection has begun
8 to locate any large leaks that can be repaired quickly. To date, we have identified and
9 repaired five customer side service leaks and two company side service leaks, and we have
10 fixed two major main breaks. In the last full quarter prior to PAWC's Receivership
11 (November 1, 2024 – January 31, 2025), Rock Spring saw an average delivery of 156,446
12 gallons per day (gpd). During the first full three months of PAWC's Receivership (April
13 1, 2025 – June 30, 2025), Rock Spring saw an average daily delivery of 102,228 gpd, a 35
14 percent reduction in average daily delivery. To address regulatory compliance issues,
15 PAWC has operational staff operate the system on a daily basis. PAWC has installed
16 instrumentation to monitor compliance and provide remote alarms and shutdown in the
17 event of equipment failure. Please see PAWC's Rock Spring Water Company 60-Day
18 Report dated May 20, 2025, **PAWC Exhibit MJG-1**, and PAWC's first Quarterly Status
19 Report dated August 20, 2025, **PAWC Exhibit MJG-2**, for a more detailed listing of
20 activities performed by PAWC as Receiver of Rock Spring.

1 **CONDITION OF THE ROCK SPRING SYSTEM**

2 **Q. WHAT IS PAWC’S OPINION OF THE CONDITION OF THE ROCK SPRING**
3 **SYSTEM?**

4 **A.** The Rock Spring System has several issues that will need to be addressed. The majority
5 of the distribution system is poorly constructed and subject to leaks and breakage. The
6 treatment building condition is decrepit, and the building will need to be replaced. The site
7 does not have adequate security.

8
9 **Q. HAS PAWC UNCOVERED ANY ISSUES RELATED TO ITS POTENTIAL**
10 **ABILITY TO OPERATE THE SYSTEM IF PAWC IS ORDERED TO ACQUIRE**
11 **THE ROCK SPRING SYSTEM?**

12 **A.** There are significant portions of the distribution system that were installed on private land
13 with no easement or other property rights secured. The one storage tank for the System is
14 located on land owned by the Pennsylvania State University (“Penn State”) with a large
15 portion of the distribution system on the same land. No easement was secured for the
16 construction of the tank or distribution system located on Penn State property. This
17 property is used by Penn State for agricultural activities to include the Penn State Ag
18 Progress Days. Penn State’s Ag Progress Days, held annually for three days in August, is
19 Pennsylvania’s largest outdoor agricultural exposition. The show is hosted by Penn State’s
20 College of Agricultural Sciences and showcases educational programs, current research,
21 and the latest innovations in agricultural equipment and technology. It is PAWC’s
22 understanding there was an oral agreement that the tank and distribution system were
23 allowed on Penn State property in return for free water service for Penn State Ag Progress

1 Days. This tank is critical to the operation of Rock Spring as there is only one well and the
2 tank provides both a backup to the well in case of equipment failure and water for fire
3 flows. If PAWC is ordered to acquire the Rock Spring System, PAWC will need to
4 negotiate with Penn State to meter and charge for water service as well as to acquire an
5 easement for the tank and distribution lines on Penn State property to include the area
6 around the tank as well as ingress and egress. There is no guarantee PAWC will be
7 successful and PAWC may be forced to construct a tank at a different site.

8
9 **PAWC'S TECHNICAL FITNESS**

10 **Q. IN YOUR OPINION, IS PAWC CAPABLE OF OPERATING AND**
11 **MAINTAINING THE ROCK SPRING SYSTEM IN COMPLIANCE WITH**
12 **APPLICABLE ENVIRONMENTAL STATUTES AND REGULATIONS?**

13 **A.** Yes. PAWC can draw upon a broad range of engineering and operational experience, as
14 well as deep operational and financial resources, to address the environmental compliance
15 challenges of the System. In addition, given PAWC's experience with the operation of
16 similar water systems, I believe that PAWC is positioned to provide those services on a
17 cost-effective basis.

18 PAWC is the Commonwealth's largest investor-owned provider of water and
19 wastewater services. As a leading water provider in Pennsylvania, PAWC brings industry
20 leading expertise and has extensive technical experience in upgrading, operating, and
21 maintaining water facilities. PAWC is a recognized leader in providing communities in
22 the Commonwealth with well-maintained and reliable water and wastewater services and

1 has extensive local knowledge due to PAWC’s experience providing water service to the
2 nearby Milton and Philipsburg systems.

3 PAWC currently employs approximately 1,150 professionals with expertise in all
4 areas of water and wastewater utility operations including engineering, regulatory
5 compliance, water and wastewater treatment plant operation and maintenance, distribution
6 and collection system operation and maintenance, material management, risk management,
7 human resources, legal, accounting, and customer service. As a subsidiary of American
8 Water Works Company, Inc. (“American Water”), PAWC has available to it additional
9 resources of highly trained professionals who have expertise in various specialized areas.
10 American Water currently owns or operates approximately 80 surface water treatment
11 plants and 520 groundwater treatment plants through its subsidiaries in a number of states.
12 These diverse facilities have provided American Water operators and process experts with
13 deep experience in the operation and maintenance of every possible type of water treatment
14 technology. This experience is available to support PAWC’s operations staff and facilities.

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

1 PAWC has demonstrated its ability to improve troubled water systems following
2 acquisition through improving operational efficiencies, fostering a proactive
3 environmental compliance culture in the local workforce, and investing capital to replace
4 and renew assets. Prudent renewal and replacement of System infrastructure through
5 capital investment is the key to achieving and maintaining long-term environmental
6 compliance, and it is clear that PAWC is equipped to make those ongoing capital
7 commitments.

8
9 **PAWC'S OPERATION OF THE SYSTEM, IF PAWC WOULD BE**
10 **ORDERED TO ACQUIRE ROCK SPRING**

11 **Q. HOW CLOSE IS PAWC'S NEAREST SYSTEM TO ROCK SPRING?**

12 **A.** PAWC's closest system is approximately 13 miles from Rock Spring.
13

14 **Q. IF PAWC WOULD BE ORDERED TO ACQUIRE THE ROCK SPRING SYSTEM,**
15 **WOULD PAWC INTERCONNECT THE SYSTEM TO PAWC'S NEAREST**
16 **SYSTEM?**

17 **A.** No, PAWC's closest system is too far away to make interconnection feasible.
18

19 **Q. HOW WOULD PAWC OPERATE THE ROCK SPRING SYSTEM IF PAWC IS**
20 **ORDERED TO TAKE OVER THE ROCK SPRING SYSTEM?**

21 **A.** PAWC would operate the Rock Spring System as a standalone system for the foreseeable
22 future.

1 **PAWC’S INITIAL CAPITAL PLAN FOR POST ACQUISITION**
2 **IMPROVEMENTS OF ROCK SPRING**

3 **Q. WHAT COSTS DOES PAWC ANTICIPATE INCURRING IF IT IS ORDERED TO**
4 **ACQUIRE THE ROCK SPRING SYSTEM?**

5 **A.** PAWC has completed an initial five-year capital investment plan based on its experience
6 and knowledge gained as the Receiver of Rock Spring. The capital plan is attached as
7 **PAWC Exhibit MJG-3.** These costs are significant (approx. \$16.1 million) and include
8 major replacement of the distribution system, a new treatment building and treatment
9 system, and new tank.

10
11 **ALTERNATIVES TO ORDERING PAWC TO ACQUIRE THE SYSTEM**

12 **Q. WHAT PROXIMATE WATER SERVICE PROVIDERS ARE FINANCIALLY,**
13 **MANAGERIALLY, AND TECHNICALLY CAPABLE OF ACQUIRING ROCK**
14 **SPRING?**

15 **A.** In its Petition, I&E identified five public utilities, municipalities, municipal authorities or
16 cooperatives, including PAWC and State College Borough Water Authority(“SCBWA”),
17 as being potential capable proximate water service providers. Not all the entities identified
18 have chosen to participate in the proceeding, leaving PAWC and SCBWA as the two most
19 likely options to acquire the Rock Spring system.

20
21 **Q. IN YOUR OPINION, WOULD THE ACQUISITION OF ROCK SPRING BY**
22 **SCBWA BE PRACTICAL AND ECONOMICALLY FEASIBLE?**

23 **A.** Yes. A large part of the testimony of SCBWA Brian Heiser, Katie McCaulley and Mark
24 Gless, P.E., was devoted to showing the legal technical and financial fitness of SCBWA.

1 In addition, they described how SCBWA would operate the System if it could acquire the
2 System. Among other things, if the SCBWA could acquire the System, SCBWA would be
3 able to interconnect the Rock Spring System to the SCBWA system and therefore no longer
4 need the well, treatment building, or storage tank currently owned by Rock Spring. This
5 would leave water main replacement as the main capital need once the system is
6 interconnected. SCBWA would therefore need to spend approximately \$4,000,000 less to
7 bring the Rock Spring system into compliance than would PAWC.

8 Other parties to this proceeding also believe that the acquisition of Rock Spring by
9 SCBWA would be a better alternative than the acquisition of Rock Spring by PAWC. For
10 example, I&E witness Keller testified to this effect on page 4 of his Direct Testimony, and
11 OCA witness DeMarco testified at page 11 of his Direct Testimony that SCBWA is “likely
12 best situated” to acquire the System. The Department of Environmental Protection also
13 believes that the acquisition of Rock Spring by SCBWA would be practical and
14 economically feasible. **PAWC Exhibit MJG-4.**

15
16 **Q. ON PAGE 6 OF HIS DIRECT TESTIMONY, I&E WITNESS KELLER ARGUED**
17 **THAT “IT IS IMPLICIT” THAT THE ACQUISITION OF ROCK SPRING BY**
18 **SCBWA IS IMPRACTICAL OR NOT ECONOMICALLY FEASIBLE BECAUSE**
19 **ROCK SPRING AND SCBWA HAVE NOT YET REACHED AN AGREEMENT**
20 **TO TRANSFER CONTROL OF THE SYSTEM. PLEASE RESPOND.**

21 **A.** I am advised by counsel that, if the Commission orders PAWC to acquire the System, the
22 purchase price is determined by an agreement between Rock Spring and PAWC, subject
23 to a Commission determination that the purchase price is reasonable. If Rock Spring and

1 SCBWA were not able to reach an agreement for the transfer of the System, I question
2 whether Rock Spring and PAWC would be able to reach an agreement – unless PAWC is
3 willing to pay more for the System than is SCBWA, and the Commission is willing to
4 approve that higher purchase price. This higher purchase price (together with the costs to
5 remediate the System) would be passed on to PAWC’s ratepayers.

6 If Rock Spring and PAWC are not able to reach an agreement on a purchase price,
7 or if the Commission does not find that their agreed-to purchase price is reasonable, I am
8 advised by counsel that the Commission is to order the acquiring capable public utility to
9 acquire the System through an eminent domain proceeding in the civil courts. In that
10 scenario, PAWC’s ratepayers would be responsible for paying for litigating the eminent
11 domain proceeding and for purchasing the System at the price determined in that
12 proceeding. At this time, there is no way of knowing what the result of that litigation will
13 be. Whatever it is, the burden of paying it will fall on PAWC’s ratepayers.

14 I note that I&E witness Keller testified at pages 2-3 of his Direct Testimony that
15 Rock Spring failed to comply with the settlement agreement in its 2012 base rate case in
16 several respects, such as by failing to reduce its unaccounted for water. Additionally, Rock
17 Spring has failed to comply with applicable environmental laws and regulations.
18 Enforcement actions against Rock Spring would give the owners of that utility a strong
19 incentive to reach a reasonable agreement to transfer the System rather than forcing the
20 ratepayers of PAWC to assume the risk of a court decision in an eminent domain
21 proceeding.

CONCLUSION

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10

Q. PLEASE SUMMARIZE THE POSITION OF PAWC.

A. PAWC has successfully taken over the operations of Rock Spring as Receiver and will continue to operate the Rock Spring System during the pendency of this proceeding and until the System is acquired by a capable public utility. While PAWC is willing to acquire the Rock Spring System if necessary for the benefit of the public, the lowest cost path for all involved appears to be the acquisition of Rock Spring by SCBWA.

Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT TESTIMONY?

A. Yes. However, I reserve the right to supplement my Supplemental Direct Testimony as additional issues or facts arise during the course of this proceeding. Thank you.

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

Docket No. P-2024-3051313

PAWC Exhibit MJG-1

PAWC's 60 Day Status Report on Rock Springs Water Company

dated May 20, 2025



Teresa K. Harrold
Director, Corporate Counsel
852 Wesley Drive | Mechanicsburg, PA 17055
Phone: 717-550-1562 | Fax: 717-550-1255
teresa.harrold@amwater.com

May 20, 2025

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

**In re: I&E Petition to Request the Commission Open a Section 529
Investigation Into the Acquisition of Rock Spring Water
Company - Docket No. P-2024-3051313**

Dear Secretary Homsher:

Pursuant to Appendix A of the Commission's Opinion and Order entered March 21, 2025,¹ please find attached the Status Report of Pennsylvania-American Water Company ("Pennsylvania-American") regarding Rock Spring Water Company ("Rock Spring") dated May 20, 2025. If you should have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Teresa K. Harrold".

Teresa K. Harrold

cc: The Honorable Administrative Law Judge John M. Coogan (*via electronic mail*)
All Parties on the Attached Certificate of Service (*in the manner specified*)

¹ See, paragraph 1(o) of Appendix A.

**ROCK SPRING WATER COMPANY
INITIAL STATUS REPORT
MAY 20, 2025**

1. BACKGROUND

On March 21, 2025, the Public Utility Commission (“PUC”) issued an Order appointing Pennsylvania-American Water Company (“PAWC”) as the Receiver for the Rock Spring Water Company (“Rock Spring”) and its property, facilities and assets (“System”).

Appendix A, Paragraph 1(o) of the Order requires PAWC to submit an initial status report to the Commission within 60 days of assuming operations and then quarterly thereafter to detail any relevant updates pursuant to duties and responsibilities assigned through receivership.

This document provides the 60-day Initial Status Report required by the Order.¹ Conditions found and actions taken are summarized in Section 2.

2. CONDITIONS FOUND & ACTIVITIES PERFORMED

This section describes the conditions of the System found upon assumption of receivership operations by PAWC on March 21, 2025, and the corrective actions taken to date. Photographs referenced in the discussion below are found at the end of this report. This section is organized as follows: (2.1) - Safety Program; (2.2) - Water Supply and Treatment; (2.3) - Water Distribution System; (2.4) - SCADA System; (2.5) - Water Quality & Environmental Compliance Program; and (2.6) Public Outreach Program.

¹ Appendix A, Paragraph 1(c), of the Order requires PAWC to provide a listing of recommended capital improvements, identifying the capital improvements necessary to improve the performance of the system, to address or anticipate the obsolescence of portions of the system, to reduce the cost of operating the system, to provide cost savings or efficiency innovations to the system, or to comply with existing or anticipated changes to applicable laws and regulations.

PAWC is conducting this evaluation and will submit this analysis when complete.

PAWC Exhibit MJG-1

2.1 Safety Program

PAWC has observed and reviewed Rock Spring's safety procedures, programs and equipment for compliance with applicable regulations, industry standards and best practices, and took immediate action, as necessary. To date, PAWC's actions have included the following:

1. Ensure proper PPE is used when working with hazardous chemicals.
2. Determined that Rock Spring was feeding chlorine at the wrong location in the process, and that there was a leak in the raw water line. PAWC fixed the leak and changed the chlorine injection point to the permitted location by pulling new plastic tubing and installing a new chemical feed pump.
3. PAWC determined there is no secondary containment on the chemical tank. PAWC is working on installing secondary containment on the chemical tank.
4. PAWC determined that Rock Spring was feeding an insufficient dose of chlorine to maintain a proper disinfection residual at the end of the distribution system. PAWC increased the chlorine dosage to ensure a proper disinfection residual throughout the distribution system.

2.2 Water Supply and Treatment

PAWC has operated the water supply and treatment system, interviewed Rock Spring employees, reviewed process control and compliance testing, evaluated the adequacy and condition of treatment equipment, and identified deficiencies and improvement opportunities. Immediate actions taken to improve the performance of the water supply and treatment are listed below.

1. Met with the DEP Sanitarian at well site to review what immediate improvements are planned for the well site and all required samples for Rock Spring.
2. Met with Rock Spring to review the PUC order, including Appendix A.
3. Installed an off gas device on the chlorine feed pump.
4. Installing containment for the hypo day tank.
5. Chlorine shutdowns were installed and tested.
6. Installed a chlorine analyzer at the well site with high levels and low-level shutdowns alarms to ensure the proper amount of chlorine is being fed at the well site.
7. Installed new locks and security devices at the well, treatment site, and storage tank.
8. The existing well pump failed. PAWC worked with DEP and performed an emergency well pump procurement and replacement. The system was supplied by the tank during the replacement. PAWC performed the work quickly so that the customers were not out of water and it was not necessary to issue a boil water notice.

2.3 Water Distribution System

PAWC has operated the water distribution system, interviewed Rock Spring employees, observed the water storage tank, reviewed water quality testing data, and identified deficiencies and improvement opportunities. Immediate actions taken to improve the performance of the distribution system are listed below.

1. Rock Spring employees informed PAWC of a suspected leak. Staff from PAWC's Philipsburg operation pinpointed and repaired the leak, resulting in a reduction of system delivery of approximately 40,000 gpd. Once the leak was fixed system, delivery dropped from 140-160,000 gpd to 100-120,000 gpd.
2. PAWC is continuing leak detection efforts and anticipates finding and repairing more leaks which should result in additional reductions in system delivery.

2.4 SCADA System

PAWC completed an evaluation of the Supervisory Control and Data Acquisition (“SCADA”) system and has made the following improvements.

1. New SCADA functionality was tested and is operational to include tank levels, power feed, and chlorine levels in the System.
2. A new mast was installed on top of the well building roof for better cell signal for the SCADA system.
3. Rock Spring SCADA data is now sent to PAWC’s Milton operations for access and 24/7 monitoring.

2.5 Water Quality & Environmental Compliance Program

PAWC has observed and reviewed Rock Spring's water quality and environmental compliance testing and reporting procedures versus regulatory requirements, interviewed Authority employees, evaluated the tools and equipment in place for compliance monitoring, reviewed compliance testing data and reported the data to the DEP, and identified deficiencies and improvement opportunities. Immediate actions taken to improve the water quality and environmental compliance program are listed below.

1. Samples are taken daily to ensure compliance with water quality regulations.
2. PAWC has begun the process of setting up a new bacteria sample location.

2.6 Public Outreach Program

Over the past 60 days, PAWC has been keeping customers informed through various channels, including:

1. PAWC reached out to the Ferguson Township Manager and agreed to stay in communication throughout the receivership. PAWC discussed how to get the word out to customers about what is happening with the receivership. Ferguson Township is finalizing a resident township mailer that will go out to all Ferguson residents in a few weeks with information about the Rock Spring receivership.
2. PAWC intends to work with Ferguson Township to post updates on the township website.
3. PAWC invited the Township Supervisors out for a tour of the improvements it made to the System.
4. Customers have a PAWC-specific email address for contacting PAWC with any questions or concerns.

PHOTOS



Continuous Chlorine Analyzer



Secured Compliance Sample Point



Secured Chlorine Injection Point Pit



New Chlorine Feed Equipment



Emergency Well Pump Replacement



New well pump

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
Bureau of Investigation and Enforcement : Docket No.
Petition to Request the Commission Open : P-2024-3051313
A Section 529 Investigation into the :
Acquisition of Rock Spring Water Company :

CERTIFICATE OF SERVICE

I hereby certify that I am on this 20th day of May, 2025, serving the above-referenced Status Report upon the person listed below and, in the matter, indicated, which service satisfies the requirements of 52 Pa. Code § 1.54 (related to service by a party).

SERVICE BY ELECTRONIC MAIL ON MAY 20, 2025

Carrie B. Wright, Esq. Pennsylvania Public Utility Commission Bureau of Investigation and Enforcement 400 North Street Harrisburg, PA 17120 carwright@pa.gov	Alexander R. Stahl, Esquire Aqua Pennsylvania, Inc. 762 West Lancaster Avenue Bryn Mawr, PA 19010 astahl@aquaamerica.com
Rod Beard, Esquire Beard Law Company 101 N. Allegheny Street Bellefonte, PA 16823 rod@beardlawco.com	Melanie El Atieh, Esquire Jacob Guthrie, Esquire Office of Consumer Advocate 555 Walnut St. 5 th Floor Forum Place Harrisburg, PA 17101 OCARockSpring@paoca.org
Steven Gray, Esquire Rebecca Lyttle, Esquire Office of Small Business Advocate 555 Walnut Street, First Floor Harrisburg, PA 17101 sgray@pa.gov relyttle@pa.gov	J. Roy Campbell Rock Spring Water Company 1750 Tadpole Rd. Furnace PA 16865 Rsw5@comcast.net

PAWC Exhibit MJG-1

<p>Robert A. Mix, Esquire Robert Mix Law 211 Kimport Ave. Boalsburg, PA 16827 Bmix470@gmail.com</p>	<p>Amanada Chaplin, Esquire Glenn Masser, Esquire Pennsylvania DEP Northcentral Regional Office 208 West Third Street Suite 101 Williamsport, PA 17701 achaplin@pa.com gmasser@pa.gov</p>
<p>Elizabeth Ann Dupuis, Esquire Morgan M. Madden, Esquire Babst Calland Clements & Zomnir 330 Innovation Boulevard Suite 302 State College, PA 16803 bdpuis@babstcalland.com mmadden@babstcalland.com</p>	

Respectfully submitted,



Teresa K. Harrold, Esquire (PA ID #311082)
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Phone: (717) 550-1562
email: teresa.harrold@amwater.com

**Attorney for *Pennsylvania-American
Water Company***

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

Docket No. P-2024-3051313

PAWC Exhibit MJG-2

PAWC's First Quarterly Status Report on Rock Springs Water Company

dated August 20, 2025

PAWC Exhibit MJG-2



Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Harrisburg, PA 17105-3265
EFILING - FILING DETAIL

Date Created	Filing Number
8/20/2025	2849942

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: P-2024-3051313

Case Description: I&E Petition to Request the Commission Open a Section 529 Investigation Into the Acquisition of Rock Spring Water Company

Transmission Date: 8/20/2025 2:30 PM

Filed On: 8/20/2025 2:30 PM

eFiling Confirmation Number: 2849942

File Name	Document Type	Upload Date
Rock Spring August Quarterly Status Report .pdf	Status Report	8/20/2025 2:30:21 PM

For filings exceeding 250 pages, the PUC is requiring that filers submit one paper copy to the Secretary's Bureau within three business days of submitting the electronic filing online. Please mail the paper copy along with copy of this confirmation page to Secretary, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg PA 17120 a copy of the filing confirmation page or reference the filing confirmation number on the first page of the paper copy.

No paper submission is necessary for filings under 250 pages.

You can view a record of this filing and previous filings you have submitted to the PUC by using the links in the Filings menu at the top of the page. Filings that have been submitted within the last 30 days can be viewed by using the Recent Filings link. Older filings can be viewed by using the search options available in the Filing History link.



Elizabeth Rose Triscari
Senior Director, Corporate Counsel
852 Wesley Drive | Mechanicsburg, PA 17055
Phone: 717-550-1574
elizabeth.triscari@amwater.com

August 20, 2025

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

**In re: I&E Petition to Request the Commission Open a Section 529
Investigation Into the Acquisition of Rock Spring Water
Company - Docket No. P-2024-3051313**

Dear Secretary Homsher:

Pursuant to Appendix A, paragraph 1(o), of the Commission's Opinion and Order entered March 21, 2025, in the above-referenced proceeding, please find attached the Quarterly Status Report of Pennsylvania-American Water Company regarding Rock Spring Water Company, dated August 20, 2025. If you should have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari

cc: The Honorable Administrative Law Judge John M. Coogan (*via electronic mail*)
All Parties on the Attached Certificate of Service (*via electronic mail*)

PAWC Exhibit MJG-2

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

I&E Petition to Request the Commission :
Open a Section 529 Investigation Into the : Docket No. P-2024-3051313
Acquisition of Rock Spring Water Company :

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing Status Report in the manner and upon the persons listed below:

SERVED VIA ELECTRONIC MAIL ON AUGUST 20, 2025

Robert A. Mix, Esquire Robert Mix Law 211 Kimport Avenue Boalsburg, PA 16827 E-mail: Bmix470@gmail.com Counsel for State College Borough Water Authority	Melanie Joy El Atieh, Esquire Jacob D. Guthrie, Esquire Office of Consumer Advocate 555 Walnut Street 5th Floor, Forum Place Harrisburg, PA 17101-1923 Email: OCARockSpring@paoca.org Counsel for the Office of Consumer Advocate
Amanda Chaplin, Esquire Glenn Masser, Esquire Pennsylvania Department of Environmental Protection Northcentral Regional Office 208 West Third Street, Suite 101 Williamsport, PA 17701 E-mail: achaplin@pa.gov E-mail: gmasser@pa.gov Counsel for the Pennsylvania Department of Environmental Protection	Elizabeth A. Dupuis, Esquire Morgan M. Madden, Esquire Babst, Calland, Clements & Zomnir, P.C. 330 Innovation Blvd., Suite 302 State College, PA 16803 Email: bdupuis@babstcalland.com E-mail: mmaden@babstcalland.com Counsel for Ferguson Township
Carrie B. Wright, Esquire Pennsylvania Public Utility Commission Bureau of Investigation and Enforcement Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120 E-mail: carwright@pa.gov Counsel for the Bureau of Investigation and Enforcement	Rebecca Lyttle, Esquire Steven Gray, Esquire Office of Small Business Advocate 555 Walnut Street 1 st Floor, Forum Place Harrisburg, PA 17101 E-mail: relyttle@pa.gov E-mail: sgray@pa.gov Counsel for Office of Small Business Advocate

PAWC Exhibit MJG-2

Alexander R. Stahl, Esquire Aqua Pennsylvania, Inc. 762 W. Lancaster Avenue Bryn Mawr, PA 19010 E-mail: astahl@aquaamerica.com Counsel for Aqua Pennsylvania, Inc.	
---	--

Respectfully submitted,



Elizabeth Rose Triscari, Esquire (PA ID #306921)
Teresa K. Harrold, Esquire (PA ID #311082)
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Telephone (717) 550-1556
E-mail: elizabeth.triscari@amwater.com
E-mail: teresa.harrold@amwater.com

**Counsel for Pennsylvania-American Water
Company**

Date: August 20, 2025

PAWC Exhibit MJG-2

ROCK SPRING WATER COMPANY QUARTERLY STATUS REPORT August 20, 2025

1. BACKGROUND

On March 21, 2025, the Public Utility Commission (“PUC”) issued an Order appointing Pennsylvania-American Water Company (“PAWC”) as the Receiver for the Rock Spring Water Company (“Rock Spring”) and its property, facilities and assets (“System”).

Appendix A, Paragraph 1(o) of the Order requires PAWC to submit an initial status report to the Commission within 60 days of assuming operations and then quarterly thereafter to detail any relevant updates pursuant to duties and responsibilities assigned through receivership.

This document provides the first Quarterly Report required by the Order.¹ Conditions found and actions taken are summarized in Section 2.

2. ACTIVITIES PERFORMED SINCE INITIAL STATUS REPORT

This section describes the continuing activities performed since the Initial Status Report. This section is organized as follows: (2.1) - Customer and Employee Safety Program; (2.2) - Water Supply and Treatment; (2.3) - Water Distribution System; (2.4) - SCADA System; (2.5) - Water Quality & Environmental Compliance Program; and (2.6) Public Outreach Program.

¹ Appendix A, Paragraph 1(c), of the Order requires PAWC to provide a listing of recommended capital improvements, identifying the capital improvements necessary to improve the performance of the system, to address or anticipate the obsolescence of portions of the system, to reduce the cost of operating the system, to provide cost savings or efficiency innovations to the system, or to comply with existing or anticipated changes to applicable laws and regulations.

PAWC is conducting this evaluation and will submit this analysis when complete.

PAWC Exhibit MJG-2

2.1 Customer and Employee Safety Program

PAWC has observed and reviewed Rock Spring's safety procedures, programs and equipment for compliance with applicable regulations, industry standards and best practices, and took immediate action, as necessary. In the last quarter, PAWC's continuing actions have included the following:

1. Ensure proper PPE is used when working with hazardous chemicals.
2. PAWC installed secondary containment on the chemical tank.
3. Automatic shutdowns were installed and are functioning to halt the well pump and send an alarm when the proper concentration of chlorine is not being fed.
4. Installed improved lighting in the well building.
5. PAWC continues to feed a proper chlorine dosage to ensure a proper disinfection residual throughout the distribution system.

PAWC Exhibit MJG-2

2.2 Water Supply and Treatment

PAWC has operated the water supply and treatment system, interviewed Rock Spring employees, reviewed process control and compliance testing, evaluated the adequacy and condition of treatment equipment, and identified deficiencies and improvement opportunities. In the last quarter, actions taken to improve the performance of the water supply and treatment are listed below.

1. Continue to communicate with the DEP Sanitarian at well site to review operations of the system.
2. Installed an off-gas device on the chlorine feed pump.
3. Installed secondary containment for the hypochlorite day tank.
4. Chlorine shutdowns were installed, tested and are functioning.
5. Maintained a chlorine analyzer at the well site with high levels and low-level shutdowns alarms to ensure the proper amount of chlorine is being fed at the well site. Chlorine levels are monitored remotely 24/7.
6. Maintained new locks and security devices at the well, treatment site, and storage tank.

PAWC Exhibit MJG-2

2.3 Water Distribution System

PAWC has operated the water distribution system, interviewed Rock Spring employees, observed the water storage tank, reviewed water quality testing data, and identified deficiencies and improvement opportunities. In the last quarter, actions taken to improve the performance of the distribution system are listed below.

1. PAWC is continuing leak detection efforts and anticipates finding and repairing more leaks which should result in additional reductions in system delivery. To date we have identified and repaired 5 customer side service leaks, two company side service leaks that have been repaired, and we have fixed two main breaks. The last full quarter prior to our involvement, November 1, 2024 – January 31, 2025, saw an average daily delivery of 156,446 gallons per day (gpd). The first full 3 months of our involvement, April 1, 2025 – June 30, 2025, saw an average daily delivery of 102,228 gpd, a 35 percent reduction in average daily delivery.

PAWC Exhibit MJG-2

2.4 SCADA System

PAWC completed an evaluation of the Supervisory Control and Data Acquisition (“SCADA”) system and has made the following improvements.

1. SCADA continues to remotely monitor tank levels, power feed, and chlorine levels in the System via the cellular system 24/7 at PAWC’s Milton operations center. In addition, the data is now being monitored at PAWC’s Phillipsburg operations.

PAWC Exhibit MJG-2

2.5 Water Quality & Environmental Compliance Program

PAWC has observed and reviewed Rock Spring's water quality and environmental compliance testing and reporting procedures versus regulatory requirements, interviewed Authority employees, evaluated the tools and equipment in place for compliance monitoring, reviewed compliance testing data and reported the data to the DEP, and identified deficiencies and improvement opportunities. In the last quarter, actions taken to improve the water quality and environmental compliance program are listed below.

1. Samples are taken daily to ensure compliance with water quality regulations.
2. PAWC has set up a new bacteria sample location.
3. Lead and copper, nitrate, and nitrite samples were taken and reported to DEP.

PAWC Exhibit MJG-2

2.6 Public Outreach Program

In the last quarter, PAWC has continued to keep customers informed through various channels, including:

1. PAWC has set up and maintains a web site dedicated to Rock Spring to keep customers up to date on activities at Rock Spring.
2. PAWC continues to work with Ferguson Township to post updates on the township website.
3. Customers have a PAWC-specific email address for contacting PAWC with any questions or concerns.
4. Postcard updates have been mailed to customers to keep them informed of system updates and changes.

PAWC Exhibit MJG-2

PHOTOS



Continuous Chlorine Analyzer



Secured Compliance Sample Point

PAWC Exhibit MJG-2



Secured Chlorine Injection Point Pit



New Chlorine Feed Equipment

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

Docket No. P-2024-3051313

PAWC Exhibit MJG-3

PAWC's 5-Year Capital Plan for Rock Spring Water Company

Rock Springs Water
Preliminary List of Capital Improvements

IP Level CAPEX	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Well station building improvements	\$ 550,000	\$ 550,000	\$ -	\$ -	\$ -	\$ 1,100,000
Generator	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000
SCADA	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ 110,000
Safety, security, fencing	\$ 130,000	\$ -	\$ -	\$ -	\$ -	\$ 130,000
Leak detection study	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000
GIS survey	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000
Main replacement	\$ -	\$ 3,036,000	\$ 3,036,000	\$ 3,036,000	\$ 3,036,000	\$ 12,144,000
Treatment equipment replacement	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000
Storage tank replacement	\$ 200,000	\$ 800,000	\$ -	\$ -	\$ -	\$ 1,000,000
Reoccurring Projects	\$ 512,500	\$ 362,500	\$ 62,500	\$ 62,500	\$ 62,500	\$ 1,062,500
Total Yearly CAPEX	\$ 2,072,500	\$ 4,748,500	\$ 3,098,500	\$ 3,098,500	\$ 3,098,500	\$ 16,116,500

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

Docket No. P-2024-3051313

PAWC Exhibit MJG-4

PA Department of Environmental Protection Responses to the Requests for
Admission - Set I Propounded by Pennsylvania-American Water Company



GOVERNOR'S OFFICE OF GENERAL COUNSEL
DEPARTMENT OF ENVIRONMENTAL PROTECTION

August 25, 2025

Via Electronic Mail

Elizabeth Rose Triscari, Esq.
Teresa K. Harrold, Esq.
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
elizabeth.triscari@amwater.com
teresa.harrold@amwater.com
(Counsel for Pennsylvania-American Water Company)

David P. Zambito, Esq.
Jonathan P. Nase, Esq.
Cozen O'Connor
17 North Second Street
Suite 1410
Harrisburg, PA 17101
dzambito@cozen.com
jnase@cozen.com
(Counsel for Pennsylvania-American Water Company)

Re: I&E Petition to Request the Commission Open a Section 529 Investigation
into the Acquisition of Rock Spring Water Company, Docket No. P-2024-3051313

Dear Counsel:

Enclosed please find the Department of Environmental Protection's Responses to the Requests for Admission - Set I propounded by Pennsylvania-American Water Company in the above-referenced proceeding.

A copy of these Responses has been served upon all parties and a Certificate of Service has been filed with Secretary Homsher of the Pennsylvania Public Utility Commission.

Elizabeth Rose Triscari, Esq.
Teresa K. Harold, Esq.
David P. Zambito, Esq.
Jonathan P. Nase, Esq.

2

August 25, 2025

Thank you for your attention to this matter. Please do not hesitate to contact me with any questions at achaplin@pa.gov.

Sincerely,

/s/Amanda Chaplin
Amanda Chaplin, PA I.D. No. 314076
Assistant Counsel

Enclosures (Responses to Requests for Admission)

c: Matthew L. Homsher, PUC Secretary (Letter and Certificate of Service only)

**COMMONWEALTH OF PENNSYLVANIA
BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 Bureau of Investigation & Enforcement :
 Petition to Request the Commission Open : P-2024-3051313
 Section 529 Investigation into the :
 Acquisition of Rock Spring Water Company :

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing Department of Environmental Protection's Responses to the Requests for Admission - Set I propounded by the Pennsylvania-American Water Company in the manner and upon the persons listed below:

SERVED VIA ELECTRONIC MAIL ON AUGUST 25, 2025

Carrie B. Wright, Deputy Chief Prosecutor Pennsylvania Public Utility Commission Bureau of Investigation and Enforcement Commonwealth Keystone Building 400 North Street Harrisburg, Pennsylvania 17120 carwright@pa.gov	Elizabeth A. Dupuis, Esquire Morgan M. Madden, Esquire Babst, Calland, Clements & Zomnir, P.C. 330 Innovation Blvd., Suite 302 State College, PA 16803 bdupuis@babstcalland.com mmadden@babstcalland.com (Counsel for Ferguson Township)
Melanie Joy El Atieh, Esquire Jacob D. Guthrie, Esquire Office of Consumer Advocate 555 Walnut Street 5th Floor Forum Place Harrisburg, PA 17101-1923 OCARockSpring@paoca.org	Rebecca Lyttle, Esquire Steven Gray, Esquire Office of Small Business Advocate Forum Place 555 Walnut Street, 1st Floor Harrisburg, PA 17101 relyttle@pa.gov sgray@pa.gov
Elizabeth Rose Triscari, Esquire Teresa K. Harrold, Esquire Pennsylvania-American Water Company 852 Wesley Drive Mechanicsburg, PA 17055 elizabeth.triscari@amwater.com teresa.harrold@amwater.com (Counsel for Pennsylvania-American Water Company)	Alexandar R. Stahl, Esquire Aqua Pennsylvania, Inc. 762 W. Lancaster Avenue Bryn Mawr, PA 19010 astahl@aquaamerica.com (Counsel for Aqua Pennsylvania, Inc.)

<p>David P. Zambito, Esquire Jonathan P. Nase, Esquire Cozen O'Connor 17 North Second Street Suite 1410 Harrisburg, PA 17101 dzambito@cozen.com jnase@cozen.com (Counsel for Pennsylvania-American Water Company)</p>	<p>Robert A. Mix, Esquire Robert Mix Law 211 Kimport Avenue Boalsburg, PA 16827 Bmix470@gmail.com (Counsel for State College Borough Water Authority)</p>
<p>Rod Beard, Esquire Beard Law Company 101 N Allegheny Street Bellefonte, PA 16823 rod@beardlawco.com (Counsel for Rock Spring Water Company)</p>	

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF ENVIRONMENTAL
PROTECTION

/s/Amanda Chaplin
Amanda Chaplin, PA I.D. #314076
Assistant Counsel

Glenn Masser, PA I.D. #315921
Assistant Counsel
Northcentral Regional Office
208 West Third Street, Suite 101
Williamsport, PA 17701
E-mail: achaplin@pa.gov

Date: August 25, 2025

**I&E PETITION TO REQUEST THE COMMISSION OPEN A SECTION 529
INVESTIGATION
INTO THE ACQUISITION OF ROCK SPRING WATER COMPANY**

DOCKET NO. P-2024-3051313

**COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF ENVIRONMENTAL PROTECTION'S
RESPONSES TO PENNSYLVANIA-AMERICAN WATER COMPANY'S
REQUESTS FOR ADMISSION – SET I**

1. The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be practical.

Response No. 1: Admitted. The physical proximity of the State College Borough Water Authority distribution system to the Rock Spring Water Company distribution system makes it feasible to interconnect the two systems, eliminating the need to operate the existing well source that has known compliance issues with being located in a pit that is prone to fill with surface water creating a high risk of contamination with significant potential to have adverse effects on human health. The State College Borough Water Authority has the water capacity to provide the additional system users. State College Borough Water Authority is limited to 8.0 MGD of production and has approximate current system demand of 5.1 MGD. Additional Rock Spring Water Company demand of approximately 120,000 gpd would be well within the capacity of the State College Borough Water Authority public water system. The State College Borough Water Authority has successfully acquired four (4) public water systems since 1977, including Patton Township Water Authority, Harris Township Water Company, Ferguson Township Water Authority and Harvard Road Water Company. The State College Borough Water Authority has added 2,258 customers over the past 20 years for a total customer base of 15,068. The acquisition of the Rock Spring Water Company public water system would equate to an additional 487 customers. The State College Borough Water Authority employs approximately 43 full-time employees located in

State College, whose main office is located approximately seven (7) miles from the center of the Rock Spring Water Company system. Upon acquisition, State College Borough Water Authority anticipates adding up to three (3) employees to operate and maintain the Rock Spring Water Company distribution system. The State College Borough Water Authority has an excellent record of effectively operating and maintaining their public water system.

2. The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be economically feasible.

Response No. 2: Admitted. The financial position of the State College Borough Water Authority appears to be healthy based on the financial records that they provided. Information reported shows net income and net position in 2023 to be \$6,614,439 and \$123,522,332, respectively, with liabilities of \$23,820,610. It is reported that 63% of annual income is set aside into reserve funds and net position has increased from \$116,907,893 in 2022 to \$123,522,322 in 2023. The information reported suggests that State College Borough Water Authority has the financial capacity to acquire and effectively operate and maintain the Rock Spring Water Company public water system. In addition, the State College Borough Water Authority would be in a position to obtain funding through various sources such as PENNVEST and CDBG that exist to fund public water system infrastructure projects.

VERIFICATION

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



Chad Miller
Environmental Program Manager

VERIFICATION

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



Michael J. Guntrum, Senior Project Engineer
Business Development
Pennsylvania-American Water Company

Dated: 8/27/2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I&E Petition to Request the :
Commission Open a Section 529 : Docket No. P-2024-3051313
Investigation Into the Acquisition of Rock :
Spring Water Company

**REBUTTAL TESTIMONY OF
MICHAEL J. GUNTRUM ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

Date: September 17, 2025

PAWC Statement No. 1-R

**REBUTTAL TESTIMONY OF
MICHAEL J. GUNTRUM**

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

2 **A.** My name is Michael J. Guntrum, P.E., and my business address is 852 Wesley Drive,
3 Mechanicsburg, PA 17055.

4

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

6 **A.** I am employed by Pennsylvania-American Water Company (“PAWC”) as a Senior Project
7 Engineer, Business Development.

8

9 **Q. HAVE YOU SUBMITTED ANY OTHER TESTIMONY IN THIS PROCEEDING?**

10 **A.** Yes, I submitted PAWC Statement No. 1 which includes a statement of my professional
11 experience and education, PAWC Statement 1-E, and PAWC Statement 1-Supp.

12

13 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS
14 PROCEEDING?**

15 **A.** I will update my Supplemental Direct Testimony by addressing the responses to PAWC’s
16 Set 1 Requests for Admissions to: Aqua Pennsylvania, Inc. (“Aqua”), the Bureau of
17 Investigation and Enforcement (“I&E”), the Office of Small Business Advocate
18 (“OSBA”), Ferguson Township (“Ferguson”), Rock Spring Water Company (“Rock
19 Spring”), and the State College Borough Water Authority (“SCBWA”). In addition, I will
20 respond to portions of the Direct Testimony of Nicholas A. DeMarco on behalf of the
21 Pennsylvania Office of Consumer Advocate (“OCA”), which was introduced into the

1 record at the hearing of February 14, 2025, and portions of the Direct Testimony of
2 Christopher Keller on behalf of I&E.

3
4 **UPDATE TO SUPPLEMENTAL DIRECT TESTIMONY**

5 **Q. IN YOUR SUPPLEMENTAL DIRECT TESTIMONY FILED ON AUGUST 27,**
6 **2025, YOU DISCUSSED THE DEPARTMENT OF ENVIRONMENTAL**
7 **PROTECTION’S (“DEP’S”) ANSWERS TO REQUESTS FOR ADMISSION.**
8 **PLEASE EXPLAIN WHY YOU ARE NOW TESTIFYING ABOUT ADDITIONAL**
9 **ANSWERS TO REQUESTS FOR ADMISSION.**

10 **A.** On August 18, 2025, PAWC sent identical Requests for Admission to all parties in this
11 proceeding other than Rock Spring. Responses were due on Monday, September 8, 2025.
12 Due to an administrative oversight, Rock Spring was not served with its Requests for
13 Admission until August 25, 2025, so its response was not due until Monday, September
14 15, 2025.

15 DEP filed its answers early, so I discussed those answers in my Supplemental
16 Direct Testimony. Now I need to update that testimony by discussing the answers provided
17 by the other parties.

18 It should be noted that counsel for the OCA orally objected to its Requests for
19 Admission. Counsel for PAWC and counsel for the OCA discussed the objections and
20 PAWC’s responses to those objections. As part of the parties’ resolution of this discovery
21 dispute, PAWC withdrew its Requests for Admission to the OCA.

22 All other parties to the case answered the Requests for Admission. Attached are:

23 **PAWC Exhibit MJG-5: the Answers of Aqua;**

1 **PAWC Exhibit MJG-6:** the Answers of OSBA;
2 **PAWC Exhibit MJG-7:** the Answers of I&E;
3 **PAWC Exhibit MJG-8:** the Answers of Ferguson;
4 **PAWC Exhibit MJG-9:** the Answers of SCBWA; and
5 **PAWC Exhibit MJG-10:** the Answers of Rock Spring.

6
7 **Q. PLEASE PROVIDE A SUMMARY OF THESE ANSWERS TO THE REQUESTS**
8 **FOR ADMISSION.**

9 **A.** PAWC asked each party to this proceeding to admit two statements. The first statement
10 was: “The acquisition of Rock Spring Water Company by the State College Borough
11 Authority would be practical.” Four parties (Aqua, DEP, Ferguson and SCBWA) admitted
12 this statement without qualification. In fact, three of these parties elaborated on why the
13 acquisition would be practical. Two additional parties (I&E and OSBA) admitted this
14 statement, but expressed concern about the Commission’s lack of jurisdiction over
15 SCBWA because it is not a public utility. Rock Spring objected to the Request for
16 Admission because “practical” was not defined. Rock Spring nevertheless answered by
17 saying that the acquisition may be practical from some perspectives but not from others.
18 The second statement that parties were asked to admit was: “The acquisition of Rock
19 Spring Water Company by the State College Borough Authority would be economically
20 feasible.” Five parties (Aqua, DEP, Ferguson, Rock Spring, and SCBWA) admitted this
21 statement without qualification. In fact, DEP, Ferguson, Rock Spring and SCBWA
22 elaborated on why the acquisition would be economically feasible. Two additional parties

1 (I&E and OSBA) admitted this statement but again expressed concern about the
2 Commission's lack of jurisdiction over SCBWA because it is not a public utility.

3
4 **Q. DOES PAWC BELIEVE THAT THE ACQUISITION OF ROCK SPRING BY**
5 **SCBWA WOULD BE PRACTICAL?**

6 **A.** Yes, for the reasons discussed on pages 7-8 of my Supplemental Direct Testimony. The
7 issue of the Commission's jurisdiction over SCBWA is a legal issue that will be discussed
8 in briefs.

9
10 **Q. DOES PAWC BELIEVE THAT THE ACQUISITION OF ROCK SPRING BY THE**
11 **SCBWA WOULD BE ECONOMICALLY FEASIBLE?**

12 **A.** Yes, for the reasons discussed on pages 7-8 of my Supplemental Direct Testimony. The
13 issue of the Commission's jurisdiction over SCBWA is a legal issue that will be discussed
14 in briefs.

15
16 **RESPONSE TO THE OCA'S TESTIMONY**

17 **Q. DOES PAWC AGREE WITH THE ASSESSMENT OF NICHOLAS A. DEMARCO**
18 **OF THE OCA THAT THE RECEIVER OF THE ROCK SPRING SYSTEM DOES**
19 **NOT HAVE TO BE THE ENTITY THAT IS ULTIMATELY APPROVED AS THE**
20 **ACQUIRER OF THE ROCK SPRING SYSTEM?**

21 **A.** On February 14, 2025, a hearing was held on whether a Receiver should be appointed for
22 Rock Spring pending the outcome of this proceeding. Mr. DeMarco's testimony was
23 introduced into the record at that time. On page 11 of that testimony, Mr. DeMarco stated

1 that the receiver does not have to be the entity that is ultimately approved as the acquirer
2 of the Rock Spring System in this 529 proceeding. PAWC agrees with this assessment;
3 the fact that PAWC has been named as the Receiver of Rock Spring does not mean that the
4 Commission must name PAWC as the acquirer of the System. As receiver, if a separate
5 entity acquires the Rock Spring System, PAWC is prepared to transition operations to that
6 entity to provide a seamless transition of ownership.

7
8 **RESPONSE TO I&E'S TESTIMONY**

9 **Q. DOES PAWC AGREE WITH THE ASSESSMENT OF CHRISTOPHER KELLER**
10 **OF I&E, ON PAGE 6 OF HIS DIRECT TESTIMONY, THAT BASED ON THE**
11 **FACT THAT ROCK SPRING HAS BEEN DISCUSSING SELLING ITS SYSTEM**
12 **TO SCBWA SINCE 2008, BUT HAS NOT YET REACHED AN AGREEMENT**
13 **WITH SCBWA, "IT IS IMPLICIT THAT THE ABOVE ALTERNATIVES TO**
14 **ACQUISITION ARE NOT PRACTICAL OR ECONOMICALLY FEASIBLE"**
15 **WITH REGARD TO SCBWA ACQUIRING THE ROCK SPRING SYSTEM?**

16 **A.** No, PAWC does not agree with the assessment that it is not practical or economically
17 feasible for SCBWA to acquire the Rock Spring System. It is well established in the record
18 that SCWBA is the logical acquirer of the Rock Spring System, in part, due to its immediate
19 proximity to the System and its availability of adequate supply to supply the Rock Spring
20 System from its existing source of supply. The primary issue preventing SCBWA from
21 acquiring the Rock Spring System is coming to agreement on the purchase price. Rock
22 Spring is likely unwilling to negotiate a reasonable purchase price with SCWBA because
23 it believes it will receive a larger purchase price if PAWC is ordered to acquire the System,

1 especially if the purchase price is decided through an eminent domain proceeding. As long
2 as Rock Spring believes the Commission will order PAWC to acquire the System, it will
3 continue to make unreasonable demands in its negotiations with SCBWA. SCWBA's
4 position on purchase price is understandable and reasonable due to: the poor condition of
5 the System; the lack of easements and formal agreements for System assets located on
6 private property; the capital requirement to address the issues in the system; and the fact
7 that Rock Spring previously signed a Letter of Intent for a purchase price of \$65,000.

8
9 **Q. GIVEN THAT SCBWA IS THE LOGICAL ACQUIRER OF THE ROCK SPRING**
10 **SYSTEM, SHOULD THE COMMISSION ORDER A CAPABLE PUBLICLY**
11 **REGULATED UTILITY TO ACQUIRE THE ROCK SPRING SYSTEM?**

12 **A.** No. As long as Rock Spring believes the Commission will order a capable publicly
13 regulated utility to acquire the System, it will continue to take unreasonable positions in
14 negotiations with SCBWA. The absence of this alternative will force Rock Spring to
15 moderate its positions in negotiations with the SCBWA. This is ultimately in the public
16 interest due to the SCBWA being the logical acquirer of the System.

17
18 **CONCLUSION**

19 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

20 **A.** Yes. However, I reserve the right to supplement my Rebuttal Testimony as additional
21 issues or facts arise during the course of this proceeding. Thank you.

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

PAWC Exhibit MJG-5

Response of Aqua Pennsylvania, Inc. to PAWC Request for Admission



VIA ELECTRONIC MAIL

September 8, 2025

Elizabeth Triscari, Esquire
Pennsylvania American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Elizabeth.triscari@amwater.com

Re: The Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement Petition to Request the Commission Open a Section 529 Investigation Into the Acquisition of Rock Springs Water Company Docket No. P-2024-3051313

Dear Ms. Triscari:

Please find enclosed here Aqua Pennsylvania, Inc.'s ("Aqua") responses to Pennsylvania-American Water Company's Set 1 Requests for Admissions.

If you have any questions regarding this filing, please contact me at 610-645-1130 or by email at astahl@aquaaamerica.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alex Stahl".

Alexander R. Stahl
Regulatory Counsel

cc: Matthew L. Homsher, Secretary (via E-Filing, cover letter and certificate of service only)
Certificate of Service

Respondent: Stephen Clark
Date: 09/08/2025

ROCK SPRING WATER COMPANY SECTION 529 PROCEEDING

DOCKET NO. P-2024-3051313

PENNSYLVANIA AMERICAN WATER COMPANY

SET I REQUEST FOR ADMISSIONS TO AQUA

PAWC-RFA-1 The acquisition of Rock Spring Water Company by State College Borough Water Authority would be practical.

RESPONSE

Admitted.

Respondent: Stephen Clark
Date: 09/08/2025

ROCK SPRING WATER COMPANY SECTION 529 PROCEEDING

DOCKET NO. P-2024-3051313

PENNSYLVANIA AMERICAN WATER COMPANY

SET I REQUEST FOR ADMISSIONS TO AQUA

PAWC-RFA-2 The acquisition of Rock Spring Water Company by State College Borough Water Authority would be economically feasible.

RESPONSE

Admitted.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

The Honorable John M. Coogan, Presiding

In Re: I&E Petition to Request the :
Commission Open a Section 529 : **Docket No. P-2024-3051313**
Investigation Into the Acquisition of Rock :
Spring Water Company :

CERTIFICATE OF SERVICE

I hereby certify that I have this day, served a true and correct copy of the foregoing document upon the persons and in the manner set forth below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

VIA ELECTRONIC MAIL

Beard Law Company
101 N. Allegheny Street
Bellefonte, PA 16823
rod@beardlawco.com
Counsel for Rock Spring Water Company

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Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
400 North Street
Harrisburg, PA 17120
carwright@pa.gov

Melanie Joy El Atieh, Esquire
Jacob D. Guthrie, Esquire
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Rebecca Lyttle, Esquire
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Counsel for Pennsylvania-American Water Company

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jnase@cozen.com
Counsel for Pennsylvania-American Water Company

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Robert Mix Law
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Bmix470@gmail.com
Counsel for State College Borough Water Authority

Rod Beard, Esquire
J. Roy Campbell
Rock Springs Water Company
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Furnace, PA 16865
Rsw5@comcast.net

Amanda Chaplin, Esquire
Glenn Masser, Esquire
Pennsylvania Department of Environmental Protection
Northcentral Regional Office
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achaplin@pa.gov
gmasser@pa.gov
Counsel for Pennsylvania Department of Environmental Protection

Elizabeth A. Dupuis, Esq.
Morgan M. Madden, Esq.
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bdupuis@babstcalland.com
mmadden@babstcalland.com
Counsel for the Township of Ferguson



Alexander R. Stahl, Esq.
Regulatory Counsel

Dated: September 8, 2025

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

PAWC Exhibit MJG-6

Response of Office of Small Business Advocate to PAWC Request for Admission



COMMONWEALTH OF PENNSYLVANIA

September 5, 2025

Elizabeth R Triscari, Esquire
Teresa K Harrold, Esquire
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg PA 17055

Re: I&E Petition to Request the Commission Open a Section 529 Investigation into the Acquisition of Rock Spring Water Company / Docket No. P-2024-3051313

Dear Counsel:

Enclosed please find the Responses of the Office of Small Business Advocate (“OSBA”) to Pennsylvania-American Water Company’s (“PAWC”) Requests for Admission, **Set I**, propounded on the OSBA, in the above-referenced proceeding.

Copies of these Responses will be served upon all parties, as indicated on the attached Certificate of Service. Additionally, this Certificate of Service has been electronically filed with Secretary Homsher of the Pennsylvania Public Utility Commission, as required by 52 Pa. Code § 5.341(b).

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Enclosures

cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service only)
Kevin Higgins / Rebecca Forbes
Parties of Record

**The Office of Small Business Advocate’s (“OSBA”)
Responses to the Pennsylvania-American Water Company’s (“PAWC”)
Requests for Admission propounded on OSBA - Set I
Docket No. P-2024-3051313**

PAWC-OSBA-I-1 The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be practical.

OSBA Response Admitted. The fact that State College has consistently stated that it will not become a certificated public utility remains a concern of the OSBA.

PAWC-OSBA-I-2 The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be economically feasible.

OSBA Response Admitted. The fact that State College has consistently stated that it will not become a certificated public utility remains a concern of the OSBA.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

I&E Petition to Request the Commission :
Open a Section 529 Investigation into the : **Docket No. P-2024-3051313**
Acquisition of Rock Spring Water Company :

VERIFICATION

I, Kevin Higgins, hereby state that the facts set forth in the Responses to Pennsylvania-American Water Company's Requests for Admission, **Set I**, propounded on the OSBA, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: September 4, 2025

/s/ Kevin Higgins
Kevin Higgins

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

I&E Petition to Request the Commission :
Open a Section 529 Investigation into the : **Docket No. P-2024-3051313**
Acquisition of Rock Spring Water Company :

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Carrie B. Wright, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
Harrisburg, PA 17120
carwright@pa.gov

Melanie Joy El Atieh, Esquire
Jacob D. Guthrie, Esquire Office
of Consumer Advocate 555
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J. Roy Campbell
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Glenn P. Masser, Esquire
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Elizabeth A. Dupuis, Esquire
Morgan M. Madden, Esquire
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State College, PA 16803
bdupuis@babstcalland.com
mmadden@babstcalland.com

DATE: September 5, 2025

/s/ Rebecca Lyttle
Rebecca Lyttle
Assistant Small Business Advocate
Attorney I.D. No. 201399

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

PAWC Exhibit MJG-7

Answer of I&E to PAWC's Request for Admission



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

September 8, 2025

Via Electronic Mail

Elizabeth Rose Triscari, Esq.
Teresa K. Harrold, Esq.
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
elizabeth.triscari@amwater.com
teresa.harrold@amwater.com

Via Electronic Mail

David P. Zambito, Esq.
Jonathan P. Nase, Esq.
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101
dzambito@cozen.com
jnase@cozen.com

Re: Petition to Request the Commission Open a Section 529 Investigation Into
the Acquisition of Rock Spring Water Company
Docket No. P-2024-3051313
I&E Responses to PAWC's Requests for Admission – Set I

Dear Counsel:

Enclosed please find the Bureau of Investigation and Enforcement's ("I&E")
Responses to Pennsylvania-American Water Company's ("PAWC") Requests for Admission
– Set I in the above-referenced matter.

Copies are being served on parties per the attached Certificate of Service. Should you
have any questions, please do not hesitate to contact me.

Sincerely,

Carrie B. Wright
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
carwright@pa.gov

CBW/nb
Enclosures

cc: Matthew L. Homsher, Secretary (*via efile – Cover Letter and Certificate of Service Only*)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

I&E Petition to Request the Commission Open :
A Section 529 Investigation Into the Acquisition :
of the Rock Spring Water Company : Docket No. P-2024-3051313

**RESPONSE OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT
TO REQUESTS FOR ADMISSION PROPOUNDED BY
PENNSYLVANIA AMERICAN WATER**

1. The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be practical.

Response: Admitted. However, I&E continues to have concerns regarding the Commission's jurisdiction as it relates to the State College Borough Water Authority. I am advised by counsel that this will be addressed in the I&E Briefs.

2. The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be economically feasible.

Response: I&E does not dispute that the State College Water Authority has alleged this acquisition would be economically feasible. However, I&E continues to have concerns regarding the Commission's jurisdiction as it relates to the State College Borough Water Authority. I am advised by counsel that this will be addressed in the I&E Briefs.

Respectfully submitted,



Carrie B. Wright
Deputy Chief Prosecutor
PA Attorney ID No. 208185

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
carwright@pa.gov
(717) 783-6156

Dated: September 8, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission Open a :
Section 529 Investigation Into the Acquisition : P-2024-3051313
of Rock Spring Water Company :
:

VERIFICATION OF CHRISTOPHER KELLER

I, **Christopher Keller**, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the attached **Answers** were prepared by me or under my direct supervision and control.

Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same if called to the stand at any evidentiary hearing held in this matter.

This Verification is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

Signed in New Cumberland, Pennsylvania, this 8th day of September 2025.

/s/ Christopher Keller
Christopher Keller

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

I&E Petition to Request the Commission Open :
A Section 529 Investigation Into the :
Acquisition of the Rock Spring Water : Docket No. P-2024-3051313
Company

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **I&E Responses to PAWC's Requests for Admission – Set I** dated September 8, 2025, in the manner and upon the persons listed below:

Served via Electronic Mail Only

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*Counsel for
Pennsylvania-American Water Company*

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*Counsel for
State College Borough Water Authority*

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Morgan M. Madden, Esq.
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J. Roy Campbell
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*Counsel for Commonwealth of
Pennsylvania, Department of
Environmental Protection*

Rodney A. Beard, Esq.
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Counsel for Rock Spring Water Company



Carrie B. Wright
Deputy Chief Prosecutor
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Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
 Harrisburg, PA 17105-3265
EFILING - FILING DETAIL

Date Created	Filing Number
9/8/2025	2853785

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: P-2024-3051313

Case Description:

Transmission Date: 9/8/2025 11:25 AM

Filed On: 9/8/2025 11:25 AM

eFiling Confirmation Number: 2853785

File Name	Document Type	Upload Date
P-2024-3051313 (Rock Spring) I&E Responses to PAWC Requests for Admission - Set I CL&COS FINAL.pdf	Certificate of Service	9/8/2025 11:21:11 AM

For filings exceeding 250 pages, the PUC is requiring that filers submit one paper copy to the Secretary's Bureau within three business days of submitting the electronic filing online. Please mail the paper copy along with copy of this confirmation page to Secretary, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg PA 17120 a copy of the filing confirmation page or reference the filing confirmation number on the first page of the paper copy.

No paper submission is necessary for filings under 250 pages.

You can view a record of this filing and previous filings you have submitted to the PUC by using the links in the Filings menu at the top of the page. Filings that have been submitted within the last 30 days can be viewed by using the Recent Filings link. Older filings can be viewed by using the search options available in the Filing History link.

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

PAWC Exhibit MJG-8

Response of Ferguson Township to PAWC Request for Admission

September 5, 2025

Elizabeth R. Triscari, Esquire
Teresa K. Harrold, Esquire
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055

**Re: I&E Petition to Request the Commission Open a Section 529 Investigation
into the Acquisition of Rock Spring Water Company
Docket No. P-2024-3051313**

Dear Counsel:

Enclosed please find the Responses of the Township of Ferguson (“Township”) to Pennsylvania-American Water Company’s (“PAWC”) Requests for Admission, Set I propounded on the Township, in the above-referenced matter.

Copies of these Responses will be served on all parties, as indicated on the Certificate of Service. Additionally, this Certificate of Service has been electronically filed with the Pennsylvania Public Utility Commission.

Please contact me with any questions. Thank you.

Sincerely,

BABST, CALLAND, CLEMENTS AND
ZOMNIR, P.C.

By: /s/
Elizabeth A. (Betsy) Dupuis, Esquire

EAD/ams
Enclosure
cc: Parties of Record

Elizabeth A. Dupuis, Esquire (80149)
Babst, Calland, Clements and Zomnir, P.C.
330 Innovation Blvd., Suite 302
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bdupuis@babstcalland.com

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**ADMINISTRATIVE LAW JUDGE
JOHN M. COOGAN**

Pennsylvania Public Utility Commission	:	
Bureau of Investigation and Enforcement	:	
Petition to Request the Commission Open A	:	Docket No. P-2024-3051313
Section 529 Investigation into the Acquisition	:	
of Rock Spring Water Company	:	

**REQUESTS FOR ADMISSION PROPOUNDED BY PENNSYLVANIA-AMERICAN
WATER COMPANY ON FERGUSON TOWNSHIP – SET I**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**ADMINISTRATIVE LAW JUDGE
JOHN M. COOGAN**

Pennsylvania Public Utility Commission :
Bureau of Investigation and Enforcement :
Petition to Request the Commission Open A : Docket No. P-2024-3051313
Section 529 Investigation into the Acquisition :
of Rock Spring Water Company :

**REQUESTS FOR ADMISSION PROPOUNDED BY PENNSYLVANIA-AMERICAN
WATER COMPANY ON FERGUSON TOWNSHIP – SET I**

Pursuant to 66 Pa. C.S. § 333 and 52 Pa. Code § 5.350, Pennsylvania-American Water Company (“PAWC”) hereby requests admission of the truth of the following matters from Ferguson Township within twenty (20) days from the date of service.

INSTRUCTIONS

- A. Each request for admission shall be accorded a separate answer on a separate piece of paper and each subpart shall be accorded a separate answer. Each request for admission or subpart thereof shall be specifically admitted or denied.
- B. Please restate the request for admission immediately preceding each response.
- C. Please identify the name, title, and business address of each person(s) providing each response and provide the date the response was created.

D. Any denial of a request for admission shall include any information related to the denial that is sufficient to explain the complete basis for denial of the request for admission.

E. Any denial of a request for admission shall specify as much of the request for admission as is true and shall only qualify or deny the remainder.

F. You are reminded that a request for admission is admitted unless, within 20 days after service of the request, you answer or make a proper objection to the request signed by you or counsel.

**REQUESTS FOR ADMISSION PROPOUNDED BY PENNSYLVANIA-AMERICAN
WATER COMPANY ON FERGUSON TOWNSHIP - SET I**

DOCKET NO. P-2024-3051313

1. The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be practical.

Admitted. State College Borough Water Authority already serves other residents of the Township and is the closest responsible operator to the Rock Spring Water Company (“RSWC”) system. Further, State College Borough Water Authority (“SCBWA”), as evidenced by statements submitted by SCBWA as well as the Pennsylvania Department of Environmental Protection (“DEP”), is qualified both professionally and financially to acquire the RSWC system, repair as required, manage the same and serve the residents of the Township. The Township also believes that SCBWA will be the most financially efficient for the residents of the Township who are served by the RSWC.

**REQUESTS FOR ADMISSION PROPOUNDED BY PENNSYLVANIA-AMERICAN
WATER COMPANY ON FERGUSON TOWNSHIP - SET I**

DOCKET NO. P-2024-3051313

2. The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be economically feasible.

Admitted. See response to first Request for Admission and submissions by SCBWA as to its financial capabilities.

Respectfully Submitted,

By: /s/ Elizabeth A. Dupuis

Elizabeth A. Dupuis, Esquire

Pa. I.D. No. 80149

bdupuis@babstcalland.com

Babst, Calland, Clements & Zomnir, P.C.

330 Innovation Blvd., Suite 302

State College, PA 16803

(814) 867-8055

(814) 867-8051 *fax*

Dated September 5, 2025

VERIFICATION

I, Centrice Martin, Manager, on behalf of the Township of Ferguson, hereby state that the facts set forth in the foregoing document 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 in this matter. This verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.



Name: Centrice Martin
Title: Manager
Township of Ferguson

Date: 09/05/2025

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing Request for Public Input Hearing with the Pennsylvania Public Utility Commission and that notification of such filing and a copy of such filing was electronically served on all interested parties of record who have accepted electronic service as follows:

Carrie B. Wright, Deputy Chief Prosecutor
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120
carwright@pa.gov

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*Counsel for Commonwealth of Pennsylvania
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*Counsel for State College Borough Water
Authority*

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rod@beardlawco.com
Counsel for Rock Spring Water Company

Dated September 5, 2025

By: /s/ Elizabeth A. Dupuis
Elizabeth A. Dupuis, Esquire
Pa. I.D. No. 80149
bdupuis@babstcalland.com
Babst, Calland, Clements & Zomnir, P.C.
330 Innovation Blvd., Suite 302
State College, PA 16803
(814) 867-8055
(814) 867-8051 *fax*

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

PAWC Exhibit MJG-9

Answer of State College Borough Water Authority to PAWC's Request for Admission

ROBERT MIX LAW

Robert Mix, Esquire

211 Kimport Avenue
Boalsburg, PA 16827
(814) 880-2366
bmix470@gmail.com

September 2, 2025

Via Electronic Mail

Elizabeth Rose Triscari, Esq.

Teresa K. Harrold, Esq.

Pennsylvania-American Water Company

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Mechanicsburg, PA 17055

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(Counsel for Pennsylvania-American Water Company)

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dzambito@cozen.com

jnase@cozen.com

(Counsel for Pennsylvania-American Water Company)

Re: I&E Petition to Request the Commission Open a Section 529
Investigation into the Acquisition of Rock Spring Water Company,
Docket No. P-2024-3051313

Dear Counsel:

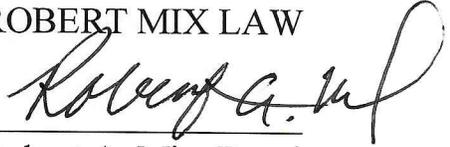
Enclosed please find the State College Borough Water Authority's Responses to Pennsylvania-American Water Company's Requests for Admission - Set I

A copy of these Responses has been served upon all parties and a Certificate of Service has been filed with the Pennsylvania Public Utility Commission.

If you have any questions, please contact me.

Sincerely,

ROBERT MIX LAW

By: 

Robert A. Mix, Esquire

PA I.D. No. 16164

c: All counsel and parties in the manner indicated in the attached Certificate of Service

Matthew L. Homsher, PUC Secretary (Letter and Certificate of Service only)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
Bureau of Investigation and Enforcement :
Petition to Request the Commission Open : Docket No. P-2024-3051313
A Section 529 Investigation into the :
Acquisition of Rock Spring Water Company :

**THE STATE COLLEGE BOROUGH WATER AUTHORITY'S
RESPONSES TO THE PENNSYLVANIA-AMERICAN WATER
COMPANY'S REQUESTS FOR ADMISSION - SET I**

1. The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be practical.

Admitted. By way of further answer, the Rock Spring Water Company system is located within Ferguson Township, Centre County, which is part of the State College Borough Water Authority's current service area. Due to the proximity of the State College Borough Water Authority's system to the Rock Spring Water Company's system (4200 feet) the two systems could be interconnected easily and operated as a single system. This would provide the former customers of the Rock Spring Water Company with the advantages of much larger and more sophisticated water system, to include its ability to provide safe, adequate, reliable and continuous water service. Furthermore, the interconnection of the State College Borough Water Authority and the Rock Spring Water Authority's systems would promote the Public Utility Commission's goal of consolidating smaller water systems.

2. The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be economically feasible.

Admitted. By way of further answer, the State College Borough Water Authority has reserve funds, which are more than sufficient to pay the costs of purchasing the Rock Spring Water Company's system and interconnecting it with the State College Borough Water Authority's system. It is anticipated that the rates and charges received from former Rock Spring Water Company customers will be insufficient to pay all costs of making necessary upgrades to the system. The State College Borough Water Authority will pursue all applicable Federal and State grant programs to fund the necessary upgrades.

Respectfully submitted

ROBERT MIX LAW

By: 

Robert A. Mix, Esquire
211 Kimport Avenue
Boalsburg, PA 16827
Attorney ID # 16164
Phone: (814) 880-2366
E-mail: bmix470@gmail.com

VERIFICATION

I, Brian Heiser, state that I am the Executive Director of the State College Borough Water Authority, that I am acquainted with the facts set forth in the foregoing Answers to Requests for Admissions, that the same are true and correct to the best of my knowledge, information and belief; that I expect to be able to prove the same at a hearing to be held in this matter, and that this statement is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

8/19/2025

Date

A handwritten signature in blue ink that reads "Brian C. Heiser". The signature is written in a cursive style and is positioned above a horizontal line.

Brian C. Heiser

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I & E Petition to Request the
Commission Open a Section 529
Investigation into the Acquisition of Rock
Spring Water Company

Docket No. P-2024-3051313

VIA ELECTRONIC FILING

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the State College Borough Water Authority's Responses to the Pennsylvania American Water Company's Request for Admissions – Set I upon the persons and in the manner indicated below, which service satisfies the requirements of 52 Pa. Code §1.54 (relating to service by a party).

SERVED VIA ELECTRONIC MAIL ON September 2, 2025

Carrie B. Wright, Deputy Chief Prosecutor
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(Counsel for DEP)

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(Counsel for OCA)

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Teresa Harrold, Esquire
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(Counsel for Ferguson Twp)

Raymond Myers
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Rmyers.raymond.h@gmail.com
(Chairman HAW&SA)

The Honorable John M. Coogan
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120
jcoogan@pa.gov
(Administrative Law Judge)

Respectfully submitted

ROBERT MIX LAW

By: 

Robert A. Mix, Esquire
211 Kimport Avenue
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Solicitor for the State College
Borough Water Authority
Phone: (814) 880-2366
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**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

PAWC Exhibit MJG-10

Response of Rock Spring Water Company to PAWC Request for Admission

BEARD LAW COMPANY

101 North Allegheny Street
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ph. 814-548-0028 fax 814-548-0030
www.beardlawco.com

RODNEY A. BEARD
rod@beardlawco.com

September 9, 2025

Via email to elizabeth.triscari@amwater.com

Elizabeth Rose Triscari, Esquire
Pennsylvania American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055

Re: I&E Petition to Request the Commission Open a Section 529 Investigation
into the Acquisition of Rock Spring Water Company
Docket No. P-2024-3051313

Dear Elizabeth:

Enclosed please find Rock Spring Water Company's Responses to Pennsylvania
American Water Company's Request for Admissions to Rock Spring Water Company – Set I.

Copies are being served on all parties of record in accordance with the attached
Certificate of Service.

Should you have any questions, please do not hesitate to contact me. Thank you.

Very truly yours,



Rodney A. Beard

RAB/nld

Enclosure

c: Matthew L. Homsher, PUC Secretary (Letter and Certificate of Service Only)
Parties

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

I&E Petition to Request the Commission Open :
A Section 529 Investigation Into the Acquisition :
Of the Rock Spring Water Company : Docket No. P-2024-3051313

**RESPONSE OF ROCK SPRING WATER COMPANY TO REQUESTS FOR ADMISSION
PROPOUNDED BY PENNSYLVANIA AMERICAN WATER**

1. The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be practical.

Response: Objection is made to this Request for Admission to the extent the definition of the word “practical,” is not provided and the word “practical,” may be subject to various definitions and interpretations. Different constituencies may have different perspectives on how the word “practical,” applies to this Request for Admission.

BY: 
Rodney A. Beard, Counsel for Rock Spring Water Company

Without waiving the objection, Rock Spring Water Company (RSWC) responds that it may be practical for State College Borough Water Authority (SCBWA) to acquire RSWC at an appropriate and practical price. However, given that customer rates are likely to increase substantially if the SCBWA acquires RSWC, such acquisition may not be practical from a customer perspective. Furthermore, RSWC is a utility regulated by the Pennsylvania Public Utility Commission (PUC). SCBWA is a municipal authority which may not be subject to the PUC jurisdiction. Therefore, it may not be practical for the SCBWA to acquire RSWC because SCBWA does not hold a certificate of public convenience from the PUC.

2. The acquisition of Rock Spring Water Company by the State College Borough Water Authority would be economically feasible.
 1. Response: Admitted. According to the most recent audit information regarding the State College Borough Water Authority (SCBWA) available to Rock Spring Water

Company (RSWC), it appears that acquisition of RSWC by the SCBWA would be economically feasible because SCBWA has approximately \$32 million in readily available reserve funds and RSWA is asking for only about \$300,000 in purchase price, so SCBWA has the economic capability to acquire RSWC. Also, any improvement(s) that would be desired by SCBWA to the infrastructure of RSWC after acquisition could be accomplished through time and without undue expenditure of SCBWA reserve funds. SCBWA is well aware of the amount of money needed to put into system maintenance and improvements, having put more than \$31.8 million into its own system between 2018 and 2023.

Respectfully submitted:

9-9-25
Date


Rodney A. Beard, Esquire
PA I.D. No. 49909
101 North Allegheny Street
Bellefonte, PA 16823
(814) 548-0028

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
The Acquisition of Rock Spring Water :
Company :

VERIFICATION

I, J. Roy Campbell, President of Rock Spring Water Company, verify that I am authorized to make this Verification and I further verify that the Answers and Responses set forth to the REQUESTS FOR ADMISSIONS PROPOUNDED BY PENNSYLVANIA AMERICAN WATER COMPANY – SET 1, are true and correct to best of my knowledge, information and belief. I understand that any false statements herein are made subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

ROCK SPRING WATER COMPANY

Date



J. Roy Campbell

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
The Acquisition of Rock Spring Water :
Company :

CERTIFICATE OF SERVICE

I hereby certify that I am serving Rock Spring Water Company's Responses to Request for Admissions Propounded by Pennsylvania American Water Company upon Rock Spring Water Company – Set I dated September 7, 2025, in the manner and upon the persons listed below:

Served Via Electronic Mail Only

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Counsel for Commonwealth of
Pennsylvania, Department of Environmental
Protection

Carrie B. Wright, Esquire
Deputy Chief Prosecutor
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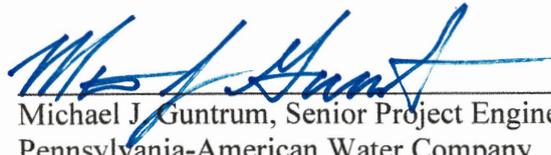
Respectfully submitted:

9-9-25
Date


Rodney A. Beard, Esquire
PA I.D. No. 49909
101 North Allegheny Street
Bellefonte, PA 16823
(814) 548-0028

VERIFICATION

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



Michael J. Guntrum, Senior Project Engineer
Pennsylvania-American Water Company

Dated: September 17, 2025



October 8, 2025

VIA E-MAIL

David P. Zambito

Direct Phone 717-703-5892

Direct Fax 215-989-4216

dzambito@cozen.com

Administrative Law Judge John Coogan
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement
Petition to Request the Commission Open a Section 529 Investigation into the
Acquisition of Rock Spring Water Company; Docket No. P-2024-3051313**

Surrebuttal Testimony of Pennsylvania-American Water Company

Dear Administrative Law Judge Coogan:

Enclosed please find the following testimony of Pennsylvania-American Water Company:

- Surrebuttal Testimony of Michael J. Guntrum, PAWC Statement No. 1-SR, including PAWC Exhibit MJG-11; and
- Surrebuttal Testimony of Marcus Kohl, PAWC Statement No. 2-SR.

Copies of this testimony are being served in accordance with the attached Certificate of Service.

Thank you for your attention to this filing. Please contact me if you have any questions or concerns.

Sincerely,

Cozen O'Connor

David P. Zambito, Esquire

Counsel for

Pennsylvania-American Water Company

DPZ

Enclosure

cc: Matthew L. Homsher, Secretary (*Cover Letter and Certificate of Service Only*)
Per Certificate of Service
Elizabeth R. Triscari, Esq.

VERIFICATION

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

Date: 10/8/25

Michael Guntz

VERIFICATION

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

Date: 10/8/25



**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
Bureau of Investigation and Enforcement :
Petition to Request the Commission Open : Docket No. P-2024-3051313
A Section 529 Investigation into the Acquisition :
of Rock Spring Water Company :

CERTIFICATE OF SERVICE

I hereby certify that I am this 8th day of October, 2025, serving the **Surrebuttal Testimony of Pennsylvania-American Water Company** upon the persons and in the matter indicated below, which service satisfies the requirements of 52 Pa. Code § 1.54 (related to service by a party).

SERVICE BY E-MAIL ONLY

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Pennsylvania Public Utility Commission
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Harrisburg, PA 17120
carwright@pa.gov
Counsel for *Bureau of Investigation & Enforcement*

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Counsel for *Township of Ferguson*

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Counsel for *State College Borough Water Authority*

Amanada Chaplin, Esq.
Glenn Masser, Esq.
Pennsylvania Department of Environmental
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Northcentral Regional Office
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gmasser@pa.gov
Counsel for *Department of Environmental Protection*

Respectfully submitted,



David P. Zambito, Esq.
Counsel for *Pennsylvania-American Water Company*

**SURREBUTTAL TESTIMONY OF
MICHAEL J. GUNTRUM**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I&E Petition to Request the Commission Open a : Docket No. P-2024-3051313
Section 529 Investigation Into the Acquisition of Rock :
Spring Water Company :

**SURREBUTTAL TESTIMONY OF
MICHAEL J. GUNTRUM ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

Date: October 8, 2025

PAWC Statement No. 1-SR

**SURREBUTTAL TESTIMONY OF
MICHAEL J. GUNTRUM**

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

2 **A.** My name is Michael J. Guntrum, P.E., and my business address is 852 Wesley Drive,
3 Mechanicsburg, PA 17055.

4
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 **A.** I am employed by PAWC¹ as a Senior Project Engineer, Business Development.

7
8 **Q. HAVE YOU SUBMITTED ANY OTHER TESTIMONY IN THIS PROCEEDING?**

9 **A.** Yes, I submitted PAWC Statement No. 1, which includes a statement of my professional
10 experience and education, PAWC Statement 1-E, PAWC Statement 1-Supp., and PAWC
11 Statement No. 1-R.

12
13 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS
14 PROCEEDING?**

15 **A.** I will update my previous testimony in these proceedings regarding PAWC's activities and
16 expenses as Interim Receiver.

17

18

UPDATE TO PREVIOUS TESTIMONY

19 **Q. IN YOUR SUPPLEMENTAL DIRECT TESTIMONY FILED ON AUGUST 27,
20 2025, AT PAGE 2, YOU WERE ASKED TO PROVIDE A BRIEF DESCRIPTION**

¹ Unless otherwise noted, all capitalized terms and acronyms used in this Surrebuttal Testimony have the same definitions as set forth in my previous testimony.

1 **OF THE IMMEDIATE ACTIVITIES OF PAWC AS THE INTERIM RECEIVER**
2 **OF ROCK SPRING AND AN ESTIMATE OF THE COSTS THAT PAWC HAS**
3 **INCURRED AS THE INTERIM RECEIVER OF ROCK SPRING. PLEASE**
4 **UPDATE THIS TESTIMONY.**

5 **A.** Attached as **PAWC Exhibit MJG-11** is a brief update of the activities that PAWC has
6 undertaken since August 20, 2025 (the date of PAWC’s first Quarterly Status Report as
7 Interim Receiver, found at **PAWC Exhibit MJG-2**). In terms of the costs that PAWC has
8 incurred as the Interim Receiver of Rock Spring, not including internal labor expenses,
9 PAWC has spent about \$10,000 to date. This figure does not include PAWC’s reasonable
10 legal expenses.

11
12 **Q. WHO SHOULD PAY THIS AMOUNT?**

13 **A.** In my opinion, Rock Spring should pay this amount, not PAWC’s ratepayers. To mitigate
14 the cost to PAWC’s ratepayers for PAWC serving as Interim Receiver, if the Commission
15 orders Rock Spring to be sold pursuant to Section 529, the Commission should order that
16 Rock Spring pay all amounts incurred by the Interim Receiver out of the proceeds of the
17 sale of the System.

18
19 **Q. IF THE COMMISSION ORDERS THAT ROCK SPRING BE SOLD PURSUANT**
20 **TO SECTION 529, SHOULD THE COMMISSION’S ORDER ADDRESS THE**
21 **ACQUISITION PRICE OF THE SYSTEM?**

22 **A.** Yes. I am advised by counsel that, if the Commission orders the sale of Rock Spring to a
23 capable public utility, the price for the System is determined by agreement between Rock

1 Spring and the acquiring public utility, *subject to a determination by the Commission that*
2 *the purchase price is reasonable.* It would be helpful if the Commission's order would
3 provide the parties with guidance as to the purchase price that the Commission might find
4 reasonable. Otherwise, the parties might waste their time by negotiating a purchase price
5 that exceeds the Commission's estimation of the value of the System.

6
7 **CONCLUSION**

8 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

9 **A.** Yes. However, I reserve the right to supplement my Surrebuttal Testimony as additional
10 issues or facts arise during the course of this proceeding. Thank you.

PAWC Exhibit MJG-11

ROCK SPRING WATER COMPANY STATUS UPDATE SINCE AUGUST 20, 2025

1. BACKGROUND

On March 21, 2025, the Public Utility Commission (“PUC”) issued an Order appointing Pennsylvania-American Water Company (“PAWC”) as the Receiver for the Rock Spring Water Company (“Rock Spring”) to include Rock Spring’s property, facilities and assets (“System”).

Consistent with Appendix A, Paragraph 1(o) of the Order, the following provides a brief status update of the conditions found and actions taken since our last Status Report Update dated August 20, 2025.

2.1 Customer and Employee Safety Program

PAWC continues observing and reviewing Rock Spring’s safety procedures, programs and equipment for compliance with applicable regulations, industry standards and best practices.

2.2 Water Supply and Treatment

PAWC continues operating the water supply and treatment system, interviewed Rock Spring employees, reviewed process control and compliance testing, evaluated the adequacy and condition of treatment equipment, and identified deficiencies and improvement opportunities. Immediate actions have been taken to improve the performance of the water supply and treatment. On the night of October 7th through October 8th PAWC successfully responded to a power outage at the well and tank site. PAWC continues to implement best operations and Management practices at Rock Spring.

2.3 Water Distribution System

PAWC has operated the water distribution system, interviewed Rock Spring employees, observed the water storage tank, reviewed water quality testing data, and identified deficiencies and improvement opportunities. Immediate actions have been taken to improve the performance of the distribution system. Since the previous update, the following actions have been taken to improve the performance of the distribution system are listed below.

1. PAWC has performed static water pressure readings throughout the Rock Spring distribution system to establish a baseline of water pressure.
2. PAWC also repaired two service lines, installed a new curb box to repair an existing issue, and replaced an existing leaking curb stop.
3. Assisted customers locate multiple leaks on their service lines.

PAWC continues to implement best operations and management practices at Rock Spring. This work has resulted in a reduction in daily system delivery by approximately 40,000 gpd. PAWC continues to implement best operations and management practices at Rock Spring.

2.4 SCADA System

1. PAWC completed an evaluation of the Supervisory Control and Data Acquisition (“SCADA”) system and installed SCADA equipment to monitor the status of the Rock Spring system. PAWC continues to implement best SCADA practices at Rock Spring.

2.5 Water Quality & Environmental Compliance Program

PAWC has observed and reviewed Rock Spring’s water quality and environmental compliance testing and reporting procedures versus regulatory requirements, interviewed Authority employees, evaluated the tools and equipment in place for compliance monitoring, reviewed compliance testing data and reported the data to the DEP, and identified deficiencies and improvement opportunities. Immediate actions taken to improve the water quality and environmental compliance program are listed below.

1. PAWC submitted an updated water loss report for Rock Spring to DEP at the end of August.

2.6 Public Outreach Program

PAWC has continued to keep customers informed through various channels. PAWC participated in two public input hearings as part of the 529 proceeding that occurred on September 30, 2025.

1. On September 9th, PAWC circulated a press release to local media and community partners highlighting the work and system improvements PAWC has made to the system: [Press Release](#)
2. Additionally, PAWC posted social media posts announcing the hearing in compliance with ALJ Coogan's request that we provide notice on the website and social media accounts: <https://www.puc.pa.gov/pcdocs/1896876.pdf>
3. PAWC continues to operate a separate email account specifically for Rock Spring Customers where they can send questions or concerns directly to PAWC team members.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the Acquisition of Rock Spring Water Company	:	Docket No. P-2024-3051313
	:	
	:	

**DIRECT TESTIMONY OF
MARCUS KOHL, ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

Date: August 27, 2025

PAWC Statement No. 2

**DIRECT TESTIMONY OF
MARCUS KOHL**

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

2 **A.** My name is Marcus Kohl, and my business address is 852 Wesley Drive, Mechanicsburg,
3 PA 17055.

4

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

6 **A.** I am employed by Pennsylvania-American Water Company (“PAWC” or “Company”) as
7 Director of Business Development.

8

9 **Q. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR OF BUSINESS**
10 **DEVELOPMENT?**

11 **A.** I develop and maintain necessary contacts to stay abreast of new business opportunities.
12 I manage the acquisition from initial contact, responding to Requests for Qualifications,
13 Requests for Proposals, Requests for Bids, preparation of the pleadings for submission to
14 the Pennsylvania Public Utility Commission (“Commission”) and manage the workflows
15 required to close the acquisition. These responsibilities necessitate that I maintain a
16 working knowledge of regulatory and technical developments, recent technologies and
17 current trends as they affect water and wastewater utility industries, and that I be familiar
18 with legislation, regulations and public policy affecting business opportunities.

1 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EDUCATION AND EXPERIENCE.**

2 **A.** I received my Bachelor of Science in Speech Communications from Millersville
3 University in 2001. Prior to my role as Director of Business Development for
4 Pennsylvania-American Water Company, I served as the Director for Water Quality and
5 Environmental Compliance. In that role, my primary responsibilities included the
6 oversight of drinking water and wastewater compliance and reporting, which included
7 aiding operations staff in the application of proper treatment techniques necessary to
8 maintain compliance with applicable permits. Before joining Pennsylvania-American
9 Water Company, I served in various roles, including leadership positions, within the
10 Pennsylvania Department of Environmental Protection (“PA DEP”). In my nearly 20 years
11 with PA DEP, I held roles in the Office of Water Management, including participation in
12 the development of policy, guidance, and regulations applicable to both drinking water and
13 wastewater. Much of my career with PA DEP was in the role of Director for the
14 Northcentral Region. In this capacity, I was responsible for all aspects of regulatory
15 oversight for safe drinking water, clean water, waste management, air quality, waterways
16 engineering and wetlands, and environmental cleanup and storage tanks programs within
17 the 14-county region. In this capacity, I supervised nearly 130 staff directly or indirectly.

18

19 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?**

20 **A.** Yes, I have previously testified in Commission proceedings. The list of proceedings in
21 which I’ve provided testimony is attached as **PAWC Exhibit MK-1**.

1 **Q. HAVE YOU REVIEWED THE 2023 ANNUAL FINANCIAL REPORT FOR ROCK**
2 **SPRING WATER COMPANY (“ROCK SPRING”) AS FILED WITH THE**
3 **COMMISSION ON JULY 29, 2024?**

4 **A.** Yes. It is attached as **PAWC Exhibit MK-2.**

5
6 **Q. WAS THAT THE MOST RECENT ANNUAL FINANCIAL REPORT AVAILABLE**
7 **AT THE TIME?**

8 **A.** Yes.

9
10 **Q. WHAT IS THE ENDING BALANCE FOR THE TOTAL NET UTILITY PLANT IN**
11 **SERVICE INCLUDED IN THE BALANCE SHEET WITHIN THE ANNUAL**
12 **FINANCIAL REPORT?**

13 **A.** The end of year balance for Utility Net Plant is \$11,317.

14
15 **Q. DOES THE 2023 ANNUAL REPORT INCLUDE INFORMATION ABOUT THE**
16 **CORPORATE STRUCTURE OF ROCK SPRING?**

17 **A.** Yes. As of December 31, 2023, there were 12 shareholders. Dean Harper is the largest
18 individual shareholder. He owned 48 out of 199 shares (approximately 24.1%) of the
19 shares of Rock Spring.

20 The Board of Directors apparently has two members: J. Roy Campbell and
21 Elizabeth Campbell. Their terms are unknown. It should be noted that the Annual Report
22 does not indicate that any meetings of the Board of Directors were held during 2023, nor
23 does it indicate when an election was held to elect directors. Mr. Campbell owns 14.67

1 shares of the stock of Rock Spring and Ms. Campbell owns 10 shares of stock. Together,
2 they own approximately 12.4% of the shares of Rock Spring.

3 The President and Vice President of Rock Spring is J. Roy Campbell. The
4 Treasurer and Assistant Treasurer are Elizabeth Campbell.

5
6 **Q. PLEASE EXPLAIN WHY THIS INFORMATION IS IMPORTANT FOR THIS**
7 **PROCEEDING.**

8 **A.** I am advised by counsel that Section 529 of the Pennsylvania Public Utility Code (“Code”)
9 provides that, if the Commission orders a capable public utility to acquire a small water
10 utility, the purchase price is determined by agreement between the small water utility and
11 the capable public utility, subject to a Commission determination that the purchase price is
12 reasonable. If an agreement cannot be reached, or if the Commission determines that the
13 agreed-to purchase price is not reasonable, the Commission is to direct the capable public
14 utility to acquire the small water utility through an eminent domain proceeding.

15 If PAWC is ultimately directed to acquire Rock Spring, or if another entity is
16 interested in voluntarily acquiring Rock Spring (like State College Borough Water
17 Authority), to negotiate a purchase price, a potential buyer needs to know who has the
18 authority to negotiate on behalf of Rock Spring. An agreed-to purchase price for Rock
19 Spring could be challenged by other shareholders on the grounds that the officers/directors
20 of Rock Spring that negotiated and approved the agreement lacked authority to do so. Such
21 litigation could delay the instant proceeding. Moreover, a Commission order approving an
22 agreed-to purchase price for Rock Spring could be challenged if the officers/directors that

1 agreed to the purchase price lacked authority to enter into a binding agreement on behalf
2 of Rock Spring.

3 As I stated above, the information discussed above is stale (it was filed more than
4 a year ago, based on information for 2023). Moreover, there are important gaps in the
5 information. For example, the Annual Report states that there are two members of the
6 Board of Directors, but it is unclear how many Directors are supposed to be on the Board.
7 Two Directors may not have authority to take action on behalf of the Board. Moreover,
8 the only individual with a controlling interest¹ in Rock Spring does not appear to have any
9 direct role in the operation or management of the utility. PAWC would like to spare its
10 ratepayers the legal expense of an eminent domain proceeding but is reluctant to negotiate
11 with representatives of Rock Spring who may not have authority to enter into a binding
12 contract for the corporation.

13 PAWC tried to obtain additional information about the corporate structure of Rock
14 Spring by serving that utility with interrogatories about its corporate structure. **PAWC**
15 **Exhibit MK-3**. These interrogatories were served on July 30, 2025. Therefore, objections
16 were due by August 9, 2025 and answers were due by August 19, 2025, but no objections
17 or answers have been served as of the date this testimony is being written, PAWC is
18 working informally with Rock Spring to avoid a discovery dispute, but it is unclear whether
19 answers to PAWC's interrogatories will be received before the instant testimony is due.
20 PAWC may need to file a Motion to Compel by August 29, 2025, but that is after the due
21 date for submitting the instant testimony. PAWC reserves the right to update this testimony
22 in the event that answers to its interrogatories are received in the future.

¹ I am advised by counsel that the Commission has a statement of policy defining a controlling interest in a utility as at least 20% of the voting interest in the utility or its parent. 52 Pa. Code § 69.901(b)(2).

1 The Commission should not allow a troubled public utility to ignore proper
2 discovery in order to force a capable public utility to go through an eminent domain
3 proceeding to acquire the troubled utility. The ratepayers of PAWC should not be forced
4 to bear the costs of additional litigation because Rock Spring failed to cooperate in the
5 discovery process during the instant litigation.

6 The present officers/directors of Rock Spring apparently believe they will get a
7 better price for the System by litigating an eminent domain proceeding than by negotiating
8 a purchase price in the instant proceeding. They should not be rewarded (at the expense of
9 PAWC's ratepayers) for failing to cooperate in the discovery process during this litigation.

10
11 **Q. DOES PAWC HAVE A POSITION ON WHETHER THE COMMISSION SHOULD**
12 **ORDER IT TO ACQUIRE ROCK SPRING?**

13 **A.** PAWC witness Michael J. Guntrum addressed this in his Direct Testimony dated February
14 20, 2025. There has been no change in PAWC's position since that time. Although PAWC
15 is able and willing to acquire Rock Spring, PAWC believes that the State College Borough
16 Water Authority is the most logical choice for acquiring Rock Spring. I am not a lawyer,
17 so I will not address the legal issues that this proposal raises, but it is my understanding
18 that they are not insurmountable. PAWC will address them in briefs.

19
20 **CONCLUSION**

21 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

22 **A.** Yes. However, I reserve the right to supplement my Direct Testimony as additional issues
23 or facts arise during the course of this proceeding. Thank you.

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

Docket No. P-2024-3051313

PAWC Exhibit MK-1

Marcus Kohl Testimony History

Prior Testimony provided to Pennsylvania Public Utility Commission by Marcus Kohl

- Pennsylvania American Water General Rate Case (Docket No. R-2022-3031672)
- Joint Application for the acquisition of the Manwalamink Water and Manwalamink Sewer Companies (Docket Nos. A-2023-304418, A-2023-304419, A-2023-304421, A-2023-304422)
- Joint Application for the acquisition of Appalachian Utilities Inc. (Docket Nos. A-2024-3046084 and A-2024-3046092)
- Joint Application for the acquisition of Elizabeth Borough Municipal Authority (Docket Nos.

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

Docket No. P-2024-3051313

PAWC Exhibit MK-2

Rock Springs Water Company 2023 Financial Annual
Report

DOTTS HAMILTON, INC.

TAX AND ACCOUNTING SERVICES

111 S. School Street
Bellefonte, PA 16823

Ronald A. Dotts, EA
Brenna G. Shutika, EA
Shiloh G. Cicero, EA

PHONE: 814.355.4293
FAX: 814.355.7024
WEBSITE: www.DottsHamilton.com

July 23, 2024

DATE OF DEPOSIT

JUL 29 2024

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building – 2nd Floor
Harrisburg, PA 17120

Ref: Rock Spring Water Company
Utility Code 212610

Enclosed please find one complete copy of the 2023 Annual Financial Report for Rock Spring Water Company. An electronic file of this report has also been submitted to you via email.

Thank you.

Respectfully submitted,



Brenna Shutika,
Accountant for Rock Spring Water Company

**CLASS "C" WATER COMPANY
PUC ANNUAL REPORT
OF**

Utility Code
212610

Company:

ROCK SPRING WATER COMPANY

Address:

1750 TADPOLE ROAD, PENNSYLVANIA FURNANCE, PA 16865-9539

Address

City

State

Zip

DATE OF DEPOSIT

JUL 29 2024

**TO THE
PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

For the Year Ended December 31, 2023

Telephone Number 814-231-2911

Fax Number 814-231-2911

E-Mail RSW5@COMCAST.NET

Officer to whom correspondence
concerning this report should be addressed:

J ROY CAMPBELL

First Name

Last Name

PRESIDENT

Title

4607 W WHITEHALL ROAD, PA FURNANCE, PA 16865

Address

City

State

Zip

(Company Name)

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(Company Name)

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GENERAL INSTRUCTIONS

1. Two copies of this report shall be prepared by each water utility. One copy should be mailed to the Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA 17120 by April 30 of the year following the calendar year. The other copy should be retained by the Company for reference. Companies should also file an electronic version of the report by emailing it to: ra-PUCFinancial@pa.gov. All water utilities are required by statute to complete and file this annual report.
2. Pencil entries will not be permitted on hard copy.
3. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by this Commission, as set forth in the N.A.R.U.C. Systems of Accounts. The N.A.R.U.C. System of Accounts defines Class C companies as those with annual revenues of less than \$200,000.
4. Standard accounting procedures shall apply in determining the nature of any entry (e.g. entries of a reverse or contrary character shall be indicated by a parentheses around the number).
5. The report shall be filed using data on a calendar year basis.
6. If this report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes).
7. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.
8. Dates, when called for, should include the day, month and year. Customary abbreviations may be used in stating dates.

GENERAL INSTRUCTIONS

(Continued)

9. Whenever schedules require a comparison of figures of the previous year, the figures reported must be based upon those shown in the annual report of the previous year or an appropriate explanation should be given why different figures were used.
10. One copy of the respondent's latest annual report, if issued, should be submitted with this report. If respondent is a member of a group, both parent and subsidiary's annual report should be submitted.
11. Throughout this report money items should be rounded off to the nearest dollar.
12. In the space provided at the top of each page insert the name of the utility and the year to which this report relates.

EXCERPT FROM TITLE 66, THE PUBLIC UTILITY CODE, APPROVED JULY 1, 1978**SECTION 504. Reports by Public Utilities**

The Commission may require any public utility to file periodical reports at such times, and in such form, and of such content, as the Commission may prescribe; and special reports concerning any matter whatsoever about which the Commission is authorized to inquire, or to keep itself informed, or which it is required to enforce. The Commission may require any public utility to file a copy of any report filed by such public utility with any Federal department or regulatory body. All reports shall be completed under oath or affirmation when required by the Commission.

SECTION 3301. Civil Penalties for Violations

(a) **General rule.** -- If any public utility,...shall fail, omit, neglect, or refuse to perform any duty enjoined upon it by this part; or shall fail, omit, neglect or refuse to obey, observe, and comply with any regulation or final direction, requirement, determination or order made by the Commission,...such public utility, person or corporation for such violation, omission, failure, neglect, or refusal, shall forfeit and pay to the Commonwealth a sum not exceeding \$1,000, to be recovered by an action of assumpsit instituted in the name of the of Commonwealth. In construing and enforcing the provisions of this section, the violation, omission, failure, neglect, or refusal of any officer, agent, or employee acting for, or employed by, any such public utility, person or corporation shall, in every case be deemed to be in violation, omission, failure, neglect, or refusal of such public utility, person or corporation.

(b) **Continuing offenses.** -- Each and every day's continuance in the violation of any regulation or final direction, requirement, determination, or order of the Commission,...shall be a separate and distinct offense.

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

GENERAL INFORMATION

1. Name and title of officer having custody of the general books of account and address of the office where such books are kept.

J ROY CAMPBELL
1750 TADPOLE ROAD
PENNSYLVANIA FURNACE, PA 16865

2. Name of State under the laws of which respondent is incorporated and the date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization structure and date organized

PENNSYLVANIA
1947

3. If at any time during the year the property of respondent was held by a receiver or trustee, give: (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created and, (d) date when possession by receiver or trustee ceased.

N/A

4. State the classes of utility and other services furnished by respondent during the year in each state that the respondent operated.

CLASS C WATER - PENNSYLVANIA
NO SERVICES UNRELATED TO CLASS C WATER OPERATIONS

(Company Name)

IMPORTANT CHANGES DURING THE YEAR

Provide on the following page written responses for each of the items listed below. Make the written statements explicit and precise, and number each statement in accordance with the inquiries. Each inquiry must be answered. However, if the word "none" states the fact, it may be used in answering any inquiry, or if information is given elsewhere in the report which answers any inquiry, reference to such other schedule will be sufficient.

1. Changes in, and additions to franchise rights; describing (a) the actual consideration given therefor, and (b) from whom acquired. If acquired without payment of any consideration, state that fact.

NONE

2. Acquisition of other companies, reorganization, merger or consolidation with other companies; give names of companies involved, particulars concerning the transactions, and reference to Commission authorization, including docket numbers.

NONE

3. Purchase or sale of operating units, such as sources, treatment and storage facilities, transmission and distribution systems, etc., specify items, parties, effective dates and also reference to Commission authorization, including docket numbers.

NONE

4. Important leaseholds acquired, given, assigned, or surrendered, effective dates, lengths of terms, names of parties, rents, Commission authorization, (docket numbers), if any, and other conditions.

NONE

5. Important extensions of service territories, including Commission authorization (docket numbers), giving location of the new service territory covered by distribution system, and dates of beginning operations. Give the number of customers by class, and for each class of customers the estimated annual revenues relating to the new territories.

NONE

6. Estimated increase or decrease in annual revenues due to important rate changes, (docket numbers), and the approximate extent to which such increase or decrease is reflected in revenues for the reporting year.

NONE

7. Important wage scale changes, showing dates of changes, effect on operating expenses for the year, and estimated annual effect of such wage scale changes on operating expenses.

NONE

8. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue, and giving Commission authorization, (docket number), if any.

NONE

9. Changes in articles of incorporation or amendments to charters; explain the nature and purpose of such changes or amendments. Note any filing with the Commission.

NONE

10. Other important changes not provided for elsewhere.

NONE

(Company Name)

**WRITTEN RESPONSES FOR
IMPORTANT CHANGES DURING THE YEAR**

Provide written responses for each of the items listed on the previous page.

1. NONE
2. NONE
3. NONE
4. NONE
5. NONE
6. NONE
7. NONE
8. NONE
9. NONE
10. NONE

DEFINITIONS

"Accounts" means the accounts prescribed in the NARUC System of Accounts.

"Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, which may be over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

"Book Cost" means the amount at which property is recorded in the applicable account without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

"Control" (including the terms; "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliated companies, contract or any other direct or indirect means.

"Cost" means the amount of money actually paid for property or service. When the consideration given is other than cash, the value of such consideration shall be determined on a cash basis.

"Debt Expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen or marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

"Depreciation", as applied to depreciable utility plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of the utility plant in the course of providing service. This includes causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of regulatory bodies.

"Distribution Mains" means any pipes whose primary purpose is to distribute treated water throughout a community, and whose components include arterial or primary feeders, secondary feeders, and the distribution grid works.

DEFINITIONS (Continued)

“Investment Advances” means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

“Minor Items of Property” means the associated parts or items of which retirement units are composed.

“Net Salvage Value” means the salvage value of property retired less the cost of removal.

“Nominally Issued”, as applied to securities issued or assumed by the utility means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued directly to trustees of sinking funds in accordance with contractual requirements.

“Original Cost”, as applied to utility plant, means the cost of such property to the person first devoting it to public service.

“Property Retired”, as applied to utility plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been permanently withdrawn from service.

“Replacing or Replacement”, when not otherwise indicated in the context, means the construction or installation of utility plant in place of property retired, together with the removal of the property retired.

“Retained Earnings” means the accumulated net income of the utility less distributions to stockholders and transfers to other capital accounts, and other adjustments.

“Salvage Value” means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

“Straight-Line Remaining Life Method”, as applied to depreciation accounting, means the plan under which the service value of property is charged to operating expenses (and to clearing accounts if used), and credited to the accumulated depreciation account through equal annual changes during its service life. "Remaining Life" implies that estimates of the future life and salvage shall be reexamined periodically and that depreciation rates will be corrected to reflect any changes in these estimates.

**DEFINITIONS
(Continued)**

“Supply Main” means any main, pipe, or aqueduct or canal whose primary purpose is to convey raw untreated water from one unit to another unit in the source of supply and pumping plant, and to the water treatment equipment.

“Transmission Main” means any pipes whose primary purpose is to convey treated water from the water treatment equipment or pumping station to the distribution system serving a community and generally provides no service connections with customers.

“Utility” as used herein and when not otherwise indicated in the context, means any public utility to which the uniform system of accounts is applicable.

“Contributions - in - Aid - of Construction - This account shall include:

- A) 1. Any amount or item of money, services or property received by a utility, from any person or governmental agency, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement or construction costs of the utility's property, facilities, or equipment used to provide utility service to the public.
2. Amounts transferred from account 252 - Advances for Construction, representing unrefunded balances of expired contracts or discounts resulting from termination of contracts in accordance with the Commission's rules and regulations.
3. Compensation received from governmental agencies and others for relocation of water mains or other plants.
4. Any amount of money received by a utility, any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility and which is utilized to offset the federal, state, or local income tax effect of taxable contributions in aid of construction, taxable amounts transferred from account - 252 Advances for Construction, and taxable compensation received from governmental agencies and others for relocation of water mains or other plants shall be reflected in a sub-account of this account.

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

DEFINITIONS
(Continued)**"Contributions - in - Aid - of Construction - This account shall include:**

B) The credits to this account shall not be transferred to any other account without the approval of the Commission.

C) The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) states, (b) municipalities, (c) customers, and (d) others, and the amount applicable to each utility department.

Note:--There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part.

(See account 252 - Advances for Construction).

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

100. VOTING POWERS and ELECTIONS

This schedule is to be completed only by publicly held Corporations. Subsidiaries that are 100% owned by others should not complete this schedule.

1. Has each share of stock the right to one vote? Yes/No

YES

2. Are voting rights attached only to stock? Yes/No (If the answer to either query 1 or 2 is "No," give particulars.)

YES

3. Give date of the latest closing of the stock book prior to end of year and state the purpose of such closing.

NOT APPLICABLE - NOT A PUBLIC COMPANY

4. Is cumulative voting permitted? Yes/No

5. State the total number of Board or Directors meetings held during year.

6. State the date and place of the latest general meeting held prior to the end of the year for the election of directors.

7. State the total number of votes cast at the latest general meeting and the total number cast by proxy.

8. State the total number of voting security holders and the total of all voting securities as of December 31.

9. If any security has preferences, special privileges, or restrictions in the election of directors, trustees or managers, or in the determination of any corporate action, give details.

10. State the number of votes controlled by management, other than officers of the Corporation.

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

101. SECURITY HOLDER INFORMATION AND VOTING POWERS

1. Report the requested information for each holder of one percent or more of the voting securities or, if there are fewer than ten such holders, the ten who hold the highest voting powers. Data should be the latest available at the end of the year. When the holder of record is a trustee, or other intermediate agency (except a corporation), the data should be reported opposite the names of the beneficial owners, designated as such, under a general heading identifying the trustee or other agency. Securities with contingent voting rights may be disregarded.

2. Attach hereto a certified copy of every effective voting trust established and a certified copy of every other agreement (trustee or otherwise) under which voting securities are held for beneficial owners. If any such agreement has been filed with a previous report, reference to the earlier report will be sufficient, provided that changes or modification since previous filing are shown.

Line No.	Name of Security Holder (a)	(b)	Street Address (c)	City (d)	State (e)	Zip (f)	Voting Securities				Nonvoting Securities (See Instruction #2) Principal, Par Value, or Stated Value (Specify issue - omit cents) (k)
							Number of votes as of				
							Total Votes (g)	Common Stock (h)	Preferred Stock (i)	Other (j)	
1	J ROY CAMPBELL		4607 W WHITEHALL ROAD	PA FURNANCE	PA	16865	14.67	14.67			
2	SUE CAMPBELL		116 ELM ROAD	PA FURNANCE	PA	16865	8.67	8.67			
3	ESTATE OF FRANCES CAMPBELL		400 PLAINFIELD ROAD	PA FURNANCE	PA	16865	20.00	20.00			
4	CHARLES WILLIAMS		140 FISHER RUN ROAD	BLOOMSBURG	PA	16865	12.00	12.00			
5	EDITH WILLIAMSON		8795 OLD DUMFRIES ROAD	CATLETT	VA	20119	34.66	34.66			
6	DEAN HARPER		7700 QUAIL HOLLOW BLVD	WESLY CHAPEL	FL	33544	48.00	48.00			
7	CLAY CAMPBELL		400 PLAINFIELD ROAD	PA FURNANCE	PA	16865	13.00	13.00			
8	C JOHN CAMPBELL		116 ELM ROAD	PA FURNANCE	PA	16865	13.00	13.00			
9	ELIZABETH CAMPBELL		4607 W WHITEHALL ROAD	PA FURNANCE	PA	16865	10.00	10.00			
10	EMILIE CAMPBELL		4607 W WHITEHALL ROAD	PA FURNANCE	PA	16865	10.00	10.00			
11	JULIE CAMPBELL		4607 W WHITEHALL ROAD	PA FURNANCE	PA	16865	10.00	10.00			
12	MICHAEL DODGE		3785 W WHITEHALL ROAD	PA FURNANCE	PA	16865	5.00	5.00			
13											
14											
15							199	199			
16	Total votes of all voting securities	199									
17	Total number of security holders	12									
18	Total votes of security holders listed above	199									

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

102. COMPANIES CONTROLLED BY RESPONDENT

Show below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year.

1. If control ceased prior to end of the year, give particulars in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediates involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Street Address (c)	City (d)	State (e)	Zip (f)	Voting % of Stock (g)	Footnote Ref. (h)
1	NONE							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								

FOOTNOTES:

1. Direct control is that which is exercised without interposition of an intermediary.
2. Indirect control is that which is exercised without interposition of an intermediary which exercises direct control. Control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the NARUC System of Accounts, regardless of the relative voting rights of each party.
3. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the NARUC System of Accounts, regardless of the relative voting rights of each party.

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

103. DIRECTORS

- 1. Provide the following information on each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of respondent.
- 2. Designate by an asterisk names of members of Executive Committee, and by double asterisk the Chairman of the Executive Committee.

Line No.	Directors Name and Title (a)	Principal Business Address					Term Began (g)	Term Expires (h)	Meetings Attended (i)	Fees Paid (j)
		Street Address (b)	City (c)	State (d)	Zip (e)	Telephone (f)				
1	J ROY CAMPBELL	607 W WHITEHALL ROAD	PA FURNACE	PA	16865					
2	PRESIDENT									
3	ELIZABETH CAMPBELL	607 W WHITEHALL ROAD	PA FURNACE	PA	16865					
4	TREASURER									
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										

* Executive Committee
 ** Chairman of Executive Committee

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

104. OFFICERS

Line No.	Official Title & Name (a)	Principal Business Address						
		Street Address (b)	City (c)	State (d)	Zip (e)	Telephone (f)	Fax (g)	Email (h)
1	President							
2	J ROY CAMPBELL	4607 W WHITEHALL ROAD	PA FURNANCE	PA	16865			
3	Vice-President							
4								
5								
6								
7								
8	Treasurer							
9	ELIZABETH CAMPBELL	4607 W WHITEHALL ROAD	PA FURNANCE	PA	16865			
10	Assistant Treasurer							
11								
12	Comptroller							
13								
14								
15								
16	Auditor							
17								
18	Engineer							
19								
20								
21	General Manager							
22								
23								
24								

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

**200. COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	UTILITY PLANT		xxx	xxx	xxx
2	101.0 Utility Plant in Service	201	497,230	497,230	
3	102.0 Utility Plant Leased To Others	202			
4	103.0 Property Held for Future Use	203			
5	104.0 Utility Plant Purchased or Sold				
6	105.0 Construction Work in Progress	204			
7	106.0 Completed Construction Not Classified				
8	Total Utility Plant		497,230	497,230	
9	ACCUMULATED DEPRECIATION		xxx	xxx	xxx
10	108.1 Utility Plant in Service	205	484,555	485,913	1,358
11	108.2 Utility Plant Leased to Others	205			
12	108.3 Property Held for Future Use	205			
13	Total Accumulated Depreciation		484,555	485,913	1,358
14	ACCUMULATED AMORTIZATION		xxx	xxx	xxx
15	110.1 Utility Plant In Service				
16	110.2 Utility Plant Leased to Others				
17	Total Accumulated Amortization				
18	UTILITY PLANT ADJUSTMENTS		xxx	xxx	xxx
19	114.0 Utility Plant Acquisition Adjustments	206			
20	115.0 Accumulated Amortization of Utility Plant Acquisition Adjustments				
21	Total Utility Plant Adjustments				
22	TOTAL NET UTILITY PLANT		12,675	11,317	(1,358)

23	OTHER PROPERTY AND INVESTMENTS		xxx	xxx	xxx
24	OTHER PROPERTY		xxx	xxx	xxx
25	121.0 Non-Utility Property				
26	122.0 Accumulated Depreciation & Amortization of Non-Utility Property				
27	Total Other Property				
28	INVESTMENTS		xxx	xxx	xxx
35	124.0 Utility Investments	210	24,000	24,000	
39	Total Investments		24,000	24,000	
40	TOTAL OTHER PROPERTY AND INVESTMENTS		24,000	24,000	

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

**200. COMPARATIVE BALANCE SHEET
CURRENT ASSETS AND OTHER DEBITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	CURRENT AND ACCRUED ASSETS		XXX	XXX	XXX
2	131.1 Cash		33,532	52,762	19,230
3	132.0 Special Deposits - Interest and Dividends				
4	141.0 Customers Accounts Receivable		20,864	20,666	(198)
5	142.0 Other Accounts Receivable	211			
6	143.0 Accumulated Provision for Uncollectible Accounts-Credit				
7	144.0 Notes Receivable	211			
8	145.0 Accounts Receivable from Affiliated Company	213			
9	146.0 Notes Receivable from Affiliated Company	212			
10	151.0 Plant Materials and Supplies	214	1,612	1,612	
11	162.0 Prepayments	215-418	1,000	1,000	
12	174.0 Miscellaneous Current & Accrued Assets	216			
13	TOTAL CURRENT & ACCRUED ASSETS		57,008	76,040	19,032
14	DEFERRED DEBITS		XXX	XXX	XXX
15	186.1 Deferred Rate Case Expense	221			
16	186.2 Deferred Debits	222			
17	190.0 Accumulated Deferred Income Taxes	419-420			
18	TOTAL DEFERRED DEBITS				
19	TOTAL ASSETS & OTHER DEBITS		93,683	111,357	17,674

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

**200. COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/ (Decrease) (e)
1	EQUITY CAPITAL & LIABILITIES		XXX	XXX	XXX
2	EQUITY CAPITAL		XXX	XXX	XXX
3	201.0 Common Stock Issued		25000	25000	
4	202.0 Preferred Stock Issued				
5	211.0 Other Paid-In Capital				
6	214.0 Retained Earnings	223	65900	82042	16142
7	218.0 Retained (Sole Proprietorships & Partnerships)				
8	TOTAL EQUITY CAPITAL		90900	107042	16142
9					
10	LONG-TERM DEBT		XXX	XXX	XXX
11	223.0 Advances from Affiliated Companies				
12	224.0 Other Long-term Debt	224			
13	TOTAL LONG-TERM DEBT				

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

**200. COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	CURRENT AND ACCRUED LIABILITIES		XXX	XXX	XXX
2	231.00 Accounts Payable		2629	1727	-902
3	232.00 Notes Payable	225			
4	233.00 Accounts Payable to Affiliated Companies	226			
5	234.00 Notes Payable to Affiliated Companies	227			
6	235.00 Customers' Deposits-Billing				
7	236.11 Accrued Taxes	418	1157	3587	2430
8	237.10 Accrued Interest				
9	241.00 Miscellaneous Current and Accrued Liabilities	228			
10	TOTAL CURRENT AND ACCRUED LIABILITIES		3786	5314	1528
11	DEFERRED CREDITS		XXX	XXX	XXX
12	252.00 Advances for Construction	229			
13	253.00 Other Deferred Credits	230			
14	255.10 Accumulated Deferred Investment Tax Credit				
15	TOTAL DEFERRED CREDITS				
16					
17	OPERATING RESERVES		XXX	XXX	XXX
18	265.00 Operating Reserves				
19	TOTAL OPERATING RESERVES				
20	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)		XXX	XXX	XXX
21	271.00 All Contributions (See Definition pg. 8)	231			
22	TOTAL NET (CIAC)				
	TOTAL LIABILITIES & OTHER CREDITS		3786	5314	1528

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

201. UTILITY PLANT IN SERVICE - Account No. 101.0

1. Report by prescribed accounts the original cost of utility plant in service and the additions and retirements of such plant during the year.
2. Do not include as adjustments, corrections to additions and retirements for the current or preceding year. Such items should be included in appropriate Column (c) or (d).
3. Credit adjustments in Column (e) should be shown in red, or in black enclosed in parenthesis. State in a footnote the general character of any adjustments in Column (e).
4. Submit, in a footnote, an explanation of amounts included in Columns (e) and/or (f), Line 34, for lowering or changing the location of mains.

Line No.	Account Number and Title (a)	Balance Previous Year (b)	Additions (c)	Retirements (d)	Adjustments +/- (e)	Balance End of Year (f)
1	.1 INTANGIBLE PLANT	XXX	XXX	XXX	XXX	XXX
2	301.10 Organization					
3	302.10 Franchises					
4	339.10 Other Plant and Miscellaneous Equipment					
5	Total Intangible Plant					
6	.2 SOURCE OF SUPPLY AND PUMPING PLANT	XXX	XXX	XXX	XXX	XXX
7	303.20 Land and Land Rights	2500				2500
8	304.20 Structures and Improvements					
9	305.20 Collection and Impounding Reservoirs					
10	306.20 Lake, Rivers and Other Intakes					
11	307.20 Wells and Springs	20004				20004
12	308.20 Infiltration Galleries and Tunnels					
13	309.20 Supply Mains					
14	310.20 Power Generation Equipment					
15	311.20 Pumping Equipment					
16	339.20 Other Plant and Miscellaneous Equipment					
17	Total Source of Supply and Pumping Plant	22504				22504
18	.3 WATER TREATMENT EQUIPMENT	XXX	XXX	XXX	XXX	XXX
19	303.30 Land and Land Rights					
20	304.30 Structures and Improvements	2500				2500
21	310.30 Power Generation Equipment					
22	311.30 Pumping Equipment					
23	320.30 Water Treatment Equipment	14999				14999
24	339.30 Other Plant and Miscellaneous Equipment	3242				3242
25	349.30 Instrumentation					
26	350.30 Wastewater Treatment Equipment					
27	Total Water Treatment Equipment	20741				20741
28	.4 TRANSMISSION AND DISTRIBUTION PLANT	XXX	XXX	XXX	XXX	XXX
29	303.40 Land and Land Rights					
30	304.40 Structures and Improvements					
31	310.40 Power Generation Equipment	2499				2499
32	311.40 Pumping Equipment	35423				35423
33	330.40 Distribution Reservoirs and Standpipes	148574				148574
34	331.40 Transmission and Distribution Mains					
35	333.40 Services					
36	334.40 Meters and Meter Installations	85042				85042
37	335.40 Hydrants	1240				1240
38	336.40 Backflow Prevention Devices					
39	339.40 Other Plant and Miscellaneous Equipment					
40	Total Transmission and Distribution Plant	272778				272778
41	.5 GENERAL PLANT	XXX	XXX	XXX	XXX	XXX
42	303.50 Land and Land Rights					
43	304.50 Structures and Improvements	6298				6298
44	340.50 Office Furniture and Equipment	8127				8127
45	341.50 Transportation Equipment	1400				1400
46	342.50 Stores Equipment	138512				138512
47	343.50 Tools, Shop and Garage Equipment					
48	344.50 Laboratory Furniture & Equipment					
49	345.50 Power Operated Equipment	8621				8621
50	346.50 Communication Equipment	18249				18249
51	347.50 Miscellaneous Equipment					
52	348.50 Other Tangible Plant					
53	Total General Plant	181207				181207
54	TOTAL WATER PLANT-IN-SERVICE	497230				497230

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

202. UTILITY PLANT LEASED TO OTHERS SUPPORTING SCHEDULE Account No. 102.0

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 102.0 - Utility Plant Leased to Others.

Line No.	Name of Lessee (a)	Balance Previous Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Balance at End of Year (f)
1	NONE					
2						
3						
4						
5						
6						
7	TOTALS					

203. PROPERTY HELD FOR FUTURE USE SUPPORTING SCHEDULE Account No. 103.0

Insert in Column (a) the titles of the applicable primary accounts for Plant in Service and the details regarding Account No. 103.0 - Property Held For Future Use.

Line No.	Item (a)	Anticipated in Service Date (b)	Balance at Beginning of Year (c)	Additions During Year (d)	Transfers to Plant in Service (e)	Balance at End of Year (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8		TOTALS				

(Company Name)

204. CONSTRUCTION WORK IN PROGRESS - Account No. 105.0

- 1. Describe the particulars concerning utility plant in process of construction but not ready for service at end of Calendar Year.
- 2. Describe separately each work order that exceeds an estimated expenditure of \$500 or 1%, whichever is less, of the book cost of utility plant at the beginning of the year. All other work orders may be grouped by nature of project.

Line No.	Description of Work (a)	Balance End of Year (b)	Estimate Total Cost of Construction (c)	Projected In-Service Date (d)
1	NONE			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTALS			

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

205. ACCUMULATED DEPRECIATION OF UTILITY PLANT - Account Nos. 108.1, 108.2 and 108.3

1. Report below an analysis of the changes in accumulated depreciation during the year and the amounts applicable to prescribed functional classifications.
2. Explain and give particulars of important adjustments during the year.

Line No.	Item (a)	Account No.			
		Total (b)	108.1 Utility Plant In Service (c)	108.2 Utility Plant Leased to Others (d)	108.3 Property Held for Future Use (e)
1	Balance Beginning of Year		484555		
2	Credits During Year	XXXXX	XXXXXX	XXXXXX	XXXXXX
3	Depreciation Provisions charged to:	XXXXXX	XXXXXX	XXXXXX	XXXXXX
4	403. Depreciation		1358		
5	413. Income from Utility Plant Leased to Others				
6					
7					
8					
9					
10	Total Depreciation Provisions		1358		
11	Recoveries from Insurance				
12	Salvage Realized from Retirements				
13	Other Credits (Describe)				
14					
15					
16					
17					
18	Total Credits During Year				
19	Total Credits		1358		
20	Debits During Year	XXXXXX	XXXXXX	XXXXXX	XXXXXX
21	Retirement of Utility Plant				
22	Cost of Removal				
23	Other Debits (Describe)				
24					
25					
26					
27					
28	Total Debits During Year				
29	Balance at End of Year		485913		

Describe the basis upon which depreciation provisions for the year were determined and attach worksheets showing the computations made in arriving at the annual provisions.

206. UTILITY PLANT ACQUISITIONS ADJUSTMENTS - Account No. 114.0

Line No.	Item (a)	Project No. 1 Amount (b)	Project No. 2 Amount (c)	Project No. 3 Amount (d)	Project No. 4 Amount (e)	Totals (f)
1	Book Plant - Net					
2	PUC Difference (Ratemaking)					
3	Less Contributions (Net)					
4	Net Utility Plant Acquired					
5	Purchase Price					
6	Acquisition Adjustment					
7						
8						

210. INVESTMENTS - Account No. 124.0

1. Report below investments in Account No. 124.0, Utility Investments
2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.
3. Investments in Securities - List and describe each security owned, giving name of issuer. For bonds give also principal amount, date of issue, maturity, and interest rate. For capital stock state number of shares, class and series of stock. Minor investments may be grouped by classes.
4. Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are subject to repayment but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.
5. For any securities, notes, or accounts that were pledged, designate such securities, notes, or accounts and in a footnote state the name of pledges and purpose of the pledge.
6. If Commission approval was required for any advance made or security acquired, designate such fact and in a footnote give date of authorization and case or docket number.
7. Interest and dividend revenues from investments should be reported in Column (g), including such revenues from securities disposed of during the year.
8. In Column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which was carried in the books of account if different from cost) and the selling price therefor, not including any dividend or interest adjustment included in Column (g).

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Book Costs* Beginning of Year (d)	Principal Amount or No. of Shares (e)	Book Cost End of Year (f)	Revenues For Year (g)	Gain or (Loss) From Invest. Disposed of (h)
1								
2	TREASURY STOCK			24000	24000	24000		
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26	TOTALS			24000	24000	24000		

* If book cost is different from cost to Utility, give cost to Utility in a footnote and explain difference.

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

211. NOTES AND OTHER ACCOUNTS RECEIVABLE - Account Nos. 142.0 and 144.0

If interest was derived during year from notes liquidated before the end of the year, include such interest revenue in Column (d).

Line No.	Item (a)	Notes Receivable			Accounts Receivables	
		Beginning 1/1/____ (b)	Ending 12/31/____ (c)	Interest Revenue (d)	Beginning 1/1/____ (e)	Ending 12/31/____ (f)
1	NONE					
2						
3						
4						
5						
6						
7	TOTALS					

212. NOTES RECEIVABLE FROM AFFILIATED COMPANIES - Account No. 146.0

1. Furnish below the particulars indicated concerning notes receivable from affiliated companies at end of year.
2. If any note was received in satisfaction of an open account indebtedness, state the period covered by such open account.
3. Include in Column (f) the amount of any interest revenue during the year on notes that were paid off before the end of the year.
4. Give particulars of any notes pledged or discounted.

Line No.	Name of Affiliated Company (a)	Date of Issue (b)	Date of Maturity (c)	Amount at End of Year (d)	Interest Rate (e)	Amount (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8	TOTALS					

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

213. ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES - Account No. 145.0

1. Furnish below the particulars called for concerning each Account Receivable from Affiliated Companies.
2. The term "Services Received" set forth on Line 22 of this schedule means the Management, Construction, Engineering, Purchasing, Legal, Accounting or other similar service which has been rendered to Utility under written, oral or implied contract.
3. The term "Joint Expenses Transferred" set forth on Line 23 means Central office and/or other expenses continuously assessed against respondent covering all locations of common operating costs.
4. This schedule shall include all transactions during the year with each affiliated interest affecting Account No. 145.0 and Account No. 234.0. If the latter is offset against Account No. 145.0, even though there were no outstanding balances at the beginning and end of year, and regardless of whether or not the transactions were recorded in Account Nos. 145.0 or 234.0.

Line No.	Item (a)	Total (b)	Name Of Affiliate		
			(c)	(d)	(e)
	NAME OF AFFILIATE	NONE			
1	Balance at Beginning of Year				
2	Debits During Year	XXX	XXX	XXX	XXX
3	Cash Dispersed				
4	Materials and Supplies Sold				
5	Services Rendered				
6	Joint Expense Transferred				
7	Interest and Dividends Receivable				
8	Rents Receivable				
9	Securities Sold				
10	Other Debits (Specify)				
11	Travel and Entertainment Costs				
12					
13					
14	Total Debits During Year				
15	Total Debits				
16					
17	Credits During Year	XXX	XXX	XXX	XXX
18	Cash Received				
19	Water Purchased				
20	Fuel Purchased				
21	Materials and Supplies Purchased				
22	Services Received				
23	Joint Expense Transferred				
24	Interest and Dividends Payable				
25	Rents Payable				
26	Securities Purchased				
27	Transferred to Account 145				
28	Other Credits (Specify)				
29					
30					
31					
32	Total Credits During Year				
33	Balance at End of Year				

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

214. PLANT MATERIALS AND SUPPLIES - Account No. 151.0

- 1. Summarize below by character (such as chemicals, fuel oil, valves, pipe, etc.) of materials and supplies, the balances in Account No. 151.0 at the beginning and end of the year.
- 2. Important inventory adjustments during the year of the materials and supplies account shall be explained, showing the class of materials affected and the various classes of accounts (operating expenses, clearing accounts, plant accounts) debited or credited.

Line No.	Classification of Materials And Supplies (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase (Decrease) (d)
1	GENERAL SUPPLIES AND PARTS ON HAND	1612	1612	
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	Total	1612	1612	

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

215. PREPAYMENTS SUPPORTING SCHEDULE - Account No. 162.0

This schedule should include a breakdown of the accounts that constitute the beginning and ending balance in Account No. 162.0 - Prepayments.

Line No.	Account No. (a)	Balance Beg. of Year (b)	Additions (c)	Reductions or Deletions (d)	Adjustments (e)	Balance End of Year (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8	TOTALS					

**216. MISCELLANEOUS CURRENT AND ACCRUED ASSETS
SUPPORTING SCHEDULE - Account No. 174.0**

This Account should include a breakdown of the accounts that constitute the beginning and ending balance in Account No. 174.0 - Miscellaneous Current and Accrued Assets.

Line No.	Account No. (a)	Balance Beg. of Year (b)	Additions (c)	Reductions or Deletions (d)	Adjustments (e)	Balance End of Year (f)
1	FERGUSON TWP ESCROW	1,000				1,000
2						
3						
4						
5						
6						
7						
8	TOTALS	\$1,000.00				\$1,000.00

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

221. DEFERRED RATE CASE EXPENSE SUPPORTING SCHEDULE**Account No. 186.1**

Please provide particulars regarding activity associated with the beginning and ending balance in Account No. 186.1 - Deferred Rate Case Expense.

Line No.	Rate Case Docket No. (a)	Total Amount Claimed (b)	Total Amount Allowed (c)	Normalize. Period (d)	Annual Expense (e)	Unamortized Ending Balance (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8	TOTALS					

222. OTHER DEFERRED DEBITS SUPPORTING SCHEDULE**Account No. 186.2**

This Account should include a breakdown of the accounts that constitute the beginning and ending balance Account No. 186.2 - Other Deferred Debits.

Line No.	Account No. (a)	Balance at Beg. of Year (b)	Additions (c)	Reductions (d)	Adjustments (e)	Balance at End of Year (f)
1	NONE					
2						
3						
4						
5						
6						
7						
8	TOTALS					

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

223. STATEMENT OF RETAINED EARNINGS SUPPORTING SCHEDULE
Account Nos. 214.0 and 215.0

1. Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 409.0.

Line No.	Item (a)	Amounts (b)
1	Unappropriated Retained Earnings Account No. 215.0:	XXXXX
2	Balance Beginning of Year	65900
3	Changes to Account:	XXXXX
4	Adjustments to Retained Earnings *	
5	Credits	
6	Debits	
7	Balance Transferred From Income	16142
8	Total Unappropriated Retained Earnings	82042
9		
10	Appropriated Retained Earnings Account No. 214.0:	XXXXX
11	Total Appropriations of Retained Earnings	
12	Dividends Declared:	XXXXX
13	Preferred Stock Dividends Declared	
14	Common Stock Dividend Declared	
15	Total Dividends Declared	
16	Total Appropriated Retained Earnings	
17	Total Retained Earnings	82042

* Requires Commission approval prior to use.

Notes to Retained Earnings:

(Company Name)

224. LONG -TERM DEBT - Account No. 224.0

(Excluding Advances from Affiliated Companies)

1. Give below the particulars indicated of the long-term debt at end of year represented by unmatured obligations issued or assumed by the respondent, exclusive of advances from affiliated companies.
2. Group entries according to accounts and show the total for each account.
3. For obligations assumed by the respondent show in Column (a) the name of the issuing company and the class and series of such obligations.
4. For Receivers' Certificates show the name of the court and date of court order under which such certificates were issued.
5. If respondent has pledged any of its long-term debt securities give particulars in a footnote, including name of the pledge and purpose of pledge.
6. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in Column (g).
7. If interest has matured but is unpaid on any obligation, state in a footnote the class, series and principal amount of such obligation and the amount of interest matured thereon.

Line No.	Class and Series of Obligations (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding Per Balance Sheet* (e)	Interest For Year		Held By Respondent	
						Rate (f)	Amount (g)	As Reacquired. Lg.-Term Debt (h)	In Sinking & Other Funds (i)
1	Obligations Other Than PENNVEST	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
2									
3									
4	NONE								
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18	Total Obligations Other Than PENNVEST								
19	PENNVEST Obligations	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
20									
21									
22	NONE								
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33									
34									
35									
36									
37	Total PENNVEST Obligations								
38	TOTAL OBLIGATIONS								

* Total amount outstanding without reduction for amount held by respondent.

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

225. NOTES PAYABLE SUPPORTING SCHEDULE - Account No. 232.0

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 232.0 - Notes Payable

Line No.	Name of Creditor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of Year (e)	Interest Rate Per Annum (f)
1						
2	NONE					
3						
4						
5						
6						
7						
8				TOTAL		

**226. ACCOUNTS PAYABLE TO AFFILIATED COMPANIES
SUPPORTING SCHEDULE - Account No. 233.0**

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No: 233.0 - Accounts Payable to Affiliated Companies.

Line No.	Name of Affiliated Company (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of Year (e)	Interest Rate Per Annum (f)
1						
2	NONE					
3						
4						
5						
6						
7						
8				TOTAL		

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

227. NOTES PAYABLE TO AFFILIATED COMPANIES
SUPPORTING SCHEDULE - Account No. 234.0

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 234.0 - Notes Payable to Affiliated Companies.

Line No.	Name of Affiliated Company (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of Year (e)	Interest Rate Per Annum (f)
1						
2	NONE					
3						
4						
5						
6						
7						
8				TOTAL		

228. MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES
SUPPORTING SCHEDULE - Account No. 241.0

This schedule should include a breakdown of the accounts that constitute the beginning and ending balance in Account No. 241.0 - Miscellaneous and Accrued Liabilities.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Reductions or Deletions (d)	Adjustments (e)	Balance at End of Yr. (f)
1						
2	NONE					
3						
4						
5						
6						
7						
8	TOTALS					

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

**229. ADVANCES FOR CONSTRUCTION SUPPORTING SCHEDULE -
Account No. 252.0**

This schedule should include a breakdown of the accounts that constitute the beginning and ending balance in Account No. 252.0 - Advances for Construction.

Line No.	Account (a)	Balance at Beg of Year (b)	Additions (c)	Reductions or Deletions (d)	Adjustments (e)	Balance at End of Year (f)
1						
2	NONE					
3						
4						
5						
6						
7						
8	TOTALS					

230. OTHER DEFERRED CREDITS SUPPORTING SCHEDULE - Account No. 253.0

This schedule should include a breakdown of the accounts that constitute the beginning and ending balance in Account No. 253.0 - Other Deferred Credits.

Line No.	Account (a)	Balance at Beg of Year (b)	Additions (c)	Reductions or Deletions (d)	Adjustments (e)	Balance at End of Year (f)
1						
2	NONE					
3						
4						
5						
6						
7						
8	TOTALS					

(Company Name)

**231. CONTRIBUTIONS IN AID OF CONSTRUCTION
SUPPORTING SCHEDULE - Account No. 271.0**

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 271.0 - Contributions in Aid of Construction.

Line No.	Date (a)	Source of Contribution (b)	Description of Project (c)	Amount (d)
1				
2			NONE	
3				
4				
5				
6				
7				
8				
			TOTALS	

(Company Name)

400. COMPARATIVE INCOME STATEMENT REVENUES AND EXPENSES

Line No.	Account Number and Title (a)	Schedule No. (c)	Balance End of of Year (d)	Balance Previous Year (e)	Increase/ Decrease (f)
1	400.0 Operating Revenues	401	123444	133519	-10075
2					
3	UTILITY OPERATING EXPENSES		XXX	XXX	XXX
4	401.0 Operating Expenses		105946	117457	-11511
5	403.0 Depreciation Expense		1358	1502	-144
6	406.0 Amortization of Utility Plant Acquisition Adjustment	417			
7	407.0 Amortization, Other	417			
8	408.0 Taxes Other Than Income	418			
9	409.10 Federal Income Taxes, Utility Operating Income	419			
10	409.11 State Income Taxes, Utility Operating Income	419			
11	409.12 Local Income Taxes, Utility Operating Income				
12	410.0 Deferred Income Tax	420			
13	Tax Credits				
14	412.1 Investment Tax Credits, Deferred to Future Periods				
15	Utility Operating Capital & Costs				
16	Total Tax Credits				
17	TOTAL UTILITY OPERATING EXPENSES		107304	118959	-11655
18					
19	NET UTILITY OPERATING INCOME (LOSS)		16140	14560	1580
20					
21	OTHER OPERATING INCOME (LOSS)		XXX	XXX	XXX
22					
23	TOTAL OTHER OPERATING INCOME (LOSS)				
24					
25	NON OPERATING INCOME		XXX	XXX	XXX
26	421.0 Non-Utility Income		2	7	-5
27					
28	TOTAL NON-OPERATING INCOME		2	7	-5
29					
30	NON-OPERATING DEDUCTIONS		XXX	XXX	XXX
31	408.0 Taxes Other Than Income, Other Income and Deductions				
32	409.2 Income Taxes, Other Income and Deductions				
33	416.0 Cost & Expenses of Merchandising, jobbing and Contract Work				
34	426.0 Miscellaneous Non-Utility Expenses				
35	427 Interest Expense				
36					
37	TOTAL NON-OPERATING DEDUCTIONS				
38					
39	NET INCOME (LOSS)		16142	14567	1575
40					
41					
42					
43					
44					
45					
46					

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

401. OPERATING REVENUES SUPPORTING SCHEDULE - Account No. 400.0

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 400.0 - Operating Revenues.

Line No.	Account Number and Title (a)	Schedule No. (b)	Balance End of Year (c)	Balance Previous Year (d)	Increase/Decrease (e)
1	WATER SALES REVENUE		XXX	XXX	XXX
2	460.0 Unmetered Water Revenue		XXX	XXX	XXX
3	460.1 Residential		123,446	133,520	-10,074
4	460.2 Commercial				
5	460.3 Industrial				
6	460.4 Public				
7	460.5 Other				
8					
9	Total Unmetered Water Revenue		123,446	133,520	-10,074
10					
11	461.0 Metered Water Revenue		XXX	XXX	XXX
12	461.1 Residential				
13	461.2 Commercial				
14	461.3 Industrial				
15	461.4 Public				
16	461.5 Multiple Family Dwellings				
17	461.6 Other				
18					
19	Total Metered Water Revenue				
20					
21	462.1 Public Fire Protection				
22	462.2 Private Fire Protection				
23	464.0 Other Sales to Public (Special Contracts)	404			
24	466.0 Sales for Resale	405			
25	467.0 Interdepartmental Sales				
26	468.0 Other				
27					
28	TOTAL WATER SALES ¹		123,446	133,520	-10,074
29					
30	OTHER WATER REVENUES		XXX	XXX	XXX
31	470.0 Forfeited Discounts				
32	471.0 Miscellaneous Service Revenues			1	-1
33	472.0 Rents from Water Property				
34	473.0 Interdepartmental Rents				
35	474.0 Other Water Revenues	406			
36					
37	TOTAL OTHER WATER REVENUES			1	-1
38					
39	TOTAL WATER SALES & OTHER REVENUES		123,446	133,521	-10,075

¹ This line -- Total Water Sales -- is to be entered in, and should match up with, Section 2 of the Revised Annual Assessment Report (Form GAO-20).

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

402. OPERATING REVENUES SUPPORTING SCHEDULE - CUSTOMER DATA

Customers should be reported on the basis of number of meters, (except where multiple customers have one meter) plus number of flat rate accounts. Where separate meter readings are added for billing purposes, one customer shall be counted for each group of meters so added.

Line No.	Customer Classes (a)	Customers End of Current Year (b)	Customers End of Previous Year (c)
1	Unmetered Sales	XXX	XXX
2	Residential		
3	Commercial		
4	Industrial		
5	Public		
6	Other		
7	Public Fire		
8	Private Fire		
9	Total Unmetered Sales		
10			
11	Metered Sales	XXX	XXX
12	Residential	452	482
13	Commercial	12	12
14	Industrial		
15	Public		
16	Multiple Family Dwellings		
17	Other		
18	Private Fire		
19	Public Fire		
20	Sales for Resale		
21	Total Metered Sales	464	494

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

403. OPERATING REVENUES SUPPORTING SCHEDULE - GALLONS SOLD

1. Report below the gallons sold for the current year and the previous year for each customer class.
2. How the quantities of water sold to unmetered flat-rate customers were determined should be explained in a footnote.

Line No.	Account (a)	Gallons Sold Current Year (000 omitted) (b)	Gallons Sold Previous Year (000 omitted) (c)
1			
2	Unmetered Sales	XXX	XXX
3	Residential		
4	Commercial		
5	Industrial		
6	Public		
7	Other		
8	Public Fire		
9	Private Fire		
10	Total Unmetered Sales		
11			
12	Metered Sales	XXX	XXX
13	Residential	18,260	18,417
14	Commercial	4,293	4,821
15	Industrial		
16	Public		
17	Multiple Family Dwellings		
18	Other		
19	Public Fire		
20	Private Fire		
21	Sales for Resale		
22	Total Metered Sales	22,553	23,238
23			
24			
25			
26	Total Water Sales	22,553	23,238

FOOTNOTES:

404. OTHER SALES TO PUBLIC WATER UTILITIES SUPPORTING SCHEDULE - Account No. 464.0

- 1. Designate by asterisk in Column (a) purchases which are affiliated with respondent.
- 2. The entries on Lines 1 to 8 under Columns (h) to (s) must correspond to the entries on the same lines under Columns (a) to (g). The totals of Columns (h) to (s), inclusive, must agree with respective quantities reported in Column (e).

Line No.	Name of Purchaser (a)	Point of Delivery (b)	Service* Capacity (c)	Pressure @ Point of Delivery (d)	Quantity of Water Sold (1,000-Gal.) (e)	Revenues (f)	Revenue Per (1,000-Gal.) (g)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
				TOTALS			

* Size of meter from which delivery is made.

MONTHLY SALES IN 1,000-GAL BY PURCHASER

Line No.	January (h)	February (i)	March (j)	April (k)	May (l)	June (m)	July (n)	August (o)	September (p)	October (q)	November (r)	December (s)
1												
2												
3												
4												
5												
6												
7												
8												
TOTALS												

ROCK SPRING WATER COMPANY
(Company Name)

For the Year Ended December 31, 2023

405. SALES FOR RESALE SUPPORTING SCHEDULE - Account No. 466.0

- 1. Designate by asterisk in Column (a) purchases which are affiliated with respondent.
- 2. The entries on Lines 1 to 8 under Columns (h) to (s) must correspond to the entries on the same lines under Columns (a) to (g). The totals of Columns (h) to (s), inclusive, must agree with respective quantities reported in Column (e).

Line No.	Name of Purchaser (a)	Point of Delivery (b)	Service* Capacity (c)	Pressure @ Point of Delivery (d)	Quantity of Water Sold (1,000-Gal.) (e)	Revenues \$ (f)	Revenue \$ Per (1,000-Gal.) (g)
1							
2	NONE						
3							
4							
5							
6							
7							
8							
Totals				TOTALS			

* Size of meter from which delivery is made.

MONTHLY SALES IN 1,000-GAL BY PURCHASER

Line No.	January (h)	February (i)	March (j)	April (k)	May (l)	June (m)	July (n)	August (o)	September (p)	October (q)	November (r)	December (s)
1												
2												
3												
4												
5												
6												
7												
8												
Totals												

ROCK SPRING WATER COMPANY
(Company Name)

For the Year Ended December 31, 2023

406. OTHER WATER REVENUES SUPPORTING SCHEDULE - Account No. 474.0

Provide a breakdown of Other Water Revenues - Account No. 474.0 not shown in any other revenue account.

Line No.	Description (a)	Amounts (b)
1	INTEREST INCOME	\$2
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17	TOTALS	\$2

WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

407. WATER OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

Line No.	Account Number and Title (a)	Schedule No. (b)	Amount of Operating Expenses		
			Current Year (c)	Previous Year (d)	Increase (Decrease) (e)
1	Salaries and Wages		XXX	XXX	XXX
2	601.0 Employees	409	40651	25224	15427
3	603.0 Officers, Directors and Majority Stockholders	409			
4	Total Salaries and Wages		40651	25224	15427
5	604.0 Employee Pensions and Benefits	409-A			
6	610.0 Purchased Water	408			
7	615.0 Purchased Power		14491	15404	-913
8	616.0 Fuel for Power Production				
9	618.0 Chemicals	411-D	208	35	173
10	620.0 Materials and Supplies		3425	5708	-2283
11	Contractual Services		XXX	XXX	XXX
12	631.0 Engineering	411-A			
13	632.0 Accounting	411-A	4593	6450	-1857
14	633.0 Legal	411-A	1796	3640	-1844
15	634.0 Management Fees	411-B			
16	635.0 Testing	411-B	7795	6014	1781
17	636.0 Other - Maintenance	411-B	10823	34699	-23876
18	Total Contractual Services		25007	50803	-25796
19	640.0 Rents	411-C			
20	650.0 Transportation Expenses				
21	Insurance		XXX	XXX	XXX
22	655.0 Vehicle	411-C			
23	655.0 General Liability	411-C	2731	2870	-139
24	655.0 Workers Comp	411-C			
25	Total Insurance	411-C	2731	2870	-139
26	665.0 Regulatory Commission Expenses	411-C			
27	670.0 Bad Debt Expense				
28	660.0 Advertising Expense				
29	675.0 Miscellaneous Expenses	411-D	19434	18915	519
30		411-D			
31		411-D			
32	Total Miscellaneous Expenses	411-D	19434	18915	519
33	Total Water Operation and Maintenance Expense Accounts		105947	118959	-13012

ROCK SPRING WATER COMPANY
(Company Name)

For the Year Ended December 31, 2023

408. WATER PURCHASED FOR RESALE SUPPORTING SCHEDULE - Account No. 610.0

- 1. Designate by asterisk in Column (a) vendors which are affiliated with respondent.
- 2. The entries on Lines 1 to 8 under Columns (h) to (s) must correspond to the entries on the same lines under Columns (a) to (g). The totals of Columns (h) to (s), inclusive, must agree with respective quantities reported in Column (e).

Line No.	Name of Vender (a)	Point of Delivery (b)	Service* Capacity (c)	Pressure @ Point of Delivery (d)	Quantity of Water Purch. (1,000-Gal.) (e)	Cost of Purchased Water (f)	Cost Per (1,000-Gal.) \$ (g)
1							
2	NONE						
3							
4							
5							
6							
7							
8							
				TOTALS			

* Size of meter from which delivery is made.

MONTHLY PURCHASES IN 1,000-GAL FROM VENDER

Line No.	January (h)	February (i)	March (j)	April (k)	May (l)	June (m)	July (n)	August (o)	September (p)	October (q)	November (r)	December (s)
1												
2												
3												
4												
5												
6												
7												
8												
TOTALS												

ROCK SPRING WATER COMPANY
(Company Name)

For the Year Ended December 31, 2023

408. (a) WATER OBTAINED FROM OWN SOURCE(S) In 1000-GALLON QUANTITIES

MONTHLY WATER OBTAINED IN 1,000-GAL FROM OWN SOURCE(S)

Line No.	January (a)	February (b)	March (c)	April (d)	May (e)	June (f)	July (g)	August (h)	September (i)	October (j)	November (k)	December (l)
1	3807	4217	5177	4980	5049	4607	5631	7256	6080	5864	5600	8126
2												
3												
4												
5												
6												
7												
8												
TOTALS	3807	4217	5177	4980	5049	4607	5631	7256	6080	5864	5600	8126

Line No.	IDENTIFY EACH SOURCE
1	
2	
3	
4	
5	
6	
7	
8	
9	

ROCK SPRING WATER COMPANY
(Company Name)

For the Year Ended December 31, 2023

409. WATER OPERATION AND MAINTENANCE EXPENSE ACCOUNTS (ALLOCATION)

Line No.	Account Number and Title (a)	Totals from Schedule 407 (b)	Sources of Supply And Expenses - Operations (c)	Sources of Supply And Expenses - Maintenance (d)	Water Treatment Expenses Operations (e)	Water Treatment Expenses Maintenance (f)	Transmission And Distribution Operations (g)	Transmission And Distribution Maintenance (h)	Customer Accounts Expenses (i)	Administrative And General Expenses (j)
1	Salaries and Wages	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
2	601.0 Employees	40651	29716							10935
3	603.0 Officers, Directors, and Majority Stockholders									
4	604.0 Employee Pensions and Benefits *									
5	Total Salaries and Wages **	40651	29716							10935
6	Contractual Service	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
7	630.0 Billing									
8	631.0 Engineering ***									
9	632.0 Accounting ***	4593								4593
10	633.0 Legal ***	1796								1796
11	634.0 Management Fees ***									
12	635.0 Contract Services Testing ***	7795								7795
13	636.0 Other - Maintenance ***									
14	Total Contractual Service	14184								14184
15	640.0 Rents ****									
16	655.0 Insurance ****	2731		2731						
17	665.0 Regulatory Commission Expense ****									
18	Miscellaneous Expense	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
19	675 Communications Service	8031								8031
20	675 Travel									
21	Other Office & Misc	3973								3973
22										
23	Total Miscellaneous Expenses	12004								12004
24	TOTALS	69570	29716	2731						37123

* For breakdown see Schedule 409-A

** For breakdowns see Schedules 410

*** For breakdown see Schedule 411-A & 411-B

**** For breakdown see Schedule 411-C

WATER COMPANY

For the Year ended December 31,20

(Company Name)

409-A. EMPLOYEE PENSIONS AND BENEFITS SUPPORTING SCHEDULE
Account No. 604.0

This schedule should include a breakdown of the accounts that constitute the ending balance in Account No. 604.0 - Employee Pensions and Benefits.

Line No.	Benefit Type (a)	Employees (c)	Total Expenses for	
			Current Year (d)	Prior Year (e)
1	Pension			
2	Life Insurance			
3	Health Insurance			
4	Dental			
5	Eye Care			
6	Prescriptions			
7	Employee Recognition			
8	Physicals			
9	Tuition Assistance			
10	Death Benefits			
11	Other Post Employee Benefits			
12	401K			
13	Employee Stock Option Program			
14	Others (Specify)			
15	TOTALS			

Company Name

**409-B. CHEMICALS USED IN WATER TREATMENT DURING YEAR
ACCOUNT No. 618**

Line No.	Identify Treatment Chemical Used (a)	Bal at Beginning of year \$	Total Annual Purchased		Total Annual Used		Balance at Year End	
			\$	Quantity	\$	Quantity	\$	Quantity
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
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12								
13								
14								
15								
16								
17								
18								
19								
20								

(Company Name)

410. EMPLOYEE PAYROLL STATISTICS

1. Show hereunder the details called for concerning the number of officers and employees at the beginning and end of the year, and the aggregate salaries and wages for the year.
2. The data shall be itemized according to the department payroll classification maintained by Respondent at the end of the year (such as, for example, officers, office, operations, maintenance, etc).

Line No.	Payroll Classification (a)	Number Beginning of Year (b)	Number End of Year (c)	Aggregate Salaries and Wages for the Year (d)
1	GENERAL OPERATIONS	2	2	29,716
2	ADMINISTRATIVE	2	2	10,935
3				
4				
5				
6				
7				
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9				
10				
11				
12				
13				
14				
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31				
32				
33				
34				
35				
36				
37				
38				
39				
40		4	4	40,651

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

411-A. CONTRACTUAL SERVICES SUPPORTING SCHEDULE
Account Nos. 631.0, 632.0 and 633.0

Provide a breakdown of **Engineering Expense** - Account No. 631.0.

Line No.	Description of Project (a)	Expense (b)
1	NONE	
2		
3		
4		
5		
6		
7	TOTAL	

Provide a breakdown of **Accounting Expense** - Account No. 632.0.

Line No.	Type of Service (a)	Expense (b)
1	ACCOUNTING, TAX PREPARATION, ANNUAL PUC REPORTING	4,593
2		
3		
4		
5		
6		
7	TOTAL	4,593

Provide a breakdown of **Legal Expense** - Account No. 633.0.

Line No.	Description of Service (a)	Expense (b)
1	GENERAL LEGAL SERVICES	1,796
2		
3		
4		
5		
6		
7	TOTAL	1,796

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

411-B. CONTRACTUAL SERVICES SUPPORTING SCHEDULE**Account Nos. 634.0, 635.0 and 636.0**Provide a breakdown of **Management Fees** - Account No. 634.0.

Line No.	Description of Management Fee (a)	Expense (b)
1	NONE	
2		
3		
4		
5		
6		
7	TOTAL	

Provide a breakdown of **Testing Expense** - Account No. 635.0.

Line No.	Type of Testing Services (a)	Expense (b)
1	ONGOING ROUTINE WATER TESTING	7,795
2		
3		
4		
5		
6		
7	TOTAL	7,795

Provide a breakdown of **Other - Maintenance Expense** - Account No. 636.0.

Line No.	Description of Maintenance (a)	Expense (b)
1	GENERAL SYSTEM MAINTENANCE AND REPAIR	11,398
2		
3		
4		
5		
6		
7	TOTAL	11,398

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

411-C. CONTRACTUAL SERVICES SUPPORTING SCHEDULE**Account Nos. 640, 655 and 665.0**Provide a breakdown of **Rentals Expense** - Account No. 640.

Line No.	Identify Property or Equipment Rented (a)	Expense (b)
1	OFFICE RENT	
2		
3		
4		
5		
6		
7	TOTAL	

Provide a breakdown of **Insurance Expense** - Account No. 655.

Line No.	Type of Insurance (a)	Expense (b)
1	ALL BUSINESS COVERAGE	2,731
2		
3		
4		
5		
6		
7	TOTAL	2,731

Provide a breakdown of **Regulatory Commission Expense** - Account No. 665.

Line No.	Identify Case Docket (R) Number or Other Type Of Commission Expense (a)	Expense (b)
1	NONE	
2		
3		
4		
5		
6		
7	TOTAL	

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

411-D. MISCELLANEOUS OTHER EXPENSES SUPPORTING SCHEDULE
Account No. 675.0

Provide a breakdown of Miscellaneous Expenses - Account No. 675.0.		Expenses \$
Line No.	Description of Miscellaneous Expenses	
1	PAYROLL TAXES	3513
2	REAL ESTATE TAXES	2480
3	OUTSIDE SERVICES	576
4	BANK FEES	604
5	COMPUTER SERVICES	1600
6	DUES & SUBSCRIPT	100
7	OFFICE SUPPLIES	1400
8	TELEPHONE	8031
9	TRAINING	232
10	OTHER -MISC	901
11	TOTALS	19437

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

416. TRAVEL EXPENSES SUPPORTING SCHEDULE - Account No. 675.12

Provide a breakdown of Travel Expense - Account No. 675.12

Line No.	Event (a)	Travel Expenses (b)	Lodging Expenses (c)	Meal Expenses (d)	Entertainment Expenses (e)	Total Expense (f)
1						
2	NONE					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	TOTALS					

(Company Name)

417. AMORTIZATION EXPENSES SUPPORTING SCHEDULE - Account Nos. 406.0, 407.0, and 407.1

Amortization of Utility Plant Acquisition Adjustment - Account No. 406.0

Line No.	Year Incurred Date (a)	Name of Company Acquired (b)	Total Acquisition Adjustment (c)	Yearly Amortization (d)
1				
2		NONE		
3				
4				
5				
6				
7		TOTALS		

Amortization of Property Losses - Account No. 407.0

Line No.	Year Incurred Date (a)	Identify Each Item (b)	Total Adjustment (c)	Yearly Amortization (d)
1				
2				
3		NONE		
4				
5				
6				
7		TOTALS		

Amortization of Other Utility Plant - Account No. 407.1

Line No.	Year Incurred Date (a)	Plant Item Amortized (b)	Total Adjustment (c)	Yearly Amortization (d)
1				
2		NONE		
3				
4				
5				
6				
7		TOTALS		

418.A TAXES ACCRUED AND PREPAID DURING YEAR
Account Nos. 236 and 162

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated is actual amounts.
2. Include on this page, taxes paid during the year and charged directly to final accounts. (not charged to prepaid or accrued taxes).
3. Include in column (c) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to the current year, and (c) taxes paid and charged directly to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such a manner that the total tax can be readily ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	ACCRUED AND PREPAID TAXES DURING YEAR						TOTAL ACCRUALS AND AMORTIZATIONS (h)
		BALANCE AT BEGINNING OF YEAR (b)	BY DEBIT OR CREDIT TO ACCOUNT (c)	BY DEBIT OR CREDIT TO OTHER ACCOUNTS				
				ACCT. NO. (d)	AMOUNT DEBIT (e)	ACCT. NO. (f)	AMOUNT CREDIT (g)	
2	TAXES ACCRUED (Account 236)							
3	Federal Surtax On Income							
4	Federal Tax on Revenue							
5	Federal Pensions Tax							
6	Federal Unemployment Relief							
7	State Unemployment Relief							
8	State Capital Stock Tax							
9	Gen Assessment - Pub Util Comm.							
10	State Corporate Loans Tax							
11	Local Real Estate Tax							
12	PA Realty Tax							
13	Other Taxes (specify)							
14								
15	PAYROLL TAXES	1,157					1,559	2,716
16	TOTAL - TAXES ACCRUED	1,157					1,559	2,716
17								
18	PREPAYMENTS Acct (162)							
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34	TOTAL - PREPAYMENTS							
35								

418.B TAXES ACCRUED AND PREPAID DURING YEAR

- 5. Report in column (k) through (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to water operations. Report in column (m) the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also show in column (n) the taxes charged to utility plant or other balance sheet accounts.

- 6. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Line No.	Balance at End of Year		Distribution of Taxes Charged			
	(i)	(j)	WATER ACCT 408.1 (k)	WATER 409.1 (l)	OTHER UTILITIES ACCTS 408.1 - 409.1 (m)	UTILITY PLANT AND OTHER BAL. SHEET ACCOUNTS (n)
1						
2						
3						
4						
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10						
11						
12						
13						
14						
15	2,716					
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419-A. TAXES OTHER THAN INCOME, INCOME TAXES AND DEFERRED TAXES DURING YEAR
Accounts Nos. 408, 409, 410, 411 and 412

1. Taxes Other Than Income shall include the amount of gross revenue or gross receipts taxes, regulatory agency general assessment for purposes of public utility regulation, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes and all other taxes assessed by federal, state, county, municipal, or other local government authorities except income taxes. These accounts shall be charged in each accounting period with the amount of taxes which are applicable thereto, with concurrent credits to account 236 - Accrued Taxes or account 162 - Prepayments, as appropriate.
2. Income Taxes shall include the amounts of local, state, and federal income taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236 - Accrued Taxes, and as the exact amount of taxes become known, the current amount shall be adjusted by charges or credits to these accounts unless such adjustments are properly included in account 439 - Adjustments to Retained Earnings.
3. The charges to these accounts shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering more than one utility service, taxes of the kind included in these accounts shall be assigned directly to the utility department the operation of which gave rise in so far as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

Line No	Kind of Tax (See Instruction 5) (a)	OTHER THAN INCOME AND INCOME TAXES DURING YEAR						TOTAL ACCRUALS, AMORTIZATIONS AND DEFERRALS (h)
		BALANCE AT BEGINNING OF YEAR (b)	BY DEBIT OR CREDIT TO ACCOUNT (c)	BY DEBIT OR CREDIT TO OTHER ACCOUNTS				
				ACCT. NO. (d)	AMOUNT DEBIT (e)	ACCT. NO. (f)	AMOUNT CREDIT (g)	
1								
2	Taxes Other Than Income Account (408)							-
3	Utility Reg Assessment Fees Acct 408.10							-
4	Property Taxes Acct (408.11)							-
5	Payroll Taxes Acct (408.12)							-
6	Other Taxes and Licenses Acct (408.13)							-
7	Other Than Inc., Other Inc. and Ded Acct 408.2							-
8								-
9								-
10	Total - Taxes Other Than Income	NONE	-					NONE
11								
12	Income Taxes Acct (409)							-
13	Fed Inc Taxes, Util. Oper. Inc Acct (409.10)							-
14	State Inc. Taxes, Util Oper. Inc. Acct (409.11)							-
15	Local Inc. Taxes, Util Oper. Inc. Acct (409.12)							-
16	Inc Taxes, Other Inc and Ded Acct (409.20)							-
17	Inc. Taxes, Extraordinary Items Acct (409.30)							-
18	Other Income Taxes (specify)							-
19								-
20	Total - Income Taxes	NONE	-					NONE
21								
22	Deferred Income Taxes Acct-(410)							-
23	Def. Fed. Inc. Taxes Acct-(410.10)							-
24	Def. State Inc. Taxes Acct (410.11)							-
25	Def. Local Inc Taxes Acct (410.12)							-
26	Other Deferred Taxes Acct. (410.20)							-
27								-
28	Total - Deferred Income Taxes	NONE	-					NONE
29								
30	Deferred Inc. Taxes Credit Acct-(411)							-
31								-
32								-
33								-
34								-
35	Investment Tax Credits Acct (412)	NONE	-					NONE
36								-
37								-
38								-

419-B. TAXES OTHER THAN INCOME, INCOME TAXES AND DEFERRED TAXES DURING YEAR

4. If any tax (exclude Federal and State Income Taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (b).
5. Enter all adjustments of the Other Than Income, Income and Deferred tax accounts in column (c) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
6. Do not include on this page entries with respect to or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
7. Report in column (k) through (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to water operations. Report in column (m) the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also show in column (n) the taxes charged to utility plant or other balance sheet accounts.
8. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Line No.	Balance at End of Year		Distribution of Taxes Charged			
	(i)	(j)	WATER ACCT 408.1 (k)	WATER ACCT 409.1 (l)	OTHER UTILITIES ACCTS 408.1 - 409.1 (m)	UTILITY PLANT AND OTHER BAL. SHEET ACCOUNTS (n)
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(Company Name)

**422-A. RECONCILIATION OF NET INCOME SHOWN ON SCHEDULE 400 WITH
FEDERAL NORMAL TAX NET INCOME
INSTRUCTIONS**

1. Report in the form provided a reconciliation of (a) net income for the year as shown by the Income Statement (Schedule 400) with (b) Federal normal tax net income as shown in return filed with the Federal government for the calendar or other fiscal year covered by Respondent's PUC Annual Report. The reconciliation is to be furnished even if there is no net income on which Federal taxes on income are payable for the year.
2. If the Respondent is a member of a group which files a consolidated tax return, the net income reported to the Commission in Schedule 400 should be reconciled with the net income which would be subject to Federal normal income tax if a separate tax return were filed by the Respondent. In a supplementary schedule there should be shown (a) names of the companies in the consolidated group, (b) the taxes for the consolidated group, determined from the consolidated tax return, according to the kinds of taxes, (c) the taxes of the Respondent if a separate return were filed, and (d) the amount allocated and method of allocation to Respondent or a portion of the consolidated taxes.
3. If the tax situation of the Respondent **with respect to the year's income** is such as to permit the filing of a claim for refund of taxes of a prior year, or the carrying forward of a credit against taxable income of a future year, explain the circumstances and state the amount of tax refund which may be claimed or the credit available against future taxable income.
4. Furnish particulars of any additional taxes paid or refunds received during the year with respect to Federal taxes on income of a previous year, and adjustments of Accrued Taxes for under or over accrual of taxes of previous years.
5. State below the latest year with respect to which the tax returns have been received by the Federal government and the year's income closed as to assessment of additional Federal taxed on income or recovery of a tax refund.
6. State below the date Respondent's tax returns for the year were filed and the Collector's office to which sent. If a consolidated tax return was filed state that fact also and name of the parent company which filed the return.
7. State below the Federal taxes on income for the year as shown by returns filed with the Federal government of the calendar or other established fiscal year covered by Respondent's PUC Annual Report and the taxes shown in Respondent's annual report to the Commission.

	Per Tax Returns	Per PUC Annual Report
Federal Income Tax	0	0
Total	0	0

8. If the taxes, per tax return, differ from amounts shown in the PUC Annual Report, furnish a statement showing allocation of the taxes per tax return to the departmental tax expense accounts and other accounts to which applicable, and an explanation of the basis of allocation.

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

422-B. RECONCILIATION OF NET INCOME SHOWN ON SCHEDULE 400 WITH FEDERAL NORMAL TAX NET INCOME (Continued)

Line No.	Particulars (a)	Amount (b)
1	Net Income for the year per Schedule 400	16,142
2	Adjustments made to determine taxable income*	
3		
4		
5		
6		
7		
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29		
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32		
33	Net additions to or deductions from amount shown on Line 1	
34		
35	Federal surtax net income (surtax \$ at applicable rate of tax of %)	

* List additional income items first, followed by additional deductions.

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)

500. WATER DELIVERED INTO SYSTEM DURING YEAR

Every estimated value shall be supported by such detailed information as will permit a ready identification, analysis, & verification of all relevant facts. The Company shall be prepared to furnish to the Commission this detailed information.

Line No.	Description (a)	(Gallons) (b)	(gal. Per day) (c)
1	Water Delivered for Distribution & Sale:		
2	Water Obtained from Company Sources	66,394	182
3	Water Obtained from Other Independent Utilities		
4	Total Water Delivered	66,394	182
5	Metered Sales:		
6	Residential	18,417	50
7	Commercial	4,821	13
8	Industrial		
9	Public		
10	Other Water Utilities		
11	Private Fire Protection		
12	Public Fire Protection		
13	Other Metered Service Identify _____		
14	Total Metered Sales	23,238	64
15	Unmetered Sales:		
16	Residential		
17	Commercial		
18	Industrial		
19	Private Fire Protection		
20	Public Fire Protection		
21	Other Unmetered Service Identify _____		
21	Total Unmetered Sales		
22	Total Gallons Delivered	23,238	64
23	Non-Revenue Usage Allowances:		
24	Authorized Unmetered Usage:		
25	Main Flushing		
26	Blow-off Use		
27	Others: Identify _____		
28	Unauthorized Use		
29	Unavoidable Leakage _____ gpd/mile of main		
30	Adjustments:		
31	Located & Repaired Breaks in Mains & Services		
32	Others Identify _____		
33	Total Allowances & Adjustments		
34	Unaccounted-for-Water	43,156	
35	Percentage of Unaccounted-for-Water	65.0%	

(Company Name)

501. IMPORTANT PHYSICAL CHANGES DURING the YEAR

Submit information separately for each of the six functional groups listed below with respect to major physical changes to plant-in-service costing more than \$500, per project, during the year involving either additions, improvements, retirements or replacements of plant. Information provided shall include Work Order Number, a Description of the Project, and the the District Served. Attach additional sheets as necessary.

1. Source of Supply 2. Power and Pumping 3. Purification 4. Distribution 5. General 6. Other Tangible

(Company Name)

502. PA-DEP ANNUAL WATER SUPPLY REPORTS

Attach copies of the Annual Water Supply Reports submitted to PA-DEP for the calendar year. Each stand alone water system is required to file a separate report. Below separately list the Names of each District, Division or System for which reports are attached and the number of pages including all attachments thereto.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

ROCK SPRING WATER COMPANY

For the Year Ended December 31, 2023

(Company Name)		610. Territory Served		
Report below the number of customers at the end of the year in respondent's distribution system in which service is furnished setting forth by counties the number of customers and the average number of customers during the year. Respondent should place an X in the box in column (b) if that county is served and supply related customer information in columns (d) and (e).				
County Code (a)	Serves County (b)	Name of Pennsylvania County (c)	Number Of Customers At End Of Year (d)	Average Number Of Customers During Year (e)
01		Adams		
02		Allegheny		
03		Armstrong		
04		Beaver		
05		Bedford		
06		Berks		
07		Blair		
08		Bradford		
09		Bucks		
10		Builer		
11		Cambria		
12		Cameron		
13		Carbon		
14		Centre	464	460
15		Chester		
16		Clarion		
17		Clearfield		
18		Clinton		
19		Columbia		
20		Crawford		
21		Cumberland		
22		Dauphin		
23		Delaware		
24		Elk		
25		Erie		
26		Fayette		
27		Forest		
28		Franklin		
29		Fulton		
30		Greene		
31		Huntingdon		
32		Indiana		
33		Jefferson		
34		Juniata		
35		Lackawanna		
36		Lancaster		
37		Lawrence		
38		Lebanon		
39		Lehigh		
40		Luzerne		
41		Lycoming		
42		McKean		
43		Mercer		
44		Mifflin		
45		Monroe		
46		Montgomery		
47		Montour		
48		Northampton		
49		Northumberland		
50		Perry		
51		Philadelphia		
52		Pike		
53		Potter		
54		Schuylkill		
55		Snyder		
56		Somerset		
57		Sullivan		
58		Susquehanna		
59		Tioga		
60		Union		
61		Venango		
62		Warren		
63		Washington		
64		Wayne		
65		Westmoreland		
66		Wyoming		
67		York		
Totals			0	0
Total Population of Territory Served (Estimated)				

ROCK SPRING WATER COMPANY
(Company Name)

For the Year Ended December 31, 2023

VERIFICATION

OATH

(To be made by the officer having control of the accounting of the respondent)

State of Pa
County of Centre as:

ELIZABETH CAMPBELL
(Name of affiant)

TREASURER
(Official title of affiant)

of ROCK SPRING WATER COMPANY
(Exact legal title or name of the respondent)

The signed officer has reviewed the report.

Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

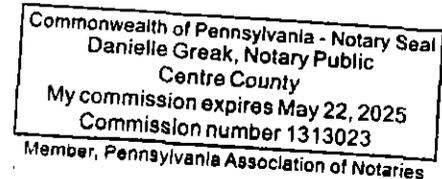
Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report.

He/she believes that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including _____ to and including _____

Subscribed and sworn to and before me, a Notary Public
in and for the State and County above-named, this 2 day of August

My commission expires Danielle Greak
(Signature of officer authorized to administer oaths)

Elizabeth S. Campbell
(Signature of affiant)



SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Pa
County of Centre as:

J ROY CAMPBELL
(Name of affiant)

PRESII PRESIDENT
(Official title of affiant)

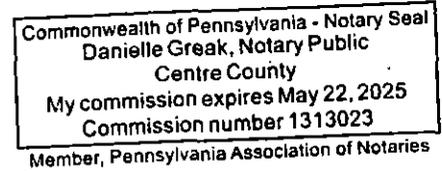
of ROCK SPRING WATER COMPANY
(Exact legal title or name of the respondent)

that he/she has carefully examined the foregoing report; that he/she believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above named respondent during the period of time from and including _____ to and including _____

Subscribed and sworn to before me, a Notary Public
in and for the State and County above-named, this 2 day of Aug 2024

My commission expires Danielle Greak
(Signature of officer authorized to administer oaths)

J Roy Campbell
(Signature of affiant)



COMPAN CLASS	UT_NUM	YEARENI	PLT_SVC	CWIP	PLT_AQ_ADJ	PLT_HLD_FU
ROCK SPI	C	212610	2020	497,230	0	0

***This sheet is for PUC use only.**

MAT_SUPP	DEP_AM_RES	NET_BOOK	CIAC	OP_REV	OP-EXP	DEP_EXP	
1,612	485,913	11,317		0	123444	105946	1358

AMORT_LTD_TRM_ADJ	AMORT_OTR	AMORT_PL_AQ	FED_INC_TAX
0	0	0	0

ST_INC_TAX	TTL_TAXES	TTL_OP_EXP	OP_INCOME	OTHER_INC
	0	0	107304	16140
				2

OTH_DED	NET_INCOME	RES_MET_CUST	RES_UNMET_CU	COMM_MET_CUST
0	16142	452	0	12

COMM_UNMET_CUST	IND_MET_CUST	IND_UNMET_CU	PVT_FR_MET_CUST
0	0	0	0

PUB_FR_PRO_CUST	SLS_PUB_A_CUST	SLS_WAT_UT_	TTL_CUST
0	0	0	464

RES_GAL_MET	RES_GAL_UNMET	RES_REV_MET	RES_REV_UNMET	AV_RES_USE
18,260	0	0	123,446	40.39823009

AV_RES_BILL	PERC_UNAC_WAT
273.1114381	65.00%

Rock Spring Water Co
4607 W. Whitehall Rd
Pottsville PA 16865

7019 1640 0001 7319 7145

RECEIVED

AUG 07 2024

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

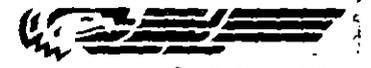
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building - 2nd Floor
Harrisburg, PA 17120

PAWC Exhibit: MK-2

GND ADV



US POSTAGESM PITNEY BOWES

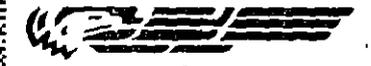


ZIP 16865 \$ 011.40⁰
02 7H
0001344151 JUL 29 2024

Correction



US POSTAGESM PITNEY BOWES



ZIP 16865 \$ 002.95⁰
02 7H
0001344151 AUG 05 2024



CMPC

717-705-1952

To: PUC MASTER

Agency: PUC

Floor:

External Carrier: PRIORITY

8/7/2024 9:14:14 AM



70191640000173197145

VERIFICATION

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



Marcus Kohl, Director – Business Development
Pennsylvania-American Water Company

Dated: August 27, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the Acquisition of Rock Spring Water Company	: : : :	Docket No. P-2024-3051313
---	------------------	---------------------------

**REBUTTAL TESTIMONY OF
MARCUS KOHL, ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

Date: September 17, 2025

PAWC Statement No. 2-R

**REBUTTAL TESTIMONY OF
MARCUS KOHL**

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

2 **A.** My name is Marcus Kohl, and my business address is 852 Wesley Drive, Mechanicsburg,
3 PA 17055.

4
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 **A.** I am employed by Pennsylvania-American Water Company (“PAWC” or “Company”) as
7 Director of Business Development.

8
9 **Q. HAVE YOU SUBMITTED ANY OTHER TESTIMONY IN THIS PROCEEDING?**

10 **A.** Yes. I submitted Direct Testimony, PAWC Statement No. 2, on August 27, 2025.

11
12 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

13 **A.** I will update my Direct Testimony. In addition, I will respond to the State College Borough
14 Water Authority (“SCBWA”) Statement No. 4, the Supplemental Written Testimony of
15 Mr. Brian Heiser.

16
17 **UPDATE TO MY DIRECT TESTIMONY**

18 **Q. WHY DO YOU NEED TO UPDATE YOUR DIRECT TESTIMONY?**

19 **A.** In my Direct Testimony, I discussed the corporate structure of Rock Spring Water
20 Company (“Rock Spring”) based on information in the Annual Financial Report for Rock
21 Spring filed on July 29, 2024. I explained that this information was important because, if
22 the Commission would order a capable public utility to acquire Rock Spring, that entity

1 would need to know who has authority to negotiate a purchase price on behalf of Rock
2 Spring. I expressed concern, however, because the information in that report was dated
3 and incomplete.

4 My Direct Testimony noted that PAWC had served interrogatories and requests for
5 the production of documents on Rock Spring but had not received a response as of the date
6 that testimony was prepared. PAWC subsequently received a response to its discovery.
7 Based on Rock Spring's discovery answers, attached as **PAWC Exhibit MK-4**, PAWC
8 now has greater comfort that it knows who has authority to negotiate a purchase price on
9 behalf of Rock Spring.

10 Based on the minutes from the May 22, 2025 Special Meeting of the Shareholders
11 and Directors, it is clear that J. Roy Campbell and Sue Campbell have the authority to
12 negotiate with both SCBWA and other entities. Page 5 of those minutes specifically
13 authorizes Mr. Campbell and Ms. Campbell to enter into negotiations for the purpose of
14 transferring control of Rock Spring. Additionally, page 3 of the answers to interrogatories
15 indicates that Rod Beard, Esq., is authorized to represent Rock Spring in these negotiations.

16
17 **RESPONSE TO MR. HEISER'S SUPPLEMENTAL WRITTEN TESTIMONY**

18 **Q. ON PAGE 5, LINES 141-148, MR. HEISER CONTENDS THAT THE**
19 **ACQUISITION AND IMPROVEMENT OF THE ROCK SPRING SYSTEM WILL**
20 **BE MORE AFFORDABLE FOR CUSTOMERS IF SCBWA ACQUIRES THE**
21 **SYSTEM THAN IF A CAPABLE PUBLIC UTILITY IS ORDERED TO ACQUIRE**
22 **THE SYSTEM. PLEASE RESPOND.**

1 A. Mr. Heiser contends that SCBWA has greater access to Federal and state grants and loans
2 than does a public utility. While SCDWA may have access to some smaller state and
3 federal funding programs such as programs administered by the Pennsylvania Department
4 of Community and Economic Development that exclude private entities, eligibility for the
5 largest source of funding for public water suppliers in the Commonwealth, the
6 Pennsylvania Infrastructure Investment Authority (“Pennvest”), is the same for both public
7 and private entities. In fact, PAWC has been especially active in the pursuit of Pennvest
8 funds and received numerous low interest loans and grants during this calendar year. We
9 pursue these funding opportunities to reduce the financial impact of system improvements
10 to our customers.

11

12

CONCLUSION

13 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

14 **A.** Yes. However, I reserve the right to supplement my Rebuttal Testimony as additional
15 issues or facts arise during the course of this proceeding. Thank you.

**In re: I&E Petition to Request the Commission Open a Section 529 Investigation Into the
Acquisition of Rock Spring Water Company**

PAWC Exhibit MK-4

Rock Springs Water Company Response and Supplemental Responses to PAWC Set I

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**ADMINISTRATIVE LAW JUDGE
JOHN M. COOGAN**

Pennsylvania Public Utility Commission :
Bureau of Investigation and Enforcement :
Petition to Request the Commission Open : Docket No. P-2024-3051313
A Section 529 Investigation into the Acquisition :
of Rock Spring Water Company :

**ANSWERS AND RESPONSES OF ROCK SPRING WATER COMPANY TO THE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
PROPOUNDED BY PENNSYLVANIA-AMERICAN WATER COMPANY ON
ROCK SPRING WATER COMPANY – SET I**

Pursuant to 66 Pa. C.S. § 333 and 52 Pa. Code § 5.341 *et seq.*, Rock Spring Water Company hereby provides the following Answers and Responses to Pennsylvania-American Water Company (“PAWC”) to the Interrogatories and Requests for Production of Documents on Rock Spring Water Company – Set I, propounded by PAWC.

**INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
PROPOUNDED BY PENNSYLVANIA-AMERICAN WATER COMPANY ON
ROCK SPRING WATER COMPANY - SET I**

DOCKET NO. P-2024-3051313

1. Please provide copies of the following documents:
 - a. The Articles of Incorporation of Rock Spring Water Company;
See Attached.

- b. The By-laws of Rock Spring Water Company; and
See Attached.
 - c. The minutes of the Board of Directors of Rock Spring Water Company since
January, 2024.
See attached.
2. Please identify:
- a. The current officers of Rock Spring Water Company; and
President: J. Roy Campbell
Vice-President: John Campbell
Secretary: Emilie Campbell
Treasurer: Sue Campbell
 - b. The current members of the Board of Directors of Rock Spring Water
Company.
J. Roy Campbell and Elizabeth Campbell
3. How many shares of stock of Rock Spring Water Company have been issued?
199
4. How many shares of stock of Rock Spring Water Company remain outstanding?
199
5. Please identify all shareholders of record of Rock Spring Water Company.
See Attached.
6. Are any assets of the System owned by any individual or entity other than Rock
Spring Water Company? If so, please identify those assets.
Some minor office equipment may be owned by individuals.

7. Please identify all legal counsel who are currently authorized to represent Rock Spring Water Company for any reason, and the scope of each counsel's engagement.

Rod Beard – representation in the Section 529 proceeding and negotiations with State College Borough Water Authority and any other entities for purchase of assets from Rock Spring Water Company. Possibly structure a different transaction for (lease/purchase) if other negotiations don't work out.

8. If an attorney has not been authorized to represent Rock Spring Water Company with regard to the sale of the System, please identify the officer, director or other individual(s) who have been authorized to represent Rock Spring Water Company with regard to the sale of the System. In addition, please provide copies of all relevant documents authorizing that person(s) to represent Rock Spring Water Company with regard to the sale of the System.
N/A.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
The Acquisition of Rock Spring Water :
Company :

VERIFICATION

I, J. Roy Campbell, President of Rock Spring Water Company, verify that I am authorized to make this Verification and I further verify that the Answers and Responses set forth to the INTERROGATORIES AND REQUEST FOR PRODUCTION PROPOUNDED BY PENNSYLVANIA AMERICAN WATER COMPANY – SET 1, are true and correct to best of my knowledge, information and belief. I understand that any false statements herein are made subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

ROCK SPRING WATER COMPANY

Date

8-27-25


Roy Campbell

To the Governor of the Commonwealth of Pennsylvania:

SIR:

In compliance with the requirements of an Act of the General Assembly of the Commonwealth of Pennsylvania, entitled "An Act to provide for the incorporation and regulation of certain corporations," approved the 29th day of April, A. D. 1874, P. L. 73, and the several supplements, thereto, the undersigned, all of whom are citizens of Pennsylvania, having associated for the purpose hereinafter specified, and desiring that they may be incorporated, and that Letters Patent may issue to them and their successors according to law, do hereby certify:

1st. The name of the proposed corporation is Rock Spring Water Company

2d. Said corporation is formed for the purpose of acquiring a source of water supply and to construct, operate and maintain a distribution system for supplying water to consumers in Ferguson Township, Centre County, Pa., within a radius of 3 miles from a point on state Highway Route #45 which point is North 30° W. from center of Schall's Gap in said Township.

3d. The name of the river, stream, or other body or source of water, from which it is proposed to take or use water, and, as near as may be determined, the points on said river, stream, or other body of water, between which said water is proposed to be taken or used, or the boundary of the said source, is as follows:

Schall's Gap Run in Ferguson Township, Centre County, Pennsylvania, about one mile southeast of Rock Spring Village at an elevation of 1433 feet above sea level, on land of Commonwealth of Pennsylvania, said point being approximately one-half mile above where Schall's Gap Run sinks on land of Laude Miller, et al.

4th. The business of said corporation is to be transacted in Ferguson Township, Centre County, Pennsylvania - Address, Pennsylvania Furnace, Pa.

5th. Said corporation is to exist Fifty years.

6th. The names and residences of the subscribers and the number of shares subscribed by each, are as follows:

Name.	Residence.	No. of shares.
S. A. Homan	Ferguson Twp., Pa. Furnace, Pa.	10
Charles H. Campbell	Ferguson Twp., Pa. Furnace, Pa.	10
Earl A. Harper	Ferguson Twp., Pa. Furnace, Pa.	10
G. Elwood Fry	Ferguson Twp., Pa. Furnace, Pa.	10
Robert W. Reed	Ferguson Twp., Pa. Furnace, Pa.	10
J. Fred Rossman	Ferguson Twp., Pa. Furnace, Pa.	10

7th. The number of directors of said corporation is fixed at six

and the names and residences of the persons who are chosen directors for the first year are as follows:

Name.	Residence.
S. A. Homan	Pennsylvania Furnace, Ferguson Twp., Pa.
Charles H. Campbell	Pennsylvania Furnace, Ferguson Twp., Pa.
Earl A. Harper	Pennsylvania Furnace, Ferguson Twp., Pa.
G. Elwood Fry	Pennsylvania Furnace, Ferguson Twp., Pa.
Robert W. Reed	Pennsylvania Furnace, Ferguson Twp., Pa.
J. Fred Rossman	Pennsylvania Furnace, Ferguson Twp., Pa.

8th. The amount of the capital stock of said corporation is \$ 25,000.00 divided into 250 shares of the par value of \$ 100.00, and in excess of \$6000.00, being ten per centum of the capital stock, has been paid in cash to the Treasurer of said corporation, whose name and residence are:

Robert W. Reed, Ferguson Township, Pennsylvania Furnace, Pennsylvania

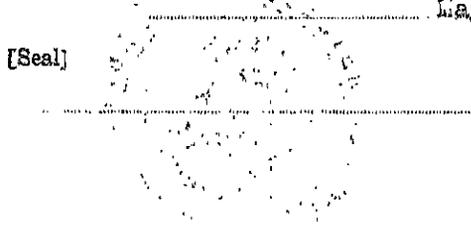
S. A. Homan
S. A. Homan
Charles H. Campbell
Charles H. Campbell
Earl A. Harper
Earl A. Harper

G. Elwood Fry (SEAL)
G. Elwood Fry
Robert W. Reed (SEAL)
Robert W. Reed
J. Fred Rossman (SEAL)
J. Fred Rossman

State of Pennsylvania, }
County of Centre } ss:

Before me, Recorder of Deeds in and for the county aforesaid, personally came the above named S. A. HOMAN, CHARLES H. CAMPBELL, EARL A. HARPER, G. ELWOOD FRY, ROBERT W. REED and J. FRED ROSSMAN, who, in due form of law, acknowledged the foregoing instrument to be their act and deed for the purposes therein specified.

Witness my hand and Seal of office, the 22nd day of May, A. D. 1946



Samuel H. Worthington
Recorder of Deeds
My comm. expires 1st Mon. in January, 1948.

State of Pennsylvania, }
County of Centre } ss:

Personally appeared before me, this 22nd day of May, A. D. 1946, S. A. HOMAN, CHARLES H. CAMPBELL, EARL A. HARPER, G. ELWOOD FRY, ROBERT W. REED, and J. FRED ROSSMAN, who being duly sworn, according to law, depose and say that the statements contained in the foregoing instrument are true.

Sworn and subscribed before me, the day and year aforesaid.
Samuel H. Worthington
Prothonotary

S. A. Homan
Charles H. Campbell
Earl A. Harper
G. Elwood Fry
Robert W. Reed
J. Fred Rossman

[Seal] My comm. expires first Monday in Jan., 1948.

Filed in the office of the Water and Power Resources Board of Pennsylvania on the 24th
day of June A. D. 19 46.

W. E. Kirkpatrick
W. E. Kirkpatrick, Secretary.
Harrisburg, July 10th, 1946.

APPROVED:

Water and Power Resources Board of Pennsylvania.

Jas. A. Kell
Jas. A. Kell, Chairman

ATTEST:
W. E. Kirkpatrick
W. E. Kirkpatrick, Secretary.

APPLICATION OF

EXECUTIVE CHAMBER

Harrisburg, _____ 19

To the Secretary of the Commonwealth:

Having examined the within application and found it to be in proper form, and within the purposes of the class of corporations specified in section two of the act, entitled "An act to provide for the incorporation and regulation of certain corporations," approved April 23rd, A. D. 1874, and the several supplements thereto, I hereby approve the same, and direct that letters patent issue according to law.

Governor.

PENNSYLVANIA
PUBLIC UTILITY COMMISSION

Application Docket No. 66030, Folder 1

Application of ROCK SPRING WATER COMPANY for approval
of its incorporation, organization and creation.

REPORT AND ORDER

BY THE COMMISSION:

This matter being before the Pennsylvania Public Utility Commission upon petition of the incorporators of ROCK SPRING WATER COMPANY, dated January 21, 1947, for approval of the incorporation, organization and creation of said company for the purpose of acquiring a source of water supply and to construct, operate and maintain a distribution system for supplying water to consumers in Ferguson Township, Centre County, Pa., within a radius of 3 miles from a point on State Highway Route 745 which point is North 30° W. from center of Sonall's Gap in said Township, as more fully and at large set forth in the application for Letters Patent filed in the office of the Secretary of the Commonwealth, a copy of which was duly certified to this Commission under date of July 24, 1946, and having been duly heard and submitted by the parties, and full investigation of the matters and things involved having been had, the Commission finds and determines that approval of said petition is necessary or proper for the service, accommodation, convenience or safety of the public, and that a certificate of public convenience issue evidencing the Commission's approval thereof;

NOW, to wit, May 12, 1947, IT IS ORDERED: That a certificate of public convenience issue evidencing the Commission's approval of the incorporation, organization and creation of said ROCK SPRING WATER COMPANY, as above determined.

PENNSYLVANIA
PUBLIC UTILITY COMMISSION

John Higgins Jr.
Chairman

ATTEST:



J. A. Walter
Acting Secretary

PENNSYLVANIA
A.69030, Folder 1 PUBLIC UTILITY COMMISSION

IN THE MATTER OF THE APPLICATION OF

the corporators of
ROCK SPRING WATER COMPANY, under Section
201 (a), Article II, of the Public
Utility Law, for approval of its
incorporation, organization and creation.

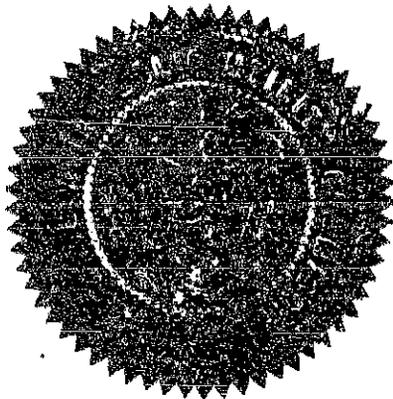
CERTIFICATE
OF
PUBLIC CONVENIENCE

The Pennsylvania Public Utility Commission hereby certifies that after an investigation and/or hearing had on the above entitled application, it has, by its report and order made and entered, a copy of which is attached hereto and made a part hereof, found and determined that the granting of said application is necessary or proper for the service, accommodation, convenience and safety of the public, and this certificate is issued evidencing its approval of the said application as set forth in said report and order.

In Testimony Whereof, The PENNSYLVANIA PUBLIC UTILITY COMMISSION has caused these presents to be signed and sealed, and duly attested by its Secretary at its office in the city of Harrisburg this 12th day of May, 1947.

PENNSYLVANIA
PUBLIC UTILITY COMMISSION

Attest:



John Higgins Jr.

Chairman

J. A. Walter

Acting Secretary

Form A.—No. 4.

Executive Chamber,

Harrisburg, May 21, 1947

To the Secretary of the Commonwealth:

Having examined the within application and found it to be in proper form, and within the purposes of the class of corporations specified in section two of the act, entitled "An act to provide for the incorporation and regulation of certain corporations," approved April 29th, A. D. 1874, and the several supplements thereto, I hereby approve the same, and direct that Letters Patent issue according to law.

7th 19. 1947
Governor.
Jr.

Secretary's Office.

PENNSYLVANIA, ss:



Witness my hand and Seal of Office at Harrisburg, this
21st day of May
A. D. 19 47.

Cummins
Secretary of the Commonwealth.
RES.

R.C.C.



Governor's Office

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

Whereas, In and by an act of the General Assembly of the Commonwealth of Pennsylvania, entitled "An act to provide for the incorporation and regulation of certain corporations," approved the twenty ninth day of April, Anno Domini one thousand eight hundred and seventy four and the supplements thereto; the Governor of this Commonwealth is authorized and required to issue

CHARTERS PATENT

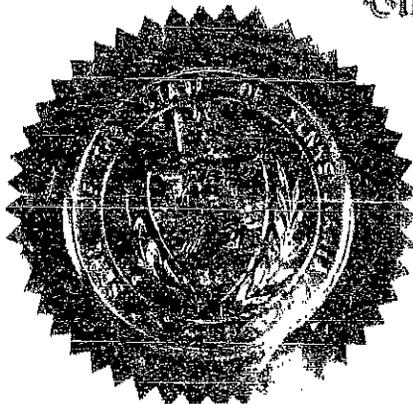
to all corporations formed under the provisions of said acts, embraced within the second class named therein.

And Whereas, The stipulations and conditions in said act of the General Assembly and the supplements thereto, have been fully complied with by

ROCK SPRING WATER COMPANY

Therefore, Know Ye, That under authority of the Constitution and laws of said Commonwealth in such case made and provided, I **DO BY THESE PRESENTS**, which I have caused to be made **patent** and, sealed with the Great Seal of the State, create and incorporate the subscribers to the stock of said corporation, their associates and successors, and also those who may hereafter become subscribers or holders of the stock of the said corporation, into a body politic and corporate in deed and in law by the name chosen and herein before specified, who shall have _____ succession for a period of fifty years _____ and shall be invested with, and have and enjoy all the powers, privileges and franchises incident to a corporation and be subject to all the duties, requirements and restrictions specified and enforced in and by the said acts of the General Assembly and all other laws of this Commonwealth.

Given under my Hand and the Great Seal of the State, at the City of Harrisburg, this _____ day of _____ May _____ in the year of our Lord one thousand nine hundred and _____ forty-seven and of the Commonwealth the one hundred and _____ seventy-first _____



By the Governor:

7th 3. 14. 2002

Edmondson
Secretary of the Commonwealth

BY-LAWS
OF
ROCK SPRINGS WATER COMPANY

ARTICLE 1. STOCK

SECTION 1. CERTIFICATES OF STOCK SHALL BE ISSUED IN NUMERICAL ORDER FROM THE STOCK CERTIFICATE BOOK, BE SIGNED BY THE SECRETARY AND TREASURER AND SEALED BY THE SECRETARY WITH THE CORPORATE SEAL. A RECORD OF EACH CERTIFICATE ISSUED SHALL BE KEPT ON THE STUB THEREOF.

SECTION 2. TRANSFERS OF STOCK SHALL BE MADE ONLY UPON THE BOOKS OF THE COMPANY, AND BEFORE A NEW CERTIFICATE IS ISSUED, THE OLD CERTIFICATE MUST BE SURRENDERED FOR CANCELLATION.

ARTICLE 2. STOCKHOLDERS

SECTION 1. THE ANNUAL MEETING OF THE STOCKHOLDERS OF THE COMPANY SHALL BE HELD AT THE PRINCIPAL OFFICE OF THE COMPANY FOR THE ELECTION OF DIRECTORS, AND FOR SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE SUCH MEETING.

SECTION 2. SPECIAL MEETINGS OF THE STOCKHOLDERS MAY BE CALLED AT THE PRINCIPAL OFFICE OF THE COMPANY, AT ANY TIME, BY RESOLUTION OF THE BOARD OF DIRECTORS, OR BY THE PRESIDENT, UPON WRITTEN REQUEST OF STOCKHOLDERS OWNING ONE-THIRD OF THE OUTSTANDING STOCK.

SECTION 3. NOTICE OF MEETINGS, WRITTEN OR PRINTED, FOR EVERY REGULAR OR SPECIAL MEETING OF THE STOCKHOLDERS SHALL BE PREPARED AND MAILED TO THE ADDRESS OF EACH STOCKHOLDER NOT LESS THAN TEN DAYS BEFORE ANY SUCH MEETING, AND IF FOR A SPECIAL MEETING SUCH NOTICE SHALL STATE THE OBJECT OR OBJECTS THEREOF.

SECTION 4. A QUORUM AT ANY SUCH MEETING OF THE STOCKHOLDERS SHALL CONSIST OF A MAJORITY OF THE VOTING STOCK OF THE COMPANY REPRESENTED IN PERSON OR BY PROXY. A MAJORITY OF SUCH QUORUM SHALL DECIDE ANY QUESTION THAT MAY COME BEFORE THE MEETING.

SECTION 5. THE ELECTION OF DIRECTORS SHALL BE HELD AT THE ANNUAL MEETING OF THE STOCKHOLDERS.

SECTION 6. THE ORDER OF BUSINESS AT THE ANNUAL MEETING, AND AS FAR AS POSSIBLE AT ALL OTHER MEETINGS OF THE STOCKHOLDERS, SHALL BE:

1. RATIFY THE ACTIONS OF THE DIRECTORS FOR THE PAST YEAR.
2. MOTION TO SET THE NUMBER OF DIRECTORS FOR THE COMING YEAR.
3. ELECT DIRECTORS FOR THE COMING YEAR.
4. PROCESS ANY OTHER MISCELLANEOUS BUSINESS, AMEND CHANGES TO THE BYLAWS OR ARTICLES OF INCORPORATION, IF ANY.
5. SET COMPENSATION OF DIRECTORS (DIRECTORS' FEES AND MEETING FEES)
6. UNFINISHED BUSINESS
7. NEW BUSINESS
8. ADJOURNMENT

ARTICLE 3. DIRECTORS

- SECTION 1. THE BUSINESS AND PROPERTY OF THE COMPANY SHALL BE MANAGED BY A BOARD OF DIRECTORS WHO SHALL BE STOCKHOLDERS AND WHO SHALL BE ELECTED, ANNUALLY, BY BALLOT, BY THE STOCKHOLDERS FOR THE TERM OF ONE YEAR, AND SHALL SERVE UNTIL THE ELECTION AND ACCEPTANCE OF THEIR DULY QUALIFIED SUCCESSORS. ANY VACANCIES MAY BE FILLED BY THE BOARD FOR THE UNEXPIRED TERM.
- SECTION 2. REGULAR AND SPECIAL MEETINGS OF THE BOARD OF DIRECTORS MAY BE CALLED AT ANY TIME BY THE PRESIDENT OR BY ANY THREE MEMBERS OF THE BOARD, OR MAY BE HELD AT ANY TIME OR PLACE WITHOUT NOTICE BY UNANIMOUS WRITTEN CONSENT OF THE MEMBERS OR BY THE PRESENCE OF ALL MEMBERS AT SUCH MEETINGS.
- SECTION 3. NOTICE OF BOTH REGULAR AND SPECIAL MEETINGS SHALL BE GIVEN BY THE SECRETARY TO EACH MEMBER OF THE BOARD NOT LESS THAN FIVE DAYS BEFORE ANY SUCH MEETING, AND NOTICES OF SPECIAL MEETINGS SHALL STATE THE PURPOSES THEREOF.
- SECTION 4. A QUORUM AT ANY MEETING SHALL CONSIST OF A MAJORITY OF THE ENTIRE MEMBERSHIP OF THE BOARD. A MAJORITY OF SUCH QUORUM SHALL DECIDE ANY QUESTION THAT MAY COME BEFORE THE MEETING.
- SECTION 5. OFFICERS OF THE COMPANY SHALL BE ELECTED BY THE BOARD OF DIRECTORS AT THEIR FIRST MEETING AFTER THE ELECTION OF DIRECTORS EACH YEAR. IF ANY OFFICE BECOMES VACANT DURING THE YEAR, THE BOARD OF DIRECTORS SHALL FILL THE SAME FOR THE UNEXPIRED TERM. THE BOARD OF DIRECTORS SHALL FIX THE COMPENSATION OF THE OFFICERS AND AGENTS OF THE COMPANY.

- SECTION 6. THE ORDER OF BUSINESS AT ANY REGULAR MEETING OF THE BOARD OF DIRECTORS SHALL BE:
1. READING AND DISPOSAL OF ANY UNAPPROVED MINUTES.
 2. REPORTS OF OFFICERS AND COMMITTEES.
 3. UNFINISHED BUSINESS.
 4. NEW BUSINESS.
 5. ADJOURNMENT.

ARTICLE 4. OFFICERS

SECTION 1. THE OFFICERS OF THE COMPANY SHALL BE A PRESIDENT, A VICE-PRESIDENT, A SECRETARY AND A TREASURER WHO SHALL BE ELECTED FOR ONE YEAR AND SHALL HOLD OFFICE UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFIED. THE POSITION OF SECRETARY AND TREASURER MAY BE UNITED IN ONE PERSON.

SECTION 2. THE PRESIDENT SHALL PRESIDE AT ALL MEETINGS, SHALL HAVE GENERAL SUPERVISION OF THE AFFAIRS OF THE COMPANY, SHALL SIGN OR COUNTERSIGN ALL CERTIFICATES, CONTRACTS AND OTHER INSTRUMENTS OF THE COMPANY AS AUTHORIZED BY THE BOARD OF DIRECTORS, SHALL MAKE REPORTS TO THE DIRECTORS AND STOCKHOLDERS AND SHALL PERFORM ALL SUCH OTHER DUTIES AS ARE INCIDENT TO HIS OFFICE OR ARE PROPERLY REQUIRED OF HIM BY THE BOARD OF DIRECTORS. IN THE ABSENCE OR DISABILITY OF THE PRESIDENT, THE VICE-PRESIDENT SHALL EXERCISE ALL HIS FUNCTIONS.

SECTION 3. THE SECRETARY SHALL ISSUE ALL REQUIRED NOTICES FOR ALL MEETINGS, SHALL KEEP THE MINUTES THEREOF, SHALL HAVE CHARGE OF THE SEAL AND THE CORPORATE BOOKS, SHALL SIGN WITH THE PRESIDENT SUCH INSTRUMENTS AS REQUIRE HIS SIGNATURE AND SHALL MAKE SUCH REPORTS AND PERFORM SUCH OTHER DUTIES AS ARE INCIDENT TO HIS OFFICE OR ARE PROPERLY REQUIRED OF HIM BY THE BOARD OF DIRECTORS.

SECTION 4. THE TREASURER SHALL HAVE THE CUSTODY OF ALL MONEYS AND SECURITIES OF THE COMPANY AND SHALL KEEP REGULAR BOOKS OF ACCOUNT. HE SHALL SIGN OR COUNTERSIGN SUCH INSTRUMENTS AS REQUIRE HIS SIGNATURE, AND SHALL PERFORM ALL DUTIES INCIDENT TO HIS OFFICE OR THAT ARE PROPERLY REQUIRED OF HIM BY THE BOARD.

ARTICLE 5. DIVIDENDS AND FINANCE

SECTION 1. DIVIDENDS SHALL BE DECLARED ONLY FROM THE SURPLUS PROFITS AT SUCH TIMES AS THE BOARD OF DIRECTORS SHALL DIRECT, AND NO DIVIDEND SHALL BE DECLARED THAT WILL IMPAIR THE CAPITAL OF THE COMPANY.

SECTION 2. THE MONEYS OF THE COMPANY SHALL BE DEPOSITED IN THE NAME OF THE COMPANY, IN SUCH BANK OR TRUST COMPANY AS THE BOARD OF DIRECTORS SHALL DESIGNATE, AND SHALL BE DRAWN OUT ONLY BY CHECK SIGNED BY ANY OFFICER OR OTHER INDIVIDUAL AUTHORIZED BY THE BOARD OF DIRECTORS.

ARTICLE 6. INDEMNIFICATION

SECTION 1. PERSONAL LIABILITIES OF DIRECTORS

A DIRECTOR OF THIS CORPORATION SHALL NOT BE PERSONALLY LIABLE FOR MONETARY DAMAGES AS SUCH FOR ANY ACTION TAKEN, OR ANY FAILURE TO TAKE ANY ACTION, UNLESS:

1. THE DIRECTOR HAS BREACHED OR FAILED TO PERFORM THE DUTIES OF HIS OFFICE UNDER SECTION 8363 OF THE PENNSYLVANIA DIRECTORS' LIABILITY ACT (WHICH, AS AMENDED FROM TIME TO TIME, IS HEREAFTER CALLED THE "DIRECTORS' LIABILITY ACT"); AND
2. THE BREACH OR FAILURE TO PERFORM CONSTITUTES SELF-DEALING, WILLFUL MISCONDUCT OR RECKLESSNESS.

THIS SECTION SHALL NOT LIMIT A DIRECTOR'S LIABILITY FOR MONETARY DAMAGES TO THE EXTENT PROHIBITED BY SECTION 8364(B) OF THE DIRECTORS' LIABILITY ACT.

ARTICLE 7. MANDATORY INDEMNIFICATION OF DIRECTORS AND OFFICERS

THE CORPORATION SHALL, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, INDEMNIFY ITS DIRECTORS AND OFFICERS WHO WERE OR ARE A PARTY OR ARE THREATEN TO BE MADE A PARTY TO ANY THREATENED, PENDING OR COMPLETED ACTION, SUIT OR PROCEEDING, WHETHER CIVIL, CRIMINAL, ADMINISTRATIVE OR INVESTIGATIVE (WHETHER OR NOT SUCH ACTION, SUIT OR PROCEEDING ARISES OR AROSE BY OR IN THE RIGHT OF THE CORPORATION OR OTHER ENTITY) BY REASON OF THE FACT THAT SUCH DIRECTOR OR OFFICER IS OR WAS A DIRECTOR OR OFFICER OF THE CORPORATION OR IS OR WAS SERVING AT THE REQUEST OF THE CORPORATION AS A DIRECTOR, OFFICER, EMPLOYEE, GENERAL PARTNER, AGENT OF FIDUCIARY OR ANOTHER CORPORATION, PARTNERSHIP, JOINT VENTURE, TRUST OR OTHER ENTERPRISE, AND AMOUNTS PAID IN SETTLEMENT ACTUALLY AND REASONABLY INCURRED BY SUCH DIRECTOR OF OFFICER IN CONNECTION WITH SUCH ACTION, SUIT OR PROCEEDING. PERSONS WHO WERE DIRECTORS OR OFFICERS OF THE CORPORATION PRIOR TO THE DATE THIS SECTION IS APPROVED BY SHAREHOLDERS OF THE CORPORATION, BUT WHO DO NOT HOLD SUCH OFFICE ON OR AFTER SUCH DATE, SHALL NOT BE COVERED UNDER THIS SECTION.

ARTICLE 8. THE SEAL

SECTION 1. THE CORPORATION SEAL OF THE COMPANY SHALL BE IN THE FORM OF A CIRCLE AND SHALL BEAR THE NAME OF THE CORPORATION AND THE YEAR OF INCORPORATION.

ARTICLE 9. AMENDMENTS

SECTION 1. THESE BY-LAWS MAY BE AMENDED, REPEALED OR ALTERED, IN WHOLE OR IN PART, BY A MAJORITY VOTE OF THE ENTIRE OUTSTANDING STOCK OF THE COMPANY AT ANY REGULAR OR SPECIAL MEETING OF THE STOCKHOLDERS, PROVIDED THE PROPOSED AMENDMENT IS INSERTED IN THE NOTICE OF SUCH MEETING.

ADOPTED AT A MEETING OF STOCKHOLDERS HELD ON JANUARY 17, 1950. ROBERT W. REED, SECRETARY.

SPECIAL MEETING MINUTES OF THE
SHAREHOLDERS AND DIRECTORS

OF

ROCK SPRING WATER COMPANY
A PENNSYLVANIA CORPORATION

May 22, 2025

1. Time and Place

The Special Meeting of the Shareholders and Directors of Rock Spring Water Company, a Pennsylvania Corporation, was held at the Baileyville Community Hall, 210 Deibler Road, Pennsylvania Furnace, Pennsylvania, on May 22, 2025, at the hour of 6:00 P.M., being within the time and place prescribed by the Notice of Special Meeting that was provided to the Shareholders at least ten (10) days prior.

2. Authority to Act

Present at this meeting were the following Shareholders:

<u>Name</u>	<u>Address</u>	<u>No. of Shares</u>
J. Roy Campbell	4607 W. Whitehall Rd. Penna. Furnace, PA 16865	14.67
Elizabeth Campbell	4607 W. Whitehall Rd. Penna. Furnace, PA 16865	10
Edith Williamson (by phone)	8795 Old Dumfries Rd. Catlett, VA 20119	34.66
Michael Dodge (by phone)	2806 Orange Grove Trail Naples, FL 34120	5
Julie Campbell Dodge (by phone)	2806 Orange Grove Trail Naples, FL 34120	10
Charles Williams	140 Fisher Run Rd. Bloomsburg, PA 17815	12

Total Shares: 86.33

Also present at the meeting was Rodney A. Beard, attorney for the Company.

It was noted that 199 shares of the Corporation were issued to individuals and were outstanding. The Bylaws of the Corporation require that a majority of shares outstanding be present in person or by proxy at a meeting in order for a quorum to be established. With 86.33 shares represented, a quorum was not established.

Mr. Beard requested whether it would be possible to contact other shareholders by phone to determine if they would attend. Discussion was held that Mr. Williams had traveled from Bloomsburg to attend, and it would be a shame to not establish a quorum.

After several phone call attempts, Roy and Elizabeth Campbell left the meeting to go to James Harper's house at 5220 W. Whitehall Rd. Penna. Furnace. They returned with James Harper at 6:30 pm. Mr. Harper indicated that he had received the notice of the meeting, but he thought it was a different date. With Mr. Harper's 48 shares being represented, a quorum was established with 134.33 shares being present at the meeting.

3. Chairman and Secretary

Rodney Beard was elected to conduct the meeting as Chairman and also to take the minutes of the meeting. He accepted the elections and acted in the respective capacities.

4. Approval of Prior Minutes

No minutes of previous Shareholder or Director Meetings were available for review. Therefore, no action on approval of prior minutes was taken.

However, it was noted that a meeting of shareholders at which a quorum was present was held on December 30, 2024. At that meeting, the shareholders discussed that State College Borough Water Authority was interested in purchasing the assets of RSWC, and the shareholders discussed moving forward with a proposal for the State College Borough Water Authority to purchase the Rock Spring Water Company. Terms of the transaction were undefined.

5. Discussion of Status of the Corporation

Mr. Beard provided the shareholders with an update on the status of the PUC Section 529 proceeding. He noted that Pennsylvania American Water Company (PAWC) had been appointed by the PUC to act as Receiver for RSWC. This basically means that PAWC is handling all day-to-day matters with operations, customer billing, customer service, DEP reporting, etc. Roy and Elizabeth Campbell have been assisting PAWC with the transition.

The PUC Order appointing PAWC as Receiver also required RSWC to negotiate in

earnest with SCBWA to attempt to arrive at a transaction whereby SCBWA would acquire the assets of RSWC. Mr. Beard reported to the shareholders that drafts of a proposed agreement had been circulated and reviewed. Major discussion points presently were the valuation of RSWC and the real estate/well property currently used by RSWC. It was noted that SCBWA wishes to acquire the real estate and well, but intends to abandon the well as soon as SCBWA can connect the RSWC main line to the SCBWA main line. Mr. Campbell noted that SCBWA has wells that are within about 50 feet of the RSWC line, but has always refused an interconnection and SCBWA does not use those wells.

It was noted that the 5-acres of ground owned by RSWC had been acquired from the Campbell family years ago, and that is where the well is located. It was also noted that 5-acres of ground in Ferguson Township has substantial value.

It was also noted that SCBWA was offering \$65,000 for all the assets (real estate, well, tank, main lines, permits, inventory, equipment – excluding the backhoe, and customers and records). Mr. Harper indicated that he always was under the impression that an operating business would be worth at least 2- to 3- annual revenue, and \$65,000 was not close to this figure for RSWC. Even though repairs were needed to some of the lines, he felt the company would have more value than \$65,000.

Mr. Beard reported that he had received a proposal from HRG Engineering to perform a valuation of RSWC. The cost of the valuation would be \$13,900, and it would require approximately 90 days to complete. With the PUC Order requiring that discussions with SCBWA be completed within 90 days, there was not sufficient time to have a valuation completed.

Mr. Beard also reported that DEP had a judgment against RSWC in Centre County in the amount of \$40,000. Therefore, if a transaction occurred with SCBWA at the \$65,000 figure, the judgment would have to be paid and there would only be \$25,000 (or less after interest and costs) left from the purchase price offered by SCBWA. Mr. Beard reported that he had discussed with DEP counsel the possibility of forgiveness of the judgment (full or partial), and that it would require a procedure within the state government to get approval for any reduction or forgiveness. The process could take up to 90 days or longer. Mr. Williams asked whether there would be insurance coverage to provide payment of the judgment. The answer currently is not known, but it was unlikely that insurance would pay a fine or penalty under the policy.

After the general discussion and report, it was noted that several items required action by the shareholders in order to move forward.

6. Items for Action

A. Nomination and Election of Directors

Upon motion of Charles Williams, seconded by James Harper, it was moved that the following persons be nominated and elected as Directors of the corporation:

J. Roy Campbell
Elizabeth Campbell

and that they shall serve for a term of one (1) year and until their successors shall be duly elected. Following discussion, the motion was unanimously approved by vote of the shareholders.

B. Nomination and Election of Officers

It was noted that forms for nomination of officers had been provided to the shareholders with the notice of the meeting. Elizabeth Campbell has received the following nominations:

President: J. Roy Campbell
Vice-President: Elizabeth Campbell and John Campbell
Secretary: Emilie Campbell and Charles Williams
Treasurer: Sue Campbell

Charles Williams declined his nomination for Secretary.

Upon motion of Charles Williams, seconded by James Harper, it was moved that the following persons be nominated and elected to the officer positions as follows:

J. Roy Campbell	President
John Campbell	Vice-President
Emilie Campbell	Secretary
Sue Campbell	Treasurer

and that they shall serve for a term of one (1) year and until their successors shall be duly elected. Upon vote, the motion was approved.

C. Address expired term of existence

Mr. Beard noted that technically, the corporation had expired in 1997 because the original Articles of Incorporation filed in 1947 provided that the corporation shall have a term of existence of 50 years, and those original Articles were never modified or amended. It was also noted that the Pa. Dept. of State listed the registered office for the corporation as being in Armstrong County, Pennsylvania, and that obviously was not correct. There are two ways to fix the term of existence: one is to file a Revival of the corporation. To file a revival requires that tax clearance certificates from Pa. Dept. of Revenue and Pa. Dept. of Labor

and Industry be submitted with the filing. It may take up to a year to obtain tax clearance certificates. The second method would be to file Articles of Amendment with the Pa. Dept. of State to amend the provision limiting the term of the corporation, and provide that the term would be perpetual, and also correct the registered address of the corporation.

Amend Articles of Incorporation

James Harper made a motion to authorize the officers of the corporation to proceed with amending the Articles of Incorporation to provide for a registered address at 1750 Tadpole Road, Pennsylvania Furnace, PA and to make the term of the corporation perpetual. Motion was seconded by Charles Williams. Upon vote, motion passed unanimously.

D. Authorize negotiation of an Asset Purchase Agreement with State College Borough Water Authority

Elizabeth Campbell made a motion to authorize J. Roy Campbell and Sue Campbell, as officers of the corporation elected at this meeting, to enter into negotiations with State College Borough Water Authority (SCBWA) for the purpose of entering into an Asset Purchase Agreement whereby SCBWA would purchase assets of the corporation. J. Roy Campbell seconded the motion. Upon vote, motion passed unanimously.

E. Authorize negotiation with other entities

Charles Williams made a motion to authorize J. Roy Campbell and Sue Campbell, as officers of the corporation elected at this meeting, to contact other potentially interested entities and enter into negotiations with them if they are interested for the purpose of entering into an Asset Purchase Agreement whereby those entities would purchase assets of the corporation. James Harper seconded the motion. Upon vote, motion passed unanimously.

It was noted that Pa American Water Company may be an interested entity because PAWC was already familiar with RSWC, but no other names of potentially interested entities were mentioned. It was suggested that perhaps contacts could be made with engineering firms who may have clients interested in purchasing RSWC.

F. Authorize abandonment of Certificate of Public Convenience

Elizabeth Campbell made a motion to authorize the corporation to file an application with the Pennsylvania Public Utility Commission to abandon the certificate of public convenience previously issued for the corporation, provided the contemplated transaction whereby SCBWA, or any other interested entity,

would purchase the assets of the corporation is consummated. Charles Williams seconded the motion. Upon vote, motion passed unanimously.

7. Miscellaneous

It was noted that no other business needed to be acted upon by the Shareholders at this meeting.

8. Adjournment

There being no further business, upon motion of Charles Williams, seconded by James Harper, and upon unanimous vote, the meeting was adjourned at 7:45 P.M.

Rodney Beard, Recording Secretary

Dated: _____

ROCK SPRING WATER COMPANY

Shareholders – as of May 22, 2025

Name	Address	No. Shares
J. Roy Campbell	4607 W. Whitehall Rd Penna. Furnace, PA 16865	14.67
Elizabeth Campbell	4607 W. Whitehall Rd Penna. Furnace, PA 16865	10
Edith Williamson	8795 Old Dumfries Rd Catlett, VA 20119	34.66
Michael Dodge	2806 Orange Grove Trail Naples, FL 34120	5
Julie Campbell Dodge	2806 Orange Grove Trail Naples, FL 34120	10
Emilie Campbell	4607 W. Whitehall Rd. Penna. Furnace, PA 16865	10
Sue Campbell	150 Farmers Way Penna. Furnace, PA 16865	8.67
Frances Campbell Estate	400 Plainfield Road Penna. Furnace, PA 16865	20

Charles Williams	140 Fisher Run Road Bloomsburg, PA 17815	12
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Clay Campbell	401 Plainfield Rd Penna. Furnace, PA 16865	13
---------------	---	----

C. John Campbell	150 Farmers Way Penna. Furnace, PA 16865	13
------------------	---	----

James Harper	5220 W. Whitehall Rd Penna. Furnace, PA 16865	48
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199

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
The Acquisition of Rock Spring Water :
Company :

CERTIFICATE OF SERVICE

I hereby certify that I am serving Rock Spring Water Company's Answers and Responses to Pennsylvania-American Water Company ("PAWC") Interrogatories and Requests for Production of Documents on Rock Spring Water Company – Set I, by Rock Spring Water Company dated August 27, 2025, in the manner and upon the persons listed below:

Served Via Electronic Mail Only

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726 W. Lancaster Avenue
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astahl@aquaamerica.com
Counsel for Aqua Pennsylvania, Inc.

Robert A. Mix, Esquire
Robert Mix Law
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Counsel for
State College Borough Water Authority

Elizabeth Rose Triscari, Esquire
Teresa K. Harrold, Esquire
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Counsel for
Pennsylvania-American Water Company

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Pennsylvania-American Water Company

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OCARockSpring@paoca.org

Rebecca Lyttle, Esquire
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Counsel for Commonwealth of
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Protection

J. Roy Campbell
Rock Spring Water Company
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Pennsylvania Furnace, PA 16865
rsw5@comcast.net

Carrie B. Wright, Esquire
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
carwright@pa.gov

Respectfully submitted:

8-27-25
Date


Rodney A. Beard, Esquire
PA I.D. No. 49909
101 North Allegheny Street
Bellefonte, PA 16823
(814) 548-0028

Rock Springs Supplemental Responses to PAWC Set I

BEARD LAW COMPANY

101 North Allegheny Street
Bellefonte, PA 16823
ph. 814-548-0028 fax 814-548-0030
www.beardlawco.com

RODNEY A. BEARD
rod@beardlawco.com

August 28, 2025

Via email to jnase@cozen.com

Jonathan P. Nase, Esquire
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101

Re: I&E Petition to Request the Commission Open a Section 529 Investigation
into the Acquisition of Rock Spring Water Company
Docket No. P-2024-3051313

Dear Jonathan:

Enclosed please find Rock Spring Water Company's Supplemental Responses to Pennsylvania American Water Company's Interrogatories and Requests for Production to Rock Spring Water Company.

Copies are being served on all parties of record in accordance with the attached Certificate of Service.

Should you have any questions, please do not hesitate to contact me. Thank you.

Very truly yours,



Rodney A. Beard

RAB/nld
Enclosure (Supplemental Responses)
c: Matthew L. Homsher, PUC Secretary (Letter and Certificate of Service Only)
Parties

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
The Acquisition of Rock Spring Water :
Company :

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing Supplemental Responses of Rock Spring Water Company to Pennsylvania American Water Company's Interrogatories and Request for Production via electronic mail upon the persons listed below:

Served Via Electronic Mail Only

Alexander R. Stahl, Esquire
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State College Borough Water Authority

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OCARockSpring@paoca.org

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Carrie B. Wright, Esquire
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Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
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Harrisburg, PA 17120
carwright@pa.gov

Respectfully submitted:

8-28-25
Date


Rodney A. Beard, Esquire
PA I.D. No. 49909
101 North Allegheny Street
Bellefonte, PA 16823
(814) 548-0028

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
The Acquisition of Rock Spring Water :
Company :

VIA ELECTRONIC FILING

Rock Spring Water Company

Attached are Rock Spring Water Company's Supplemental Responses to Pennsylvania American Water Company's Interrogatories and Requests for Production.

Dated: August 28, 2025



0014754337

B0919-4305 08/27/2025 2:25 PM Received by Pennsylvania Department of State



COMMONWEALTH OF PENNSYLVANIA
 Department of State
 Bureau of Corporations and Charitable Organizations
 PO Box 8722
 Harrisburg, Pennsylvania 17105-8722
ARTICLES OF AMENDMENT - DOMESTIC CORPORATION
 Fee: \$70

Pennsylvania Department of State

-FILED-

Amendment #: 0014754337
Date Filed: 8/27/2025

DSCB:15-[1915](#)/[2104](#)/[2305](#)/[2704](#)/[2904](#)/[3304](#)/[5915](#)/[7104](#)/[7105](#)/[7106](#)/[7107](#) (rev. 7/2015)

In compliance with the requirements of 15 Pa.C.S. § [1915](#) / § [2104](#) / § [2305](#) / § [2704](#) / § [2904](#) / § [3304](#) / § [5915](#) / § [7104](#) / § [7105](#) / § [7106](#) / § [7107](#) (relating to articles of amendment/election/termination), the undersigned, desiring to amend its articles, hereby states that:

Record Information

File number 0000307801
 Current name ROCK SPRING WATER COMPANY
 Date of incorporation 05/21/1947
 Filing type Domestic Business Corporation
 For profit filing subtype Business

Business Subtype Change

Change business filing subtype? I do not want to change the filing subtype of the corporation

Current Registered Office or Commercial Registered Office Provider

Address FERGUSON TOWNSHIP
 FURNACE RUN, PA 0 -0
 Armstrong

New Registered Office

I want to change the registered office
 The address of this association's proposed registered office in this Commonwealth is
 J ROY CAMPBELL
 1750 TADPOLE RD
 PENNSYLVANIA FURNACE, PA 16865-9539
 CENTRE

Stock

The corporation is organized on a stock share basis and the aggregate number of shares authorized is:
 Number of shares of stock authorized 250

Formation Statute

Profit corporation - select one Corporation Act of 1874

Effective Date

The filing shall be effective when filed with the Department of State

Amendment adoption statement

Select one of the following The amendment was adopted by the shareholders or members pursuant to 15 Pa.C.S. § 1914(a) and (b) or § 5914(a).

Additional changes to the articles, if any

Additional changes Upload additional changes
 Additional changes Attachment.pdf

Restated Articles

The restated Articles of Incorporation supersede the original articles and all amendments thereto.

Electronic Signature

IN TESTIMONY WHEREOF, the undersigned Corporation has caused these Articles of Amendment to be signed by a duly authorized officer.

President

J Roy Campbell

08/27/2025

Signer's Capacity

Sign Here

Date

B0919-4306 08/27/2025 2:25 PM Received by Pennsylvania Department of State

Rock Spring Water Company
Articles of Amendment – Exhibit A

Item 2d: The Corporation is formed for the purpose of acquiring a source of water supply, and constructing, operating, and maintaining a water distribution system for supplying water to consumers, and to engage in all other activities for which a corporation may be organized under the Pennsylvania Business Corporation Law.

Item 4th: The address shall be: 1750 Tadpole Road, Pennsylvania Furnace, PA 16865.

Item 5th: The term of the corporation shall be perpetual.

VERIFICATION

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

A handwritten signature in black ink, appearing to read 'MK', is written above a horizontal line.

Marcus Kohl, Director – Business Development
Pennsylvania-American Water Company

Dated: September 17, 2025

**SURREBUTTAL TESTIMONY OF
MARCUS KOHL**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I&E Petition to Request the Commission Open a : Docket No. P-2024-3051313
Section 529 Investigation Into the Acquisition of Rock :
Spring Water Company :

**SURREBUTTAL TESTIMONY OF
MARCUS KOHL, ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

Date: October 8, 2025

PAWC Statement No. 2-SR

**SURREBUTTAL TESTIMONY OF
MARCUS KOHL**

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

2 **A.** My name is Marcus Kohl, and my business address is 852 Wesley Drive, Mechanicsburg,
3 PA 17055.

4
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 **A.** I am employed by PAWC¹ as Director of Business Development.

7
8 **Q. HAVE YOU SUBMITTED ANY OTHER TESTIMONY IN THIS PROCEEDING?**

9 **A.** Yes. I submitted Direct Testimony, PAWC Statement No. 2, on August 27, 2025 and
10 Rebuttal Testimony, PAWC Statement No. 2-R on September 17, 2025.

11

12 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

13 **A.** I will respond to testimony introduced into the record at the public input hearings (“PIHs”)
14 held on September 30, 2025.

15

16 **RESPONSE TO PUBLIC INPUT HEARINGS**

17 **Q. PLEASE PROVIDE AN OVERVIEW OF THE TESTIMONY AT THE PIHS.**

18 **A.** Two PIHs were held on September 30, 2025, one at 1:00 p.m. and another at 6:00 p.m. Let
19 me begin by noting what was not said at the PIHs because I think it is significant. In PAWC
20 Statement No. 1-R page 4, my colleague, Michael Guntrum, testified that the acquisition

¹ Unless otherwise indicated, all capitalized terms and acronyms used in this Surrebuttal Testimony have the same definitions as set forth in my previous testimony.

1 of Rock Spring by SCBWA would be practical and economically feasible. No one at the
2 PIHs disagreed with this assessment. In fact, of the witnesses who argued that Rock Spring
3 should be sold, a majority argued that the System should be sold to the SCBWA.

4
5 **Q. GALEN DREIBELBIS TESTIFIED THAT THE CUSTOMERS OF ROCK SPRING**
6 **SHOULD KNOW HOW THEIR RATES WILL INCREASE IF THE SYSTEM IS**
7 **SOLD. TRANSCRIPT PAGE 326. PLEASE EXPLAIN WHY PAWC CANNOT**
8 **DETERMINE AT THIS TIME WHAT CUSTOMERS' RATES WILL BE.**

9 **A.** I am advised by counsel that, if the Commission orders PAWC to acquire the System,
10 PAWC must be able to recover all costs of the acquisition because the United States and
11 Pennsylvania Constitutions both prohibit the government from taking private property
12 without just compensation. At this point, it is unclear what those costs will be, in part,
13 because the purchase price for the System has not been determined. Moreover, at this time,
14 it is unclear how those costs will be allocated between Rock Spring's existing customers
15 and PAWC's existing customers.

16 In some past cases, such as PAWC's acquisition of the Delaware Sewer Company,
17 Docket No. I-2016-2526085, PAWC charged an existing PAWC rate after acquiring a
18 system pursuant to Section 529. PAWC is not required to do so, however. Section 529
19 allows an acquiring capable public utility to charge customers of an acquired system
20 pursuant to a separate tariff. At this time, PAWC has not determined the rate that would
21 apply to Rock Spring's customers in the event that PAWC is ordered to acquire Rock
22 Spring.

1 **Q. WILLIAM KEOGH TESTIFIED THAT THIS CASE HAS THREE POSSIBLE**
2 **OUTCOMES. ONE IS THAT ROCK SPRING RETAINS CONTROL OF THE**
3 **SYSTEM, BUT IS DIRECTED TO MAKE UPGRADES AND CHANGES IN**
4 **OPERATIONS. A SECOND IS THAT PAWC IS ORDERED TO ACQUIRE THE**
5 **SYSTEM. A THIRD IS THAT SCBWA ACQUIRES THE SYSTEM.**
6 **TRANSCRIPT PAGE 382. PLEASE RESPOND.**

7 **A.** Based on my years of experience at the Pennsylvania Department of Environmental
8 Protection (“PA DEP”), I do not believe that the Commission should adopt the first option.
9 As Regional Director of the Northcentral Region, the region covering Centre County, the
10 regional team spent years trying to push Rock Spring into compliance through numerous
11 inspections and orders. In the end they were ignored, which has brought us to where we
12 are today. I do not believe it should be an option to allow Rock Spring to retain ownership
13 and be required to complete upgrades and make changes to operational practices. PA DEP
14 has been attempting to do that for years with no success.

15 PAWC continues to believe that the Commission cannot order PAWC to acquire
16 the System pursuant to Section 529 because an alternative (selling the System to SCBWA)
17 is practical and economically feasible. If, however, the Commission disagrees, PAWC is
18 ready, willing and able to acquire the System. In either case, the Commission should make
19 clear that Rock Spring must pay all costs of PAWC as Interim Receiver.

20

21 **CONCLUSION**

22 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

1 **A.** Yes. However, I reserve the right to supplement my Surrebuttal Testimony as additional
2 issues or facts arise during the course of this proceeding. Thank you.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I&E Petition to Request the Commission Open a : Docket No. P-2024-3051313
Section 529 Investigation Into the Acquisition of Rock :
Spring Water Company :

**DIRECT TESTIMONY OF
DR. CHRISTINA E. CHARD ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY**

Date: August 27, 2025

PAWC Statement No. 3

**DIRECT TESTIMONY OF
DR. CHRISTINA E. CHARD**

1 **Q. WHAT IS YOUR NAME AND ADDRESS?**

2 **A.** My name is Christina Chard; my address is 1600 Pennsylvania Ave, Charleston WV 25302.

3

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

5 **A.** I am employed by American Water Works Service Company (the “Service Company”) as
6 the Senior Director of Rates and Regulatory for Pennsylvania-American Water Company
7 (“PAWC” or the “Company”). The Service Company is a wholly owned subsidiary of
8 American Water Works Company, Inc. (“American Water”) that provides services to
9 PAWC and its affiliates.

10

11 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
12 **PROFESSIONAL EXPERIENCE.**

13 **A.** I hold a doctorate degree in Executive Leadership, a Master’s degree in Forensic
14 Accounting, and a Bachelor of Science Degree in Mathematics from the University of
15 Charleston. I have also completed the National Association of Regulatory Utility
16 Commissioners' utility ratemaking course and as of 2025 am serving as a coach/instructor
17 for the course. I have had progressively responsible experience with American Water in
18 various state rates and regulatory support roles since 2018. Please see Appendix A to this
19 testimony for additional details of my professional experience.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE**
2 **PENNSYLVANIA PUBLIC UTILITY COMMISSION (THE “COMMISSION” OR**
3 **“PUC”)?**

4
5 **A.** Yes. I prepared and provided testimony in PAWC’s 2020 base rate case at Docket No. R-
6 2020-3019369. In addition, I have testified in many acquisition cases, surcharge
7 mechanism cases, the 2018 Tax Cuts and Jobs Act investigation, and base rate cases before
8 the West Virginia Public Service Commission on behalf of another American Water
9 subsidiary, West Virginia-American Water. I also testified in an acquisition rulemaking
10 case before the Tennessee Public Utility Commission.

11
12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

13 **A.** My testimony addresses the financial fitness of PAWC to acquire and operate the Rock
14 Spring Water Company (“Rock Spring”) water system (the “System”). My testimony also
15 discusses an alternative to acquisition by PAWC. Finally, my testimony discusses the
16 impact of the Commission’s decision in this case on existing PAWC customers (whether
17 or not the Commission orders PAWC to acquire Rock Spring).

18
19 **Q. IS PAWC FINANCIALLY FIT TO ACQUIRE AND OPERATE THE ROCK**
20 **SPRING SYSTEM?**

21 **A.** Yes. PAWC is the Commonwealth’s largest water and wastewater provider and is
22 financially fit to own and operate water and wastewater systems, including the Rock Spring
23 System. PAWC has access to capital and sufficient liquidity to operate the System and
24 make necessary improvements.

1 **Q. PLEASE DISCUSS IF THERE IS AN ALTERNATIVE TO ACQUISITION BY**
2 **PAWC.**

3 **A.** My colleague, Mr. Guntrum, discusses in his Supplemental Direct Testimony that State
4 College Borough Water Authority (“SCBWA”) would be able to interconnect the System
5 to SCBWA’s system. If Rock Spring is interconnected to SCBWA, my understanding is
6 that many of the upgrades to the treatment assets that PAWC has identified would not be
7 required. As such, acquisition by SCBWA rather than PAWC would avoid much of the
8 cost of the capital improvements related to the treatment assets.

9
10 **Q. IS ACQUISITION BY SCBWA A FINANCIALLY VIABLE ALTERNATIVE TO**
11 **ACQUISITION BY PAWC?**

12 **A.** Yes, it is my understanding that SCBWA’s witnesses have testified that SCBWA is
13 financially able to interconnect the system and make necessary improvements to the
14 distribution system. SCBWA Statement No. 2 and SCBWA No. 3 pp.

15
16 **Q. PLEASE DISCUSS THE FINANCIAL IMPACT ON PAWC’S PREACQUISITION**
17 **CUSTOMERS IF PAWC IS ORDERED TO ACQUIRE THE ROCK SPRING**
18 **SYSTEM.**

19
20 **A.** The System’s purchase price, as well as a portion of the cost of capital improvements
21 identified for Rock Spring, as described in PAWC witness Guntrum’s Supplemental Direct
22 Testimony, will need to be paid for in part by PAWC’s pre-acquisition customers and
23 therefore will increase rates for PAWC’s existing customers.

1 **Q. PLEASE EXPLAIN THE BASIS FOR YOUR TESTIMONY THAT A PORTION**
2 **OF THE COST OF CAPITAL IMPROVEMENTS WILL NEED TO BE PAID FOR**
3 **BY PAWC’S EXISTING CUSTOMERS.**

4
5 **A.** Without the ability to spread a portion of the cost of capital improvements to the larger
6 customer base, rates to Rock Spring customers would increase significantly.

7 The annual cost of \$16 million of capital improvements is approximately \$1.8
8 million.¹ If Rock Spring’s current customers were to pay this revenue requirement, rates
9 would need to increase more than \$300 per month.² To avoid this significant rate increase,
10 PAWC would propose to include the System in its overall water revenue requirement and
11 would therefore spread the cost amongst its water customer base. This would result in
12 higher rates for PAWC’s existing customer base.

13
14 **Q. PLEASE SUMMARIZE YOUR TESTIMONY ON THE FINANCIAL IMPACT IF**
15 **PAWC IS ORDERED TO ACQUIRE THE SYSTEM.**

16 **A.** If ordered to acquire the Rock Spring System, PAWC is financially capable of doing so
17 and will continue to provide safe, adequate, and reasonable service to its existing
18 customers. The available information indicates that acquiring the Rock Spring System will
19 increase rates for PAWC’s existing customers. Because of PAWC’s large size, I do not
20 believe that spreading the cost to other customers would cause rates to increase
21 unreasonably for PAWC’s existing customers as contemplated in 66 Pa. C.S. § 529(a)(6).
22 However, given that a sale to SCWBA is a viable alternative that would require less
23 investment and is therefore a lower cost option, I believe the Commission should consider

¹ Based on the *pre-tax* rate of return authorized in PAWC’s last base rate case at Docket No. R-2023-3043189, Opinion and Order entered July 22, 2024, page 200, plus an estimated 2% depreciation rate, for a total of 11.33%.
\$16 million x 11.33% = approximately \$1.8 million.

² \$1.8 million revenue requirement / 464 customers / 12 months = \$323 per month per customer.

1 the impact on PAWC's existing customers when determining the resolution of this
2 proceeding.

3

4 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

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

APPENDIX A

From 2015 to 2017, I served as Assistant Professor and Director of the University of Charleston's Master of Forensic Accounting ("MFAcc") Program. I provided administrative oversight of the program to include curriculum development, faculty development and coordination, program assessment, recruiting, retention, marketing, and fiscal planning and management. I also served as faculty in the MFAcc program, teaching MFACC 624 - Data as Evidence which included data mining, probability concepts and calculations, link analysis, timelines and relationship charts, and applications of statistics in the courtroom. In addition I taught the following undergraduate courses: BUSI 215 – Business Software, ACCT 460 – Accounting Information Systems, and ACCT 281 - Introduction to Forensic Accounting.

From 2010 to 2015, I served as Manager of Information Technology Services Expense Management for American Water ("AW"), responsible for managing operating and capital expenditures for the ITS department. I proposed and received approval for establishment of AW's first IT Finance team overseeing the management of IT related operating and capital funding projects across AW's subsidiaries. I was responsible for business planning and reporting, contracts processing, capital asset management, procurement of ITS goods/services, and budget management of \$70M+ annually. During this time, I also served as the ITS functional lead member of AW's Procure to Pay Service Delivery Council. I established the Centrally Sponsored Financial Model for use by the company in SAP and related system asset management post-system implementation. I established an annual CIO communication to state presidents, finance, rates, and capital leads within the operating companies for the purpose of communication business planning needs for information systems projects at enterprise and state levels.

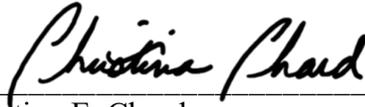
APPENDIX A

From 2003 to 2010, I served as Team Lead for the ITS Service Delivery department overseeing up to 9 states and service company locations with 22 support specialists for the delivery of information technology services such as local network, computer, and software support.

I also serve as a contract instructor and presenter for the National Association of Valuators and Analysts (NACVA), presenting on topics such as computer forensics and the digital age.

VERIFICATION

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



Dr. Christina E. Chard
Senior Director of Rates and Regulatory
American Water Works Service Company, Inc.

Dated: 8/27/2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I & E Petition to Request the
Commission Open a Section 529
Investigation into the Acquisition of Rock
Spring Water Company

Docket No. P-2024-3051313

VIA ELECTRONIC FILING

State College Borough Water Authority

Statement No. 1

Direct Testimony of Brian Heiser

Date: February 20, 2025

1 **Q. Please state your name, occupation and business address.**

2 A. Brian Heiser, Executive Director

3 1201 W. Branch Road

4 State College, PA 16801

5 **Q. Briefly describe your educational and employment background.**

6 A. Earned a Bachelor of Science from the College of Agriculture, Pennsylvania State
7 University. I have more than 30 years' experience in the water and wastewater industry.

8 Employed by the SCBWA since 2000 when I was hired as a Water Plant Operator. I've been
9 promoted various times since, being hired as the Executive Director by the Authority Board in
10 2018.

11

12 **Q. In your present position as Executive Director of the State College Borough Water**
13 **Authority, what are your duties and responsibilities?**

14 A. Responsible for planning, organizing, directing and supervising all Authority operations
15 and overseeing team leaders responsible for specific operational, administrative and financial
16 activities of the Authority.

17

18 **Q. Is the SCBWA interested in acquiring the Rock Spring Water Company system.**

19 A. Yes. On December 13, 2024 the Rock Spring Water Company and the State College
20 Borough Water Authority entered into a Non-binding Letter of Intent Regarding the Sale of the

21 Assets of the Rock Spring Water Company, a true and correct copy of which will be filed as
22 SCBWA Exhibit A. Negotiations are continuing.

23

24 **Q. Briefly describe the predecessors to the State College Borough Water Authority**
25 **(SCBWA).**

26 i. **State College Water Company**

27 A. The water company was established in 1892 and officially chartered by Pennsylvania in
28 1902 as a privately owned public water system. The company began to construct a public water
29 system which expanded as the town grew. The company experienced service issues related to
30 funding and community growth. However, it continued to provide water and expand to the best
31 of its ability. The water company existed until 1936.

32 ii. **State College Water Works**

33 A. In 1931 State College Borough began taking action to acquire the struggling water
34 company. In February 1936 the Borough passed an ordinance to purchase the water company.
35 After the purchase the name was changed to the State College Water Works. The Borough
36 operated and developed the water system by replacing undersized pipes and developing
37 additional sources of water to satisfy the needs of a growing community.

38 **Q. When and by what municipality was the SCBWA incorporated as a Municipal**
39 **Authority pursuant to the Pennsylvania Municipality Authorities Act.?**

40 A. The Borough of State College incorporated the SCBWA on June 14, 1940 under the
41 Pennsylvania Municipal Authorities Act.

42

43 **Q. When did the SCBWA purchase the assets of the State College Water Works?**

44 A. SCBWA purchased the assets of the State College Water Works on December 13, 1941.

45

46 **Q. At that time, what was the service area of the State College Water Works?**

47 A. At the time of the purchase the service area was primarily the Borough with a few
48 customers located outside of the Borough. The customers located outside of the Borough were
49 customers of the former State College Water Works.

50

51 **Q. Since that time, has the SCBWA expanded its service area by acquiring other water**
52 **systems? If so, describe each of such water systems, to include the number of connections**
53 **and customers acquired.**

54 A. The SCBWA has acquired additional service area through 4 system acquisitions. The first
55 was the Patton Township Water Authority in 1977. This purchase added the residential areas of
56 Park Forest and Toftrees communities. In 1993 Harris Township Water Company was acquired
57 which added approximately 1,700 customers in the village of Boalsburg and surrounding
58 portions of Harris Township. Ferguson Township Water Authority was purchased in 2000 adding
59 approximately 800 customers living primarily in the Pine Grove Mills area. In 2012 the Harvard
60 Road Water Company was acquired adding an additional 65 customers living in Patton
61 Township.

62

63 Q. In addition to the SCBWA expanding its service area by acquisitions, in what other
64 manners has its service area expanded? How many customers have been added to
65 SCBWA's service area in the last 20 years?

66 A. In addition to system acquisitions, the service area has expanded as developers have
67 designed and constructed new residential subdivisions and business parks. These newly
68 constructed areas have connected to existing portions of the water system and extended water
69 mains throughout the newly constructed area. The SCBWA has added 2,258 customers in the last
70 20 years, currently serving 15,068 customers in State College Borough, Benner, College,
71 Ferguson, Harris and Patton Townships.

72

73 Q. As the SCBWA has expanded its service area, has its water production, treatment
74 and distribution facilities been sufficient to provide all customers, both old and new, with
75 safe, adequate, reliable, and continuous water service?

76 A. Beginning in 1974 the SCBWA began to explore for and develop additional ground water
77 sources with an aggressive effort occurring from 1997 to 1999. The SCBWA has a Susquehanna
78 River Basin Commission withdrawal limit of 8.0 MGD with a current average daily demand of
79 5.1 MGD and a peak demand of 6.2 MGD. There is a significant supply reserve available to
80 accommodate growth of the water system. The SCBWA has not experienced any regulatory
81 compliance issues in its mission to provide safe, adequate and reliable water service to its
82 customers.

83

84 Q. Describe the SCBWA's current service area, connections and customers using any of
85 the SCBWA's exhibits, if appropriate.

86 A. Please refer to the distribution system map identified as SCBWA Exhibit B. The map
87 defines the service area and six different hydraulic zones, each represented by a different colored
88 shaded area. The blue shaded area is Zone 1 which serves customers in the Borough and
89 Ferguson Township. Zone 2 shaded in grey, encompasses the Pine Grove Mills area of Ferguson
90 Township. The red shading is Zone 3 which serves the majority of the Borough and portions of
91 College Township. Zone 4 shaded in pink, services Patton Township and Ferguson Township
92 customers. The largest zone is Zone 5, shaded in green, covers portions of Benner, Ferguson and
93 Patton Townships. Zone 8 shaded in tan, provides water service to portions of College and Harris
94 Townships. The SCBWA service area consists of more than 270 miles of pipe. The water mains
95 are primarily cast iron and ductile iron with some transite and plastic pipe. The SCBWA has
96 approximately 15,000 customer connections serving a population of over 73,000 residents. The
97 RSWC service area is also shown as the yellow shaded area on the lower right corner of the map.

98
99 Q. Describe the SCBWA's current water production, treatment and storage facilities.

100 A. The SCBWA provides water through 5 Entry Points utilizing 22 permitted production
101 wells and 1 surface water source. There are water filtration facilities at 2 of the Entry Points,
102 while 3 are true groundwater sources utilize simple disinfection. All production facilities have
103 standby power systems installed. There are 13 painted steel finished water storage tanks with a
104 combined storage capacity of 15.8 million gallons.

105

106 Q. Describe the SCBWA's current distribution facilities.

107 A. The distribution system consists of 6 separate hydraulic zones with more than 270 miles
108 of water mains ranging from 2 inch to 48 inch diameter pipes. There are 6 booster pump stations
109 used to transfer the water from the various storage tanks to different hydraulic zones. The higher
110 elevation hydraulic zones have gravity interconnections allowing for water to be transferred from
111 higher pressure zones to lower pressure zones. The entire system is interconnected throughout all
112 of the zones providing system wide redundancy from all 5 Entry Points.

113

114 Q. Describe the SCBWA's capabilities to address water emergencies such as a waterline
115 break and issuing public notice.

116 A. SCBWA's main office and shop are located approximately 7 miles from the Ramblewood
117 neighborhood near the center of the Rock Spring system. Crews will be dispatched from the
118 office or location of the nearest crew to the incident. When an incident occurs after hours, an on-
119 call distribution foreman is notified by a Centre County Emergency Communications dispatcher.
120 SCBWA owns and operates a full complement of dump trucks, rubber-tired backhoes, hydraulic
121 excavators, vacuum excavator truck and all necessary implements to efficiently repair a waterline
122 break. A complete inventory of repair bands, ductile iron pipe fittings, brass fittings, specialized
123 fittings and several thousand feet of all sizes of pipe currently in use in the SCBWA system is
124 maintained. In addition to SCBWA's own capabilities, it has well established partnerships with
125 other local resources to assist. SCBWA's response to water emergencies is around the clock
126 response. The SCBWA is an active member of the Pennsylvania Water/Wastewater Agency
127 Response Network (PAWARN). The PAWARN connects all member utility members to each

128 providing a larger resource network. Should SCBWA assume operations of Rock Spring, any
129 additional required materials specific to that system will be added to the regular inventory.
130 SCBWA has various options for issuing public notice. When selecting a notice method(s) there
131 are several factors considered such as the number of customers impacted, the size of the
132 impacted area and availability of personnel to properly and efficiently issue the notice. For
133 precautionary boil water notices resulting from a waterline break, SCBWA's preferred method is
134 personal contact with the issue of a door tag. SCBWA also uses website posting and an
135 automated phone notification system. If a case were to arise requiring a very large notification,
136 SCBWA would look to local media outlets and the local municipalities we serve for assistance.

137

138 **Q. Does this conclude your direct testimony?**

139 **A.** Yes. However, I reserve the right to supplement my direct testimony as additional issues and
140 facts arise during the course of this proceeding.

141

VERIFICATION

I, Brian Heiser, state that I am the Executive Director of the State College Borough Water Authority, that I am acquainted with the facts set forth in the foregoing Direct Testimony, that the same are true and correct to the best of my knowledge, information and belief; that I expect to be able to prove the same at a hearing to be held in this matter, and that this statement is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

2/19/2025

Date

Brian C. Heiser

Brian Heiser

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I & E Petition to Request the
Commission Open a Section 529
Investigation into the Acquisition of Rock
Spring Water Company

Docket No. P-2024-3051313

VIA ELECTRONIC FILING

State College Borough Water Authority

Statement No. 2

Direct Testimony of Katie McCaulley

Date: February 20, 2025

1 **Q. Please state your name, occupation and business address.**

2 A. Katie McCaulley, Assistant Executive Director at State College Borough Water Authority
3 (SCBWA), located at 1201 W Branch Rd, State College PA, 16801.

4

5 **Q. Briefly describe your educational and employment background.**

6 A. Educational background is a BA from Pennsylvania State University. Pennsylvania Water
7 Operators' Certification. Served under the employment of SCBWA since September 2013.

8

9 **Q. In your present position as Assistant Executive Director of the State College**
10 **Borough Water Authority, what are your duties and responsibilities?**

11 A. I am responsible for oversight of operations, finance, customer account services, and human
12 resource functions of the SCBWA.

13

14 **Q. Describe the number and qualifications of the SCBWA's employees and staff who**
15 **would be available to manage, operate, maintain and repair the former Rock Spring Water**
16 **Company system, if necessary.**

17 A. SCBWA employs 42 staff members. The organization is broken into departments with focus
18 on specific functions. The SCBWA is adequately staffed with an appropriate division of duties to
19 specifically address the needs that are part of day-to-day operations as well as emerging events as
20 they arise. The distribution department is made up of personnel whom perform field operations,
21 installation of new materials, maintain, and perform repair functions. They conduct continuing

22 education efforts annually. The meter shop department is made up of personnel whom perform
23 meter reading and operations of maintaining meters in commercial and residential service
24 locations. The meter shop personnel also continue education on an annual basis. The production
25 department is responsible for physical plant operations and the maintenance of wells, tanks and
26 pump stations in addition to filter plants. Production department personnel conduct annual
27 reporting to regulating agencies and continuing education. The administration is made up of
28 customer accounts; billing, receiving, and customer service aspects; finance, payroll and
29 accounts receivable and payable functions; human resources, projects and planning, and
30 management. Each member of staff plays a part in the response to operational needs of the
31 existing system of the SCBWA and would extend such service to the RSWC service system.

32

33 **Q. Describe the number and qualifications of the SCBWA's employees and staff who**
34 **would be available to provide customer service and notices and perform billing and**
35 **collection services.**

36

37 A. The staff specifically designated to address customer service functions, is comprised of 7
38 members. There are 6 members conducting meter reading analysis, billing, appointment
39 scheduling, addressing customer calls, payment processing, record of system accounts and
40 services, and working with local entities to maintain system records. There are 2 members whom
41 perform collections function of the SCBWA from an administrative perspective. There are 7
42 meter shop department personnel included in the process of providing customer notification of
43 collection are various stages.

44 **Q. Describe the SCBWA's current financial condition, using any of the SCBWA's**
45 **exhibits, if appropriate.**

46 A. The SCBWA has consistently ended each fiscal year on a positive with net income exceeding
47 budget. For 2024 year alone the Authority managed a budget that exceeded its projected net
48 income by 28%. There is only one loan to date, with PennVest, with approximately
49 \$20,000,000.00 balance remaining. The Authority keeps a healthy reserve for emergencies,
50 tapping and capital improvements. The Authority is operating 2025 on a budget of approximately
51 \$14,000,000.00 and has a 2025 project and reserve expenditure budget of \$8,671,560.00.

52

53 **Q. If the SCBWA were to acquire the Rock Spring Water Company's system, how does**
54 **it propose to pay for that acquisition?**

55 A. The SCBWA Board of Directors have authorized a limited amount of funds to go toward the
56 acquisition of the RSWC in the amount of \$65,000.00.

57

58 **Q. If the SCBWA were to acquire the Rock Spring Water Company's system, what**
59 **plans does it have to finance upgrades to the system?**

60 A. The SCBWA in collaboration with Ferguson Township Municipality intend to pursue
61 obtaining various grants. The SCBWA has the ability to contribute some funding toward the
62 upgrades necessary, but the majority of the estimated upgrade costs will be sought through
63 grants.

64

65 Q. If the SCBWA were to acquire the Rock Spring Water Company's system, would the
66 rates charged to its preacquisition customers be increased because of the acquisition?

67 A. Careful consideration has been taken with regard to SCBWA's current customer base and
68 rates would not be subject to change in order to acquire the RSWC system.

69

70 Q. If the SCBWA were to acquire the Rock Spring Water Company's system, would the
71 rates charged to the former customers of that system be increased?

72 A. The rates of SCBWA are currently higher than that of the RSWC. The rates of the RSWC
73 customer base would be increased appropriately based upon SCBWA Board of Directors
74 approval.

75

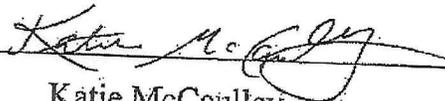
76 Q. Does this conclude your direct testimony?

77 A. Yes. However, I reserve the right to supplement my direct testimony as additional issues and
78 facts arise during the course of this proceeding.

VERIFICATION

I, Katie McCaulley, state that I am the Assistant Executive Director of the State College Borough Water Authority, that I am acquainted with the facts set forth in the foregoing Direct Testimony; that the same are true and correct to the best of my knowledge, information and belief; that I expect to be able to prove the same at a hearing to be held in this matter, and that this statement is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

2-19-25
Date


Katie McCaulley

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I & E Petition to Request the
Commission Open a Section 529
Investigation into the Acquisition of Rock
Spring Water Company

Docket No. P-2024-3051313

VIA ELECTRONIC FILING

State College Borough Water Authority

Statement No. 3

Direct Testimony of Mark Glenn, P.E.

Date: February 20, 2025

1 **Q. Please state your name, occupation and business address.**

2 A. Mark V. Glenn, P.E., President/Consulting Engineer

3 Gwin, Dobson & Foreman, Inc., 3121 Fairway Drive, Altoona, PA 16602

4 **Q. In your present position as Consulting Engineer of the State College Borough Water**
5 **Authority, what are your duties and responsibilities; provide experience and**
6 **educational background?**

7 A. As the representative of Gwin, Dobson & Foreman, I have served as Consulting Engineer
8 to the Authority for 32 years. My duties and responsibilities include attendance at board
9 meetings, provide professional consultation, prepare planning reports and evaluations of
10 the system, design system improvements, prepare plans, specifications and permit
11 applications, provide bid and construction phase services (including resident inspection),
12 produce annual reports, rate studies and revenue projections and other duties in support of
13 the Authority staff. Water projects include water supply and treatment, storage,
14 distribution and transmission systems.

15 I have 48 years of water system experience at GD&F having served as president since
16 1984. I am a registered professional engineer in Pennsylvania and seven surrounding
17 states. My educational background includes the following degrees:

18 BS – Civil Engineering Technology, University of Pittsburgh

19 MS – Civil Engineering, New Jersey Institute of Technology

20 MS – Environmental Engineering, Worcester (MA) Polytechnic Institute

21

22

23 Q. Please provide detail on SCBWA's non-revenue water for the last 10 years.

24 A. The table shows SCBWA's non-revenue water from 2014 to 2023 (2024 data not yet
 25 compiled).

26	Year	Total Production (mgd)	Non-Revenue Water (mgd)	Non-Revenue Water
27	(Percent)	2014	4.99	0.808
28	16.2%	2015	4.93	0.622
29	12.6%	2016	4.91	0.637
30	13.0%	2017	4.73	0.752
31	15.9%	2018	4.86	0.834
32	17.2%	2019	4.80	0.657
33	13.7%	2020	4.81	0.690
34	14.4%	2021	4.73	0.596
35	12.6%	2022	4.96	0.628
36	12.7%	2023	4.94	0.594
37	12.0%			

38 Non-revenue water is the sum of "unbilled authorized consumption" (water for
 39 firefighting, flushing, etc.), plus "apparent losses" (customer meter inaccuracies,
 40 unauthorized consumption, etc.), and "real losses" (system leakage, tank overflows, main
 41 breakage, etc.). Total 2023 non-revenue water was 593,857 which is tabulated as follows

43 Unbilled Authorized Consumption - 32.24 million gallons
 44 Apparent Losses - 29.47

45	Real Losses -	<u>155.05</u>
46	Total Non-Revenue Water -	216.76 million gallons

47 Over the years, the Authority has committed significant resources and personnel to
 48 control water loss in its 276-mile water distribution system. Aggressive leak detection
 49 and leak correction efforts ensure that system leakage is minimized to the greatest degree
 50 possible. The Authority efforts have been successful with annual non-revenue water at
 51 12% in recent years and below PA DEP acceptable water loss criteria.

52 These results show SCBWA's diligence in preserving its groundwater resources, saving
 53 operating costs (pumping, treatment), adhering to state water loss regulations and
 54 application of its rigorous maintenance standards.

55 **Q. If the SCBWA were to acquire the Rock Spring Water Company system and**
 56 **customers, would its water production, treatment and distribution facilities be**
 57 **sufficient to provide all customers, both old and new, with safe, adequate, reliable,**
 58 **and continuous water service?**

59 A. Adding the Rock Spring water system would have minimal impact on SCBWA's water
 60 production, treatment, distribution and customer service facilities and have no impact on
 61 existing SCBWA water customers from a water quality, pressure, flow and service
 62 reliability perspective.

63 As stated in the engineering report, maximum demand from the Rock Spring system can
 64 be easily met from the Zone 5 source of supply (Nixon-Kocher well fields), treatment
 65 facility (state-of-the-art Nixon Kocher membrane filtration/granular activated carbon

66 water treatment plant), storage system (2.0 million gallon elevated tanks at Science Park
67 Road, among other tanks) and large capacity transmission mains.

68 The fully integrated, multi-source nature of the SCBWA supply system ensures treated
69 water can be furnished continuously under any demand condition throughout its service
70 area.

71 **Q. If the SCBWA were to acquire the Rock Spring Water Company's system, would it**
72 **operate the system as a stand-alone system or incorporate it into its existing system?**

73 A. Upon acquisition, the Rock Spring system will be incorporated into the existing SCBWA
74 system. By an interconnection, the Rock Spring system would be a logical, hydraulic
75 extension of the SCBWA system serving Ferguson Township customers along Whitehall
76 Road. The applicable pressure gradient, Zone 5, is designated as the "Ferguson Township
77 - N. Atherton Street" service area.

78 **Q. If the SCBWA were to interconnect its system with the Rock Springs Water**
79 **Company system, describe the location and distance of such interconnect, using any**
80 **of the SCBWA exhibits, if appropriate.**

81 A. Upon funding approval, the SCBWA will build an interconnection consisting of 4,250
82 feet of 12-in. water main along Whitehall Road from Corl Acres to Nixon Road. A
83 booster station will be installed near Corl Acres to maintain pressure in the Rock Spring
84 system. Exhibit SCBWA-2 shows the location of the interconnection.

85

86 Q. **If the SCBWA were to acquire the Rock Spring Water Company's system, what**
87 **plans does it have to upgrade it?**

88 A. As SCBWA engineer, I prepared engineering reports of the RSWC system in 2008 for
89 SCBWA and in 2019 (and see Exhibits). Each report included a system condition
90 assessment, financial analysis, regulatory status, operation, maintenance and management
91 review and water system improvements with costs. We have concluded that, given the
92 age, condition and serviceability of the Rock Spring system, the entire water storage,
93 transmission and distribution system requires replacement.

94 The reports also include the technical and hydraulic basis for the Rock Spring Water
95 System Facilities Improvement Plan to be implemented by SCBWA. Reference the
96 Exhibits for detailed technical support information. The basic elements of the plan
97 follow:

- 98 1. System Interconnection (12" Main, Whitehall Road - Corl Acres to Nixon Road, 0.8
99 mi.) & Booster Station
- 100 2. Grid Reinforcement (12" Main, Whitehall Road - Nixon Road to Tadpole Road, 3.3
101 mi.)
- 102 3. Grid Reinforcement (12" Main, Whitehall Road - Tadpole Road to PA Furnace, 6.4
103 mi.)
- 104 4. Water Storage Tank Replacement (200,000 gal. welded steel, coated, with mixing
105 system)
- 106 5. Systemwide Waterline Replacement (6.5 mi. 4-8 in. diameter water mains)
- 107 6. Water Meters Replacement (automatic metering infrastructure, 475 meters
108 installation)

109 The proposed RSWC implementation plan anticipates a 5-to-10 year completion
110 schedule. State and federal grant programs will be pursued to fund the RSWC projects to
111 minimize the financial impact of project borrowing costs on the customer base. The total
112 project cost could approach \$20 million when completed.

113 **Q. Does this conclude your direct testimony?**

114 **A.** Yes. However, I reserve the right to supplement my direct testimony as additional issues
115 and facts arise during the course of this proceeding.

116

117

VERIFICATION

I, Mark Glenn, P. E., state that I am a consulting engineer for the State College Borough Water Authority, that I am acquainted with the facts set forth in the foregoing Direct Testimony; that the same are true and correct to the best of my knowledge, information and belief; that I expect to be able to prove the same at a hearing to be held in this matter, and that this statement is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

February 19, 2025

Date

A handwritten signature in cursive script, appearing to read 'Mark Glenn', written over a horizontal line.

Mark Glenn, P.E.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I & E Petition to Request the
Commission Open a Section 529
Investigation into the Acquisition of Rock
Spring Water Company

Docket No. P-2024-3051313

State College Borough Water Authority
Statement No. 4 – Written Supplemental Testimony of Brian Heiser

Date: August 26, 2025

1 1. Q. Please state your name, occupation and business address.

2 A. Brian Heiser, Executive Director
3 1201 W. Branch Road
4 State College, PA
5

6 2. Q. As far as your duties and responsibilities in your position as Executive Director of
7 the State College Borough Water Authority have any of them changed since your Written
8 Direct Testimony submitted on February 20, 2025?

9 A. No, they have not changed.
10

11 3. Q. Is the State College Borough Water Authority still interested in acquiring the Rock
12 Spring Water Company's water system?

13 A. Yes. The State College Borough Water Authority and Rock Spring Water Company
14 have been negotiating an Asset Purchase Agreement for the system off and on for
15 a number of years. Most recently, when this Section 529 proceeding was filed in
16 September 2024, the Rock Spring Water Company contacted the State College
17 Borough Water Authority indicating it would like to resume negotiations. The
18 parties have since engaged in negotiations, to include exchanging a proposed Asset
19 Purchase Agreement and revisions thereto. The negotiations are continuing and a
20 meeting of shareholders of the Rock Spring Water Company, their counsel, State
21 College Borough Water Authority management and their counsel is scheduled on
22 August 29, 2025.
23

24 The Non-Binding Letter of Intent introduced as State College Borough Water
25 Authority Exhibit A states that the Rock Spring Water Company will sell all its assets
26 to the State College Borough Water Authority for the sum of \$65,000.00. To this
27 point, the Rock Spring Water Company has refused to sell certain facilities
28 comprising its system and has rejected the State College Borough Water
29 Authority's purchase offer of \$65,000.00. Rock Spring has not as yet presented a
30 counterdemand, however, it is anticipated that one will be presented and
31 discussed at the meeting to be held on August 29, 2025.
32

33 4. Q. Are you familiar with the nature and location of the production, treatment and
34 distribution facilities and customers of the Rock Spring Water Company system?

35 A. Yes
36

- 37
5. Q. If so, in which township and county are they located?
- 38
- A. They are located in Ferguson Township, Centre County.
- 39
- 40
6. Q. Using the map marked SCBWA Exhibit B, could you describe the service area of
- 41
- the Rock Spring Water Company in Ferguson Township?
- 42
- A. Yes. The system begins near the intersection of N. Nixon Rd. and Whitehall Rd.
- 43
- extending westward along Whitehall Rd for approximately 6 miles to the Centre
- 44
- County/Huntingdon County line, serving the Ramblewood and Fairbrook communities
- 45
- along the way. It extends both directions on Tadpole Rd. serving residents along this
- 46
- road and some of the side roads extending off of Tadpole Rd. As the system approaches
- 47
- the county line along Whitehall Rd. it branches off onto Deibler Rd. as well as branching
- 48
- off to some side streets along this road. The system extends from Whitehall Rd to Pine
- 49
- Grove Rd. to serve the community of Rock Spring and the Penn State Ag Progress Days
- 50
- site. The Rock Spring Water Company system is comprised of approximately 22 miles of
- 51
- water line; a storage tank; one well and about 470 customers.
- 52
- 53
7. Q. As far as the service area of the State College Borough Water Authority, has it
- 54
- changed since your Written Direct Testimony was submitted on February 20, 2025?
- 55
- A. No, the Authority's service area has not changed.
- 56
- 57
8. Q. Has the State College Borough Water Authority continued to serve the former
- 58
- customers of the Ferguson Township Water Authority since its acquisition in 2000?
- 59
- A. Yes, the Authority continues to serve these customers.
- 60
- 61
9. Q. Has the State College Borough Water Authority served new customers in
- 62
- Ferguson Township since it acquired the Ferguson Township Water Authority in 2000?
- 63
- A. Yes, the Authority has added new customers in Ferguson Township as its service
- 64
- area has grown within the Township.
- 65
- 66
10. Q. Are you aware of any other public water service providers, that provide water
- 67
- service to customers in Ferguson Township?

- 68
69
70
- A. No, I'm not aware of any other public water systems operating in Ferguson Township
- 71
72
73
74
75
11. Q. If the State College Borough Water Authority were to acquire the Rock Spring Water Company's system, would the Authority operate it as a stand-alone system or would the Authority incorporate the Rock Spring system into its existing system?
- A. It would incorporate the Rock Spring system into the Authority's existing system.
- 76
77
78
79
80
12. Q. Why would it incorporate Rock Spring Water Company's system into its existing system rather than operating it as a stand-alone system?
- A. Incorporating it into the Authority's system will provide a larger more reliable source of water and redundant back up supply sources.
- 81
82
83
84
85
86
87
13. Q. If the State College Borough Water Authority were to interconnect its system with the Rock Spring Water Company's system, describe the location and distance of such interconnect, using the map marked as SCBWA Exhibit B.
- A. The Authority plans to connect to the Rock Spring system near the intersection of W. Whitehall Road and Nixon Road by extending a pipe approximately 4,200 feet east along W. Whitehall Road to the end of the Authority system.
- 88
89
90
91
14. Q. What time period would be required to make such an interconnect?
- A. It will take approximately 18 months to engineer, permit and construct the waterline.
- 92
93
94
95
15. Q. Is the State College Borough Water Authority aware of any physical impediments, to include geographical features, wetlands, etc. to making such an interconnect?
- A. The Authority isn't aware of any physical impediments.
- 96
97
16. Q. Is the State College Borough Water Authority aware of any legal impediments to acquiring an easement(s) to make such an interconnect?

98 A. The Authority isn't aware of any legal impediments to acquire an easement.
99 It plans to construct the water line within the existing highway right-of-way.
100

101 17 Q. Is the State College Borough Water Authority aware of the number of
102 connections and customers of the Rock Spring Water Company system?

103 A. Yes, approximately 475 customers.
104

105 18.Q. If the State College Borough Water Authority were to acquire the Rock Spring
106 Water Company system, other than the interconnect, would it need to increase its
107 production, treatment and distribution facilities to provide safe, adequate, reliable and
108 continuous water service to those connections and customers?

109 A. No, the Authority has sufficient capacity in its production facilities to serve the
110 Rock Spring system.
111

112 19. Q. In your opinion, would the State College Borough Water Authority's acquisition
113 of the Rock Spring Water Company's system be practical?

114 A. Yes. The Rock Spring Water Company system is located within Ferguson
115 Township, Centre County, which is part of the State College Borough Water Authority's
116 current service area. Due to the proximity of the State College Borough Water
117 Authority's system to the Rock Spring Water Company's system (4200 feet) the two
118 systems could be interconnected easily and operated as a single system. This would
119 provide the former customers of the Rock Spring Water Company with the advantages of
120 much larger and more sophisticated water system, to include its ability to provide safe,
121 adequate, reliable and continuous water service. Furthermore, the interconnection of
122 the State College Borough Water Authority and the Rock Spring Water Company's
123 systems would promote the Public Utility Commission's goals of consolidating smaller
124 water systems and promoting regionalization of water systems.

125 While other nearby public utilities, such as Pennsylvania American Water
126 Company, are certainly financially, managerially and technically capable of acquiring
127 Rock Spring Water Company's system, the distance between its nearest facilities and
128 that system, thirteen (13) miles, would make the acquisition impractical as it would have
129 to operate it as a stand-alone system. This would not promote the Public Utility
130 Commission's goals of promoting regionalization and consolidation.

131

132

133

20. Q. In your opinion, would the State College Borough Water Authority's acquisition of the Rock Spring Water Company's system be economically feasible?

134

135

136

137

138

139

140

141

142

143

A. Yes. When compared to other potential options it is economically feasible for the State College Borough Water Authority to acquire the Rock Spring Water Company's system. The State College Borough Water Authority has sufficient reserve funds, approximately \$25,000,000.00, which will be more than sufficient to pay the costs of purchasing the Rock Spring Water Company's system and of interconnecting it with the State College Borough Water Authority's system. It is anticipated that the rates and charges received from former Rock Spring Water Company customers will be insufficient to pay all costs of making necessary upgrades to the system. The State College Borough Water Authority will pursue all applicable Federal and State grant or other programs to fund the necessary upgrades.

144

145

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148

While other nearby public utilities, such as Pennsylvania American Water Company, are certainly financially capable of paying the purchase price for the Rock Spring Water Company's system, it has limited access to Federal and State grant or other programs to fund the costs of upgrading the system. This may result in an increased cost to its customer base.

149

150

151

21. Q. As part of its standard operating procedure, does the State College Borough Water Authority have an Annual Report prepared each year?

152

153

154

155

A. Yes

156

157

158

22. Q. By what person or entity is the report prepared?

A. The data for the report is compiled by the Assistant Executive Director who provides the data to one of Gwin Dobson & Foreman's engineers who writes the report.

159

160

23. Q. How long has the firm of Gwinn, Dobson & Foreman served as the Consulting Engineer for the State College Borough Water Authority?

161

162

163

A. Approximately 32 years.

164 24. Q. For how many years has the firm of Gwinn, Dobson & Foreman prepared the
165 Annual Report for the State College Borough Water Authority?

166
167 A. Since 1994.
168

169 25. Q. Directing your attention to the document marked SCBWA Exhibit D, is it the
170 Annual Report prepared for the State College Borough Water Authority by its Consulting
171 Engineer Gwinn, Dobson & Foreman for the year ending December 31, 2024?

172 A. Yes
173

174 26. .Q. Although the Annual Report speaks for itself, does it contain a detailed
175 description of the State College Borough Water Authority's water service system, to
176 include its history, design, production, treatment, and distribution facilities and
177 operation thereof for the year ending December 31, 2024?

178 A. Yes, it does.
179

180 27. Q. Does the Annual Report also contain an Independent Auditor's Report for the
181 year ending December 31, 2024?

182 A. Yes, it does.
183

184 28. Q. By what person or entity was the audit prepared?

185 A. The Audit was prepared by Boyer & Ritter, LLC. Certified Public Accountants and
186 Consultants.
187

188 29. Q. How long has the firm of Boyer & Ritter, LLC served as the Consulting Auditor for
189 the State College Borough Water Authority.

190 A. Since 2022
191
192

- 193 30. Q. For how many years has the firm of Boyer & Ritter, LLC prepared an audit for the
194 State College Borough Water Authority?
195
196 A. They have prepared the last 3 annual audits.
197
198
- 199 31. Q. Directing your attention to the document marked SCBWA Exhibit D, does it
200 contain the Annual Audit prepared for the State College Borough Water Authority by its
201 Consulting Auditor Boyer & Ritter, LLC for the year ending December 31, 2024?
202 A. Yes, it does contain the 2024 audit.
203
- 204 32. Q. Although the Annual Audit speaks for itself, does it contain a detailed description
205 of the State College Borough Water Authority's financial condition for the year ending
206 December 31, 2024?
207 A. Yes, it does.
208
- 209 33. Q. Does the Annual Report also contain a budget for the State College Borough
210 Water Authority for the year commencing January 1, 2025?
211 A. Yes, it does contain the 2025 operating budget.
212
- 213 34. Q. Were the Annual Report and Annual Audit approved and accepted and the 2025
214 budget adopted by the State College Borough Water Authority?
215 A. Yes, these documents were approved and accepted by the Authority' Board of
216 Directors.
217
- 218 35. Q. To your knowledge, are the facts set forth in the Annual Report, to include the
219 Annual Audit and 2025 budget true and correct to the best of your knowledge?
220 A. Yes, they are.
221
- 222 36. Q. Does this complete your Supplemental Written Testimony.

223

224

225

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

226

227

228

229

VERIFICATION

I, Brian Heiser, state that I am the Executive Director of the State College Borough Water Authority, that I am acquainted with the facts set forth in the foregoing Supplemental Written Testimony, that the same are true and correct to the best of my knowledge, information and belief; that I expect to be able to prove the same at a hearing to be held in this matter, and that this statement is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

8/20/2025

Date

A handwritten signature in cursive script that reads "Brian C. Heiser". The signature is written in dark ink and is positioned above a solid horizontal line.

Brian C. Heiser

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: I & E Petition to Request the
Commission Open a Section 529
Investigation into the Acquisition of Rock
Spring Water Company

Docket No. P-2024-3051313

VIA ELECTRONIC FILING

State College Borough Water Authority
Statement No. 5 - Surrebuttal Written Testimony of Brian Heiser

Date: October 7, 2025

1. 1. Q. Please state your name, occupation and business address.
2.
3. A. Brian Heiser. Executive Director of the State College Borough Water
4. Authority, 1201 West Branch Road, State College, PA 16801
5.
6. 2. Q. As far as your duties and responsibilities in your position of Executive
7. Director of the State College Borough Water Authority, have any of them changed since
8. your Written Direct Testimony submitted on February 20, 2025
9.
10. A. No.
11.
12. 3. Q. If the State College Borough Water Authority were to acquire the Rock
13. Spring Water Company system, would the rates charged to the Authority's
14. preacquisition customers increase unreasonably because of the acquisition?
15.
16. A. No. The State College Borough Water Authority anticipates only a
17. minimal increase in its water rates charged to its preacquisition customers. Any such
18. increase would be based upon the financial condition of the Authority as a whole. It
19. would not be based upon recovery of the costs of acquiring the Rock Spring Water
20. Company system.
21.
22. 4. Q. If the State College Borough Water Authority were to acquire the Rock
23. Spring Water Company system, what rates would be charged to the former Water
24. Company customers?
25.
26. A. The Authority anticipates it will charge the former Rock Spring Water
27. Company customers the same rates charged to its preacquisition customers. The
28. Authority does not intend to charge the Water Company customers tapping, connection
29. or other fees and charges to recover the cost of acquisition. The Authority may consider
30. a small fee applied to monthly water bills to recover a portion of the cost of required
31. system improvements.
32.
33. 5. Q. Does this complete your Surrebuttal Testimony?
34.
35. A. Yes. However, I reserve the right to further supplement my testimony as
additional facts and issues arise during the course of this proceeding.

VERIFICATION

I, Brian Heiser, state that I am the Executive Director of the State College Borough Water Authority, that I am acquainted with the facts set forth in the foregoing Surrebuttal Testimony, that the same are true and correct to the best of my knowledge, information and belief; that I expect to be able to prove the same at a hearing to be held in this matter, and that this statement is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

10-8-2025

Date

Brian C. Heiser

Brian C. Heiser

NON-BINDING LETTER OF INTENT REGARDING THE SALE
OF ASSETS OF THE ROCK SPRINGS WATER COMPANY

This non-binding Letter of Intent (the "LOI") is made this 13th day of DECEMBER, 2024 by and between:

The Rock Spring Water Company (the "Company"), a Pennsylvania domestic business corporation with a business address of 1750 Tadpole Road, Pennsylvania Furnace, PA 16865

And

The State College Borough Authority (the "Authority"), a Pennsylvania municipal authority with a business address of 1201 West Branch Road, State College, Pennsylvania 16801 (collectively the "Parties").

The Company is a public utility as that term is defined by the Pennsylvania Public Utility Code (the "Code"), which pursuant to a Certificate of Convenience issued by the Pennsylvania Public Utility Commission (the "PUC"), owns and operates a water system providing water service to its customers in Ferguson Township, Centre County, Pennsylvania and Franklin Township, Huntingdon County, Pennsylvania.

The Authority is a municipal authority, which pursuant to the Pennsylvania Municipality Authorities Act, owns and operates a water system providing water service to its customers in State College Borough and Benner, College, Ferguson, Harris and Patton Townships in Centre County, Pennsylvania.

The PUC's Bureau of Investigation & Enforcement has commenced a proceeding in which it has filed a Petition to Request the Commission to Open a Section 529 Investigation into the Acquisition of Rock Spring Water Company.

The Pennsylvania Department of Environmental Protection (the "DEP") has commenced a proceeding in which it seeks the enforcement of certain terms and conditions of Orders entered against the Company and a Consent Decree entered into by the Company.

The Company has expressed a desire to sell and the Authority has expressed a desire to purchase all of the Company's assets, real, personal, tangible and intangible on terms and conditions to be negotiated by the Parties.

Subject to the non-binding nature of this LOI, the parties agree to negotiate in good faith toward a definitive and mutually acceptable agreement providing for the Company's sale and the Authority's purchase of the Company's assets (the "Agreement").

Without limiting by specification or otherwise limiting the ability of the Parties to structure the Agreement in the way most agreeable to them, the following provisions are to be included:

A. Purchase of Assets. The Company will sell and the Authority will purchase all of the Company's assets, real, personal, tangible and intangible that are owned and used by the Company in, or necessary for the conduct of, the Company's activities (the "Purchased Assets"). **The Purchased Assets are being sold "as is - where is" with no express or implied warranties, including any implied warranty of merchantability, other than good title free and clear of any and all liens or encumbrances.**

B. Purchase Price. The price to be paid by the Authority for the purchase of the Company's assets will be \$65,000.00.

C. Liabilities. The Company will be responsible for all liabilities of the Company, including accounts payable, accrued expenses, unpaid wages, unpaid taxes related to the Company's activities prior to closing, debts, and leases (with the exception of leases specifically assumed by the Authority). Unless specifically assumed by the Authority in writing, the Company shall deliver the assets free and clear of all liabilities and debt obligations, including contingent liabilities.

Conditions precedent to a final and enforceable agreement will include the following:

A. Satisfactory completion of a reasonable due diligence examination of documents related to the Company by the Authority in its sole discretion, including the review of real estate and easement/right of way information, financial information, billing information, customer information, system information, contracts, operating data, and licensure and environmental records.

B. The absence of any material adverse change in the business or financial condition of the Company from the time of executing this LOI;

D. Approval of the Agreement by at least a majority of the Board of Directors of the Authority and the percentage or number of shareholders of the Company required by its by-laws, rules or regulations;

E. Approval of the Agreement by the PUC and DEP;

F. The Company conducting its business as usual between the date of signing of this Letter and the closing date of this transaction; and

G. Such other terms as the Parties may agree.

This Letter is NOT intended to be, and is agreed by each Party not to be, a binding agreement between the Parties, but merely an expression of their present good faith intent with regard to the transaction described herein based upon preliminary discussions and review. Accordingly, this Letter is subject to revision or new issues that may arise. The transactions contemplated hereby shall not become binding on any Party prior to the execution and delivery of the definitive agreements.

If the general terms outlined in this Letter are not agreed to in writing by December 18, 2024, this LOI shall expire, unless otherwise extended by mutual consent of the Parties.

This LOI constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral and written, between the Parties relating thereto.

This LOI may not be amended, modified, or supplemented except by written agreement signed by the Parties. No waiver of any of the provisions of this LOI shall be deemed, or shall constitute, waiver of any other provision.

Any notice or other communication required or permitted hereunder shall be in writing and shall be transmitted via U.S. first-class and electronic mail, as applicable and as follows:

H. If to the Company, to:

Rock Spring Water Company
1750 Tadpole Road
Pennsylvania Furnace, PA 16865

With a copy to:

James Bryant, Esquire
Bryant & Larabee, PC
103 East Main Street
P. O. Box 551
Millheim, PA 16854

I. If to the Authority, to:

State College Borough Water Authority
1201 West Branch Road
State College, PA 16801

With a copy to:

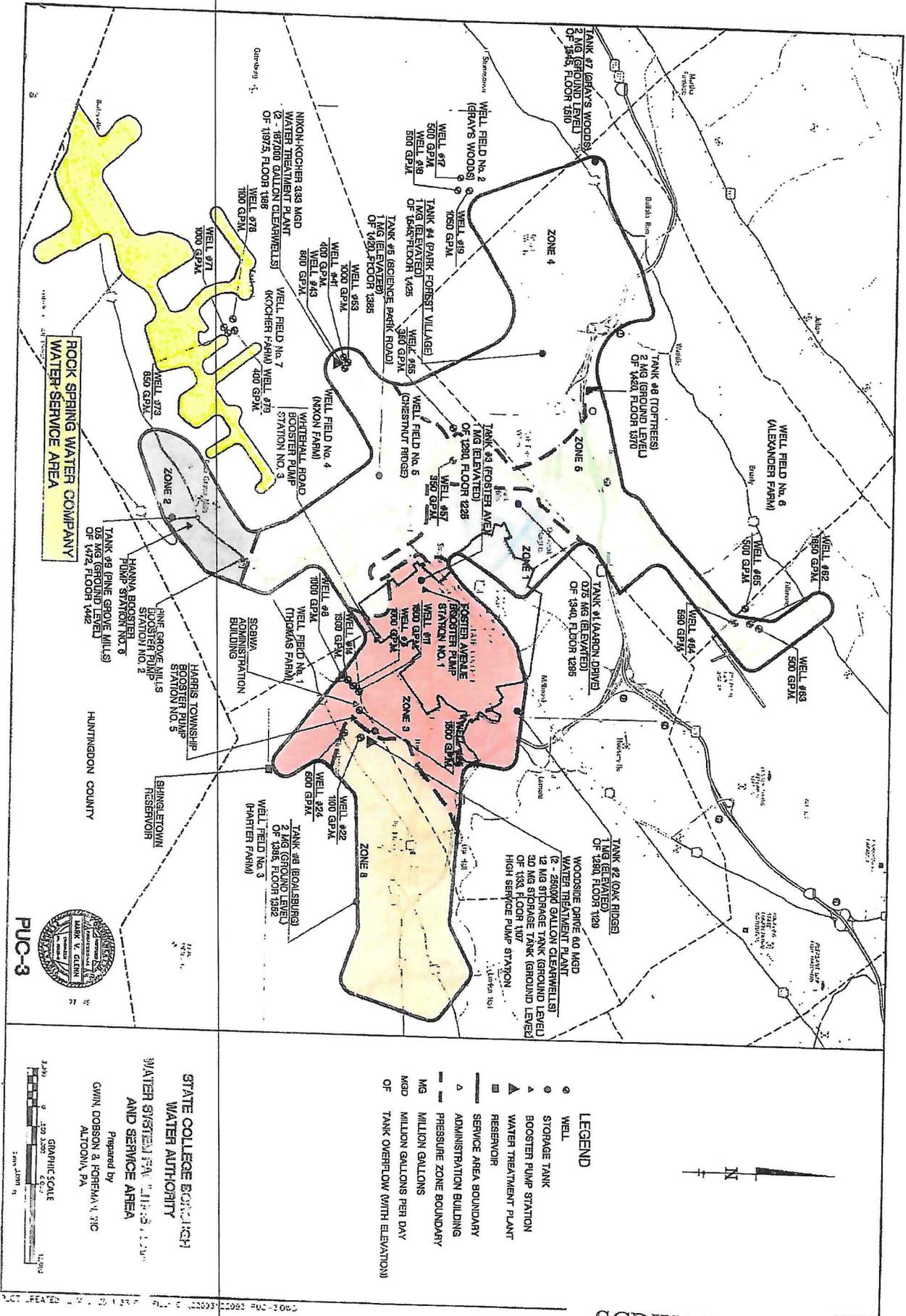
Robert A. Mix, Esquire
Robert Mix Law
211 Kimport Avenue
Boalsburg, PA 16827

This Letter shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

Signature page follows.

IN WITNESS WHEREOF, the Parties hereby enter into this letter of intent on the terms set forth above.

Rock Spring Water Company:	State College Borough Authority:
<i>Signature</i> <u>Roy Campbell</u>	<i>Signature</i> <u>Brian C. Heiser</u>
<i>Printed Name and Title</i> <u>A. Roy Campbell</u>	<i>Printed Name and Title</i> <u>Brian C. Heiser, Executive Director</u>
<i>Date</i> <u>12/13/2024</u>	<i>Date</i> <u>December 16, 2024</u>



SCBWA Exhibit B



STATE COLLEGE ECONOMIC WATER SYSTEM AUTHORITY AND SERVICE AREA

Prepared by
GWIN, DOBSON & ROEMER, P.C.
ALTOONA, PA

GRAPHIC SCALE

1" = 1000'

ENGINEERING REPORT

ROCK SPRING WATER COMPANY

**UPDATED CONDITION ASSESSMENT AND
PROPOSED WATER SYSTEM IMPROVEMENTS**

FOR

**FERGUSON TOWNSHIP BOARD OF SUPERVISORS
CENTRE COUNTY, PA**

JANUARY 2022



01-18-2023

GD&F
GWIN
DOBSON &
FOREMAN
ENGINEERS

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INTRODUCTION

General - Gwin, Dobson & Foreman (GD&F) has completed an updated assessment of the Rock Spring Water Company (RSWC) for the Ferguson Township Board of Supervisors. A report of the RSWC system was previously prepared for Ferguson Township in August 2019. GD&F originally performed a 2008 system evaluation for the State College Borough Water Authority. The current effort focused on the hydraulic capacity and relative condition of the distribution system with required water system improvements. An evaluation of needed system replacements and cost estimates are provided along with potential funding sources.

The current evaluation has been closely coordinated with the State College Borough Water Authority, a potential water supplier and system owner/operator.

Ownership - RSWC is organized as a Pennsylvania business corporation under PA Public Utility Commission (PUC) jurisdiction. The RSWC ownership group consists of 12 stockholders. A total of 250 shares were originally authorized and are currently comprised of 51 shares of treasury stock and 199 shares of outstanding stock.

SYSTEM DESCRIPTION AND USAGE/CONSUMPTION DATA

Service Area - The RSWC serves a rural area of residential and farm customers. The service area extends along Whitehall Road from Nixon Drive to Johnson Road at Pennsylvania Furnace, a distance of 5.5 miles.

The system also serves the villages of Rock Spring, Pennsylvania Furnace and Baileyville and residential developments in Fairbrook, Ramblewood, Thorn Ridge and Meadows Park. The service area includes 487 customers with an estimated population of 1,000.

Water Production and Demand - Recent RSWC water usage is tabulated and graphed below showing total water produced, trended metered consumption and trended unaccounted-for-water (UFW).

TABLE 1: SUMMARY OF RSWC WATER USAGE (2008 - 2021)

Year	Total Production (gpd)	Metered Consumption (gpd)	Unaccounted for Water (gpd)	UFW (%)
2008	168,652	81,879	86,773	51.5%
2009	152,178	75,372	76,806	50.5%
2010	176,915	73,992	102,923	58.2%
2011	184,699	73,482	111,217	60.2%
2012	235,951	67,200	168,751	71.5%
2013	266,762	63,444	203,318	76.2%
2014	252,477	60,532	191,945	76.0%
2015	146,567	61,033	85,534	58.4%
2016	173,953	63,208	110,745	63.7%
2017	124,518	62,652	61,866	49.7%
2018	159,652	65,811	93,841	58.8%
2019	192,625	64,306	128,319	66.6%
2020	152,455	69,455	83,000	54.4%
2021	151,855	63,973	87,882	57.9%
Average	181,376	67,596	113,780	62.7%
Avg 2017-22	156,221	65,239	90,982	58.2%
Maximum	266,762	81,879	203,318	76.2%
Minimum	124,518	60,532	61,866	49.7%

FIGURE 1: TOTAL PRODUCTION V. METERED CONSUMPTION (2008 - 2021)

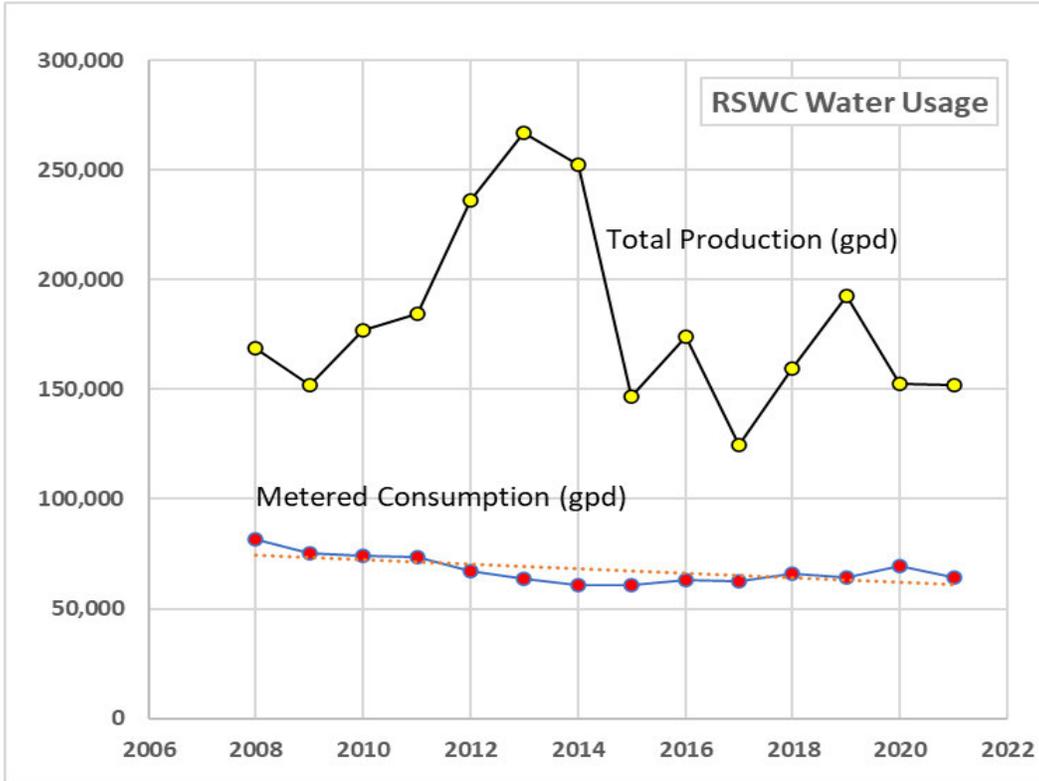
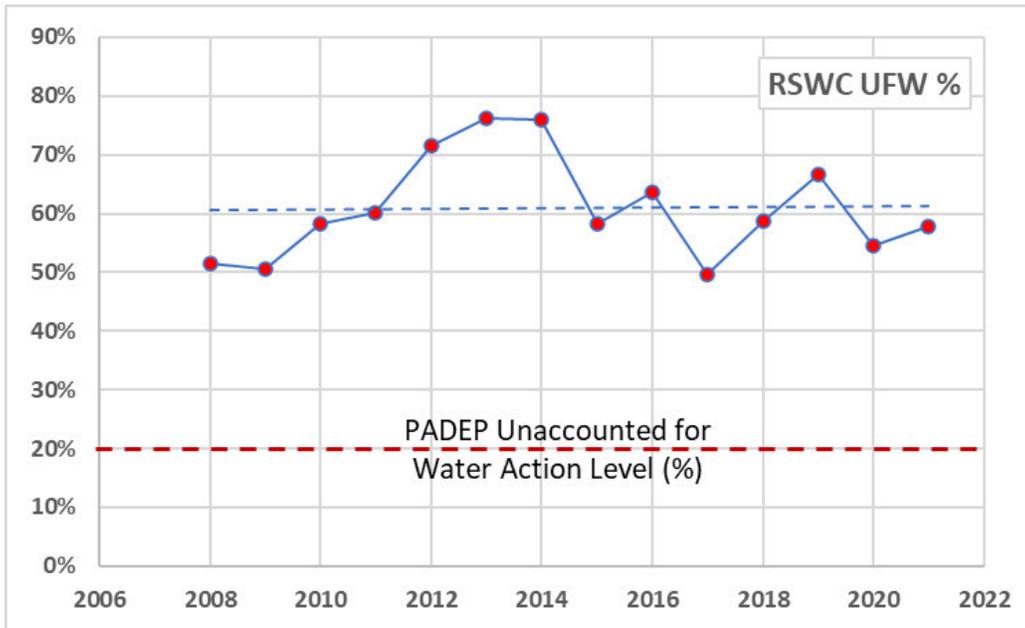


FIGURE 2: RSWC UNACCOUNTED FOR WATER (2008 - 2021)



Average metered consumption is 65,000 gpd which has not deviated over the last 10 years. [REDACTED]

In summary, water production and metered consumption [REDACTED] has essentially remained unchanged since 2017.

EXISTING SYSTEM CONDITION

Water Distribution System - For this update, GD&F met with the RSWC system operator to determine more precisely the type, size and location of waterlines. Sheet No. 1 shows the revisions made from previous maps of the system. GIS mapping data would be collected in a future system acquisition.

The system consists of 118,300 L.F. (22.4 miles) of waterlines. [REDACTED] A tabulation of the estimated waterline length by pipe size is shown in the following table:

TABLE 2: RSWC WATER DISTRIBUTION SYSTEM INVENTORY

<u>Pipe Diameter</u>	<u>Length (L.F.)</u>
Unknown	4,800
2"	1,800
4"	96,300
6"	<u>15,400</u>
Total	118,300

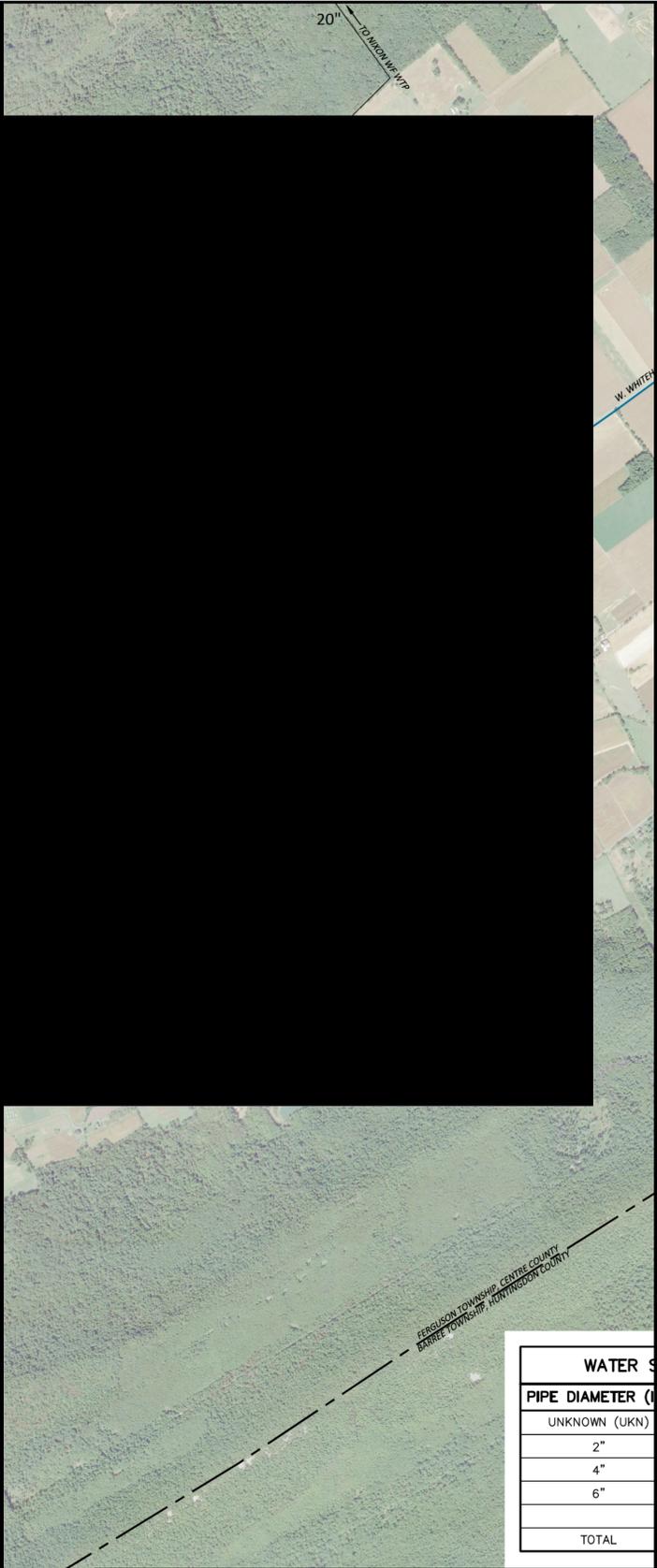
An evaluation of system condition and facilities age was provided in the 2019 report. The average age of the distribution system has been updated to 50-years.

[REDACTED]

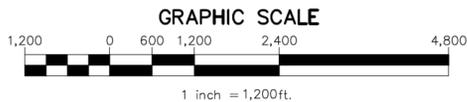
[REDACTED]

[REDACTED]

[REDACTED]



- NOTES**
1. WATER DISTRIBUTION SYSTEM MAP BASED ON SKETCH OF PIPELINES AND SIZES PROVIDED BY ROCK SPRING WATER CO. (RSWC) IN 2008 TO STATE COLLEGE BOROUGH WATER AUTHORITY AND INFORMATION BY RSWC (2022).
 2. INFORMATION CONCERNING SIZE, TYPE AND EXTENT OF WATER DISTRIBUTION SYSTEM PROVIDED BY RSWC. THE DATA HAS NOT BEEN VERIFIED. ACCURACY OF LINES AND FACILITY COMPONENTS SHOULD BE CONSIDERED APPROXIMATE IN ALL CASES.
 3. STATE COLLEGE BOROUGH WATER AUTHORITY WATERLINES AND FACILITY COMPONENTS BASED ON GIS WATER SYSTEM MAPPING AND ARE CONSIDERED ACCURATE AS OF THE DATE OF THIS DRAWING.



NO.	DATE	DESCRIPTION
1	11/22/2022	MAP REVISIONS PER ROY CAMPBELL (RSWC)
REVISIONS		

MARK V. GLENN
ENGINEER
No. 2028-E
PENNSYLVANIA

SEAL

WATER DISTRIBUTION SYSTEM

ROCK SPRING WATER COMPANY

WATER SYSTEM FACILITIES AND SERVICE AREA MAP

FERGUSON TOWNSHIP
CENTRE COUNTY, PENNSYLVANIA

DATE: 8/2/2019	JOB: 22093	SCALE: AS SHOWN
FILE: SYSTEM MAP	DRAWN BY: BRP	CHECKED BY: MVG

GD&F

GWIN DOBSON & FOREMAN ENGINEERS

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gdfeengineers.com

SHEET NO: **1**

[REDACTED]

Water Storage [REDACTED]

Based on 2017-2021 average production (156,000 gpd), the tank provides 1.28 days of finish water storage which exceeds the DEP standard (1 day). When usage exceeds [REDACTED] the well pump is operated continuously to maintain adequate tank level and system pressure. We would expect that replacement of this tank would incur a capital cost of \$500,000 at 2022 cost levels.

Water System Appurtenances - Components such as fire hydrants, valves, service connections and meters were discussed in the 2008 report. Little has changed since, other than hydrants are used for flushing only. [REDACTED]

An inventory of the RSWC fire hydrants was performed and is shown in the Appendix. [REDACTED]

RSWC does not employ automatic meter reading (AMR) technology. Given the linear nature of the system, changing out the meters to a new generation of meters using wireless technology is considered an important cost-saving measure. A meter changeout would be a priority in a system transfer. It is assumed that each customer would need to purchase a new water meter at its expense upon system acquisition.

System Pressures - With a tank overflow elevation of 1,385 msl, average system pressures range from 65-85 psi which is considered normal for water distribution systems. [REDACTED]

Water Supply and Quality - [REDACTED]

[REDACTED] Drilled in 1967, well construction details are limited, but according to the DEP data base, the 8-in. casing depth extends 126 feet below the ground surface. Whether the casing was grouted and sealed is unknown. No details were provided by RSWC on well construction details.

Groundwater is pumped from a karst aquifer (possibly Gatesburg Formation) with characteristic high levels of pH and hardness. As with other regional sources, the water is non-corrosive with low total organic carbon (TOC) as indicated by low disinfection by-products (HAA, THMM) and lead-copper levels. In addition, nitrate levels are also low (< 1.0 mg/L).

Supplemental Source Inquiry - At the urging of the PA Public Utility Commission (PUC) to find a back-up water supply, RSWC approached the SCBWA in March 2017 about a system interconnection. Options were provided to RSWC, but no action was taken. The logical source of supply would be interconnection to the SCBWA Zone 5 system at Corl Acres on West Whitehall Road.

Water Treatment - Chlorine disinfection is the only treatment provided. RSWC achieved the required disinfection contact time (CT) for a 4-log reduction of viruses (99.99%).

In December 2017, RSWC issued a boil-water advisory because of loss of entry point chlorine.

Given the proximity to the Beaver Branch, greater regulatory scrutiny seems justified, particularly after the abnormally high precipitation and localized flooding event in 2018. A RSWC boil-water advisory was issued over a 3-week period when excessive rainfall and flooding on August 3, 2018 caused a significant portion of the well's infrastructure to become submerged.

RSWC noted in its boil water advisory, **"...Rock Spring Water Company is susceptible to contamination by pathogenic protozoans like giardia and cryptosporidium, which represents an increased risk to public health..." "...Do not drink the water without boiling it first..." "...After the recent rain, our well changed from being a pumped well to an artesian well and the creek adjacent to the well flooded into the well area at the same time. Because of the danger of surface water entering our well and bringing pathogens such as the ones mentioned above, we are treating our water as an unfiltered surface water source, that is, using a much higher level of chlorine that we normally do to protect your health..." "...We do expect to continue to run our disinfectant (chlorine) above our normal levels, but within the safe limits and you may notice this. DEP will continue to assist us until changes are made which will prevent the problem from reoccurring..." "...The water level in our well had risen so much that our well was discharging water out of the top, especially when we weren't using the water. This filled a pit adjacent to the well and the pipes which directed the discharge down had one end submerged in this discharge water, creating something called a cross-connection between the ground water and the potentially contaminated pit water. Surface water carries more types of contamination than ground water, so we asked you to boil your water for your safety..."**

The DEP instructed RSWC to super-chlorinate the well and issue a boil water advisory until two consecutive raw water samples tested negative for E. coli and total coliform bacteria. This was finally achieved 3 weeks after the Tier 1 notification (boil water advisory) was issued.

We are unaware if the RSWC still maintains above normal chlorine levels. Typically, DEP would require the water supplier to provide costly filtration/chemical treatment or drilling of a new well since the conditions are clearly indicative of a surface water influenced well. Why the DEP has allowed this condition to continue is not known.

According to the DEP Drinking Water Reporting website, the DEP sanitary survey/SWIP testing for this well was completed on February 15, 1994 and was judged NOT to be "Groundwater under the Direct Influence" of surface water. [REDACTED]

REGULATORY COMPLIANCE

Regulatory Overview - GD&F reviewed the 2019-2022 DEP regulatory history of the water company along with future compliance under new Chapter 109 regulations for drinking water systems.

Violation History - GD&F reviewed the DEP Drinking Water Reporting System (DWRS) for RSWC violation information for the years 2019 through 2022. Most violations involve the failure to monitor and report for specified contaminants within prescribed deadlines; most were corrected through follow-up sampling, testing or reporting. A review of recent PUC compliance actions are included. Several dealt with DEP notifications for serious water quality violations. All violations are summarized as follows:

- 01/23/2020 - Failure to Issue Tier 3 Public Notifications (Chlorine)
- 02/21/2020 - Failure to Issue Tier 3 Public Notifications (Chlorine)
- 03/18/2020 - Failure to Issue Tier 3 Public Notifications (Chlorine)
- 04/29/2020 - Failure to Monitor/Report Routine Contaminant Sampling (43 compounds)
- 08/26/2020 - Failure to Conduct Revised Total Coliform Rule (RTCR) Level 1 Assessment
 - Failure to Notify RTCR TT Violation
 - Failure to Issue Tier 2 Public Notification
- 10/20/2020 - Failure to Monitor or Report D/DBP Contaminants (Haloacetic Acids (HAAS) and Trihalomethanes (TTM) - Disinfection By-Products (DBP))
- 10/20/2020 - Failure to Monitor/Report Routine Contaminant Sampling (29 Compounds)
- 05/21/2021 - Failure to Issue Tier 3 Public Notification (28 Compounds)
- 08/19/2021 - Consumer Confidence Report (CCR) Not Submitted
- 10/21/2021 - Failure to Conduct RTCR Level 1 Assessment
 - Failure to Monitor/Report D/DBP Contaminants (HAA5/TTM)
- 11/23/2021 - Failure to Issue Tier 3 Public Notification (35 Compounds)
 - Failure to Submit CCR Certification by Due Date
 - Failure to Monitor/Report Entry Point Disinfection Residual for Groundwater Rule (GWR)

- 06/23/2022 - Failure to Properly Collect/Analyze RCTR Samples
- 07/28/2022 - Failure to Meet GWR Significant Deficiency Corrective Action Schedule
- 08/23/2022 - CCR Not Submitted
 - Failure to Conduct RCTR Level 2 Assessment
 - Failure to Notify DEP within 1 Hour of RCTR Violation (Corrective Action Complete)
- 10/20/2022 - Failure to Monitor/Report DIDBP Contaminants (HAAS/TTM)



Future Compliance - Under the EPA Revised Total Coliform Rule, PADEP published updated Chapter 109 regulations on August 18, 2018 which included many additional requirements for all public water suppliers.

- Comprehensive Monitoring Plans - All water systems are required to submit a comprehensive monitoring plan (CMP) by August 19, 2019.
- Uninterrupted System Service Plan - Systems serving less than 3,300 or fewer persons must complete an Uninterrupted System Service Plan (USSP) for submission to DEP prior to August 19, 2019 which documents how the system plans to ensure that safe and potable water is continuously supplied to users.
- Miscellaneous Requirements - Detailed system map, "significant deficiencies" revisions for deficiency responses and corrective action deadlines and clarifications to source water assessment and source water protection program, among others.

We are unaware if these maps, reports and plans have been submitted to PADEP.

Customer Complaints - Recent RSWC complaints were filed with the PUC as listed below.

- April 29, 2020 - Customer complaint [REDACTED] involving a disputed RSWC bill for fixing a leaking water/shutoff valve.
- September 16, 2020 - Customer service complaint [REDACTED] involving a RSWC disputed bill for water emergency services.
- October 30, 2020 - Customer service complaint [REDACTED]

These service complaints were either resolved or withdrawn over the last 2 years.

It is noteworthy that legal costs have rapidly escalated over the last four years as reported in RSWC's PUC annual reports. Legal costs from 2018-2021 totaled \$64,253 (or 11.5% of total operating costs) compared to \$8,619 (or 1.8% of total operating costs) from 2014-2017. The large increase in legal expenses may have resulted from PUC insistence that RSWC have legal representation to address the above customer complaints, in addition to other factors.

FINANCIAL ANALYSES

Assets Evaluation - A tangible measure of a system's worth is the current monetary value assigned to physical assets. For comparison purposes, the total RSWC assets based on PUC filings for the years 2008 and 2021 are presented below. Physical assets increased 12% over the last 13 years due to additions made in the transmission and distribution system.

TABLE 3: UNDEPRECIATED RSWC PHYSICAL ASSETS COMPARISON (2008 - 2021)

Cost Category	2008	2021	Change
a. Source of Supply and Pumping Plant	\$ 22,504	\$ 22,504	\$ 0
b. Water Treatment Equipment	18,741	20,741	2,000
c. Transmission and Distribution System	227,352	272,778	45,426
d. General Plant and Property	<u>175,614</u>	<u>181,207</u>	<u>5,593</u>
Water Plant-in-Service	\$444,211	\$497,230	\$53,019

A tabulation of depreciable assets is as follows:

TABLE 4: DEPRECIABLE PHYSICAL ASSETS COMPARISON (2008 - 2021)

Asset Cost Category	2008	2021
Water Plant-in-Service	\$ 444,211	\$ 497,230
Accumulated Depreciation	<u>(369,329)</u>	<u>483,053</u>
Total Net Utility Plant	\$ 74,882	\$ 14,177

Although Table 4 shows that a 12% increase in total system assets (Water Plant-in-Service), this was more than off-set by accumulated depreciation. Since 2008, the net asset value was declined almost \$60,000 to the 2021 of total of \$14,177.

The total system assets including financial investments, current and accrued assets and retained earnings are shown below.

TABLE 5: TABULATION OF NET ASSETS AND RETAINED EARNINGS (2008 - 2021)

Category	2008	2017	2021
Total Net Utility Plant	\$ 74,882	\$ 12,645	\$ 14,177
Investments (CO/Money Market/Treasury Stock)	37,702	38,407	38,439
Current & Accrued Assets	<u>20,093</u>	<u>48,718</u>	<u>42,184</u>
Total Assets	\$132,677	\$ 99,770	\$ 94,812
Retained Earnings	\$103,682	\$ 69,013	\$ 50,532
Outstanding Stock	199 shares	199 shares	199 shares
Share Price	\$521/share	\$347/share	\$254/share

One measure of utility system value is the share price based on retained earnings. From an accounting standpoint, the water system has nominal monetary value which is also reflected in the 50% decline of in stock price since 2009.

RSWC has incurred no indebtedness from 2008 - 2021. We believe RSWC last incurred debt 25 years ago to build the water tank. As noted in the 2019 report, RSWC has not committed to any sizeable investment to improve its water system.

Operating Results - An analysis of the RSWC revenues and expenses over the last four years was performed to assess the impact of the PUC-approved rate increase on June 27, 2013. Depreciation allowances are not included.

TABLE 6: OPERATING REVENUES AND EXPENSES (2014 - 2021)

	2018	2019	2020	2021
<u>Revenues</u>				
Operating Revenues	\$ 129,234	\$ 140,166	\$ 148,218	\$ 128,993
Non-Operating Revenues	2,820	15	1	1
Total Revenue	\$ 132,054	\$ 140,181	\$ 148,219	\$ 128,994
<u>Expenses</u>				
Labor	\$ 42,196	\$ 38,728	\$ 35,491	\$ 38,391
Power	13,107	16,979	13,701	11,248
Materials and Supplies	2,749	4,412	2,403	3,867
Accounting	3,270	4,462	4,050	5,155
Legal	18,700	14,650	20,868	10,035
Analytical Testing	4,508	5,340	4,351	9,102
Maintenance & Repairs	26,451	37,934	26,919	17,501
Insurance	6,948	6,811	8,952	5,524
Miscellaneous Expenses (Utilities, Rent, Taxes, etc.)	21,637	20,402	22,615	30,681
Total Expenses	\$ 139,566	\$ 149,718	\$ 139,350	\$ 131,504
Net Operating income	\$ (7,512)	\$ (9,537)	\$ 8,869	\$ (2,510)
Depreciation	2,460	2101	1,658	1573
Net Income (Loss)	\$ (9,972)	\$ (11,638)	\$ 7,211	\$ (4,083)
No. of Customers	482	481	481	489

Over the last 4 years (2018-2021), revenues have been inadequate to meet expenses principally due to excessive legal fees and inadequate water revenues to meet operating expenses.

Water Rates - The PUC-approved schedule of rates and charges was last implemented on June 27, 2013 as follows:

Customer Charge:	\$17.50 per quarter
Volumetric Charge:	\$ 4.00/1,000 gal. for first 25,000 gallons per quarter \$ 3.47/1,000 gal. for all usage over 25,000 gallons/quarter
Fire Protection Rates:	\$17.50 per annum (although fire department does not use hydrants)
Tap Fee:	\$1,000

The RSWC rates, although comparatively low in relation to other regional suppliers, do not provide adequate revenue for current operations. As stated above, the average water rate cost to residential customers is \$58.04/quarter (\$19.35/month) based on water usage of 10,136 gallons per quarter (or 3,379 gal/month) and that water consumption is evenly divided between residential customers and large volume farm users. The current SCBWA charge for similar residential consumption is \$29.27/month.

General Financial Assessment - Eleven years has elapsed since RSWC submitted a PUC tariff application to increase water rates. Given the escalation in costs (particularly the current inflationary period) having insufficient revenues to operate a water system is unsustainable. Ironically, the cost for the PUC water rate process is likely unaffordable for RSWC without an external source of funds.

SYSTEM VALUATION

After reviewing relevant financial data, system operations and physical plant information, we offer our opinion of valuation of the Rock Spring Water Company.

- According to financial statements filed with the PUC, the physical plant, including all pipelines, tanks, water well and treatment facilities have been essentially depreciated and, therefore, has little or no value.
- [REDACTED]
- The only RSWC assets are cash, saving accounts, investments and current accounts amounting to \$94,812 (as of Dec. 31, 2021).
- The water system can also be valued based on its income-generating potential which is common in the private utility industry. System growth is limited by zoning and agricultural restrictions. Income generation would be limited to the existing service area based on PUC-approved rates. Although current water rates can increase, the revenue generation potential is limited to the small customer base. Therefore, a valuation based on the income method would not yield a significant rate of return given the required capital investment for system upgrades.
- [REDACTED] the value of physical assets may consider the PVC distribution piping and storage which should be serviceable in the future. [REDACTED]
- An asset transfer agreement would provide the details of the sale. The necessary PUC filings for approval of the sale is required as are the transfer of DEP permits to the new operating entity.

CONCLUSIONS AND RECOMMENDATIONS

Water System Assessment and Recommendations - Based on our evaluations of the RSWC system since 2008, the following conclusions and recommendations are offered as to its condition, capacity and future serviceability. These findings serve as basis for water system improvements required for public ownership and operation.

The Township previously owned and operated the Pine Grove Mills system and a water authority was created to operate that system. Due to operational and regulatory demands, the Township transferred ownership to SCBWA in 2000. The Township has since expressed no desire to operate any water system, including the RSWC.

It is possible that the Township or a designated entity (municipal authority) could assume ownership of the RSWC system. However, our recommendations on system improvements would still apply regardless of system ownership.

Since RSWC has no desire to incur capital costs to improve its system, RSWC entered into discussion with a large private water company. However, the resulting offer was not accepted by RSWC. Any private acquisition would mean very large water rate increases to fund system operations and capital improvements. Rates ranging from \$50 - \$100 per month would be expected.

A critical component are the needs of prospective system owners. Realistically, the State College Water Authority is the only option due to proximity of its system to the RSWC service area. Hydraulically, the means exist with some modification to interconnect the systems. For this reason, we considered the input of the SCBWA for needed water system improvements.

The following findings and proposed improvements are as follows:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]. This water will be filtered and treated at an advanced water treatment facility using a granulated activated carbon system, microfiltration and ultraviolet disinfection to eliminate pathogens and other contaminants. SCBWA water quality is vastly superior to the RSWC wells and should be the water source of choice regardless who operates the RSWC system.
- The proposed SCBWA-RSWC interconnection consists of 4,400 L.F. of waterline [REDACTED]. A water booster pump station (rated at 150 gpm and total dynamic head of 100 feet) [REDACTED]. This station would provide up to 288,000 gallons per day.
- [REDACTED] SCBWA will require replacement of asbestos-cement waterlines because of potential asbestos exposure during tapping operations and, though rare, contaminant release to the water system.

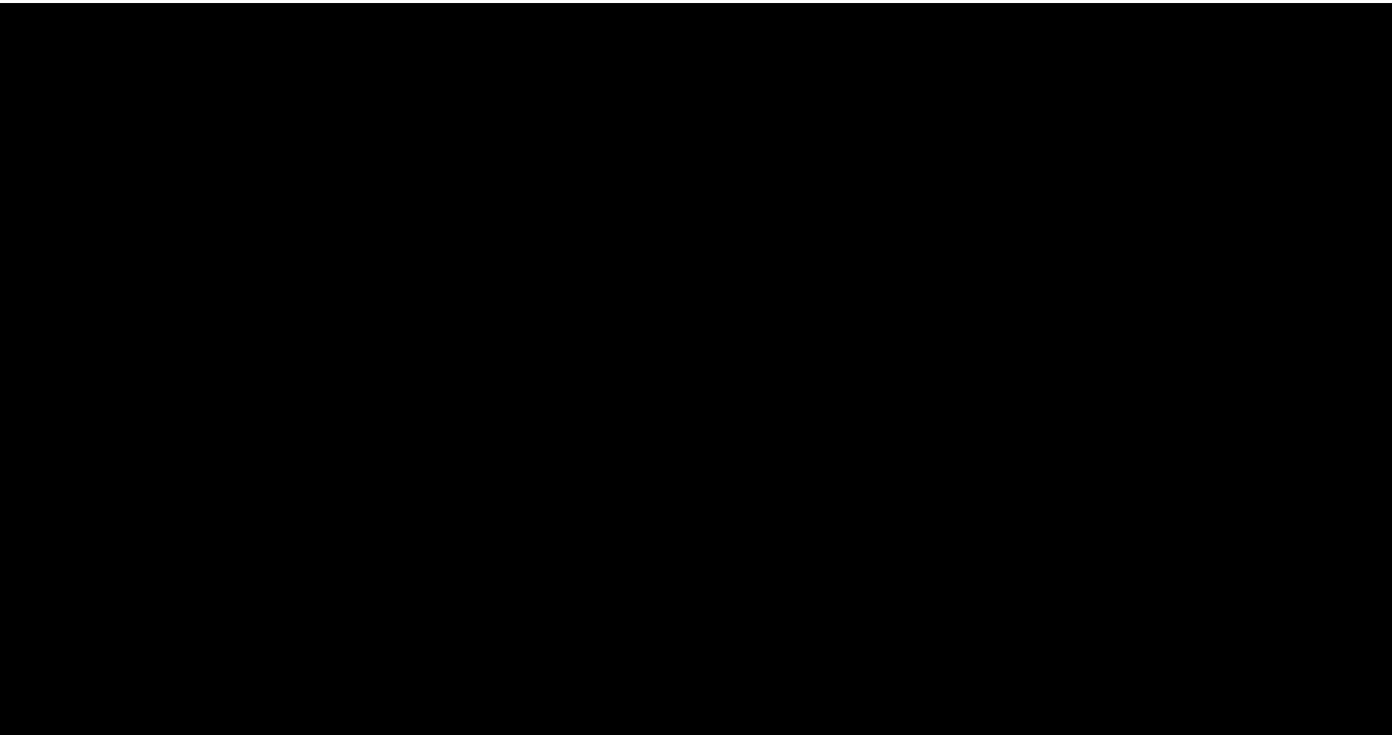
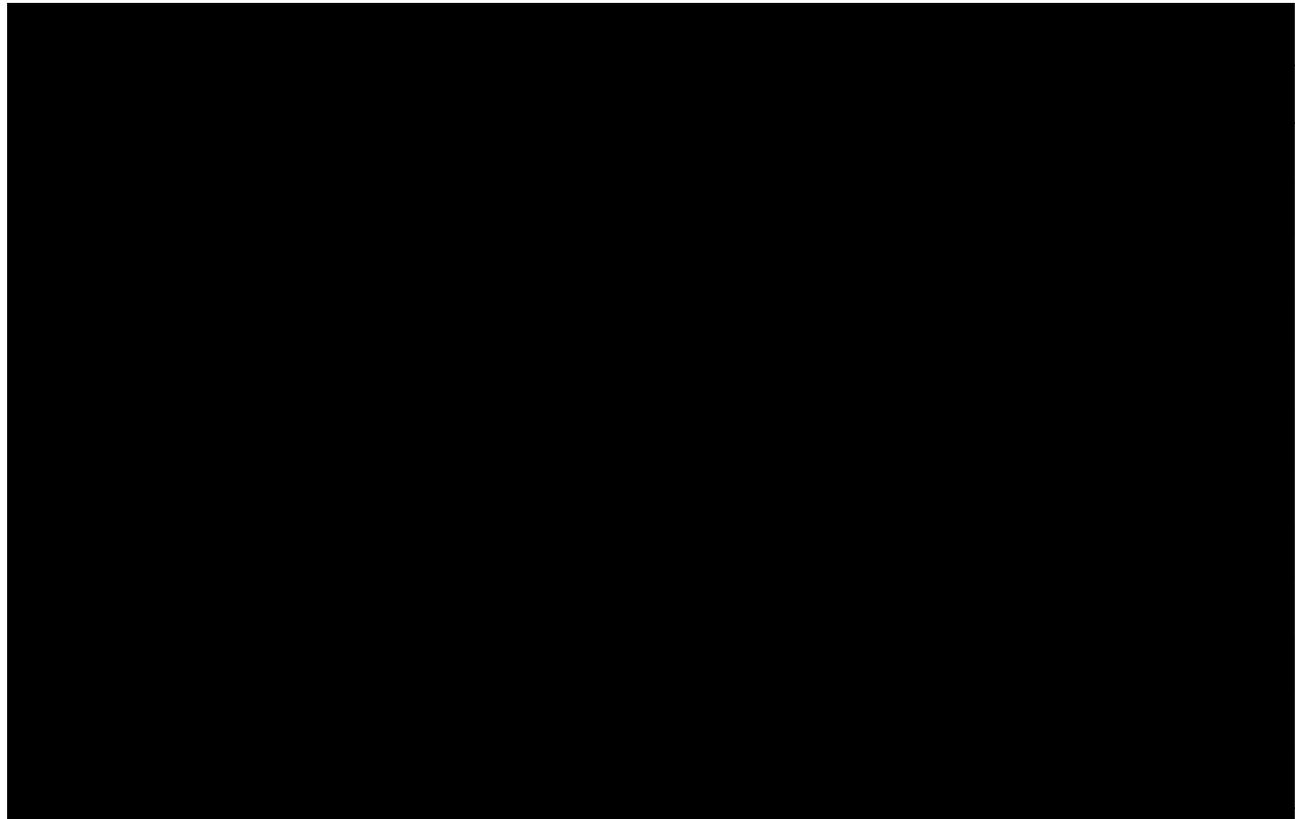
- The existing system provides no fire protection to the service area. Public ownership will require larger water mains to provide fire service for its customers. Public safety would be a key factor in the future funding of capital improvements.
- Extensive "grid reinforcement" is required for improved water transmission capacity. Specifically, a larger main is required [REDACTED] [REDACTED] desktop hydraulic analysis was performed to determine preliminary pipe sizing.
- Based on discussions with SCBWA personnel, the extent of needed RSWC capital improvements would place an undue burden on its existing SCBWA customers. Past experience in similar system acquisitions (Pine Grove Mills, Boalsburg, Ridgemont, etc.) resulted in significant SCBWA expenditures to upgrade the systems to current standards.
- SCBWA has indicated an interest in RSWC system acquisition if a commitment exists by others for funding the following capital improvements:
 - System interconnection [REDACTED] including provisions for a water booster pumping station.
 - Grid reinforcement [REDACTED] consisting of installation of a 12" water transmission main.
 - Replacement of asbestos cement waterlines.

[REDACTED]

Proposed Water System Improvements - The following section will discuss the proposed improvements in greater depth in terms of preliminary design, cost and funding options. System expansion is not considered in this evaluation as options are limited due to agricultural and land ownership concerns.

System Hydraulics - A desktop evaluation was performed to evaluate pipe sizes and water usage for the new distribution system. As noted, the proposed system interconnection and grid reinforcement must provide the needed capacity for water transmission and fire protection.

The following table provides the location and elevation data of key points in the system. [REDACTED] [REDACTED] The hydraulic evaluation determined available flow and data for various pipe sizes based on a 20 psi residual pressure for fire protection and the distance to the water storage tank. Please refer to Table 7 and Table 8 below.



As shown, Table 8 indicates the following flow ranges across the system [redacted]. These are summarized below based on pipe size. Obviously, the larger the pipe, the greater the flow capacity.

<u>Pipe Diameter</u>	<u>Flow Range (gpm)</u>
12"	1,000 - 5,545
10"	620 - 3,433
8"	350 - 1,600

As expected, the higher flows are experienced at the Ag Progress site and Baileyville while lower flows occur at the system extremities on Plainfield Road, South Nixon Road and West Gatesburg Road. Mid-range flows occur from Baileyville to Ramblewood, a distance of 3.3 miles. The West Whitehall Road corridor is where most of the customers are concentrated.

Various agencies provide fire flow capacity criteria for residential areas based on factors such as dwelling size and construction and exposure distances. Fire flow is a criteria often used in sizing water distribution systems. We believe fire protection is an important public safety service since the area has no ready access to water. A survey of residential fire flows from various agencies is shown below for 1,500 sq. ft. and 3,500 sq. ft., non-sprinklered, single-family residential homes.

TABLE 9 - REPRESENTATIVE FIRE FLOW STANDARDS

<u>Agency</u>	<u>Fire Flow (gpm) 1,500 SF Residential</u>	<u>Fire Flow (gpm) 3,500 SF Residential</u>
Insurance Service Office (ISO)	750	750
National Fire Protection Assn. (NFPA-1)	750	750
International Fire Code (IFC)	1,000	1,000
NFPA 1142	500	500
Fire Engineering Design Guide (FEDG)	900	1,000
Intl. W-U Interface Code (IWUIC)	1,000	1,000

The Ferguson Township 2019 Zoning and Subdivision and Land Development Ordinance (SALDO) provides the following water supply requirements for fire protection (22-506, Water Supply).

- "4. *The minimum fire flow requirements for developments of one- and two- family dwellings with front, side and rear yard setback requirements of 15 feet or greater and building separations of 30 feet or greater, shall be 750 gallons per minute.*
5. *The minimum fire flow requirements for developments of one- and two- family dwellings with any setback requirements of less than 15 feet or building separations less than 30 feet shall be 1,000 gallons per minute.*
7. *The spacing between fire hydrants shall not exceed 1,000 feet in developments of one- and two- family dwellings and shall not exceed 600 feet in developments of other development types."*

Based on the above factors, the RSWC transmission mains required for "grid reinforcement" should be designed with a capacity of 1,000 gpm at a residual pressure of 20 psi. [REDACTED]

Water Age - Another important factor in distribution system design is computing water residence time in pipelines in addition to the retention time in storage tanks. Excessive "water age" can result in loss of chlorine with possible pathogen regrowth and other microbial contamination in storage tanks. For our purposes, a water age of 3-5 days is the criteria used in our evaluation.

A comparison of water ages was undertaken for the existing system (4"/6" mains) and proposed system (12" main) based on the longest pipe run from South Nixon Road and West Whitehall Road to the water storage tank (30,450 ft). The analysis is shown in the next table for current average water demand (156,000 gpd @ 60% UFW) and projected water demand (80,000 gpd @ 20% UFW). The hydraulic gradient is established by the RSWC water storage tank (200,000 gallons). RSWC reports the tank is kept full [REDACTED] and maintained within [REDACTED] of this level when the well pump is activated.



For the existing system, the water age would range from 1.69 to 3.31 days (depending on UFW efforts) while the proposed system ranges from 2 to 4 days. This increase is only a marginal fraction (+23%) when using a larger 12" main. The proposed water age is in the acceptable range of our criteria of 3-5 days. A tank mixing system will facilitate adequate tank mixing during seasonal conditions.

Pipe Replacement - Give the type, age and condition of asbestos-cement pipe, complete replacement of these lines is warranted. The SCBWA has made replacement of asbestos cement pipe a priority of a future RSWC acquisition.

Disadvantages of asbestos-cement pipe include the following:

- Asbestos material used in pipe manufacturing the pipes is a known carcinogenic health hazard. The potential for release of asbestos fibers during tapping and cutting operations is possible. SCBWA does not want to unnecessarily risk the health and safety of its workers for exposure to asbestos-pipe.
- Asbestos-cement pipe has low resistance to vibrations from vehicular traffic in public streets.
- Shock loadings due to water hammer or other rapidly applied force can cause leakage and breakage.
- Fittings availability are difficult since the pipe is not regularly manufactured.
- Interior of the pipe becomes rough with age, thus reducing its capacity.
- Public perception of asbestos-cement pipe is not favorable although the release of asbestos fibers is rare in water supplies.
- As asbestos-cement pipes are rigid, poor installation methods and materials (subgrade rock, poor backfilling material, etc.) can cause breakage due to point load application (rocks). The pipe is heavy and bulky and can break during loading, transport and installation.

Based on the total asbestos-cement pipe system [REDACTED] the total pipe to be replaced is 32,290 LF.

The pipe replacement project will generally be "size-on-size" meaning existing pipe will be replaced with the same pipe size (either 4-in. or 6-in. size). Pipe sizes will be verified by the hydraulic modeling during final design. Pipe material will be ductile iron, double-cement lined pipe.

Distribution system design will conform with SCBWA standards. These will include all necessary fittings, system interconnections, valve, fire hydrants, and service lines extending to the edge of right-of-way or within designated easement areas.

System Interconnection Extension - As noted previously, 4,400 LF of 12-in. water main is needed to interconnect the SCBWA and RSWC systems on [REDACTED]. A new water booster pumping station (150 gpm @ 100-ft. TDH) is proposed at [REDACTED]. The design of the booster station will consider diurnal flocculation in peak water demand and maintenance of system pressures [REDACTED]. Operation of the booster station will also result in a greater operating range and better tank turnover.

Grid Reinforcement - Based on the hydraulic analysis, 46,000 LF of 12" water transmission main extending from [REDACTED] is proposed. This project will serve as the "spine" for the new system providing higher flow capacity, fire protection and a more robust and reliable water transmission system. New pipe will consist of ductile iron, double-cement lined pipe material.

Mapping - Please refer to Sheet No. 2 for the proposed water system improvements.



PROJECT COSTS

General - Project costs have been developed for each recommended water system component based on current costs for construction, engineering, legal, land/easements, inspection, contingency and administrative costs.

Construction costs are based on recent bid prices from projects of similar scope and magnitude. Generally, soft costs (non-construction) are typically 20% of construction costs and included in the total project costs set forth below.

Most pipelines will be placed outside the road right-of-way either in non-bituminous shoulders or in unimproved easement areas. This should result in substantial savings in restoration and backfilling costs. Ductile iron pipe, which is the standard pipe material for SCBWA, is proposed for system water mains. The scope of each proposed improvement project and related project cost are as follows.

- a. System Interconnection Extension - Installation of 4,400 LF of 12" ductile iron pipe, valves, fittings and all appurtenances which includes a factory-built, pre-engineered, water booster station, complete-in-place and ready-for-operation.

1.	12" Transmission Main Ext.	-	\$850,000
2.	Water Booster Pump Station	-	<u>\$700,000</u>
	Total Estimated Project Cost	-	\$1,550,000

- b. Grid Reinforcement - Installation of 46,000 LF of 12" water transmission main (ductile iron pipe) including valves, fittings, service lines, system interconnections, and all required appurtenances.

Total Estimated Project Cost	-	\$7,500,000
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- c. Asbestos-Pipe Replacement - Installation of 34,300 LF of 4" and 6" ductile iron pipe water distribution mains including valves, fittings, fire hydrants and system interconnections including all required appurtenances.

Total Estimated Project Cost	-	\$4,500,000
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- d. Total Project Cost, RSWC Water System Improvements - \$13,550,000

Potential cost savings could result if C-900 PVC pipe or HDPE pipe (installed by horizontal directional drilling methods) were installed. Cost savings of up to 20% could be realized.

PROJECT FUNDING

General - Funding of water are typically provided by the following agencies and funding programs. Generally, PennVEST and USDA are the prime funding sources for large water projects in Pennsylvania with PA DCED providing supplemental grant funding through programs of the Commonwealth Financing Authority. These programs are discussed as follows.

PRIME FUNDING SOURCES

Pennsylvania Infrastructure Investment Authority - PennVEST provides low-interest loans and grants for new construction or for improvements to publicly or privately-owned drinking water, storm water or sewage treatment facilities, as well as non-point source pollution prevention best management practices. Any municipality, authority or private entity that is an owner and/or operator of a drinking water, wastewater, or non-point source pollution prevention project is eligible under the PennVEST program.

Funding assistance for any single project shall not total more than \$11,000,000, or \$20,000,000 if a project serves more than one municipality. Interest rates for 20-year project loans in Centre County are 1.743% (first 5 years) and 2.179% (next 15 years); 30 year loans (at 1% interest) are available to reduce the debt burden on some projects. However, interest rates are expected to increase next year.

Recently, PennVEST became the designated depository and distributor of state grant funds from the federal "Infrastructure Investment and Jobs Act." Annual grant funds totally \$250 million will be allocated for eligible water and wastewater projects through 2026.

US Department of Agriculture - Rural Development, Water & Waste Disposal Program - USDA provides loan and grant funds for infrastructure projects to municipalities and municipal authorities with a population of 10,000 or less. Loans consist of a 40 year term and varying interest rates dependent upon income and unemployment levels. Current market interest rates are 3.75%, however, interest rates are expected to increase next year depending on actions of the Federal Reserve. Grants can be applied when annual water bills meet median household income thresholds.

The discrete RSWC service area population (1,000) within Ferguson Township could be eligible for funding under this program. However, Ferguson Township has a high median house income that suppresses the need for grant funding.

SUPPLEMENTAL GRANT PROGRAMS

Commonwealth Financing Authority - The CFA was established in 2004 as an independent agency of the Department of Community and Economic Development (DCEd) to administer Pennsylvania's economic stimulus packages. The CFA holds fiduciary responsibility over the funding of programs and investments in Pennsylvania's economic growth. Related CFA grant programs are set forth below and more fully described in the Appendix. Please note these programs are periodically reauthorized by the PA legislature; the programs in the Appendix are the latest authorizations.

- **COVID-19 ARPA H2O PA - Water Supply, Sanitary Sewer and Storm Water Projects**
The H2O PA Act was originally established by the General Assembly in July 2008. The Act provides for single-year or multi-year grants to municipalities or municipal authorities to assist with the construction of drinking water, sanitary sewer and storm water projects.

Act 54 of 2022 appropriated \$205.4 million of American Rescue Plan Act funds to the H2O PA - Water Supply, Sanitary Sewer and Storm Water Projects Program. Project funding ranges from \$0.5 to \$20 million. Recently eligibility criteria included, *"...consolidation or regionalization of two or more water supply systems which are operated as an integrated system..."*

- **Local Share Account (LSA) - Statewide**
The PA Race Horse Development and Gaming Act (Act 2004-71), provides for the distribution of gaming revenues through the Commonwealth Financing Authority (CFA) to support projects in the public interest within the Commonwealth of Pennsylvania. Funds are generally appropriated annually by the state legislature.
- **COVID-19 ARPA PA Small Water & Sewer**
Grants provided for small water, sewer, and storm water infrastructure projects. Act 54 of 2022 appropriated \$105.6 million of American Rescue Plan Act funds to the PA Small Water and Sewer Program. Eligible projects must have a total project cost of not less than \$30,000 and not more than \$500,000. Funds are generally appropriated annually by the state legislature.

Funding Criteria - The proposed Rock Spring water system improvement project offers very favorable funding criteria because of the extent of its deficiencies. These include a) public safety (fire protection), b) regionalization, c) system consolidation, d) increased system reliability and e) safer drinking water quality. Funding applications should include these factors as project benefits.

PROJECT IMPLEMENTATION

General - The extent to which these projects are implemented depends on the entity serving as the "project sponsor," the amount of funding available for all or a portion of the total project cost and the conditions under which a future owner will assume operation of the system. These will necessarily involve further discussions between RSWC, SCBWA and Ferguson Township,

However, the customers of a water system typically must bear the burden to finance and pay for improvements to its system. It is clear that the proposed improvements, drinking water quality and superior SCBWA operation of the system would be several orders of magnitude greater than the current state of the system. For purposes of this report, we have assessed project cost impact on the current customer base for the full scope of the project based on available funding programs.

Project Water Rate Impact - Grant funds may be limited because of Ferguson Township high median household income of \$77,245 (2020 census). Most grant funds are allocated on the basis of need. The typical DCED affordable threshold for water bills is based on a percentage of annual median household income. For high income municipalities, this ranges from 1.5% to 2.0% or in the case of Ferguson Township water bills of \$1,160 to \$1,545 per year. This is compared to the RSWC average bill of \$233 per year.

As an example of the funding impact on the RSWC customer base, an analysis was performed using the PennVEST Financial Assistance Simulator. This analysis reveals that for a total project cost of \$13.55 million, the PennVEST funding package consists of a 30-year 1% loan with a \$1 million grant based on an affordability index of 2%.

The monthly water rates for RSWC customers would be \$108.60; this is compared to the existing rate of \$19.35/month. Supplemental grants from other programs could offset borrowing costs. For instance, a \$2 million grant would reduce the monthly cost to \$97.20/month.

Obviously, the more grant funds that can be obtained, the more RSWC water rates can be reduced. Any of the aforementioned grant programs offer the potential to offset borrowing costs and reduce water rates.

Comparative Water Rate Analysis - Given high growth rates in the Centre Region, and its attendant impact on restraining water and sewer bills, one must not assume that this condition is the norm. Generally, water rates are much higher in Pennsylvania than the average \$30/month water residential bill in State College.

The Pennsylvania-American Water Company's recently approved PUC tariff has average residential water rates (based on 3,212 gallons/month) of \$69.24/month with average sewer bills of \$106.65/month. Aqua-Pennsylvania has monthly water and sewer bills of \$77.51 and \$88.18, respectively. It is common for PennVEST and USDA-Rural Development to approve project funding packages that result in customer water bills of \$80.00 to \$100 per month.

In any event, with the assumption that RSWC will sell its system, either Ferguson Township or SCBWA would be the project sponsor to apply for project funds, regardless of the project scope. It appears the Township may be better equipped from an institutional standpoint to apply for project funds.

APPENDIX 1

PROJECT GRANT PROGRAMS

COVID-19 ARPA H2O PA WATER SUPPLY, SANITARY SEWER AND STORM WATER PROJECTS

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Section I – Statement of Purpose

The H2O PA Water Supply, Sanitary Sewer and Storm Water Projects Program was established under the Act of July 9, 2008 (P.L.908, No. 63) (32 P.S. §694.101), known as the H2O PA Act, and authorizes the Commonwealth Financial Authority to provide single-year or multi-year grants to municipalities or municipal authorities to assist with the construction of drinking water, sanitary sewer and storm sewer projects.

Act 54 of 2022 appropriated American Rescue Plan Act funds to the H2O PA Water Supply, Sanitary Sewer and Storm Water Projects Program. American Rescue Plan Act funds are subject to federal compliance and reporting requirements. The Commonwealth Financing Authority will provide its Reports Schedules to all grantees for the H2O PA Water Supply, Sanitary Sewer and Storm Water Projects Program.

Section II – Eligibility

A. Eligible Applicants

Any of the following entities who will own the proposed project are eligible to apply for a grant.

1. A Municipality includes any city, township, borough, town, county, or home rule.
2. A Municipal Authority includes any authority created by a municipality pursuant to the act known as the "Municipal Authorities Act."

B. Eligible Projects

Eligible H2O PA projects are those that involve the acquisition, construction, improvement, expansion, or rehabilitation of all or part of a water supply, sewage disposal, or storm water system which is owned and maintained by an eligible applicant. An eligible project also includes consolidation or regionalization of two or more water supply systems, sewage disposal systems, or storm water systems which are managed or operated as an integrated system regardless of whether the system is physically connected. Infrastructure that reduces the amount of runoff that needs to be managed by traditional infrastructure is also eligible.

Projects must be scoped to align to a single Expenditure Category (EC 5.1-5.18) as outlined in the Appendix III.

C. Eligible Use of Funds

H2O PA funds may be used by the applicant to pay for any of the following project costs:

1. Construction, improvement, expansion, repair, or rehabilitation of all or part of a water supply system, sewage disposal system, and storm water system, including green storm water infrastructure, such as bioretention basins and rain gardens.
2. Installation of security measures.
3. Acquisition of land, rights-of-way, and easements necessary to construct an eligible project.
4. Engineering design costs not to exceed 10% of the grant amount.
5. Inspection costs related to the construction of an eligible project.
6. Permit Fees.
7. Costs to secure appropriate bonds and insurance.

8. Administrative costs of the applicant that are necessary to administer the H2O PA grant. Administrative costs will include advertising, legal, and audit costs as well as documented staff expenses. Administrative costs shall not exceed 2% of the H2O PA grant and any amount over 2% cannot be included as match for this program.
9. Project contingencies associated with construction costs are limited to 5% of the eligible construction costs. No other contingencies shall be included as eligible project costs.

Ineligible costs include but are not limited to fees for securing other financing, interest on borrowed funds, refinancing of existing debt, lobbying, fines, application preparation fees, tap in fees, and costs incurred prior to approval.

Section III – Program Requirements

A. Matching Fund Requirement

An eligible applicant shall provide matching funds of not less than 50% of the amount awarded under the H2O PA Program. The cash match may come from any other source including PENNVEST.

B. Planning Approvals

All recipients of H2O PA funding are required to demonstrate in the application that the project is in compliance with regional, county, and local comprehensive plans as evidenced by a letter from the appropriate local planning agency. If inconsistencies between plans exist, preference will be given to the approved county-level plans.

C. Other Requirements

1. Conflicts of Interest

An officer, director, or employee of an applicant who is a party to or who has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the applicant and may not vote on any action of the applicant concerning the project nor participate in the deliberations of the applicant concerning the project.

2. Nondiscrimination

No assistance shall be awarded to an applicant under this program unless the applicant and project user, if applicable, certify to the Authority that the applicant and project user, if applicable, shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All contracts for work to be paid with grant funds must contain the commonwealth's official nondiscrimination clause.

3. Project Records

The applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The Authority requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon request of the Authority, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

4. **Pennsylvania Prevailing Wage Act**

The Grantee will comply with the PA Prevailing Wage Act of 1961, as amended (43 P.S. 165-1 through 165-17) in those instances in which the federal Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) either is not applicable or an exception would apply to projects undertaken by the Grantee.

5. **Proof of Notification**

The applicant must provide proof that the county and host municipality or municipalities have been notified about the intended project.

6. **Certification of Expenses**

The applicant shall sign a payment request form certifying that the expenses were incurred and were in accordance with the scope of work approved by the CFA. In lieu of a formal project audit and prior to final closeout of the grant agreement, the applicant shall be required to submit copies of all canceled checks verifying the expenditure of the H2O PA proceeds. Bank statements may also be submitted if electronic payment of the expenditure occurred.

7. **Worker Protection**

Contractors and grantees of the Commonwealth must certify that they are in compliance with all applicable Pennsylvania state labor and workforce safety laws. Such certification shall be made through the Worker Protection and Investment Certification Form (BOP-2201) and submitted with the bid, proposal or quote.

8. **Bidding Requirements**

Applicants must comply with all applicable federal, state, and local laws and regulations dealing with bidding and procurement. Applicants are subject to federal procurement requirements in the Uniform Guidance 2 C.F.R. § 200.317 through 200.327.

9. **Compliance Requirements**

Fund payments are subject to the following requirements in the Uniform Guidance: 2 C.F.R. § 200.330 through 200.332 regarding subrecipient monitoring and management, 2 C.F.R. 200 subpart F regarding audit requirements, and 2 C.F.R. 180 regarding competitive bidding and contractor oversight.

10. **Financial Audit**

A Recipient or Sub-Recipient that expends \$750,000 or more in federal awards during its fiscal year is required to provide the appropriate single or Program-Specific Audit in accordance with the provisions outlined in 2 CFR § 200.501.

11. **Reporting Requirements**

Grantees will be required to submit quarterly and annual reports as required under the American Rescue Plan Act. The required data is specific to the project's corresponding Expenditure Category. Templates for these reports have been added to the H2O PA Water Supply, Sanitary Sewer and Storm Water Program page. Please note that these templates have been created using reporting requirements as of the date of these guidelines. Additional reporting requirements may be incorporated as dictated by updates to federal guidance and regulations relative to the administration of American Rescue Plan Act funds.

12. **Guideline Provisions**

The H2O PA guidelines provisions may be modified or waived by the Authority unless otherwise required by law.

D. Fees

The Commonwealth Financing Authority charges a \$100 non-refundable application fee for H2O PA applications. The application fee must be paid electronically by credit or debit card or electronic check through our secure, third-party vendor. Payment of the application fee must be completed prior to the certification and submission of the Electronic Single Application. Detailed payment instructions will be provided on the Certification Tab of the Electronic Single Application once all required fields have been completed.

Section IV – Grants

1. Grants are available for projects with a total cost of \$500,000 or more.
2. Grants shall not exceed a total of \$20,000,000 for any project.
3. Multi-year grants may not be given for a period of more than six (6) years and shall not exceed a total of \$20,000,000 for any project.
4. A minimum of 50% of the grants shall be awarded to projects that will consolidate two or more systems or to regional systems.
5. Match requirements for grants may be acquired through any local, state, or federal program.
6. No funding may be authorized or distributed for any project within a city or county of the first or second class, other than those projects described in the Pennsylvania Gaming Economic Development and Tourism fund, until such time as an amount equal to \$750,000,000 has been authorized and distributed from the H2O PA Program for projects outside of a city or county of the first or second class.
7. To be eligible for reimbursement, project costs must be incurred within the time frame established by the grant agreement.

Section V – Application Procedures

1. To apply for funding, the applicant must submit the electronic on-line Department of Community and Economic Development Single Application for Assistance located at dced.pa.gov/singleapp. Required supplemental information outlined in Appendix I of these guidelines must be attached electronically to the application as directed on the Addenda tab. For technical inquiries regarding the submission of the on-line application, contact the Customer Service Center at (800) 379-7448 or (717) 787-3405.
2. Applications will be accepted from October 1, 2022 through December 21, 2022. All applications and required supplemental information must be received by December 21, 2022.
3. Prior to submitting an application, applicants must obtain a Unique Entity ID (UEI) number from the Federal System for Award Management. Information about obtaining a UEI can be found at www.sam.gov.

Section VI – Application Evaluation

All applications for financial assistance will be reviewed by the Authority in conjunction with the Department of Community and Economic Development, Department of Environmental Protection, and PENNVEST to determine eligibility and competitiveness of the proposed project. A minimum of 50% of grants for water or sewer projects approved by the Authority shall be awarded to projects that will consolidate two or more systems or to regional systems. In addition, priority shall be given to eligible applicants that are currently subject to a Federal or State court or agency order, consent decree or new permit discharge requirements imposed after January 1, 2007. Projects will be evaluated using the following criteria:

1. The number of municipalities that will be part of the water or sewer project and the number of municipalities that will benefit from the project.
2. Whether the construction, repair or consolidation of a water or sewer project will enable customers of the system or regional system to be more efficiently served.
3. The nature of any Federal or State court or agency order, consent decree or new permit discharge requirements imposed after January 1, 2007 applicable to the project.
4. Project readiness.
5. Project is consistent with all local, state and regional comprehensive, regional resource management or economic development plans.
6. The cost-effectiveness of the proposed project.
7. Whether the project serves existing populations or whether the project is intended to serve new development.
8. The ability of the applicant to secure funding for the project.
9. The proactive implementation of practices to promote sustainability of the system.

Section VII – Procedures for Accessing Funds

Upon approval of an application by the CFA, a grant agreement and commitment letter will be electronically issued to the applicant explaining the terms and conditions of the grant. The Grantee must provide the names, titles and e-mail addresses for two authorized individuals to receive and electronically sign the grant agreement. The grant agreement must be electronically signed and returned to the CFA within 45 days of the date of the commitment letter or the offer may be withdrawn by the CFA.

Section VIII – Program Inquiries

Program inquiries should be directed to:

PA Department of Community and Economic Development
Site Development Office H2O PA Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Telephone: (717) 787-6245

Fax: (717) 772-3581

E-mail: ra-dcedsitedvpt@pa.gov

These guidelines can also be accessed online at dced.pa.gov

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Section I – Statement of Purpose

The PA Race Horse Development and Gaming Act (Act 2004-71), as amended, provides for the distribution of gaming revenues through the Commonwealth Financing Authority (CFA) to support projects in the public interest within the Commonwealth of Pennsylvania.

Section II – Eligibility

A. Eligible Applicants

- Counties
- Municipalities
- Municipal Authorities
- Economic Development Agencies
- Redevelopment Authorities

B. Eligible Projects

Eligible projects must be owned and maintained by an eligible applicant or a nonprofit organization.

- **Projects in the Public Interest**
Projects that improve the quality of life in the community.

C. Eligible Uses of Funds

- Acquisition
- Construction
- Demolition
- Infrastructure
- Purchase of vehicles, machinery and/or equipment
- Planning, consulting and design costs related to planning projects.
- Engineering, design and inspection, to include permitting fees, for construction projects not to exceed 10% of the total grant award.
- Administrative costs of the grantee for the purposes of administering the grant. Administrative costs may not exceed 2% of the total grant request.
- Contingency costs not to exceed 5% of documented construction and infrastructure costs.

D. Ineligible Project Costs

- Operations and salary costs with the exception of administrative costs of the grantee directly related to grant administration.
- Training costs.
- Consulting fees with the exception of costs for an eligible planning project.
- Warranty fees.
- Public relations and marketing costs.
- Fees for securing other financing, interest on borrowed funds, and/or refinancing of existing debt.
- Lobbying, reparations, fines, application preparation/consultant fees.
- Costs incurred prior to the approval of CFA funding.

Section III – Grant Requirements and Limitations

A. Funding

- Grants are available for projects with a total eligible project cost of \$25,000 or more.
- Grant requests shall not exceed \$1,000,000 for any project.

B. Applications and Project Scope

- Each application must include a cohesive project scope based on a singular project. This may include multiple phases of the same project.
- Applicants may submit multiple applications.

C. Project Activity Period

- Projects may not commence work prior to receiving CFA approval. Projects that begin prior to approval, including any proposed match, will result in the project being ineligible for funding consideration.
- To be eligible for reimbursement, project costs must be incurred within the time frame established by the grant agreement.

Section IV – Program Requirements

A. Nondiscrimination

No assistance shall be awarded to an applicant under this program unless the applicant and the project user certifies to the CFA that the project user shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All contracts for work to be paid with grant funds must contain the commonwealth's official nondiscrimination clause.

B. Project Account

For record maintenance and audit purposes, all Local Share Account funds must be deposited in a separate project account.

C. Project Records

The applicant must maintain full and accurate records with respect to the project. The CFA requires access to such records as well as the ability to inspect all project work, invoices, and other relevant records at reasonable times and places.

D. Certification of Expenses

The applicant shall sign a payment request form certifying that the expenses were incurred and were in accordance with the scope of work approved by the CFA. In lieu of a formal project audit and prior to final closeout of the grant agreement, the applicant shall be required to submit copies of all canceled checks verifying the expenditure of the LSA Program proceeds. Bank statements may also be submitted if electronic payment of the expenditure occurred.

E. Bidding

If the applicant is a political subdivision or other entity for which open and competitive bidding procedures have been established by law, it shall comply with those statutory bidding procedures. If not, the grantee shall comply with open and competitive bidding procedures in awarding any contracts in excess of \$10,000 for construction, reconstruction, demolition, alteration and/or repair, for acquisition of machinery and equipment, or for engagement of the services of a professional consultant, when such contracts are funded at least 50% with funds made available under this Contract. In order to comply with open and competitive bidding procedures, the grantee must obtain a minimum of three arms-length bids from contractors who are capable of performing the services requested.

F. Prevailing Wage

The Pennsylvania Prevailing Wage Act (43 P.S. § 165-1 et seq.; 34 Pa. Code § 9.101 et seq.) may be applicable to a project funded under this program. Prevailing Wage requirements are generally applicable to grants for construction, demolition, reconstruction, alteration, repair work, renovations, build-out and installation of machinery and equipment in excess of \$25,000. If applicable, the grantee is responsible for including prevailing wage rates in all bid documents, specifications, and construction contracts pertaining to the Project. The Department of Labor and Industry (L&I) has final authority to make prevailing wage applicability determinations.

G. Conflict of Interest

An officer, director, or employee of an applicant who is a party to or has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the applicant, and may not vote on action of the applicant concerning the project, nor participate in the deliberations of the applicant concerning the project.

Section V – Application Procedures

1. To apply for funding, the applicant must submit the electronic on-line Department of Community & Economic Development (DCED) Single Application for Assistance located at www.esa.dced.state.pa.us. Required supplemental information outlined in Section VI of these guidelines must be attached electronically to the application on the Addenda tab.
2. The CFA will review applications to ensure that each proposed project meets eligibility requirements. Evaluation criteria are outlined in Section VII.
3. Applications will be received from January 26, 2022 to March 15, 2022.
4. The CFA charges a \$100 non-refundable application fee for the Local Share Account applications. The application fee must be paid electronically by credit or debit card through our secure, third-party vendor. Payment of the application fee must be completed prior to the certification and submission of the Electronic Single Application. Detailed payment instructions will be provided on the Certification Tab of the Electronic Single Application once all required fields have been completed.

Note: Upon completion of the payment transaction, you will be redirected to the Electronic Single Application to complete the submission process resulting in confirmation of submission and generation of a 12-digit Application ID number. Failure to complete this process will make your application ineligible for consideration.

Section VI – Application Supplemental Items

In addition to the basic online application, the Applicant shall submit the following list of items:

Exhibit 1: Project Description

Provide a description of the project which contains all the following:

- a. A clear, concise and focused description of the proposed project to include specific project activities and expected results;
- b. The specific location of the project site;
- c. As applicable, identification of the project as a priority investment in a local or regional economic development plan or strategy;
- d. As applicable, the anticipated positive economic development and/or community impact of the project;
- e. As applicable, a detailed, color-coded map with a color legend that shows a clear illustration of the project to include street names and project boundaries (note: this is not applicable, for example, when requesting equipment or single-site renovation/rehab/construction); and
- f. Estimated start and end dates for the project costs.

Exhibit 2: Cost Estimate(s)

Provide a detailed estimate of project costs. The estimate must be dated and current (within one year of application submission). Engineering and construction estimates must be provided by a PA licensed engineer or qualified professional. Estimates of costs for specified products, materials, equipment, etc. must be in writing from a qualified vendor.

Exhibit 3: Ownership Notice

Provide confirmation that the project will be owned and maintained by an eligible applicant or nonprofit organization.

Note: A separate document including this language is unnecessary due to the inclusion of a formal electronic acknowledgement when completing the Single Application for Assistance.

Exhibit 4: Resolution

Public sector applicants must provide a resolution duly adopted by the applicant's governing board formally requesting the grant, designating two officials to execute all documents, describing briefly the project scope, and identifying the grant amount (See Appendix I for a Sample Resolution).

Exhibit 5: Matching Funds

Match is not required for this program. If your project budget, as outlined in this application, includes other funding sources, provide copies of funding commitment letters and/or evidence of organizational fund capacity – financials, loan commitments, etc.

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Section VII – Application Evaluation

The CFA will review and evaluate applications based on cost, strategic importance, and impact.

Section VIII – Procedures for Accessing Funds

1. Upon approval of an application by the CFA, a grant agreement and commitment letter will be electronically issued to the applicant explaining the terms and conditions of the grant. The grant agreement must be electronically signed and returned to the CFA within 45 days of the date of the commitment letter or the offer may be withdrawn by the CFA.
 - At the time of application, the CFA will request the name, title, and email address of two individuals authorized to execute a contract, if awarded. For public sector applicants, this information should match the officials designated within the resolution. Staff will verify the accuracy of information prior to contracting, as necessary.
2. A *fully executed* contract between the applicant and the CFA is required prior to the disbursement of grant funds.
3. Requests for payment must be submitted to the DCED Center for Community Enhancement by submitting the required payment request form accompanied by invoices, bid tabs, construction contracts or other approved documentation verifying costs incurred by the applicant. Applicants should take note that payment requests require 2-4 weeks for processing.

Section IX – Program Inquiries

Program inquiries should be directed to:

PA Department of Community and Economic Development
Center for Community Enhancement
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Telephone: (717) 787-6245
Email: ra-dcedcbf@pa.gov

COVID-19 ARPA PA SMALL WATER AND SEWER

SMALL PROJECTS TO IMPROVE PUBLIC WATER SUPPLY AND SANITARY SEWER SYSTEMS

Program Guidelines | September 2022



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Section I – Statement of Purpose

The PA Small Water and Sewer Program was established pursuant to § 1774.1-A of the Act of April 25, 2016 (P.L. ____, No. 25)(72 P.S. §1741-A.1 et. seq.), as amended, and authorizes the Commonwealth Financing Authority to award grants to municipalities and municipal authorities for water, sewer, and storm water projects with a cost of not less than \$30,000 and not more than \$500,000.

Act 54 of 2022 appropriated American Rescue Plan Act funds to the PA Small Water and Sewer Program. American Rescue Plan Act funds are subject to federal compliance and reporting requirements. The Commonwealth Financing Authority will provide its Reports Schedules to all grantees for the PA Small Water and Sewer Program.

Section II – Eligibility

A. Eligible Applicants

Any of the following entities who will own the proposed project are eligible to apply for a grant.

1. **A Municipality** includes any city, township, borough, town, county, or home rule
2. **A Municipal Authority** includes any authority created by a municipality pursuant to the act known as the "Municipal Authorities Act"

B. Eligible Projects

Eligible projects are those that have a total project cost of not less than \$30,000 and not more than \$500,000 and involve the construction, improvement, expansion, repair, or rehabilitation of a water supply system, sanitary sewer system, storm sewer system, or infrastructure that reduces the amount of runoff that needs to be managed by traditional infrastructure that are owned and maintained by an eligible applicant. An eligible project also includes consolidation or regionalization of two or more water supply systems or sanitary sewer systems which are managed or operated as an integrated system regardless of whether the system is physically connected.

Projects must be scoped to align to a single Expenditure Category (EC 5.1-5.18) as outlined in Appendix III.

C. Eligible Use of Funds

Funds may be used by the applicant to pay for any of the following project costs:

1. Construction, improvement, expansion, repair, or rehabilitation of a water supply system, sanitary sewer system, storm sewer system, or green stormwater infrastructure, including bioretention basins and rain gardens.
2. Installation of security measures.
3. Acquisition of land, rights-of-way and easements necessary to construct an eligible project.
4. Purchase and installation of fixed equipment.
5. Engineering and design costs not to exceed 10% of the grant amount.
6. Inspection costs related to the construction of an eligible project.
7. Permit Fees.
8. Costs to secure appropriate bonds and insurance.

9. Administrative costs of the applicant that are necessary to administer the grant. Administrative costs include advertising and, legal costs as well as documented staff expenses. Administrative costs shall not exceed 2% of the grant and any amount over 2% cannot be included as match for this program.
10. Project contingencies associated with construction costs are limited to 5% of the eligible construction costs. No other contingencies shall be included as eligible project costs.

Ineligible costs include but are not limited to fees for securing other financing, interest on borrowed funds, refinancing of existing debt, lobbying, fines, application preparation fees, tap in fees, and costs incurred prior to approval.

Section III – Program Requirements

A. Matching Fund Requirement

An eligible applicant shall provide matching funds of not less than 15% of the total eligible project cost. The cash match may come from any other source including PENNVEST.

B. Planning Approvals

All recipients of funding are required to demonstrate in the application that the project complies with regional, county and local comprehensive plans as evidenced by a letter from the appropriate local planning agency. If inconsistencies between plans exist, preference will be given to the approved county-level plans.

C. Other Requirements

1. Conflicts of Interest

An officer, director, or employee of an applicant who is a party to or who has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the applicant and may not vote on any action of the applicant concerning the project nor participate in the deliberations of the applicant concerning the project.

2. Nondiscrimination

No assistance shall be awarded to an applicant under this program unless the applicant and project user, if applicable, certify to the Authority that the applicant and project user, if applicable, shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All contracts for work to be paid with assistance must contain the commonwealth's official nondiscrimination clause.

3. Project Records

The applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The Authority requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon request of the Authority, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

4. **Pennsylvania Prevailing Wage Act**

The Grantee will comply with the PA Prevailing Wage Act of 1961, as amended (43 P.S. 165-1 through 165-17) in those instances in which the federal Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) either is not applicable or an exception would apply to projects undertaken by the Grantee.

5. **Certification of Expenses**

The applicant shall sign a payment request form certifying that the expenses were incurred and were in accordance with the scope of work approved by the CFA. In lieu of a formal project audit and prior to final closeout of the grant agreement, the applicant shall be required to submit copies of all canceled checks verifying the expenditure of the PA Small Water and Sewer Program proceeds. Bank statements may also be submitted if electronic payment of the expenditure occurred.

6. **Worker Protections**

Contractors and grantees of the Commonwealth must certify that they are in compliance with all applicable Pennsylvania state labor and workforce safety laws. Such certification shall be made through the Worker Protection and Investment Certification Form (BOP-2201) and submitted with the bid, proposal or quote.

7. **Bidding Requirements**

Applicants must comply with all applicable federal, state, and local laws and regulations dealing with bidding and procurement. Applicants are subject to federal procurement requirements in the Uniform Guidance 2 C.F.R. § 200.317 through 200.327.

8. **Compliance Requirements**

Fund payments are subject to the following requirements in the Uniform Guidance: 2 C.F.R. § 200.330 through 200.332 regarding subrecipient monitoring and management, 2 C.F.R. 200 subpart F regarding audit requirements, and 2 C.F.R. 180 regarding competitive bidding and contractor oversight.

9. **Financial Audit**

A Recipient or Sub-Recipient that expends \$750,000 or more in federal awards during its fiscal year is required to provide the appropriate single or Program-Specific Audit in accordance with the provisions outlined in 2 CFR § 200.501.

10. **Reporting Requirements**

Grantees will be required to submit quarterly and annual reports as required under the American Rescue Plan Act. The required data is specific to the project's corresponding Expenditure Category. Templates for these reports have been added to the PA Small Water and Sewer Program page. Please note that these templates have been created using reporting requirements as of the date of these guidelines. Additional reporting requirements may be incorporated as dictated by updates to federal guidance and regulations relative to the administration of American Rescue Plan Act funds.

11. **Guideline Provisions**

The PA Small Water and Sewer Program guidelines provisions may be modified or waived by the Authority unless otherwise required by law.

D. Fees

The Commonwealth Financing Authority charges a \$100 non-refundable application fee for PA Small Water and Sewer Program applications. The application fee must be paid electronically by credit or debit card or electronic check through our secure, third-party vendor. Payment of the application fee must be completed prior to the certification and submission of the Electronic Single Application. Detailed payment instructions will be provided on the Certification Tab of the Electronic Single Application once all required fields have been completed.

Section IV – Grants

1. Grants are available for projects with a total cost of not less than \$30,000 and not more than \$500,000.
2. To be eligible for reimbursement, project costs must be incurred within the time frame established by the grant agreement.

Section V – Application Procedures

1. To apply for funding, the applicant must submit the electronic on-line Department of Community and Economic Development Single Application for Assistance located at dced.pa.gov/singleapp. Required supplemental information outlined in Appendix I of these guidelines must be attached electronically to the application as directed on the Addenda tab. For technical inquiries regarding the submission of the on-line application, contact the Customer Service Center at (800) 379-7448 or (717) 787-3405.
2. Applications will be accepted from October 1, 2022 through December 21, 2022. All applications and required supplemental information must be received by December 21, 2022.
3. Prior to submitting an application, applicants must obtain a Unique Entity ID (UEI) number from the Federal System for Award Management. Information about obtaining a UEI can be found at www.sam.gov.

Section VI – Application Evaluation

All applications for financial assistance will be reviewed by the Authority to determine eligibility and competitiveness of the proposed project using the following criteria:

1. Project readiness.
2. Project is consistent with all local, state and regional comprehensive, regional resource management or economic development plans.
3. The cost-effectiveness of the proposed project when compared to other alternatives.
4. Whether the construction or repair [or consolidation] of a water or sewer project will enable customers of the system or regional system to be more efficiently served.
5. Whether the project serves existing populations or whether the project is intended to serve new development.
6. Whether the project will result in a substantiated positive economic development impact as evidenced by job creation and private investment.
7. The ability of the applicant to secure funding for the project.
8. The proactive implementation of practices to promote sustainability of the system such as asset management, water conservation, energy efficiency, and the use of nonstructural alternatives to minimize the amount of storm water that infiltrates into a system.

Section VII – Procedures for Accessing Funds

Upon approval of an application by the CFA, a grant agreement and commitment letter will be electronically issued to the applicant explaining the terms and conditions of the grant. The Grantee must provide the names, titles and e-mail addresses for two authorized individuals to receive and electronically sign the grant agreement. The grant agreement must be electronically signed and returned to the CFA within 45 days of the date of the commitment letter or the offer may be withdrawn by the CFA.

Section VIII – Program Inquiries

Program inquiries should be directed to:

PA Department of Community & Economic Development
CFA Programs Division
PA Small Water and Sewer Program
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Telephone: (717) 787-6245

Fax: (717) 772-3581

E-mail: ra-dcedsitedvpt@pa.gov

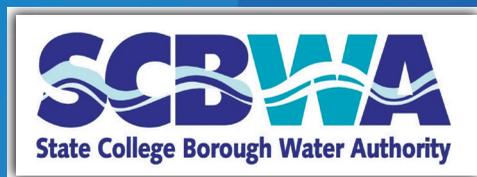
These guidelines can also be accessed online at dced.pa.gov.

APPENDIX 2

FLASH DRIVE OF DRAWINGS - SHEET NO.'S 1 AND 2

ANNUAL REPORT

2024 Water System Operation



PREPARED BY
Gwin, Dobson & Foreman, Inc.
ENGINEERS | ALTOONA, PA

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Abbreviations

Billion Gallons	BG
Gallons Per Day	GPD
Groundwater Under Direct Influence	GUDI
Mean Sea Level	MSL
Milligrams Per Liter	MG/L
Million Gallons	MG
Million Gallons Per Day	MGD
Meter Transmitter Unit	MXU
Nephelometric Turbidity Units	NTU
Pennsylvania Department of Environmental Protection	PADEP
Polyvinyl Chloride	PVC
Potential of Hydrogen (Acid/Base Measurement)	pH
Supervisory Control And Data Acquisition	SCADA
Susquehanna River Basin Commission	SRBC

Board of Directors

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Rachel A. Brennan, P.E. – Vice Chairperson
Katie McCaulley – Assistant Secretary
Dennis E. Hampton – Treasurer/Financial Consultant
Cassandra Broad – Assistant Treasurer

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Gary W. Petersen
Andrea Murrell
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Jeffrey R. Kern
Rachel A. Brennan, P.E.

Management

Brian C. Heiser, Executive Director
Katie McCaulley, Assistant Executive Director

Consultants

Lee, Green & Reiter, Inc., Robert Mix, Esq., – Solicitor
Gwin Dobson & Foreman, Inc., Mark Glenn, P.E. – Engineer
Aqualith Technologies, LLC, David Yoxtheimer, P.G. – Hydrogeologist
Boyer & Reiter, LLC – Auditor
First National Bank – Trustee, Depository & Investments

Introduction

This report is a summary of the operations of the State College Borough Water Authority for 2024. The topics include operation and maintenance activities, system improvements and extensions, facilities description, system data and performance metrics and financial information.

History

The State College Water Company was chartered by the Commonwealth of Pennsylvania on August 27, 1902. The company constructed a supply intake in Shingletown Gap and a network of pipes that distributed water to Borough customers. Later, wells were sunk near Foster Avenue and Shingletown Gap as additional supplies. This system configuration existed for the next 40 years.

On June 14, 1940, the Borough of State College incorporated the State College Borough Water Authority under the new Pennsylvania Municipal Authorities Act. On December 13, 1941, the Authority purchased the Water Company for \$233,000. At the time, the system served a population of 13,400 including the campus of Penn State University. The Shingletown Gap supplies proved to be inadequate and additional wells were drilled on the Thomas farm along Slab Cabin Run in 1948.

System expansion continued in the 1960's and 70's matching the rapid growth of the University. The Authority developed the Harter farm (1974), Nixon farm (1984) and Chestnut Ridge (1991) well fields to address this increased demand along with the provision for additional storage tanks. The transmission and distribution system grew accordingly.

In later years, the Board embarked on an ambitious water supply program when the Authority developed well fields in the Barrens (Grays Woods, 1997), Alexander farm (1999) near the airport and Kocher farm (1997) in Ferguson Township. Provisional wells were drilled, but not developed, in the Pennsylvania Furnace area.

Constructed in 1995, the Woodside Drive water treatment plant filters water from the Thomas and Harter well fields and Shingletown Reservoir. A \$25 million advanced treatment facility for the Nixon-Kocher well fields became operational in 2023.

From its original Borough charter, the service area has expanded to Ferguson, College, Halfmoon, Harris, Patton and Benner Townships. The Authority has also assumed operation of adjacent water systems in Boalsburg, Pine Grove Mills and Ridgemont. In recognition of this regional growth, State College Borough Council increased Board membership from five to seven members in 1997.

As a progressive organization, the State College Borough Water Authority has commissioned numerous planning studies to ensure safe and sustainable drinking water resources for the region. In 2017, a Source Water Protection Plan was completed to further safeguard its water supplies from development encroachment and emerging contaminants. The 2023 Long Range Plan identifies needed capital improvements and operational enhancements for the water system.

System Description

The Authority maintains an extensive water supply, treatment, transmission and distribution system which may be summarized as follows:

- Connected population of 74,944 in State College Borough and Patton, Harris, Benner, Ferguson and College Townships.
- Customer base of 15,024 metered connections with an average daily usage of 5.1 MGD and peak day demand of 6.2 MGD.
- Surface water intake on Roaring Run in Shingletown Gap with a storage capacity of 460,000 gallons and restricted withdrawal limit of 0.5 MGD.
- Seven (7) large capacity groundwater supplies, including the Thomas, Grays Woods, Harter, Nixon, Chestnut Ridge, Alexander and Kocher well fields, with a permitted capacity of 8.0 MGD.
- Water treatment facility on Woodside Drive (6 MGD capacity) that processes raw water from Roaring Run and the Harter and Thomas well fields. The treatment process consists of solids contact/upflow clarification and multi-media filtration.
- Nixon-Kocher water treatment facility in Ferguson Township (3.33 MGD Capacity) that processes raw water from the respective well fields. The advanced treatment process includes membrane microfiltration, granular activated carbon (GAC) and ultraviolet disinfection systems.
- Four (4) water disinfection facilities at the Nixon, Grays Woods, Alexander and Chestnut Ridge well fields.
- Water transmission mains and water distribution lines totaling 276 miles.
- Thirteen (13) water storage tanks with a combined capacity of 15.80 MG including eight (8) ground level steel tanks and five (5) elevated steel tanks.
- Six (6) water booster pumping stations.
- Administrative office building located on West Branch Road including a maintenance garage and materials storage area.

Water System Projects and Initiatives

<p>Turbidity Meter Replacement: The turbidity meters at the Woodside Water Plant were no longer supported by the manufacturer. A meter from a different manufacturer was successfully tested in 2023. Three meters were later purchased to replace the outdated meters.</p>	\$21,154
<p>Chart Recorder Replacement: Chart recorders are used to log various processes at all of the facilities. They are being phased out and replaced with digital data recording devices. The conversion to the digital data recorders began in 2023. Six (6) devices were purchased and installed in 2024.</p>	\$8,477
<p>Utility Truck Replacements: The Physical Plant Department purchased an extended cab, utility service truck for \$78,570 and a 2016 Ford F250 utility truck (truck 136) for \$57,739.</p>	\$136,309
<p>Equipment Purchases: The purchase of a hydraulic rock breaker, sized to operate on the mini-excavator, provides Authority crews more versatility to work in areas too small for larger excavation equipment. The cost of the rock breaker was \$16,152. A new tapping machine was also purchased that allows Authority crews to cut/tap 4" through 12" pipes. It replaced a 30-year old tapping device at a cost of \$58,946.</p>	\$75,098
<p>Water Meter Replacements: The meter shop continued to upgrade system meters with Sensus technology, including new radio-read MXU's and residential iPERL and commercial OMNI meters. Replacement work continued in 2024 with 2,715 meters installed. The work was completed by Authority personnel.</p>	\$1,223,386
<p>Administrative Building Improvements: Window replacement continued in the Customer Service Department. Window replacement will continue for the next several years.</p>	\$32,550
<p>Authority Document Preservation: The Authority maintains a large legal file library containing easements, rights-of-way, operating permits, customer applications, Board meeting minutes, etc. some of which are more than 100 years old. Because older documents are beginning to deteriorate, the documents are being professionally scanned and cataloged creating a digital library.</p>	\$26,873
<p>Waterline Projects: Design and construction of the following waterline replacement projects were completed in 2024:</p> <ul style="list-style-type: none"> <p>– Calder Way Improvements - Phase I: Work involved replacement of 2,340 feet of 6" and 10" cast iron pipe with 8" and 12" ductile iron pipe in Calder Alley from Fraser Street to McAlister Street; Humes and Kelly Alleys; and McAlister Street from Calder Way to College Avenue. The original waterline was installed in the late 1930's. The work was a part of a larger Borough infrastructure project. The bid was awarded to HRI, Inc., State College, PA for construction in 2023. However, contractor delays extended project completion into 2024.</p> <p>– North Oak Lane - This project replaced 6,800 feet of 8" cast iron pipe with 8" ductile iron restrained joint pipe. Work also included 121 service line replacements with 18-meter pits. The project spanned the entire length of North Oak Lane from Park Forest Avenue to Galen Drive. The North Oak Lane waterline, installed prior to 1965, had experienced significant main breaks since then, ranking it high on the replacement priority list. Located in the subsidence-prone area of Park Forest Village, this fact provided another incentive for main replacement. The work was completed by Sanner Masonry and Excavation, Rockwood, PA.</p> 	<p>\$1,621,979</p> <p>\$2,043,268</p>

- Boal Avenue - This project consisted of 100 feet of 8" DR-9 HDPE horizontal directionally-drilled pipe under Boal Avenue (US Route 322) by C&R Directional Boring, Inc., Clearfield, PA. Authority crews connected the HDPE pipe to the existing water main with the installation 60 feet of 8" ductile iron pipe.

\$140,470
- West Lytle Avenue - The project replaced approximately 700 feet of 6" cast iron pipe with 8" ductile iron pipe. The waterline was installed in the 1950's and ranked 9th on the replacement list. The work was completed using Authority crews.

\$89,812
- Amblewood Way - This project involved the replacement of 250 feet of 6" cast iron pipe with 2" ADS SDR9 high-density polyethylene pipe. This was completed on private property within an existing water-line easement. The work was completed by Authority crews.

\$23,729
- North Allen Street - Work involves the installation of 3,000' of 8" ductile iron pipe on North Allen Street from West Park Avenue to the Borough line and to Edith Street in Ferguson Township. This is a joint project with the Borough that was postponed until 2025. Engineering and planning were completed in 2024.

\$22,521

Engineering and Regulatory Work: The following items were completed in 2024.

- SRBC Permit Renewals Well Field 7 - The permits for wells 71, 73, 78 and 79 expired in September of 2024. The alternative hydrogeological evaluation and renewal applications were started in 2023 and submitted in 2024. In addition to the required professional hydrogeological services, permitting fees paid to the Susquehanna River Basin Commission totaled \$69,946.

\$73,485
- GIS Mapping - The expansion of the Authority GIS platform continued. The GIS consultant is working in conjunction with the Authority staff and consulting engineers to update the systemwide distribution map.

\$13,857
- Walnut Grove Feasibility Study - The Authority was approached to potentially provide service to a Benner Township development, Walnut Grove. The Authority conducted a feasibility study and offered opinions to Benner Township to help their constituents. The Authority staff and Board along with recommendation of engineers, did not find that it was in the best interest of the Authority or Walnut Grove to extend Authority service to the area. If Benner Township Water Authority elects to develop a project to serve the development, the Authority is willing to provide a tap from its existing water system and extend a water main as part of the main extension project to the development.

\$43,390
- Nixon-Kocher Treatment Plant (PennVEST) - Loan repayment commenced in 2022 and will continue for the next 20 years. The monthly payment through October 2027 is \$108,188.33. Monthly payments will increase to \$113,435.41 beginning November 2027. Debt service payments made in 2024 totaled \$1.3 million.

\$1,328,094

Water Supply and Usage

The Authority maintains a surface water intake on Roaring Run and seven (7) groundwater sources at the Thomas, Grays Woods, Harter, Nixon, Chestnut Ridge, Kocher and Alexander well fields. Raw water from Shingletown reservoir and the Thomas and Harter well fields is treated at the Woodside Drive treatment plant. The Nixon-Kocher well field treatment facility became operational in 2023.



Calder Way Phase 1 Improvements - Waterline Installation



Calder Way Phase 1 Improvements - Hydrostatic Testing

Well Field Data

2024

Well Field	Depth (Ft.)	Estimate Safe Yield (GPD)	2024 Daily Withdrawal (GPD)	SRBC Permitted Capacity (Gallons)
Thomas No. 7	165			
Thomas No. 8	165			
Thomas No. 11	155			
Thomas No. 14	142			
SUB-TOTAL - Thomas		18,345,600	1,490,800	3,400,000
Gray's Woods No. 17	696			
Gray's Woods No. 18	581			
Gray's Woods No. 19	703			
SUB-TOTAL - Gray's Woods		4,939,200	564,795	3,880,000
Harter No. 22	275			
Harter No. 24	300			
Harter No. 25	130			
SUB-TOTAL - Harter		8,539,200	1,366,258	2,500,000
Nixon No. 41	300			
Nixon No. 43	300			
Nixon No. 53	300			
SUB-TOTAL - Nixon		2,203,200	644,661	3,000,000
Chestnut Ridge No. 57	500			
SUB-TOTAL - Chestnut Ridge		1,209,600	9,373	490,000
Kocher No. 71	253			25% of Annual Withdrawal
Kocher No. 73	255			or
Kocher No. 78	379			4,800,000
Kocher No. 79	496			Emergency Use
SUB-TOTAL - Kocher		1,900,800	367,266	
Alexander No. 62	509			
Alexander No. 63	550			
Alexander No. 64	507			
Alexander No. 65	550			
Sub-total, Alexander		10,612,800	612,422	4,700,000
TOTAL - All Well Fields		47,750,400	5,055,575	

Notes:

- Well No.'s 7, 8, 11 & 14 (Thomas well field) and 22, 24 & 25 (Harter well field) are treated at the Woodside Drive water treatment facility.
- The 2024 Woodside Drive treatment plant average daily production was 2.87 MGD.
- Under normal conditions, the Nixon and Kocher well fields operate on an alternating basis.
- Safe yield is defined as the estimated long-term well pumping capacity.

The following table shows the effect of precipitation on groundwater levels. The Kocher well field permitted withdrawal is limited to 25% of total system demand or 1,330,000 GPD.

Withdrawals from the Thomas and Harter well fields and Shingletown Reservoir are included in the total permitted withdrawal of 7.3 MGD permitted for the Slab Cabin Run basin. In 2024, the total withdrawals from Thomas and Harter well fields were 2.86 MGD or 39% of the amount permitted and 10.63% of the estimated safe yield.

Shingletown Reservoir is subject to withdrawal restrictions on Roaring Run. The 2016 SRBC water allocation permit stipulates a pass-by flow of 0.63 MGD and a maximum withdrawal of 0.5 MGD. This is a reduction from a 2.0 MGD withdrawal rate and an increase in the pass-by flow of 0.315 MGD from the previous permit. The reservoir is a seasonal supply, typically used 6 to 8 months per year. In 2024, daily withdrawal from the reservoir averaged 156,119 GPD for a 126-day period of use.

In 2020, the Susquehanna River Basin Commission reduced the Authority's system-wide 30-day withdrawal limit from 9.1 MGD to 8.0 MGD, a reduction of 12.2%. The PA DEP and Susquehanna River Basin Commission may further restrict well field withdrawals pending repermitting of the individual wells over then next five (5) years.



Water Service Taps on Amblewood Way

Well Field Water Levels & Total Precipitation

2022 - 2024

	2022				2023				2024									
	No. 7	No. 19	No. 25	No. 43	No. 62	Precip*	No. 7	No. 19	No. 25	No. 43	No. 62	Precip*	No. 7	No. 19	No. 25	No. 43	No. 62	Precip*
January	14'	329'	16'	86'	194'	-0.44	16'	328'	15'	88'	196'	+0.96	12'	338'	13'	86'	202'	-2.65
February	14	329'	15'	88'	194'	+2.07	14'	327'	11'	68'	196'	-0.86	11'	341'	11'	92'	201'	+0.41
March	12'	331'	9'	86'	192'	-1.43	11'	319'	8'	62'	191'	-0.92	11'	341'	10'	87'	201'	-0.23
April	13'	331'	11'	85'	192'	+0.05	14'	330'	12'	64'	197'	-0.55	11'	342'	9'	71'	200'	-3.55
May	13'	331'	10'	87'	192'	+2.32	13'	332'	12'	63'	198'	-2.12	11'	362'	10'	50'	197'	-2.05
June	14'	331'	13'	78'	192'	-1.12	14'	332'	14'	62'	198'	-0.31	13'	341'	12'	47'	194'	+1.52
July	15'	330'	15'	86'	192'	-1.00	14'	333'	14'	62'	199'	+2.84	14'	340'	14'	67'	195'	+1.11
August	16'	329'	20'	80'	194'	-0.97	12'	334'	11'	61'	199'	+2.88	14'	340'	13'	60'	198'	-3.08
September	18'	318'	21'	83'	195'	+0.79	12'	328'	13'	61'	199'	+0.34	15'	332'	16'	64'	200'	+0.76
October	19'	326'	23'	86'	195'	-1.04	12'	336'	14'	88'	199'	-0.12	17'	341'	19'	74'	200'	-0.13
November	22'	327'	24'	86'	195'	+0.77	13'	337'	14'	89'	201'	-1.46	18'	341'	20'	73'	201'	+1.12
December	19'	328'	21'	86'	196'	+1.28	12'	338'	13'	86'	202'	+0.78	18'	339'	21'	81'	202'	+0.32
Total						+1.28						+1.46						-6.45

Lowest water levels below ground level during the month.

* Monthly Precipitation above (+) or below (-) average based on data from the PSU Dept of Meteorology. The PSU benchmark criteria for the 30 year annual average precipitation is 38.52 in.

*** Well No. 43 was not utilized in February/March 2023 due to Nixon-Kocher plant start-up.

Key:

Thomas (Well No. 7)

Gray's Woods (Well No. 19)

Harter (Well No. 25)

Nixon (Well No. 43)

Alexander (Well No. 62)



Waterline Installation at
North Oak Lane and Sylvan Drive



Waterline Installation along
North Oak Lane

Water Production - Total water produced in 2024 was 1.861 BG or an increase of 58 MG from the previous year. The 2024 average daily water production was 5,085,587 GPD, or an increase of 2.8% from 2023. Total production exceeded 5.00 MGD for the first time since 2008 due to increasing downtown student housing demand and growth in Benner and Patton Townships.

The maximum and minimum 2024 demands were 6,201,000 and 3,288,765 GPD, respectively. The 2024 maximum 30-day demand of 6.2 MGD is 77.5% of the allowable 8.0 MGD 30-day SRBC withdrawal rate.

Metered Consumption - Total 2024 metered consumption was 1.591 MG which was above 2023 usage (1.587 MG). The 2024 average daily metered consumption was 4,347,636 GPD or an increase of 0.1% from 2023. In terms of water accounts, the 2024 total was 15,024, an increase from the 2023 total of 14,924 (+1.33%).

Non-Revenue Water - The American Water Works Association has defined non-revenue water as the sum of "unbilled authorized consumption" (water for firefighting, flushing, etc.), plus "apparent losses" (customer meter inaccuracies, unauthorized consumption, etc.), and "real losses" (system leakage, tank overflows, breakage, etc.).

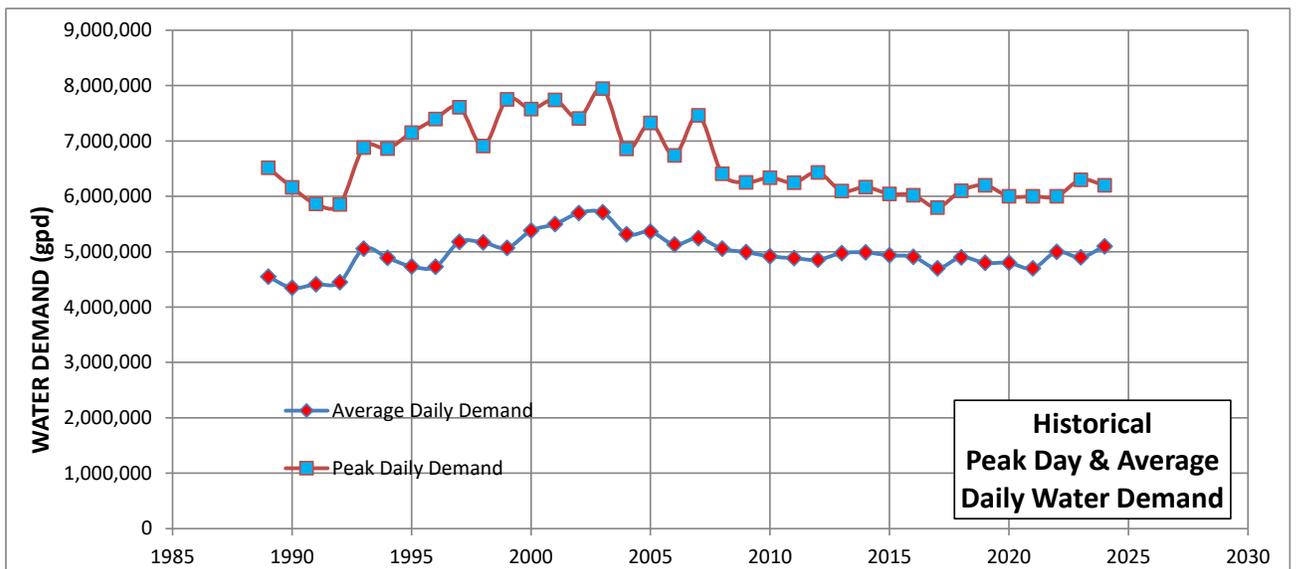
Total 2024 non-revenue water was 737,952 GPD as compared to 2023 of 593,857 gallons per day. The Authority maintains detailed records of non-revenue water as follows:

Unbilled Authorized Consumption	-	38.88 MG
Apparent Losses	-	29.99 MG
Real Losses	-	<u>201.23 MG</u>
Total Non-Revenue Water	-	270.10 MG

The actual percentage of real losses compared to 2024 total production is 10.8% which is an outstanding result. The Authority has committed significant resources and personnel to control water loss. Aggressive leak detection and leak correction efforts insure that system leakage is minimized to the greatest possible degree. These efforts have been successful with annual water loss consistently below 10-12%.

Large Customers - The largest water users are student housing, apartment complexes, and a mobile home park.

Water Demand Trends - The following figure depicts historical water demand since 1989. Water production, in terms of peak and average daily demand, plateaued in 2004. Water demand has remained relatively constant since despite the addition of 2,683 accounts. Per capita consumption has declined because of customer water conservation efforts, water-saving plumbing fixtures and economic factors.



System Data - The tables shown on the following pages provide details of water use and consumption for 2024:

- User and Municipal Classification: Accounts, Consumption and Revenue (2024)
- Estimated Service Area Population Served (2024)
- Number of Metered Accounts and Water Production (2005 - 2024)
- Customer Totals by Metered Account Type (2020 - 2024)
- Twenty Largest Customers (2024)
- Twenty Largest Customers 2024/2023 Comparison
- Historical Water Production (2005-2024)
- Non Revenue Water (2008-2024)



Calder Way Phase I Improvements -
Fire Hydrant Installation

User and Municipal Classification: Accounts, Consumption & Revenue

2024

Municipality	Category	Water Used (Gallons)	Percent Usage (%)	Number Of Accounts*	Number Of Units	Usage Per Account (Gallons)	Revenue By Category	Revenue Per Account	Pct (%) Revenue
Overall	Apartment	713,255,466	44.82	715	18,346	997,560	\$ 4,689,294.24	\$ 6,558.45	45.62
Overall	Commercial	194,856,431	12.25	798	1,950	244,181	1,291,692.46	1,618.66	12.57
Overall	Fraternity	12,007,344	0.75	44	44	272,894	79,276.57	1,801.74	0.77
Overall	Hotel or Motel	47,987,911	3.02	24	1,216	1,999,496	316,720.25	13,196.68	3.08
Overall	Industrial	13,888,104	0.87	35	35	396,803	91,000.71	2,600.02	0.89
Overall	Miscellaneous	32,916,004	2.07	123	126	267,610	155,724.94	1,266.06	1.52
Overall	Public	38,436,765	2.42	106	79	362,611	76,291.47	719.73	0.74
Overall	Residential	537,886,634	33.80	13,179	14,425	40,814	3,577,915.79	271.49	34.81
Totals		1,591,234,659		15,024	36,221	105,913	\$10,277,916.43	\$ 684.10	
	Benner Township	47,913,217	3.01	91	1,373	526,519	\$ 293,166.25	3,221.61	2.85
	Borough of State College	558,020,242	35.07	4,330	14,934	128,873	3,694,752.95	853.29	35.95
	College Township	83,841,970	5.27	692	1,404	121,159	500,113.32	722.71	4.87
	Ferguson Township	422,043,288	26.52	4,466	8,549	94,501	2,764,281.60	618.96	26.90
	Harris Township	108,758,687	6.83	2,165	2,784	50,235	709,952.29	327.92	6.91
	Patton Township	370,657,255	23.29	3,280	7,177	113,005	2,315,650.02	705.99	22.53
Totals		1,591,234,659		15,024	36,221	105,913	\$10,277,916.43	\$ 684.10	

*Metered Accounts

Estimated Service Area Population

2024

Municipality	Municipality Estimated Population	SCBWA Residential Served	SCBWA Apartments Served	Total Res./Apt. Served	SCBWA Population Served	SCBWA % Population Served	SCBWA Persons Per Household
Benner Township	8,702	518	827	1,345	1,740	20%	1.29
College Township	11,509	597	516	1,113	2,417	21%	2.17
Ferguson Township	19,351	4,110	3,529	7,639	17,803	92%	2.33
Harris Township	6,010	2,342	346	2,688	5,770	96%	2.15
Patton Township	15,926	3,153	3,354	6,507	15,448	97%	2.37
State College Borough	41,254	3,705	9,774	13,479	31,766	77%	2.36
Total	102,752	14,425	18,346	32,771	74,944	73%	n/a

Notes:

Census Population: State College Borough includes off-campus seasonal student population.

Population Information: Based on US Census 2023 American Community Survey population estimates.

Persons/Household: Assumes that residential and apartment units have same persons/household density for computation of total population.



Calder Way Phase 1 Improvements -
Tapping Sleeve and Valve Installation
at McAllister Street and College Avenue

Number of Metered Accounts and Water Production

2005 - 2024

Year	Metered Accounts	Avg. Day Production (GPD)	Peak Day Production (GPD)
2005	13,003	5,364,000	7,326,000
2006	13,164	5,132,000	6,737,000
2007	13,272	5,246,000	7,462,000
2008	13,437	5,055,000	6,409,000
2009	13,540	4,993,000	6,252,000
2010	13,632	4,917,000	6,338,000
2011	13,715	4,885,000	6,246,000
2012	13,827	4,856,000	6,434,000
2013	14,028	4,977,000	6,098,000
2014	14,196	4,988,000	6,166,000
2015	14,343	4,935,000	6,043,000
2016	14,435	4,909,000	6,022,000
2017	14,889	4,735,000	5,824,000
2018	14,938	4,860,000	6,071,000
2019	14,593	4,804,000	6,179,000
2020	14,682	4,794,000	6,037,000
2021	14,756	4,726,000	6,057,000
2022	14,804	4,959,000	5,972,000
2023	14,924	4,941,000	6,318,000
2024	15,024	5,085,587	6,201,000

Customer Totals by Metered Account Type

2020 – 2024

Account Type	2020	2021	2022	2023	2024
Residential	12,845	12,913	12,963	13,079	13,179
Apartment	714	711	712	721	715
Commercial	796	802	797	791	798
Fraternity	44	43	44	44	44
Lodging	26	26	26	24	24
Industrial	33	32	34	35	35
Public	101	104	103	105	106
Miscellaneous	123	125	125	125	123
Total	14,682	14,756	14,804	14,924	15,024



Calder Way Phase 1 Improvements -
Waterline Installation on Kelly Alley

Twenty Largest Customers

2024

Account	Number Of Units	Consumption (Gallons)	Average Gallons Per Day	Total Income
Copper Beach	145	26,480,802	72,352	\$174,773.29
Village of Nittany Glen	411	25,024,176	68,372	\$154,148.92
The Station at State College	163	21,653,000	59,161	\$142,909.80
Turnberry Apartments	406	21,399,933	58,470	\$141,239.53
The Pointe	295	20,304,000	55,475	\$134,006.40
Parkway Plaza Apartments	428	19,733,000	53,915	\$130,237.80
College Park Students Apts	196	19,142,680	52,302	\$126,341.69
Heritage Village	410	17,174,000	46,923	\$113,348.40
Continental Courts	422	16,873,000	46,101	\$103,937.68
The Grove	424	15,790,000	43,142	\$104,214.00
State College Area School Dist.	21	15,215,613	41,573	\$100,423.05
The Yards	268	14,890,000	40,683	\$98,274.00
Park Crest Terrace Apts	241	14,853,410	40,583	\$98,032.52
Juniper State College III, LLC	43	12,618,027	34,475	\$83,278.98
The Bryn	206	11,905,198	32,528	\$78,574.31
Suso 4 Northland LP	16	11,750,575	32,105	\$77,553.80
The Retreat at State College	139	11,209,323	30,627	\$73,981.52
Tremont	205	10,718,000	29,284	\$70,738.80
Here at State College	227	10,685,776	29,196	\$70,526.11
GN Associates	191	9,661,657	26,398	\$63,766.94
Totals	4,836	327,082,170	893,665	\$2,140,307.54

Twenty Largest Customers

2024/2023 COMPARISON

Account	Number Of Units	2024 Consumption (Gallons)	2023 Consumption (Gallons)	2024-2023 Comparison
Copper Beach	145	26,480,802	29,598,749	-3,117,947
Village of Nittany Glen	411	25,024,176	9,377,538	15,646,638
The Station at State College	163	21,653,000	27,087,000	-5,434,000
Turnberry Apartments	406	21,399,933	18,846,210	2,553,723
The Pointe	295	20,304,000	20,680,000	-376,000
Parkway Plaza Apartments	428	19,733,000	18,980,367	752,633
College Park Student Apts	196	19,142,680	19,549,468	-406,788
Heritage Village	410	17,174,000	18,101,000	-927,000
Continental Courts	422	16,873,000	20,673,000	-3,800,000
The Grove	424	15,790,000	16,010,000	-220,000
State College Area School Dist.	21	15,215,613	16,663,398	-1,447,785
The Yards	268	14,890,000	15,032,000	-142,000
Park Crest Terrace Apartments	241	14,853,410	13,894,054	959,356
Juniper State College III LLC	43	12,618,027	13,930,047	-1,312,020
The Bryn	206	11,905,198	9,181,085	2,724,113
Suso 4 Northland LP	16	11,750,575	10,961,964	788,611
The Retreat at State College	139	11,209,323	11,486,692	-277,369
Tremont	205	10,718,000	9,735,000	983,000
Here at State College	227	10,685,776	11,582,317	-896,541
GN Associates	191	9,661,657	9,811,333	-149,676
Totals	4,836	327,082,170	321,181,222	295,047

Historical Water Production

Year	Annual Total (Gallons)	Average Per Day (Gallons)
2005	1,957,756,000	5,364,000
2006	1,873,071,000	5,132,000
2007	1,914,817,000	5,246,000
2008	1,850,035,000	5,055,000
2009	1,822,607,000	4,993,000
2010	1,794,828,000	4,917,000
2011	1,783,064,000	4,885,000
2012	1,777,387,000	4,856,000
2013	1,816,299,000	4,976,000
2014	1,820,523,000	4,988,000
2015	1,801,269,000	4,935,000
2016	1,791,776,000	4,909,000
2017	1,728,255,000	4,735,000
2018	1,773,744,000	4,860,000
2019	1,753,317,000	4,803,608
2020	1,754,661,000	4,794,156
2021	1,724,860,000	4,726,000
2022	1,809,964,000	4,959,000
2023	1,803,477,000	4,941,000
2024	1,861,325,000	5,085,587

Non-Revenue Water

2008 - 2024

Year	Total Production (Gallons)	Total Metered Consumption (Gallons)	Non Revenue Water (Gallons)
2008	1,850,035,000	1,614,369,785	235,665,215
2009	1,822,607,000	1,563,796,806	258,810,194
2010	1,794,828,000	1,566,884,844	227,943,156
2011	1,783,064,000	1,526,302,784	256,761,216
2012	1,777,387,000	1,516,111,111	261,275,889
2013	1,816,299,000	1,520,242,263	296,056,737
2014	1,820,523,000	1,525,598,274	294,924,726
2015	1,801,268,000	1,574,308,232	226,959,768
2016	1,791,776,000	1,559,600,000	232,400,000
2017	1,728,255,000	1,480,738,000	247,500,000
2018	1,773,744,000	1,469,377,000	304,367,000
2019	1,753,317,000	1,513,602,000	239,715,000
2020	1,754,661,000	1,502,851,125	251,809,875
2021	1,724,860,000	1,507,393,566	217,466,434
2022	1,809,964,000	1,580,673,058	229,290,942
2023	1,803,477,000	1,586,719,158	216,757,842
2024	1,861,325,000	1,591,234,659	270,090,341

Notes:

"Total Production" consists of water produced from the Nixon, Kocher, Grays Woods, Chestnut Ridge and Alexander well field sources along with treatment plant production consisting of the Shingletown Reservoir and Thomas and Harter well field sources.

"Total Metered Consumption" is subtracted from "Total Production" to obtain "Non-Revenue Water"

Water Quality and Treatment

Source Water Treatment - Wells - Raw water from the Alexander, Chestnut Ridge and Grays Woods well fields is disinfected at the well sites. Fluoridation treatment was discontinued by the Authority in 2023.

A 2014 evaluation of the Nixon-Kocher well fields indicated that the aquifers have elevated risk factors for surface water impact and potential emerging contaminants. In addition, the Authority desired redundant filtration capability especially for the growing Zone 5 district served by the Nixon-Kocher supply. After three (3) years of construction, the Nixon-Kocher water treatment plant with membrane filtration, granular activated carbon (GAC) and ultraviolet disinfection became operational in 2023.

Source Water Treatment - Slab Cabin Run Wells and Surface Water - Raw water from the Harter well field (Nos. 22, 24 and 25), Thomas well field (No's. 7, 8, 11 and 14) and Shingletown reservoir is processed at the Woodside treatment facility. These sources must be filtered according to Safe Drinking Water Act requirements since they are either surface water sources or groundwater-under-the-direct-influence (GUDI) of surface water. Unit operations include chemical addition, rapid mix, flocculation, solids contact upflow clarification, filtration, chlorination, solids separation, solids dewatering, clearwell storage and chlorine disinfection. As stated above, fluoridation treatment was discontinued by the Authority in 2023.

In 2017, the Authority successfully completed pilot testing of advanced treatment technologies (membrane filtration, granular activated carbon) at the Woodside treatment plant as part of a future plant upgrade project. Upgrades to the 1994 facility were considered in the upcoming Long Range Plan to be presented to the Board for acceptance in 2024.

Treatment Performance - The Authority meets all regulatory standards for turbidity, chlorine residual, lead/copper and other contaminants. There were no violations of USEPA Safe Drinking Water Standards in 2024. Refer to Appendix I for a tabulation of water quality sampling frequency.

In 2024, the Authority was again recognized by USEPA - Region 3 for "Outstanding Treatment Facility Performance" at the Woodside water treatment facility under the "Area-Wide Optimization Program (AWOP) Award".

Instrumentation and Control Systems - The Authority uses Supervisory Control and Data Acquisition (SCADA) technology to monitor system status including tank level, pressure, well pump status and other important metrics. The monitoring system uses programmable logic controllers and instrumentation along with custom-designed software systems to monitor and control treatment plant processes and operations.

New Treatment Technologies - New treatment technologies employed at the new Nixon-Kocher plant and planned for future upgrades at the Woodside facility and Alexander well field are membrane filtration, granular activated carbon and UV processes.

Membrane filtration uses a thin, semi-permeable layer of synthetic polymer material that is capable of separating contaminants as a function of their physical/chemical characteristics. Acting as an absolute, physical particle barrier, the Authority will use a hollow-fiber microfiltration (MF) system with a submicron pore size (0.05-1.0 microns). MF will remove conventional particles (sand, silt, clays, etc.), pathogen cysts (*giardia lamblia*, *cryptosporidium*), algae, some bacterial species and certain viral strains. The cartridge system can be easily retrofitted for more advanced membrane systems such as nanofiltration and reverse osmosis.

The Authority will also employ granular activated carbon (GAC) systems to provide enhanced treatment of contaminants such as natural and synthetic organics, endocrine disrupters, pharmaceuticals and personal care products (PCP) to a non-detectable concentration level. Activated carbon is processed to have small, low-volume pores that increase the surface area available for adsorption or chemical reactions. This high degree of micro-porosity serves as an effective contaminant adsorbent. GAC is made from organic materials with high carbon content such as wood, lignite, coal and coconut shells. The chosen media at the Nixon-Kocher GAC system are coconut shells and a resin compatible with anticipated contaminants.

An ultraviolet disinfection system is used as an additional treatment barrier for inactivation of pathogenic bacterium. The UV system can also be paired with a strong oxidant (peracetic acid, hydrogen peroxide, etc.) as an Advanced Oxidation Process for treatment of emerging contaminants.

Emerging Contaminants - Because of the karst nature of the regional groundwater system, the well fields are vulnerable to emerging contaminants, agricultural-related pollution and the direct influence of surface water impacts including chemical spillage, stormwater runoff and wastewater discharges. The degree of potential well field contamination depends on many factors including site-specific hydrogeology, well depth, well construction, well usage and drawdown, precipitation, groundwater recharge and proximity to potential contaminants, among others.

For instance, well fields adjacent to farmlands may be impacted by agricultural contaminants such as pesticides, herbicides and steroidal compounds while groundwater under the direct influence (GUDI) of surface water would include stormwater runoff contaminants from roadways, developments and all other land surfaces.

More recently, newly regulated contaminants pose a more immediate threat; specifically perfluoroalkyl and polyfluoroalkyl substances (PFAS) or more popularly know as the "forever chemicals." The impact of PFAS and associated compounds on the Authority aquifers is dependent on contaminant monitoring as required by PADEP and relative proximity to potential PFAS sources. The USEPA recently established maximum contaminant levels of 4.0 parts per trillion for PFOA and PFOS, individually.

Treatment for PFAS compounds can be achieved by implementation of advanced processes recently constructed at the Nixon-Kocher water treatment facility. Sub-micron particle removal (membrane filtration) and granular activated carbon systems, in particular, are effective in PFAS removal.

Woodside Drive Treatment Plant Water Quality and Operating Data 2024

Raw Water Quality Parameter	Source Water (Reservoir/Wells)
pH	6.08 - 7.67
Alkalinity (mg/l)	25 - 211
Turbidity (NTU)	0 - 0.08
Hardness (mg/l)	223 - 243
Hardness (grains)	13.0 - 14.2

Finished Water Quality Parameter	Combined Source Water
Turbidity (NTU)	0.007 - 0.016
Temperature	8.1° - 14.9°C/46.6° - 58.8°F
Alkalinity (mg/l)	189 - 228
pH	6.47 - 7.76
Chlorine Residual (mg/l)	1.23 - 1.64

WATER FILTRATION PLANT OPERATING DATA

	2022	2023	2024
Water Produced	1.003 BG	1.065 BG	1.047 BG
Peak Day	3,442 MG	3,245 MG	3,744 MG
Average Day	2.75 MG	2.91 MG	2,869 MG
Stern Pac Used	7,748 lbs.	7,654 lbs.	7,786 lbs.
Chlorine Used	13,122 lbs.	14,161 lbs.	13,238 lbs.
Fluoride Used	10,032 lbs.	1,419 lbs.*	0 lbs.
Operating Days	365	365	366

*Fluoride treatment was discontinued in early 2023.

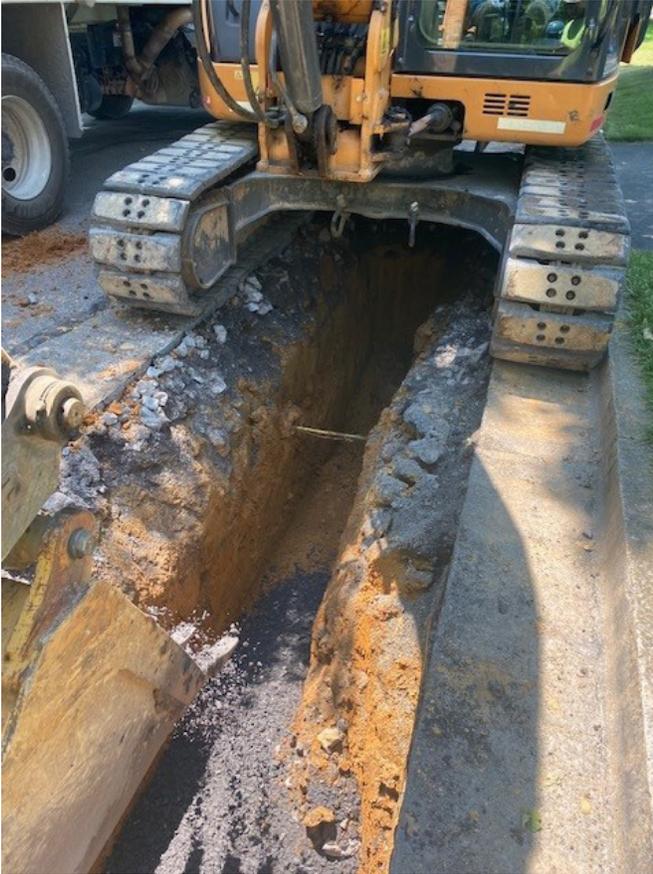
(Water Sources: Shingletown Reservoir, Thomas Wells No.'s 7, 8, 11, 14 and Harter Wells No.'s 22, 24, 25)

Nixon-Kocher Treatment Plant
Water Operating Data
2024

WATER FILTRATION PLANT OPERATING DATA

2024	
Water Produced	3,778 MG
Peak Day	1.644 MG
Average Day	1.035 MG
Chlorine Used	4.945 lbs.
Operating Days	366

(Water Sources: Nixon Wells No.'s 41, 43, 53 and Kocher Well No.'s 71, 73, 78, 79)



Backfilling Waterline Trench on West Lytle Avenue

Limestone Deposit Encountered During
Excavation on West Lytle Avenue



Water Storage

A tabulation of distribution storage tanks is shown below. Based on total system storage (15.80 MG) and the 2024 average daily production (5.09 MGD), the average system-wide "water age" is 3.1 days which is considered adequate.

Tank No.	Location	Pressure Zone	Tank Type	Capacity (Gallons)
1	West Aaron Drive	1	Elevated	750,000
2	Oakridge Avenue	3	Elevated	1,000,000
3	West Foster Avenue	3	Elevated	1,000,000
4	Driftwood Drive	4	Elevated	1,000,000
5	Old Gatesburg Road	5	Elevated	1,000,000
6	Curve Hill Road	5	Ground Level	2,000,000
7	Route 550	4	Ground Level	2,000,000
8	Torrey Lane, Boalsburg	8	Ground Level	1,800,000
Water Treatment Plant	Woodside Drive	3	Ground Level	250,000
			Ground Level	250,000
			Ground Level	1,250,000
			Ground Level	3,000,000
9	Water Street, Pine Grove Mills	2	Ground Level	500,000
			TOTAL	15,800,000

Water Transmission and Distribution System

The water system is comprised of six pressure zones, each controlled by at least one distribution storage tank. Refer to the following maps of the service area (Figure 1, page 35) and hydraulic profile (Figure 2, page 36 for additional information. A description of each service zone is as follows:

ZONE 1 - STATE COLLEGE BOROUGH - NORTH

Zone 1 serves the Overlook Heights area of Ferguson Township, as well as that part of State College Borough to the north and west of Penn State University. Zone 1 is bisected by North Atherton Street and bordered by Aaron Drive to the northwest and the University to the south and east. Zone 1 receives its supply from Zone 3 via the Foster Avenue pumping station.

ZONE 2 - PINE GROVE MILLS

The second highest pressure zone in the system (El. 1472 msl), Zone 2 supplies water to Pine Grove Mills and other areas of Ferguson Township. Zone 2 receives its supply from Zone 5 via Pump Station No. 2 in Pine Grove Mills. Pump Station No. 6 provides service to several customers located above Tank No. 9.

ZONE 3 - STATE COLLEGE BOROUGH - SOUTH

Zone 3 encompasses the portion of State College Borough to the east and south of Penn State, as well as parts of College Township (between the Borough and Harris Township). It is bordered to the northwest by Penn State and to the east by West Branch Road. Zone 3 is the lowest pressure zone in the system (El. 1290 msl). The zone receives water directly from the Woodside Drive treatment plant.

ZONE 4 - GRAYS WOODS

The highest pressure zone in the system (El. 1545 msl), this service area consists of the Park Forest Village and the Grays Woods area in Patton and Halfmoon Townships, respectively. Zone 5 receives its water supply directly from the Grays Woods well field.

ZONE 5 - NORTH ATHERTON STREET - FERGUSON TOWNSHIP

Encompassing portions of Ferguson, Patton and Benner Townships, Zone 5 (El. 1420 msl) is bordered to the south by Whitehall Road; to the north by the Toftrees and University Park Airport; to the east by Aaron Drive and West College Avenue; and to the west by Zone 4. Having the largest customer base, Zone 5 receives its water from the Nixon, Kocher, Chestnut Ridge and Alexander well fields. Zone 5 also feeds water to Pine Grove Mills (Zone 2).

ZONE 8 - SOUTH ATHERTON STREET - BOALSBURG

Zone 8 provides water to the Boalsburg/Harris Township service area and is controlled by Tank No. 8 (El. 1385 msl). Water is supplied from Zone 3 via Pump Station No. 5 located on Woodside Drive.

Zone Supply Configuration

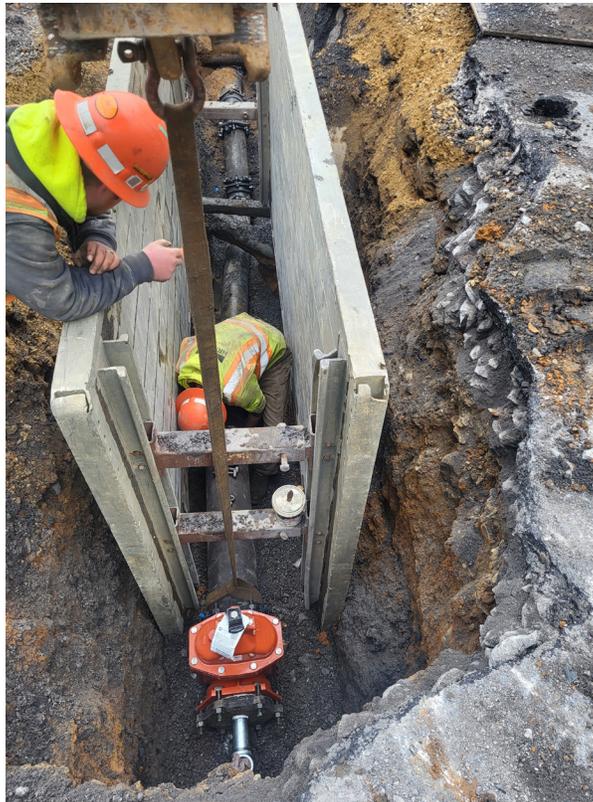
The system has seven (7) water supply sources serving Zones 3, 4 and 5. Five pump stations send water from Zone 3 to Zones 1, 5 and 8 and from Zone 5 to Zones 2 and 4. Treated water to Zone 3 originates at the water treatment plant via the High Service pump station. The hydraulic profile (Figure 2) provides a schematic representation of these configurations.

Zones 1 and 8 depend solely on Zone 3 for source water and have no water sources of their own. Grays Woods (Well Field No. 2) serves Zone 4. Nixon Farm (Well Field No. 4), Chestnut Ridge (Well Field No. 5), Alexander Farm (Well Field No. 6) and Kocher Farm (Well Field No. 7) serve Zone 5. Well Field No.'s 2, 4, 5 and 7 (Grays Woods, Nixon Farm and Kocher Farm) serve Zones 4 and 5, while Well Field No. 6 (Alexander Farm) serves Zone 5. Zone 2 depends solely on Zone 5 for source water.

Well Field No. 6 (Alexander Farm) serves Zone 5 (Tank No. 6). Zone 4 is served by the Grays Woods well field (Well Field No. 2), located at the western end of the system. This well field pumps water to Tank No. 4 (Park Forest Village) and Tank No. 7 (Grays Woods). Water from Zone 4 can also be supplied to Tank No. 6 in Zone 5 through a pressure reducing connection.

A summary of this zone supply configuration is shown in the following table:

Zone	Supply	Zone Supply
Three	Thomas and Harter Well Fields, Shingletown Reservoir	Zones 1, 5 & 8
Four	Grays Woods Well Field	Zone 5
Five	Nixon, Kocher, Chestnut Ridge and Alexander Well Fields	Zones 1, 2, 3 & 4



Calder Way Phase 1 Improvements -
Waterline Installation

Capital Improvements

A summary of major capital improvements projects over the last 20 years is shown below, an investment totalling over \$56.5 million.

PROJECT	COMPLETED	COST
Tank No. 1 Repainting and Corrosion Control	2005	\$ 216,420
Devonshire Drive Waterline Replacement	2006	\$ 544,936
W. Park Avenue Waterline Replacement	2006	\$ 228,280
Science Park Road Waterline Replacement	2006	\$ 575,500
Water Treatment Plant Control System Replacement	2006	\$ 208,316
Well No. 25 Upgrade	2007	\$ 60,000
Source Water Protection Plan (Veolia Water Systems)	2007	\$ 351,197
Treatment Plant Tanks Painting and Corrosion Control (3, total)	2008	\$ 591,600
Beaver Avenue Waterline Replacement - Phase I	2008	\$ 1,247,026
Beaver Avenue Waterline Replacement - Phase II	2008	\$ 2,110,260
Administration Office Building Expansion	2008	\$ 2,400,000
Tank No. 3 Repainting and Corrosion Control	2009	\$ 451,068
Tank No. 8 Repainting and Corrosion Control	2009	\$ 248,225
Park Lane (Devonshire to Park Forest Avenue) Waterline Replacement	2009	\$ 170,000
South Allen Street (Foster to Irvine) Waterline Replacement	2009	\$ 502,503
Vairo Boulevard (Berman to Oakwood) Waterline Replacement	2009	\$ 407,088
Woodycrest (Lauck, 5th, Weaver Streets) Waterline Replacement	2010	\$ 509,446
West Fairmount (South Atherton to Foster Avenue) Waterline Replacement	2011	\$ 139,096
Tank No. 4 Repainting and Corrosion Control	2011	\$ 121,450
Foster Avenue (Gill to Buckhout) Waterline Replacement	2011	\$ 384,169
Radio Read Meter Installation (14,366)	2012	\$ 1,723,920
SCADA System Replacement (Cambria Systems)	2012	\$ 285,960
College Avenue Waterline Replacement - Phase I	2012	\$ 1,343,000
Whitehall Road Waterline Relocation	2013	\$ 268,153
Tank No. 6 Repainting and Mixing System	2013	\$ 298,520
Meeks Lane, Heiskel Drive and Skytop Lane Waterline (Ridgemont Ext.)	2013	\$ 525,000
Ridgemont Waterline Extension - Skytop Mountain Road	2013	\$ 364,307
College Avenue Waterline Replacement - Phase II	2014	\$ 990,900
Authority Office Building - Emergency Generator	2014	\$ 90,000
Tank No. 5 Repainting, Corrosion Control and Mixing System	2015	\$ 748,000

PROJECT	COMPLETED	COST
Bellaire Avenue Waterline Replacement	2015	\$ 182,780
North Atherton Street Waterline - Phase I (PennDOT Cost Share)	2015	\$ 56,000
Waddle Road Waterline Relocation (PennDOT Cost Share)	2016	\$ 280,000
Billing System Replacement	2016	\$ 48,500
Well House 7 and 8 Rehabilitation	2016	\$ 204,500
Woodside Drive Water Filter Plant Roof Replacement	2016	\$ 100,300
Smithfield Street Waterline - Phase I	2016	\$ 211,000
O'Bryan Lane Waterline	2016	\$ 86,300
Smithfield Street Waterline - Phase II	2017	\$ 147,000
Calder Way Insertion Valve Installations	2017	\$ 42,500
Well 8 Pump Replacement	2017	\$ 69,900
Authority Office Building Security Upgrades	2017	\$ 59,700
Pugh Street Waterline Replacement	2018	\$ 1,515,500
Easterly Parkway Waterline	2018	\$ 168,900
Well 18 Improvements	2018	\$ 77,700
Flexnet Tower Installation	2018	\$ 255,600
Spring Creek Waterline Crossing	2019	\$ 111,000
Shingletown Reservoir Improvements	2019	\$ 350,000
Authority Office Telecommunications System	2019	\$ 25,000
Water Meter Replacements	2019	\$ 625,000
Nixon-Kocher Water Treatment Plant (2019-2023)	2019	\$ 23,159,615
West Hamilton Avenue Waterline Replacement	2020	\$ 140,000
Ishler Street Waterline Replacement	2020	\$ 122,000
Water Meter Replacements	2020	\$ 43,000
Authority Office Improvements (Windows/Server)	2020	\$ 30,000
Authority Office Improvements (Windows)	2021	\$ 20,000
Water Meter Replacements	2021	\$ 224,000
Oneida Street Waterline Replacement	2021	\$ 380,000
Legion Lane, Piersol Lane and Logan Avenue Waterline Replacements	2021	\$ 648,400
Water Meter Replacements	2022	\$ 148,000
Boalsburg Pike Waterline Replacement	2022	\$ 93,000
Kemmerer Road Waterline Replacement	2022	\$ 33,000

PROJECT	COMPLETED	COST
Fire Hydrant Rehabilitation	2022	\$ 95,000
Tank No. 7 Rehabilitation	2023	\$ 631,873
Woodside Water Treatment Facility SCADA Update	2023	\$ 43,869
Well 25 Roof Replacement	2023	\$ 6,000
Water Meter Replacements	2023	\$ 671,498
Authority Office Improvements (HVAC/Windows)	2023	\$ 41,000
Canterbury & Bellvue Waterline Replacement	2023	\$ 420,723
Cornwall Road Waterline Replacement	2023	\$ 594,382
Atherton Street Improvements - Phase III	2023	\$ 931,726
Water Meter Replacements	2024	\$ 1,223,386
Authority Office Improvements (Windows)	2024	\$ 32,550
Calder Way Waterline - Phase 1	2024	\$ 1,621,979
North Oak Lane Waterline Replacement	2024	\$ 2,043,268
Boal Avenue (SR 322) Roadway Boring	2024	\$ 140,470
	TOTAL	\$ 56,511,426

Note: Above tabulation does not include SCBWA-installed waterline replacement projects generally average (200,000 to %500,000 per year).

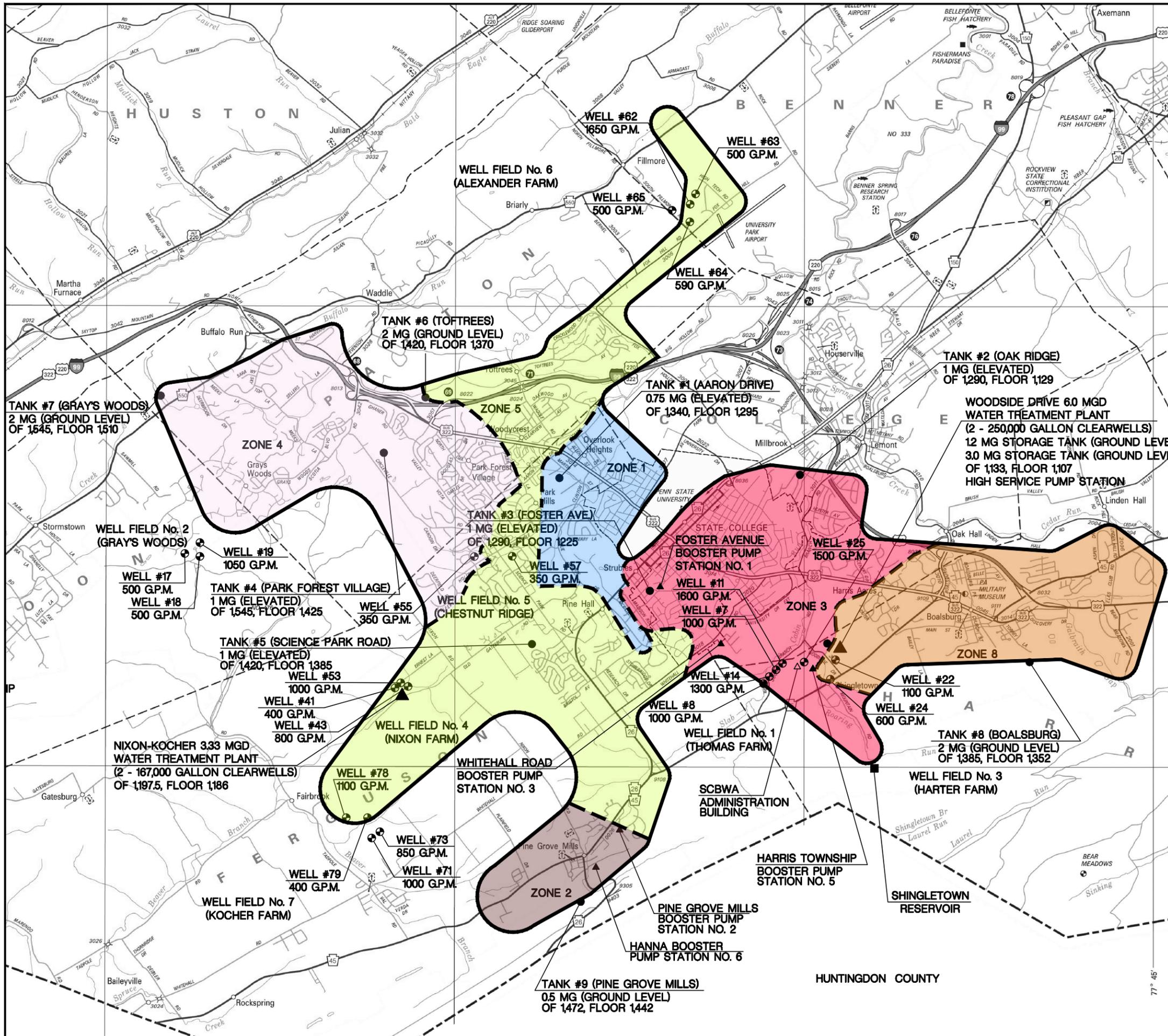
Proposed Capital Improvement Plan - As part of the 2024 Long Range Plan update, planned capital improvements will include enhanced water treatment, increased water storage and upgrades to the distribution system, among others.



Boal Avenue (SR 322) Waterline Boring -
Fused HDPE Waterline



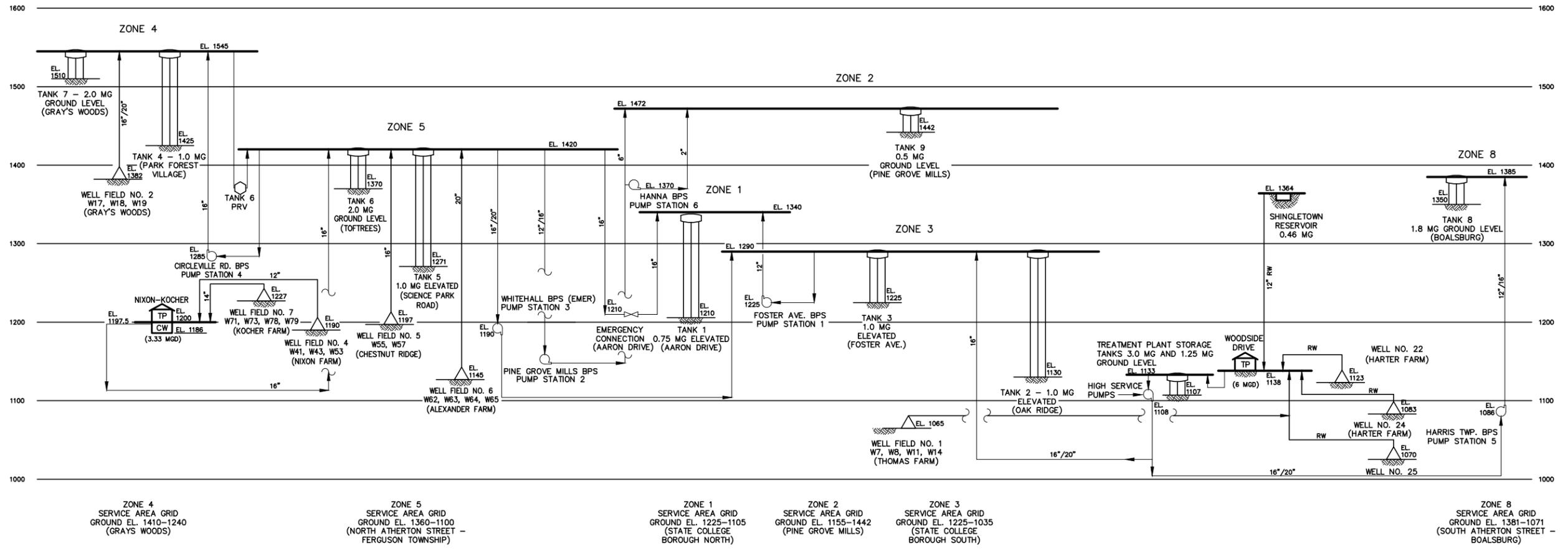
Boal Avenue (SR 322) Waterline Boring -
Drilling Rod



- LEGEND**
- WELL
 - STORAGE TANK
 - ▲ BOOSTER PUMP STATION
 - ▲ WATER TREATMENT PLANT
 - RESERVOIR
 - SERVICE AREA BOUNDARY
 - △ ADMINISTRATION BUILDING
 - - - PRESSURE ZONE BOUNDARY
 - MG MILLION GALLONS
 - MGD MILLION GALLONS PER DAY
 - OF TANK OVERFLOW (WITH ELEVATION)



FIGURE NO. 1
STATE COLLEGE BOROUGH
WATER AUTHORITY
WATER SYSTEM FACILITIES PLAN
AND SERVICE AREA
 Prepared by
 GWIN, DOBSON & FOREMAN, INC.
 ALTOONA, PA
 SCALE: 1 in. = 7,000 ft.



HYDRAULIC PROFILE

LEGEND

- MGD - MILLION GALLONS PER DAY
- MG - MILLION GALLONS
- BPS - BOOSTER PUMP STATION
- RW - RAW WATER LINE
- |—|— - EMERGENCY DIVISION VALVE
- W55 - WELL NUMBER
- EL. - ELEVATION (MSL)
- - PRESSURE REDUCING VALVE (PRV)
- TP - TREATMENT PLANT
- CW - CLEARWELL
- △ - WELL FIELD



FIGURE NO. 2
STATE COLLEGE BOROUGH
WATER AUTHORITY
WATER SYSTEM
HYDRAULIC PROFILE

Prepared by
 GWIN, DOBSON & FOREMAN, INC.
 ALTOONA, PA

Distribution System Additions and Maintenance

Main Replacement - Authority maintenance forces replaced the following water mains in 2024. The Authority provided all plant, labor, equipment and materials for this work as part of its ongoing system renewal program.

<u>Dia. (in.)</u>	<u>Length (ft.)</u>
2	0
4	320
6	142
8	9,937
10	140
12	40
16	0
20	<u>0</u>
Total	10,579

System Extensions - A tabulation of water main extensions installed by developers is shown on page 40. For 2024, the value of the developer-installed extensions (1,384 ft.) was \$228,338. Private main extensions completed over the last 5 years are shown below. All mains are inspected during installation and turned over to the Authority upon acceptance. The total length of the Authority water transmission and distribution system piping now totals 276 miles.

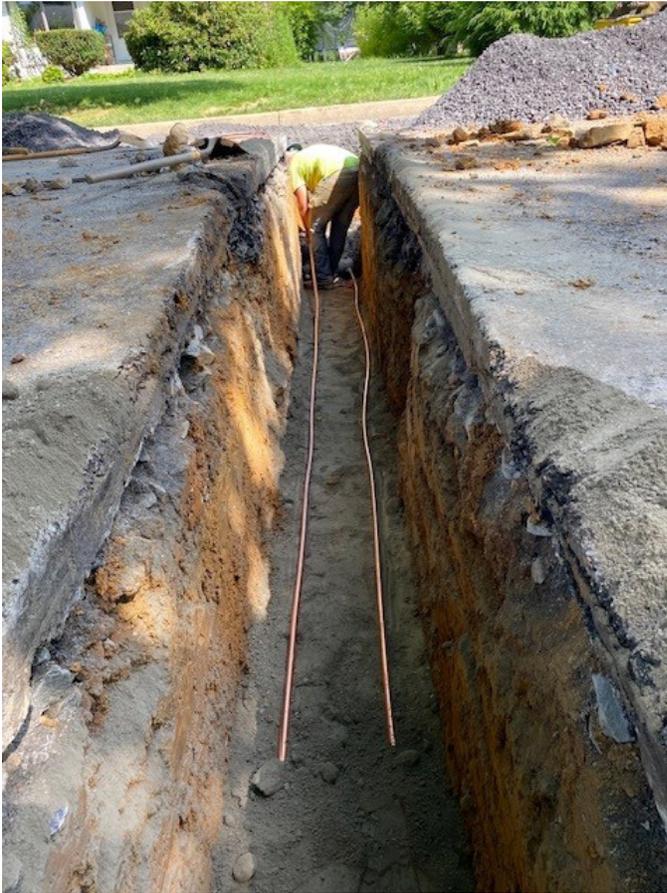
<u>Year</u>	<u>Pipe (ft.)</u>	<u>Value</u>
2020	665	122,824
2021	4,048	700,631
2022	650	117,549
2023	7,166	1,753,409
2024	<u>1,384</u>	<u>228,338</u>
Total	13,913	\$2,922,751

Fire Hydrants - The system has 1,359 public fire hydrants or 4.9 hydrants per mile of distribution piping. Eight (8) new fire hydrants were installed in 2024. A tabulation of hydrants, by municipality, is as follows:

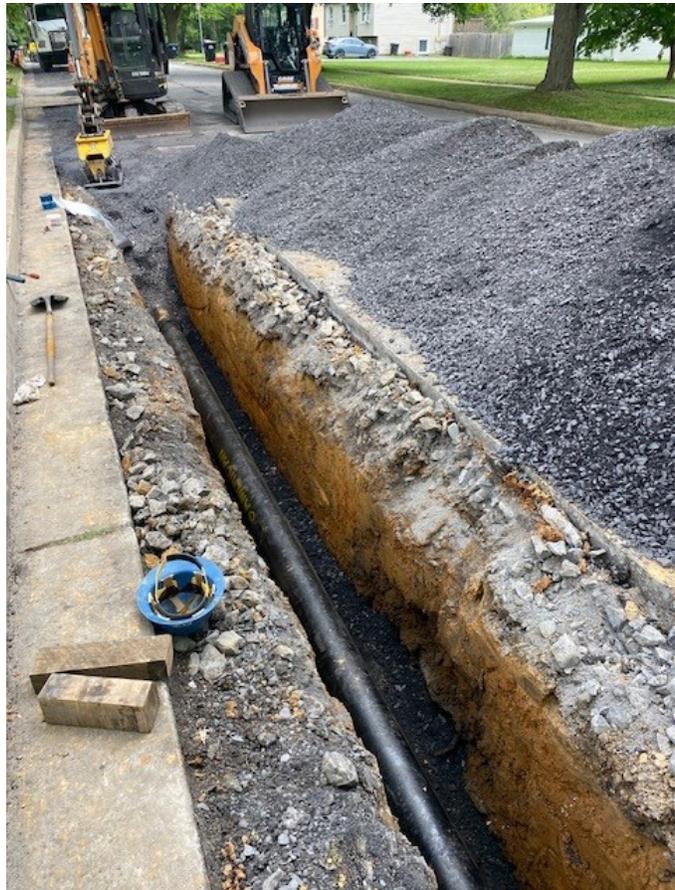
Benner Township	55
College Township	101
Ferguson Township	408
Harris Township	190
Patton Township	337
State College Borough	<u>268</u>
Total	1,359

Please refer to page 40 for a tabulation of public and private fire hydrants.

Service Connections - The water system has 15,024 metered service connections. As a basis of comparison, the total number of accounts in 2002 was 12,333 or a 21.8% gain to 2024 (1% per year). In 2024, 118 new connections were added compared to 120 connections in 2023. The average number of connections is 54.4 per mile (or 1 per 97 feet) of water distribution piping.



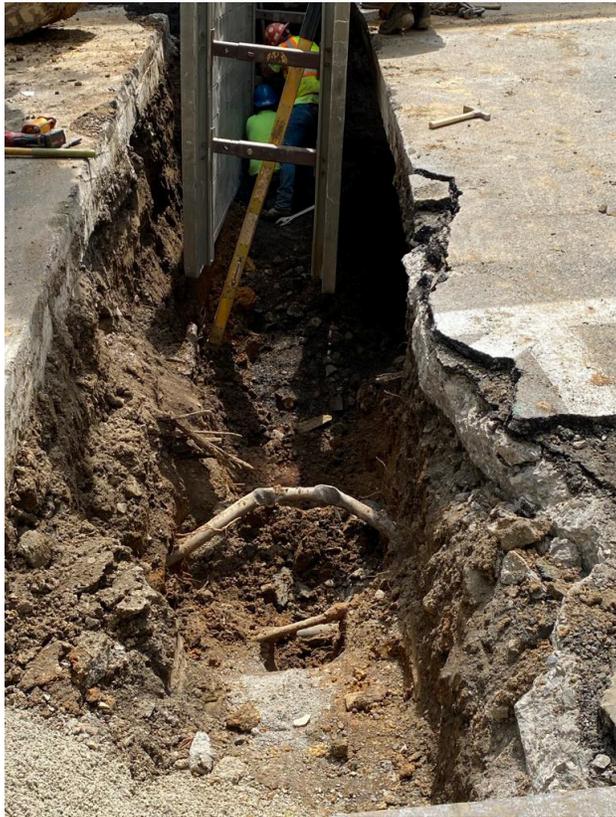
Water Service Line Installation
on West Lytle Avenue



Waterline Installation on
West Lytle Avenue



Calder Way Phase 1 Improvements - Waterline Installation



Calder Way Phase 1 Improvements - Setting Trench Box

Water Main Replacements & Developer - Installed Main Extensions

2022 - 2024

Main Size	2022 Footage		2023 Footage		2024 Footage	
	Authority	Developers	Authority	Developers	Authority	Developers
2"	—	—	—	—	—	—
4"	—	—	1,068	168'	320'	168'
6"	—	—	44'	850'	142'	805'
8"	933'	650'	4,936.5'	3,442'	9,937'	411'
10"	—	—	—	—	139.75'	—
12"	—	—	1,581'	1,606'	39.5'	—
16"	—	—	3,719'	1,100'	—	—
20"	—	—	—	—	—	—
Value		\$117,549		\$1,753,410		\$228,337.95

Fire Hydrants By Municipality – Public & Private

2023 - 2024

Municipality	Public Fire Hydrants		Private Fire Hydrants		Total Fire Hydrants	
	2023	2024	2023	2024	2023	2024
Benner Township	11	13	39	42	50	55
College Township	66	66	35	35	101	101
Ferguson Township	324	302	121	106	445	408
Harris Township	166	166	26	24	192	190
Patton Township	231	231	110	106	341	337
State College Borough	249	252	17	16	266	268
Total	1,047	1,030	348	329	1,395	1,359*

*Water Authority personnel conducted an in-depth inventory audit of system fire hydrants in early 2025. Adjustments to both 2023 and 2024 public and private hydrant totals were made to reflect the findings as presented within the comparison table above. Although the lower number in 2024, no fire hydrants were removed from the system, just accounting errors corrected.

Metering - In 2016, the Authority began a system-wide, meter replacement program involving 13,600 meters compatible with an Advanced Metering Infrastructure systems. 2,715 meters were installed in 2024.

Backflow Prevention - All water service connections are equipped with backflow prevention devices which are inspected annually. Residential units are also examined during routine meter maintenance work.

Operation and Maintenance - Ongoing operation and maintenance (O&M) activities include cross-connection and backflow prevention, leak detection, valve operation, lead/copper testing and water conservation monitoring and associated public information through website, social media and mass mailings.

The entire distribution system is flushed annually to improve distribution system water quality. Flushing removes pipe-related deposition, enhances system turnover, removes sediment at dead-ends and enhances the maintenance of an adequate chlorine residual through the distribution system.

System Notification - The Authority uses a rapid response system for customer notification of service interruptions, outages, water quality problems and emergencies of any type. Customers are alerted to system problems on a site-specific basis via phone, e-mail and text messaging.

A Consumer Confidence Report (CCR) is made available to Authority customers through an annual posting on its website. The report summarizes the results of Authority water quality testing in comparison to regulatory standards and maximum contaminant levels established by the PADEP/USEPA.

Staffing - The Authority employs 42 full-time employees consisting of administrative, managerial, technical, operational and maintenance personnel. Twenty-Nine (29) O&M personnel are licensed by PADEP to operate various aspects of the water distribution and treatment facilities.

Retirement Recognition



Dan Fetterolf - Distribution Superintendent
42 Years



Steven Albright - Project Review & Planning Coordinator
35 Years



Jeff Claar - Lead Maintenance Worker
16 Years

Service Award Recipients



Don Butts
30 Years



John Butts
30 Years



Ken Onder
30 Years



Terry Simpson
25 Years

Service Award Recipients



Derek Greenawalt
15 Years



Dustin Hoffmaster
10 Years



Kyle Houtz
10 Years



Cheyenne McCoy
10 Years

Annual Operating Budget and Auditor's Report

Appendix III shows 2024 budgeted and actual operating revenues and expenditures. The official 2025 budget is also included in Appendix III.

According to Boyer & Ritter, LLC, net 2024 operating income amounted to \$5,040,807 which is an increase of \$293,101 from the 2023 net operating income of \$4,747,706. Please refer to Appendix II for additional details.

According to the auditor, actual 2024 total operating revenues were \$13,487,900. This was an increase of \$207,290 from 2023 operating revenue of \$13,280,610. The 2024 total income of \$15,567,027 was above the 2023 total income of \$15,147,343 by \$419,684.

In 2024, \$6,012,763 of net operating income was transferred to dedicated funds established by the Authority. This is compared to the 2024 budgeted amount of \$5,999,210. These dedicated fund transfers included the Board Revenue Fund (\$4,687,917) and Tank Painting Fund (\$1,324,846). Refer to Appendix III, 2024 Summary of Income and Expenditures.

The official 2025 budget shows expenditures for operation and maintenance of \$7,880,865. Operating revenue and other income are estimated at \$14,319,790. Total projected operating revenues to be transferred to dedicated Authority funds are \$5,825,935. Refer to Appendix III for additional details.

Insurance

The Selective Insurance Company was the 2024 insurance provider for property, inland marine, general, automotive, crime, public officials, employment practices and umbrella liability coverage. The coverage limits are considered adequate for a system with the size and risk potential of the Authority.

Workers compensation insurance was provided by Eastern Alliance according to state statutory requirements. The necessary treasurer's fidelity bond and fiduciary responsibility coverage was provided by Traveler's Companies, Inc.

The following table shows insurance coverage, types and amounts currently in effect for the Authority.

Insurance Policies Summary

2024

Insurance Type	Coverage Amount	Term
Property Coverage (Blanket Value)	\$ 98,244,364.00	1 Year
Inland Marine - Contractor's Equipment	\$ 763,952.00	1 Year
General Liability		1 Year
Bodily Injury & Property Damage (Per Occurrence)	\$ 1,000,000.00	
Personal & Employee-Related Injury	1,000,000.00	
Annual Aggregate	2,000,000.00	
Employee Benefits Liability (Per Person)	1,000,000.00	
Fire Damage Liability	1,000,000.00	
Medical Expense Limit - Any One Person	5,000.00	
Cyber Liability		
Network & Information Security	\$ 2,000,000.00	
Communication & Media Liability	2,000,000.00	
Regulatory Defense Expenses	2,000,000.00	
Automobile	\$ 1,000,000.00	1 Year
Uninsured Motorist	35,000.00	
Crime		1 Year
Employee Dishonesty	\$ 1,000,000.00	
Forgery Or Alteration	25,000.00	
Money & Securities	25,000.00	
Fiduciary Liability	1,000,000.00	
Public Officials/Employment Practices	\$ 1,000,000.00	1 Year
Umbrella Liability Coverage (Each Occurrence)	\$ 5,000,000.00	1 Year
Worker's Compensation		1 Year
Bodily Injury By Accident (Each Accident)	\$ 500,000.00	
Bodily Injury By Disease (Policy Limit)	500,000.00	
Bodily Injury By Disease (Each Employee)	500,000.00	
Treasurer's Bond	\$ 15,000.00	1 Year

Selective Insurance Company

Worker's Compensation - Eastern Alliance

Treasurer's Bond - The Travelers Companies, Inc.

Fiduciary Responsibility - The Travelers Companies, Inc.

Water Rate History

A history of Authority water rate increases since 2000 is shown in the following table:

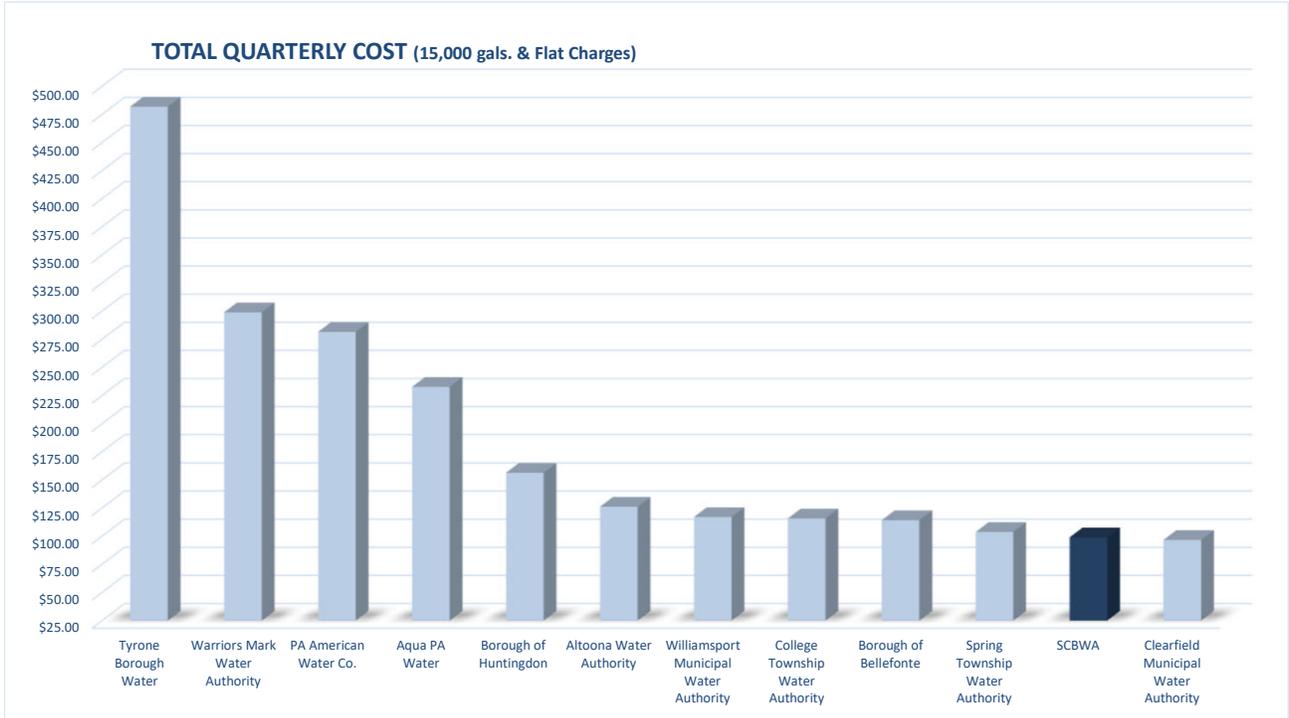
Date	Rate/1,000 Gallon(s) Per Quarter Inside Borough (\$)	Minimum Charge Inside Borough (\$)	Rate/1,000 Gallon(s) Per Quarter Outside Borough (\$)	Minimum Charge Outside Borough (\$)
2-20-00	3.65	10.95	3.65	10.95
1-20-08	3.80	11.40	3.80	11.40
1-20-11	3.95	11.85	3.95	11.85
4-20-15	4.20	12.60	4.20	12.60
4-20-16	4.30	8.60	4.30	8.60
4-20-17	4.40	8.80	4.40	8.80
4-20-18	4.50	9.00	4.50	9.00
1-1-19	5.00	10.00	5.00	10.00
1-1-20	5.50	11.00	5.50	11.00
1-1-21	5.80	11.60	5.80	11.60
1-1-22	6.00	12.00	6.00	12.00
1-1-23	6.30	12.60	6.30	12.60
1-1-24	6.60	13.20	6.60	13.20

A comparison of quarterly water charges for large regional water systems is shown on the next page. The State College Borough Water Authority has comparatively low water charges while still maintaining a high level of customer service, enhanced facilities operation and sizable investments in its physical plant.

A national survey conducted by the American Water Works Association ("Water & Wastewater Rate Survey," Raftelis Financial Consultants, 2017) reveals an average residential water charge of \$24.23 per month (5/8" meter, 3,740 gal/month) for water systems of similar size. This industry average is 50% greater than the comparable Authority charge of \$16.46 per month. A growing service area, prudent management and keen oversight of fiscal resources are the reasons for this superior affordability.

Regional Quarterly Water Charge Comparison

2024

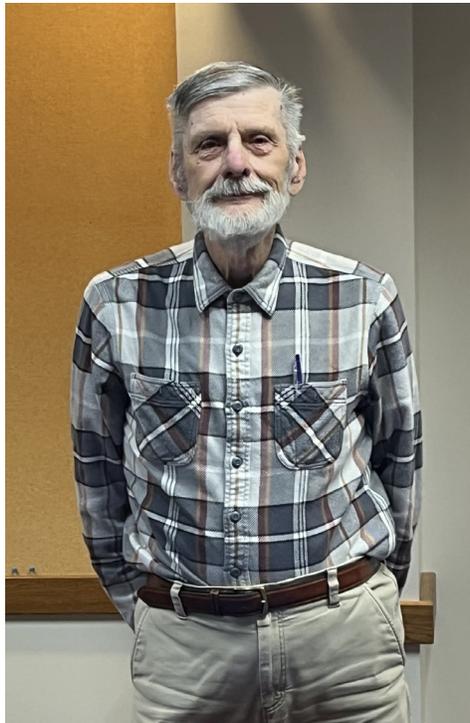


Acknowledgements

We offer our thanks and appreciation to the staff of the State College Borough Water Authority for compiling operational information and financial data for this report.

Special Recognition

Emory Enscore retired from the Water Authority Board in December 2024. A Professor of Industrial Engineering at Penn State, he served as an informed and engaged Board member for 35 years. During his tenure, Emory was instrumental in increasing the Authority's groundwater supply, the acquisition of adjacent systems and the overall expansion of the service area. He also served as Board chairman from 1999 to 2010. Under Emory's leadership, he encouraged a spirit of collaboration and cooperation and his calm demeanor - and wit - were hallmark traits.



E. Emory Enscore, Ph.D., P.E.
Board Tenure, 1990-2024

APPENDIX I

**Frequency Of Water Quality Sampling
2022 - 2024**

Frequency Of Water Quality Sampling

2022 - 2024

Water Quality Sample	Frequency of Testing	No. Of Samples 2022	No. Of Samples 2023	No. Of Samples 2024
Bacteriological	Monthly (80)	960	960	960
Inorganic Chemicals (IOC's)	3 Years (15 IOC's)	4 (Surface Water)	4 (Surface Water)	4 (Surface Water) 7 (Ground Water)
Synthetic Organic Chemicals (SOC's)	3 Years (18 SOC's)	3 (Ground Water)	10 (Ground Water)	10 (Ground Water)
Volatile Organic Compounds (VOC's)	3 Years (22 VOC's)	1 (Surface Water)	4 (Surface Water) 4 (Ground Water) 27 (Additional)*	4 (Surface Water) 3 (Ground Water) 7 (Additional)
Chlorine	Monthly (80)	960	960	960
Fluoride	Daily	1,825	450	0
Radiological	9 Years	0	1	0
Trihalomethane	Annual	28	16	12
Haloacetic Acid	Annual	28	16	12
Total Organic Carbon	Monthly	24 (Surface Water)	24 (Surface Water)	24 (Surface Water)
PFOS/PFOA	Annual	X	X	20

* 2024 VOC's noted the 27 additional samples taken due to the following; 20 for residential oil spill in the area and 7 for GAC Tanks at Nixon/Kocher Plant.

APPENDIX II

2024 Independent Auditors Report

STATE COLLEGE BOROUGH AUTHORITY

FINANCIAL REPORT

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
 State College Borough Authority
 State College, Pennsylvania

Qualified and Unmodified Opinions

We have audited the financial statements of the business-type activities and the discretely presented fiduciary component unit of the State College Borough Authority (the Authority), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Business-Type Activities	Qualified
Discretely Presented Fiduciary Component Unit	Unmodified

Qualified Opinion on Business-Type Activities

In our opinion, except for the effects on the accompanying 2024 and 2023 financial statements of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority, as of December 31, 2024, and 2023, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Discretely Presented Fiduciary Component Unit

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the discretely presented fiduciary component unit of the Authority, as of December 31, 2024 and 2023, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to Qualified Opinion on Business-Type Activities

Management was unable to provide sufficient information to complete the testing on the inventory balance on the balance sheet at December 31, 2023.

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 the Authority's 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

Our 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 our 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 GAAS 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 GAAS, we:

- 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 the Authority's 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the required supplementary information, as listed in the Contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information as listed in the Contents are presented for purposes of additional analysis and are 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 used 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 our opinion, the supplementary information and schedule of federal awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Boyer & Ritter". The signature is written in black ink and is centered on the page.

State College, Pennsylvania
June 6, 2025

**STATE COLLEGE BOROUGH AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023**

The Management Discussion and Analysis (MD&A) is a reporting requirement adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*. The MD&A provides an overview of the current year's financial performance and should be read in conjunction with the financial statements. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. The MD&A is designed to identify significant financial issues and any material deviations from the prior year.

Financial Highlights for 2024

- The Authority completed \$5.2 million dollars in major system improvements. Main replacements in Calder Alley, West Lytle Avenue, North Oak Lane, Amblewood Way, and Boal Avenue accounted for \$3.9 million dollars of the system improvements. This also included engineering a main replacement project on North Allen Street but delayed until 2025. A total of \$1.2 million contributed to the continuation of upgrading meters to work with the Flexnet reading system. There were also replacements of outdated chart recorders, turbidity meters, permit renewal for Well Field 7 and additional expansion of the Authority's GIS platform. The Authority also conducted vehicle replacements and major building maintenance.
- The Authority made no additional draws on the PennVest loan and repaid a total of \$1,328,094 in 2024.
- The Authority made a contribution in the amount of \$800,000 to the pension plan for the year ending December 31, 2024.

Financial Highlights for 2023

- The Authority completed \$4.7 million dollars in major system improvements. The improvements included the completion and commissioning of the Nixon/Kocher treatment plant; water main replacements on Cornwall Road, Canterbury Drive, Bellevue Circle, Cardinal Lane, Amblewood Way; the final phase of Kennard Road including water main installation, service line relocations and reconstruction of the road; Calder Way design and materials purchase. Tank 7 painting; tank mixing system installation in tank 7; Well 25 roof replacement; Replacement of Woodside plant SCADA computers; Continued conversion of the meter reading system to FlexNet.
- The Authority continued repayment of the PennVest loan. A total of \$1,417,775 was paid on the loan in 2023.
- The Authority made a contribution in the amount of \$500,000 to the pension plan for the year ending December 31, 2023.

Required Financial Statements

The basic financial statements of the Authority report revenues and expenses on the full-accrual basis of accounting. The statements conform to accounting principles generally accepted in the United States of America. The statements of net position present the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. The Statements of Revenues, Expenses and Change in Net Position summarize the Authority's revenues and expenses, by function and reports the surplus (or deficit) from operations. The Statements of Cash Flows provide information on the changes in cash and cash equivalents from operations, investments, capital expenditures and debt repayment. This statement provides a picture of the Authority's ability to pay expenses and to finance growth.

Fiduciary Funds

The Authority accounts for the assets held under trust or in a custodial capacity in fiduciary funds. Assets held in trust in the Authority retirement plan are accounted for in the Fiduciary Fund Statements. Fiduciary funds are not reported in the Enterprise Fund financial statements since they are not available to support the Authority operations.

The basic Fiduciary Fund financial statements can be found on pages 14-15 of this report.

A summary of the Statements of Revenues, Expenses and Changes in Net Position is shown below:

	2024	2023
Operating Revenues		
Charges for services	\$ 13,162,827	\$ 12,993,686
Revenue other than water sales	325,073	286,924
Total operating revenues	13,487,900	13,280,610
Operating Expenses		
Other operating expense	6,772,069	6,545,955
Distribution	501,937	882,651
Treatment, filtration and pumping	1,173,087	1,104,298
Total operating expenses	8,447,093	8,532,904
Operating income	5,040,807	4,747,706
Nonoperating Revenues (Expenses)		
New connection fees	577,963	642,501
Interest expense	(275,056)	(277,613)
Investment gain	1,719,425	1,501,845
Gain on disposal of assets	56,795	-
Total nonoperating revenues, net	2,079,127	1,866,733
Change in net position	7,119,934	6,614,439
Net Position - Beginning	123,522,332	116,907,893
Net Position - Ending	\$ 130,642,266	\$ 123,522,332

Net position increased \$7,119,934 and \$6,614,439 in 2024 and 2023, respectively. The Authority experienced an improvement in financial position in both 2024 and 2023.

The following represents condensed information on the Authority's financial position:

	2024	2023
Current Assets		
Cash and cash equivalents	\$ 3,058,916	\$ 3,867,760
Short-term investments	22,165,951	19,737,044
Other current assets	7,454,716	6,323,652
Total current assets	<u>32,679,583</u>	<u>29,928,456</u>
Noncurrent Assets		
Capital assets, net of accumulated depreciation	102,857,904	99,513,707
Net pension assets	1,863,039	612,409
Investments	16,369,648	16,977,784
Total noncurrent assets	<u>121,090,591</u>	<u>117,103,900</u>
Total assets	<u>153,770,174</u>	<u>147,032,356</u>
Deferred Outflows of Resources	<u>1,922,813</u>	<u>2,713,715</u>
Total assets and deferred outflows of resources	<u>\$ 155,692,987</u>	<u>\$ 149,746,071</u>
Liabilities		
Current liabilities	\$ 3,016,564	\$ 3,078,715
Noncurrent liabilities	19,737,884	20,741,895
Total liabilities	<u>22,754,448</u>	<u>23,820,610</u>
Deferred Inflows of Resources	<u>2,296,273</u>	<u>2,403,129</u>
Net Position		
Net investment in capital assets	82,295,954	77,898,718
Restricted	11,096,120	9,721,111
Unrestricted	37,250,192	35,902,503
Total net position	<u>130,642,266</u>	<u>123,522,332</u>
Total liabilities and net position	<u>\$ 155,692,987</u>	<u>\$ 149,746,071</u>

The December 31, 2024, financial statements reflect the Authority's estimated pension and OPEB liabilities and related deferred outflows and inflows of resources, as required under GASB 68 and 75. Below is a schedule showing the impact on the unrestricted net position as of December 31, 2024 and 2023:

	Total Net Position	GASB 68 and 75 Impact	Total Excluding GASB 68 and 75 Impact	Unrestricted Net Position Excluding GASB 68 and 75 Impact
Balance at December 31, 2022	\$ 116,907,893	\$ (719,714)	\$ 116,188,179	\$ 32,814,654
Change in net position	6,614,439	(23,512)	6,590,927	2,344,623
Balance at December 31, 2023	123,522,332	(743,226)	122,779,106	35,159,277
Change in net position	7,119,934	(533,973)	6,585,961	813,716
Balance at December 31, 2024	<u>\$ 130,642,266</u>	<u>\$ (1,277,199)</u>	<u>\$ 129,365,067</u>	<u>\$ 35,972,993</u>

At December 31, 2024, excluding the pension and OPEB activity recorded based on GASB 68 and 75, \$35,972,993 of unrestricted net position of the \$130,642,266 of total net position was available to meet the Authority's ongoing obligations to employees and creditors. The remaining net position of \$93,392,074 is invested in capital assets and restricted for capital projects and pension.

Assessment of Financial Position

The overall financial position of the Authority remains very strong. Fifty-nine percent of the annual income from water sales was transferred to reserve funds. The average number of employees is 43. The Authority maintains substantial reserve funds that are available for planned improvements as well as for unforeseen events. The Authority continues to make major system improvements each year from the reserve funds.

Capital Assets

The Authority's investment in capital assets as of December 31, 2024, amounted to approximately \$102.9 million (net of accumulated depreciation). This investment in capital assets includes land, building, water treatment plant, water distribution system and equipment. The net increase in the Authority's investment in capital assets for the current fiscal year was \$3,344,197 or 3.36%. Additional information on the Authority's capital assets can be found in Note 5 on pages 25 through 27 of this report.

Contacting the Authority

This financial report is designed to provide our customers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Finance Director at 1201 West Branch Road, State College, Pennsylvania 16801.

STATE COLLEGE BOROUGH AUTHORITY

STATEMENTS OF NET POSITION - PROPRIETARY FUND TYPE

December 31, 2024 and 2023

	2024	2023
Current Assets		
Cash and cash equivalents	\$ 3,058,916	\$ 3,867,760
Restricted investments	3,863,344	2,837,135
Investments	18,302,607	16,899,909
Accounts receivable, water customers	698,702	617,162
Accounts receivable, sewer customers	156,039	120,433
Unbilled revenue, water customers	2,387,626	2,257,600
Unbilled revenue, sewer customers	1,565,948	1,448,343
Other current assets	166,485	138,554
Inventories	2,479,916	1,741,560
Total current assets	32,679,583	29,928,456
Noncurrent Assets		
Capital assets, net of accumulated depreciation	100,643,273	97,299,076
Nondepreciable capital assets	2,214,631	2,214,631
Net pension asset	1,863,039	612,409
Investments	10,551,056	11,000,276
Restricted investments	5,818,592	5,977,508
Total noncurrent assets	121,090,591	117,103,900
Total assets	153,770,174	147,032,356
Deferred Outflows of Resources		
Other post-employment benefits (OPEB)	103,465	46,911
Pension	1,819,348	2,666,804
Total deferred outflows of resources	1,922,813	2,713,715
Total assets and deferred outflows of resources	\$ 155,692,987	\$ 149,746,071

See Notes to the Financial Statements.

	2024	2023
Liabilities		
Current liabilities:		
Accounts payable	\$ 131,601	\$ 185,967
Current portion of long-term debt	1,036,446	1,052,863
Other accrued liabilities	13,878	13,559
Due to State College Sewer Authority	1,808,039	1,629,186
Extension agreement deposits	26,600	197,140
Total current liabilities	3,016,564	3,078,715
Noncurrent liabilities:		
Long-term debt	19,525,504	20,562,126
Post-employment benefit liability	212,380	179,769
Total noncurrent liabilities	19,737,884	20,741,895
Total liabilities	22,754,448	23,820,610
Deferred Inflows of Resources		
Other post-employment benefits (OPEB)	28,070	30,384
Pension	2,268,203	2,372,745
Total deferred inflows of resources	2,296,273	2,403,129
Net Position		
Net investment in capital assets	82,295,954	77,898,718
Restricted for capital projects	9,681,936	8,814,643
Restricted for pension	1,414,184	906,468
Unrestricted	37,250,192	35,902,503
Total net position	130,642,266	123,522,332
Total liabilities and net position	\$ 155,692,987	\$ 149,746,071

STATE COLLEGE BOROUGH AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
 PROPRIETARY FUND TYPE

Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues		
Charges for services	\$ 13,162,827	\$ 12,993,686
Revenue other than water sales	325,073	286,924
Total operating revenues	13,487,900	13,280,610
Operating Expenses		
Other operating expense	6,772,069	6,545,955
Distribution	501,937	882,651
Pumping	414,268	412,377
Filtration	561,383	496,085
Purification/treatment	197,436	195,836
Total operating expenses	8,447,093	8,532,904
Operating income	5,040,807	4,747,706
Nonoperating Revenues (Expenses)		
New connection fees	577,963	642,501
Interest expense	(275,056)	(277,613)
Investment gain	1,719,425	1,501,845
Gain on disposal of assets	56,795	-
Total nonoperating revenues, net	2,079,127	1,866,733
Changes in net position before capital contributions	7,119,934	6,614,439
Capital Contributions	-	-
Changes in net position	7,119,934	6,614,439
Net Position - Beginning	123,522,332	116,907,893
Net Position - Ending	\$ 130,642,266	\$ 123,522,332

See Notes to Financial Statements.

STATE COLLEGE BOROUGH AUTHORITY

STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Cash received from customers	\$ 13,248,403	\$ 12,868,302
Cash received for State College Sewer Authority	6,566,729	6,548,365
Cash paid to State College Sewer Authority	(6,541,087)	(6,515,445)
Cash paid to vendor and employees	(7,062,690)	(7,802,976)
Net cash provided by operating activities	6,211,355	5,098,246
Cash Flows From Investing Activities		
Purchases of investments	(8,652,086)	(11,519,822)
Proceeds from sales and maturities of investments	7,433,356	9,995,958
Interest received on investments, net of fees	1,215,384	885,373
Net cash used in investing activities	(3,346)	(638,491)
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(6,096,181)	(5,197,197)
Borrowing on long-term debt	-	1,574,707
Repayment of long-term debt	(1,053,039)	(1,139,764)
Connection fee receipts	407,423	699,136
Interest paid on debt service	(275,056)	(277,613)
Net cash used in capital and related financing activities	(7,016,853)	(4,340,731)
Net change in cash and cash equivalents	(808,844)	119,024
Cash and Cash Equivalents:		
Beginning	3,867,760	3,748,736
Ending	\$ 3,058,916	\$ 3,867,760

(Continued)

STATE COLLEGE BOROUGH AUTHORITY

STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE (Continued)
 Years Ended December 31, 2024 and 2023

	2024	2023
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 5,040,807	\$ 4,747,706
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	2,710,779	2,435,714
Pension changes	(507,716)	(42,021)
OPEB changes	(26,257)	18,509
Changes in assets and liabilities		
Accounts receivable	(117,146)	43,003
Unbilled revenue	(247,631)	(649,382)
Other current assets	(27,931)	(35,920)
Inventories	(738,356)	(758,600)
Accounts payable	(54,366)	(923,467)
Other accrued liabilities	319	(207)
Due to State College Sewer Authority	178,853	262,911
Net cash provided by operating activities	\$ 6,211,355	\$ 5,098,246

See Notes to Financial Statements.

STATE COLLEGE BOROUGH AUTHORITY

STATEMENTS OF FIDUCIARY NET POSITION

Years Ended December 31, 2024 and 2023

	2024	2023
ASSETS		
Investments at fair value:		
Mutual funds	\$ 18,110,981	\$ 16,312,415
Net Position, Held in Trust for Pension Benefits, Beginning	\$ 18,110,981	\$ 16,312,415

See Notes to Financial Statements.

STATE COLLEGE BOROUGH AUTHORITY

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Years Ended December 31, 2024 and 2023**

	2024	2023
Additions		
Contributions:		
Employer Contributions	\$ 800,000	\$ 500,000
Investment income:		
Net investment income	<u>1,880,972</u>	<u>2,095,630</u>
Total additions	<u>2,680,972</u>	<u>2,595,630</u>
Deductions		
Benefits paid to participants	<u>882,406</u>	<u>805,983</u>
Total deductions	<u>882,406</u>	<u>805,983</u>
Change in net position held in trust	1,798,566	1,789,647
Net position, Held in Trust for Pension Benefits, Beginning	<u>16,312,415</u>	<u>14,522,768</u>
Net position, Held in Trust for Pension Benefits, Ending	<u>\$ 18,110,981</u>	<u>\$ 16,312,415</u>

See Notes to Financial Statements.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of Operations and Summary of Significant Accounting Policies:

The State College Borough Authority (also known as the State College Borough Water Authority) (the Authority) was incorporated by the Borough of State College, Pennsylvania on June 14, 1940, under the Pennsylvania Act of June 28, 1935, P.L. 463. The statute was superseded by the Municipality Authorities Act of 1945. This act was superseded in 2001 by the Pennsylvania Act 22 of 2001, under which the Authority now duly exists. The Act empowers the Authority to, among other things, construct, acquire, own, operate, improve and maintain waterworks, water supply works and water distribution systems.

Reporting Entity:

The reporting entity has been defined in accordance with the criteria established by the Government Accounting Standards Board (GASB) Statement No. 14, as amended. The specific criteria used in determining whether other organizations should be included in the Authority's financial reporting entity are financial accountability, fiscal dependency and legal separation.

The fiduciary financial statements include a component unit, fiduciary in nature, related to the State College Borough Authority Pension Plan (SCBAPP). The financial results of the SCBAPP are reported and included in the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position. SCBAPP is not separately audited. Additional disclosures in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions - Amendment of GASB Statement No. 27, are presented for SCBAPP in Note 7, Pension Plan and in Required Supplementary Information (RSI).

Basis of Presentation, Fund Accounting:

Proprietary Fund Type

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance. Proprietary funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The following is the Authority's proprietary fund:

Enterprise Fund

Enterprise funds are used for activities that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs of providing services to the public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are also used in situations where the governing body has determined that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability and other purposes. The Authority's enterprise fund type consists of its water operations and is considered a major fund.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation, Fund Accounting (Continued):

Fiduciary Fund

Fiduciary funds include a trust fund that is used to account for assets held by the Authority in a trustee capacity. This fund accumulates resources for benefit payments to retirees. Fiduciary funds are reported using economic resources measurement focus and the accrual basis of accounting, which is the same as proprietary funds.

Measurement Focus/Basis of Accounting:

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurement made, regardless of the measurement focus being applied.

The proprietary and fiduciary fund types are accounted for on an economic resources measurement focus, using the accrual basis of accounting. Revenues are recorded when earned, including unbilled water services, which are accrued. Expenses are recorded at the time liabilities are incurred.

Cash Equivalents:

The Authority considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents.

Investments:

Investments, including those in the fiduciary fund, are carried at fair value except for money market investments, which include short-term, highly liquid debt instruments, which are reported at cost or amortized cost. Any differences between the market values and costs of investments, other than short-term money market investments, are reflected in investment income.

Operating Revenues and Expenses:

Operating revenues and expenses include capacity and usage charges and normal operating expenses. Nonoperating revenues include connection fees, gains on disposals of capital assets and investment income. Nonoperating expenses include loss on fixed asset disposition, interest expense and investment expenses. Capital contributions consist of nonexchange intergovernmental revenues received for capital asset acquisition purposes, as well as capital assets contributed to the Authority in physical form.

Accounts Receivable:

Accounts receivable are reported at amounts management expects to collect on balances outstanding at year-end. Accounts are charged to bad debt expense when deemed uncollectible based upon a periodic review of individual accounts. Accounts receivable are considered fully collectible by management and, accordingly, no allowance for doubtful accounts is considered necessary.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Inventories:

Inventories of materials and supplies are stated at the lower of cost or market on a first-in, first-out basis.

Deferred Outflows/Inflows of Resources:

The Authority will sometimes report a separate section for deferred outflows (inflows) of resources. This separate financial statement element represents a consumption (acquisition) of net position that applies to a future period and so will not be recognized as an outflow (inflow) of resources until that time.

Net Position:

The Authority maintains the following net position classifications:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction, repair or improvement of those assets.

Restricted: A portion of net position subject to externally imposed conditions by parties outside of the Authority (such as creditors, grantors, laws, regulations or other governments).

Unrestricted: All other categories of net position. These assets may be designated for specific purposes.

Charges for Services:

Some customers are billed on a quarterly basis, and some are billed monthly, using a 12-month billing cycle. Unbilled revenue for the last quarter of the year is accrued based on amounts billed.

Capital Contributions:

Capital contributions represent the infrastructure received from a developer. This infrastructure then becomes part of the Authority's water system.

Pension Plan:

The Authority provides a separate defined benefit pension plan for qualified employees. It is the Authority's policy to fund the normal cost of the defined benefit pension plan as required through an actuarial valuation.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Other Post-employment Benefits (OPEB):

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State College Borough Authority Postemployment Benefits Plan (the State College OPEB Plan) and additions to/deductions from the State College OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the State College OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Cash and Cash Equivalents

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's investment policy states that all cash and cash equivalents shall be fully insured or collateralized in accordance with Pennsylvania statutes pertaining to local government funds. As of December 31, 2024, the Authority's total bank deposits were:

	Carrying Amount	Bank Balance	Financial Institution
Insured (FDIC)	\$ 250,000	\$ 250,000	First National Bank
Uninsured, collateralized in accordance with Act 72	2,808,416	2,897,671	First National Bank
	<u>\$ 3,058,416</u>	<u>\$ 3,147,671</u>	

The remaining bank deposits were exposed to custodial credit risk, as these deposits were not covered by depository insurance. Rather, these deposits were collateralized with securities held by the pledging institution, but not in the Authority's name.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments, Restricted Investments and Fair Value Measurements

The investment of the Authority's funds must be consistent with those permitted by the Pennsylvania Municipality Authorities Act. The Authority utilizes a professional investment manager to manage its funds. The investment manager is limited to investing in the following:

- U.S. Treasury Bills;
- Short-term obligations of the United States (U.S.) Government or its agencies or instrumentalities;
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the FDIC, the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured and for any amount above the insured maximum if the approved collateral as provided by law shall be pledged by the depository;
- Obligations of the U.S. of America or any of its agencies or instrumentalities backed by the full faith and credit of the U.S. of America, the Commonwealth or of any political subdivision of the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision;
- Shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933 if the only investments of that company are in the authorized investments for authority funds listed in the preceding bullet points.

The Authority measures its investments at fair value on a recurring basis in accordance with GAAP. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance established for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments, Restricted Investments and Fair Value Measurements (Continued)

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Authority for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the same term of the asset or liability through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets and other observable inputs.

Level 3 - Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

The valuation methods for recurring fair value measurements are as follows at December 31:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
held for investments purposes	\$ 13,120,535	\$ -	\$ -	\$ 13,120,535
U.S. Treasuries	-	16,720,276	-	16,720,276
Certificates of deposit	-	8,694,788	-	8,694,788
Total	\$ 13,120,535	\$ 25,415,064	\$ -	\$ 38,535,599

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
held for investments purposes	\$ 8,774,425	\$ -	\$ -	\$ 8,774,425
U.S. Treasuries	-	19,320,728	-	19,320,728
Certificates of deposit	-	8,619,675	-	8,619,675
Total	\$ 8,774,425	\$ 27,940,403	\$ -	\$ 36,714,828

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments, Restricted Investments and Fair Value Measurements (Continued)

The investments above are reported in the accompanying statements of net position as follows at December 31:

	2024	2023
Restricted investments, current	\$ 3,863,344	\$ 2,837,135
Investments, current	18,302,607	16,899,909
Restricted investments, noncurrent	5,818,592	5,977,508
Investments, noncurrent	10,551,056	11,000,276
Total	<u>\$ 38,535,599</u>	<u>\$ 36,714,828</u>

Valuation Methodologies:

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies at December 31, 2024 and 2023.

Investments: The cash and cash equivalents carrying amounts approximate fair value because of the short maturity of those financial instruments. The U.S. government and agency obligations are valued based on quoted prices of similar assets, with similar terms, in actively traded markets and are measured using Level 2 inputs. The certificates of deposit were measured using Level 2 inputs in which cost approximates fair value.

The Authority is required to disclose deposit and investment risks: custodial credit risk, credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The following are descriptions of the Authority's deposit and investments risks:

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority does not have a formal policy for custodial credit risk. The Authority investments are held with FNB Wealth Management in accounts separate and apart from the assets of the financial institution. Under the U.S. Securities and Exchange Commission's customer protection rule, customers' securities must be segregated from a financial institution's proprietary securities. The securities are held in central depositories with the record of ownership reflected on a book entry basis. The account is held in the name of the Authority.

Credit Risk:

Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a credit rating by a nationally recognized organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Authority does not have a formal deposit policy for credit risk.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments, Restricted Investments and Fair Value Measurements (Continued)

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Authority places no limit on the amount the Authority may invest in any one issuer. As of December 31, 2024 and 2023, except for investments guaranteed by the U.S. government, no investment in one issuer exceeds 5 percent of the Authority's total investments.

Interest Rate Risk:

Interest rate risk is the risk that the value of investments will decrease as a result of a change in interest rates. The Authority does not have an investment policy that is specific to maximum maturities by instrument type.

Information about the sensitivity of the fair values of the investments to market interest rate fluctuation is provided by the following table that shows distribution of the investments by maturity as of December 31, 2024 and 2023:

Maturity	2024	2023
None	\$ 13,120,535	\$ 8,774,427
Less than one year	9,045,416	10,962,617
One to two years	11,720,825	13,747,475
Two to five years	4,648,823	3,230,309
Total	<u>\$ 38,535,599</u>	<u>\$ 36,714,828</u>

Foreign Currency Risk:

Foreign currency risk is the risk that changes in the foreign exchange rate will adversely affect the fair value of an investment. There are currently no investments in securities exchanged in foreign denominations. The Authority does not have a formal policy for foreign currency risk.

Fiduciary Fund:

The deposits and investments of the Fiduciary Fund are administered by the State College Borough Authority Pension Plan Trustees (trustees) and are held separately from those of other Authority funds.

Investments in the trust fund are stated at fair value for both reporting and actuarial purposes. Investment purchases are recorded as of the trade date. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are generally reported at cost, which is not expected to be materially different from fair value.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments, Restricted Investments and Fair Value Measurements (Continued)

Fiduciary Fund (Continued):

The following table presents the investments measured at fair value as of December 31, 2024 and 2023 by caption on the statements on fiduciary net position by the valuation hierarchy defined below:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Mutual funds	\$ 15,837,558	\$ -	\$ -	\$ 15,837,558
Exchanged traded funds	2,273,423			2,273,423
	<u>\$ 18,110,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,110,981</u>

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Mutual funds	\$ 16,312,415	\$ -	\$ -	\$ 16,312,415

Valuation Methodologies:

The following is a description of the valuation methodologies used for investments measured at fair value.

Investments: The valuation methodology of utilizing closing prices in an active exchange market was applied to mutual funds and exchange traded funds.

The following summarize the investment philosophy of the Trustees:

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan does not have a formal deposit policy for custodial credit risk. The Plan investments are held with Charles Schwab in the accounts separate and apart from the assets of the Authority. According to the brokerage, customer securities are legally the property of customers - they are not on Charles Schwab's balance sheet and are not exposed to Charles Schwab's creditors. Under the SEC's customer protection rule, customers' securities must be segregated from Charles Schwab's proprietary securities. The securities are held in central depositories with the record of ownership reflected on a book entry basis. The brokerage account is held in the State College Borough Authority Pension Plan name.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments, Restricted Investments and Fair Value Measurements (Continued)

Valuation Methodologies (Continued):

Credit Risk:

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a credit rating by a nationally recognized organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Plan does not have a formal deposit policy for credit risk. The Plan held only mutual funds at December 31, 2024 and 2023; mutual funds are not rated for purposes of credit risk.

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Pension Fund investment policy requires that investments meet asset allocation formulas prevalent in balanced portfolios using a strategic allocation of 65 % equity and 35% fixed income.

Foreign Currency Risk:

Foreign currency risk is the risk that changes in the foreign exchange rate will adversely affect the fair value of an investment. There are currently no investments in securities exchanged in foreign denominations. The trustees do not have a formal policy for foreign currency risk.

Note 4. Restricted Investment Accounts

Certain investments are segregated from operating cash and investments due to external restrictions. Restricted accounts at December 31, 2024 and 2023, consist of externally restricted funds for capital maintenance and other expenses. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 5. Capital Assets

Capital assets, which include plant, property, equipment and infrastructure assets, are defined as assets with an estimated useful life of over two years. Capital assets have a minimum value of \$500 to \$5,000 depending on the category of asset and useful life. Capital assets are stated at historical cost.

Maintenance and repairs are charged to operations, while renewals and betterments are capitalized. When property and equipment are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded as nonoperating revenue or expense.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (Continued)

The useful lives of capital assets are as follows:

	<u>Useful Lives</u>
Water treatment plants	30 Years
Water distribution systems	66 2/3 Years
Building and improvements	39 Years
Equipment and vehicles	5-7 Years

Capital asset activity for the year ended December 31, 2024, is as follows:

	January 1, 2024	Additions	Disposals/ transfers	December 31, 2024
Capital assets not being depreciated				
Land	\$ 2,214,631	\$ -	\$ -	\$ 2,214,631
Construction-in-progress	-	-	-	-
Total capital assets not being depreciated	<u>2,214,631</u>	<u>-</u>	<u>-</u>	<u>2,214,631</u>
Capital assets being depreciated				
Land improvements	5,046,183	62,122	-	5,108,305
Buildings and improvements	30,430,909	61,475	-	30,492,384
Machinery and equipment	100,110,980	5,577,433	-	105,688,413
Infrastructure	651,334	2,754	-	654,088
Vehicles	2,899,086	392,397	(170,975)	3,120,508
Total capital assets being depreciated	<u>139,138,492</u>	<u>6,096,181</u>	<u>(170,975)</u>	<u>145,063,698</u>
Less accumulated depreciation for:				
Land improvements	(2,200,364)	(111,752)	-	(2,312,116)
Buildings and improvements	(3,158,033)	(473,134)	-	(3,631,167)
Machinery and equipment	(33,929,679)	(1,827,360)	-	(35,757,039)
Infrastructure	(495,027)	(32,379)	-	(527,406)
Vehicles	(2,056,313)	(266,154)	129,770	(2,192,697)
Total accumulated depreciation	<u>(41,839,416)</u>	<u>(2,710,779)</u>	<u>129,770</u>	<u>(44,420,425)</u>
Total capital assets being depreciated, net	<u>97,299,076</u>	<u>3,385,402</u>	<u>(41,205)</u>	<u>100,643,273</u>
Total Capital Assets	<u>\$ 99,513,707</u>	<u>\$ 3,385,402</u>	<u>\$ (41,205)</u>	<u>\$ 102,857,904</u>

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (Continued)

Capital asset activity for the year ended December 31, 2023, is as follows:

	January 1, 2023	Additions	Disposals/ transfers	December 31, 2023
Capital assets not being depreciated				
Land	\$ 2,214,631	\$ -	\$ -	\$ 2,214,631
Construction-in-progress	23,016,963	-	(23,016,963)	-
Total capital assets not being depreciated	25,231,594	-	(23,016,963)	2,214,631
Capital assets being depreciated				
Land improvements	5,001,537	44,646	-	5,046,183
Buildings and improvements	6,923,564	23,507,345	-	30,430,909
Machinery and equipment	96,024,281	4,086,699	-	100,110,980
Infrastructure	627,621	23,713	-	651,334
Vehicles	2,371,913	551,757	(24,584)	2,899,086
Total capital assets being depreciated	110,948,916	28,214,160	(24,584)	139,138,492
Less accumulated depreciation for:				
Land improvements	(2,091,060)	(109,304)	-	(2,200,364)
Buildings and improvements	(2,781,798)	(376,235)	-	(3,158,033)
Machinery and equipment	(32,208,713)	(1,720,966)	-	(33,929,679)
Infrastructure	(456,861)	(38,166)	-	(495,027)
Vehicles	(1,889,854)	(191,043)	24,584	(2,056,313)
Total accumulated depreciation	(39,428,286)	(2,435,714)	24,584	(41,839,416)
Total capital assets being depreciated, net	71,520,630	25,778,446	-	97,299,076
Total Capital Assets	\$ 96,752,224	\$ 25,778,446	\$ (23,016,963)	\$ 99,513,707

Note 6. Unrestricted Net Position

The Authority's Board has designated unrestricted cash and cash equivalents and investments for future capital improvements. These funds are set aside for significant future capital improvements, major maintenance projects and unusual or non-routine expenses. The unrestricted designated net position of investments are \$28,853,663 and \$27,900,185 at December 31, 2024 and 2023, respectively.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan

Defined Benefit Pension Plan:

The State College Borough Authority Pension Plan (SCBAPP) is a governmental single employer defined benefit pension plan (the Plan). The plan is administered by Conrad Siegel Investment Advisors, Inc. SCBAPP provides retirement, disability retirement and death benefits to plan members and beneficiaries. The SCBAPP issues a stand-alone financial report that includes the Plan's financial statements and required supplementary information. That report may be obtained by writing to Conrad M. Siegel, Inc., 501 Corporate Circle, P.O. Box 5900, Harrisburg, Pennsylvania 17110-0900, or by calling 1-717-652-5633.

Employer contributions to the Plan are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

At December 31, 2024, employees covered by the Plan consisted of the following:

Inactive members or beneficiaries currently receiving benefits	30
Inactive members entitled to but not yet receiving benefits	9
Active members	42
Total membership	<u>81</u>
Number of participating employers	<u>1</u>

Benefits Provided:

The Plan provides retirement, disability and death benefits for normal retirement at age 62 or the completion of 35 years of vesting service based on a formula, including average monthly compensation and completed years of benefit service. All eligible employees join the Plan on the date of employment, provided they have not attained age 60 on the date of employment. Early retirement is available upon attainment of age 55. The amount of monthly pension is equal to 2.0% of average monthly compensation multiplied by the number of complete years of benefit service, but not more than 70% of average monthly compensation.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

Funding Policy and Contributions:

The contribution requirements of the Authority are determined in accordance with the Commonwealth of Pennsylvania's Municipal Pension Plan Funding and Recovery Act (Act 205 of 1984) (the Act). The Act requires that annual contributions be made based on a minimum municipal obligation (MMO), as determined in connection with the Pension Plan's biennial actuarial obligation. The MMO includes the normal cost, estimated administrative expenses and an amortization of the actuarial accrued liability (if any), less member contributions (if any) and a credit equal to 10% of the actuarial present value of assets over the actuarial accrued liability. The Authority must fund any financial requirement established by the MMO that exceeds state/member contributions.

The annual required contribution was determined based on the most recent annual actuarial valuation dated January 1, 2023. The entry age normal actuarial cost method of funding was used in the valuation, which does not identify or separately amortize unfunded actuarial liabilities. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.0% per year compounded annually; (b) 5.0% projected salary increases; and (c) no postretirement benefit increases. The rate of return includes an inflation component of 3.0%. The method used to determine the actuarial value of assets is market value adjusted for unrecognized gains and losses from prior years.

Deposits and Investments:

The Plan allows funds to be invested pursuant to a strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of asset classes, as approved by the Authority Board, and established the following target allocation across asset categories:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	46.0%	5.5-7.5%
International equity	16.0%	4.5-6.5%
Fixed income	35.0%	1.0-3.0%
Real estate	3.0%	4.5-6.5%
	<u>100.0%</u>	

The long-term expected rate of return of 7.00% on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) were developed for each major asset class. These ranges were combined to produce a long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation for the 2024 and 2023 measurement periods are listed in the table above.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

Rate of Return:

For the years ended December 31, 2024 and 2023, the annual money-weighted rate of return on pension plan investments, net of plan investment expense, 11.39% was and 14.46%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset):

The components of the net pension liability (asset) of the Plan as of December 31 were as follows:

	2024	2023
Total pension liability	\$ 16,247,942	\$ 15,700,006
Plan fiduciary net position	(18,110,981)	(16,312,415)
Plan net pension liability (asset)	<u>\$ (1,863,039)</u>	<u>\$ (612,409)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>111.5%</u>	<u>103.9%</u>

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

Changes in the Net Pension (Asset) Liability:

The changes in the Authority's net pension (asset) liability during the years ended December 31, 2024 and 2023 are as follows:

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at January 1, 2024	\$ 15,700,006	\$ 16,312,415	\$ (612,409)
Changes for the year:			
Service costs	338,529	-	338,529
Interest costs	1,091,813	-	1,091,813
Changes of benefit terms	-	-	-
Changes for experience	-	-	-
Contributions, employer	-	800,000	(800,000)
Net investment income	-	1,880,972	(1,880,972)
Benefit payments, including refunds of member contributions	(882,406)	(882,406)	-
Administrative expense	-	-	-
Net changes	547,936	1,798,566	(1,250,630)
Balances at December 31, 2024	\$ 16,247,942	\$ 18,110,981	\$ (1,863,039)

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at January 1, 2023	\$ 15,303,465	\$ 14,522,768	\$ 780,697
Changes for the year:			
Service costs	322,409	-	322,409
Interest costs	1,053,467	-	1,053,467
Changes of benefit terms	220,000	-	220,000
Changes for experience	(393,352)	-	(393,352)
Contributions, employer	-	500,000	(500,000)
Net investment income	-	2,095,630	(2,095,630)
Benefit payments, including refunds of member contributions	(805,983)	(805,983)	-
Administrative expense	-	-	-
Net changes	396,541	1,789,647	(1,393,106)
Balances at December 31, 2023	\$ 15,700,006	\$ 16,312,415	\$ (612,409)

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

Changes in the Net Pension (Asset) Liability (Continued):

The schedule of changes in the employer's net pension liability (asset) and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information related to the funded status of the Plan.

No significant events or changes in assumptions occurred between the valuation date and the fiscal year-end.

Actuarial Assumptions

The total pension liability in the January 1, 2023, actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2023
Actuarial cost method	Entry-age normal
Actuarial assumptions:	
Projected salary increases	5.0%
Inflation	3.0%
Interest rate	7.0%
Cost-of-living adjustments	0.0%
Asset valuation method	Market

Mortality rates were based on the PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 7.00%, the same as the prior valuation. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension (asset) liability to changes in the discount rate. The table below presents the December 31, 2024, pension liability of the Plan calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
2024 Net pension liability (asset)	\$ 30,151	\$ (1,863,039)	\$ (3,453,815)
2023 Net pension liability (asset)	1,221,892	(612,409)	(2,154,839)

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:

For the years ended December 31, 2024 and 2023, the Authority recognized pension expense of \$292,284 and \$457,979, respectively. At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,979	\$ 842,208
Differences between projected and actual earnings on investments	1,447,310	1,425,995
Changes in assumptions	332,059	-
Total	<u>\$ 1,819,348</u>	<u>\$ 2,268,203</u>
	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 56,238	\$ 956,905
Differences between projected and actual earnings on investments	2,170,966	1,415,840
Changes in assumptions	439,600	-
Total	<u>\$ 2,666,804</u>	<u>\$ 2,372,745</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension at December 31, 2024, will be recognized in pension expense as follows:

Years ending December 31:	Amount
2025	\$ 187,851
2026	366,401
2027	(418,817)
2028	(200,870)
2029	(114,697)
Thereafter	(268,723)
Total	<u>\$ (448,855)</u>

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (OPEB)

State College Borough Authority Post-Employment Benefits Plan

General Information About the OPEB Plan:

Plan Description

The Authority's defined benefit OPEB plan, State College Borough Authority Post-Employment Benefits Plan (the State College OPEB Plan), provides post-employment benefits for all employees of the Authority. The State College OPEB Plan is unfunded, and no financial report is prepared. The State College OPEB Plan is a single employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided

The State College OPEB Plan provides medical insurance benefits for a determined time period based on employees' accumulated sick days at the date of retirement to eligible retirees, their spouses and other dependents.

Employees Covered by Benefit Terms

At January 1, 2024, the following employees were covered by the benefit terms:

Active Participants	44
Vested Former Participants	-
Retired Participants	1
Total	<u>45</u>

Total OPEB Liability

The Authority's total OPEB liability of \$212,380 and \$179,769 as of December 31, 2024 and 2023, respectively, was measured as of January 1, 2024, and was determined by an actuarial valuation as of January 1, 2024.

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (Continued)

State College Borough Authority Post-Employment Benefits Plan (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Interest rate	4.00%
Salary increase	5.00%
Discount rate	4.00%
Healthcare cost trend rates	7.0% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

The discount rate was based on S&P Municipal Bond 20-Year High Grade Rate Index at January 1, 2024.

Mortality rates are based on the PubG-2010 mortality table, including rates for contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

Changes in the Total OPEB Liability

	Total OPEB Liability 2024	Total OPEB Liability 2023
Balance at January 1	\$ 179,769	\$ 223,447
Changes for the year:		
Service cost	14,034	18,581
Interest	8,204	4,939
Difference between expected and actual experience	11,834	-
Changes in assumptions or other inputs	4,906	(25,591)
Benefit payments	(6,367)	(41,607)
Net changes	<u>32,611</u>	<u>(43,678)</u>
Balance at December 31	<u>\$ 212,380</u>	<u>\$ 179,769</u>

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (Continued)

State College Borough Authority Post-Employment Benefits Plan (Continued)

Changes in assumptions or other inputs reflect a change in the discount rate from 4.31% in 2023 to 4.00% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the December 31, 2024, total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
2024 Total OPEB Liability	\$ 200,716	\$ 212,380	\$ 222,674
2023 Total OPEB Liability	168,103	179,769	192,091

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the December 31, 2024, total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rates	1% Increase
2024 Total OPEB Liability	\$ 233,153	\$ 212,380	\$ 194,779
2023 Total OPEB Liability	160,568	179,769	202,506

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Post-Employment Benefits (Continued)

State College Borough Authority Post-Employment Benefits Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024 and 2023, the Authority recognized OPEB expense of \$24,641 \$24,876, respectively. At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefit payments subsequent to the measurement date (January 1, 2024)	\$ 50,898	\$ -
Changes in assumptions or other inputs	23,075	28,070
Difference between expected and actual experience	29,492	-
Total	<u>\$ 103,465</u>	<u>\$ 28,070</u>

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefit payments subsequent to the measurement date (January 1, 2023)	\$ 6,367	\$ -
Changes in assumptions or other inputs	20,352	30,384
Difference between expected and actual experience	20,192	-
Total	<u>\$ 46,911</u>	<u>\$ 30,384</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2024, will be recognized in OPEB expense as follows:

Years ending December 31:	Amount
2025	\$ 2,403
2026	2,403
2027	2,403
2028	2,403
2029	2,403
Thereafter	12,482
Total	<u>\$ 24,497</u>

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 9. Related Parties

The State College Sewer Authority's (the Sewer Authority) customers who reside in the Borough of State College are billed for water and sewer on one bill because the sewer portion of the bills is based on water consumption. The Authority collects the total amount billed and remits to the Sewer Authority its portion on a monthly basis. The Authority reports this activity as assets and liabilities in its statement of net position as such amounts are normally expected to be held for thirty days or less. The amount due from sewer customers was \$156,039 and \$120,433 at December 31, 2024 and 2023, respectively, and is reflected in the accompanying financial statements as accounts receivable, sewer customers. In addition, unbilled revenue for sewer customers was \$1,565,948 and \$1,448,343 at December 31, 2024 and 2023, respectively. The amounts due to the Sewer Authority, including amounts billed and unbilled but not yet collected, was \$1,808,039 and \$1,629,186 at December 31, 2024 and 2023, respectively. The differences between the receivable and payable amounts represent collections not remitted as of December 31 and cash deposits provided by the Sewer Authority. The Authority charges the Sewer Authority collection fees for the billing and collection of sewer services. The fee revenue was \$30,352 and \$30,334 for the years ended December 31, 2024 and 2023, respectively.

Note 10. Long-Term Debt

Long-term debt consists of the following at December 31:

	2024	2023
Note from direct borrowing, PennVEST, payable interest at 1.3% through construction period not to exceed 36 months, balance amortized over 240 months at 1.96% beginning October 2022 through January 2042, secured by a pledge of system revenues.	\$ 20,561,950	\$ 21,614,989
Less current portion	(1,036,446)	(1,052,863)
	<u>\$ 19,525,504</u>	<u>\$ 20,562,126</u>

Long-term debt consists of the following at December 31:

	2024	2023
Balance at January 1	\$ 21,614,989	\$ 21,180,046
Additions	-	1,574,707
Reductions	(1,053,039)	(1,139,764)
Balance at December 31	<u>\$ 20,561,950</u>	<u>\$ 21,614,989</u>

STATE COLLEGE BOROUGH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 10. Long-Term Debt (Continued)

The Authority's outstanding note from direct borrowings of \$20,561,950 contains provisions that if there is an event of default that materially impairs the notes collateral or the Authority's ability to satisfy the note obligation, all amounts outstanding are due immediately. Events of default include failure to pay any principal or interest installment when due and failure by the Authority to observe or perform any covenants in the note agreement.

Scheduled principal repayments on long-term debt from direct borrowings are as follows:

	Principal Payments	Interest	Total
Years ending December 31:			
2025	\$ 1,036,446	\$ 261,754	\$ 1,298,200
2026	1,050,032	248,168	1,298,200
2027	1,050,682	263,274	1,313,956
2028	1,029,070	332,155	1,361,225
2029	1,049,411	311,814	1,361,225
2030-2034	5,566,533	1,239,591	6,806,124
2035-2039	6,138,882	667,243	6,806,125
2040-2042	3,640,894	101,938	3,742,832
Total	<u>\$ 20,561,950</u>	<u>\$ 3,425,937</u>	<u>\$ 23,987,887</u>

Interest expense on this note was \$275,056 and \$277,613, respectively, for the years ended December 31, 2024 and 2023.

Note 11. Change in Inventory Valuation Method

Effective January 1, 2024, the Authority changed its method of accounting for inventory from the average cost method to the first-in, first-out (FIFO) method. Due to the unavailability of sufficient historical inventory data under the average cost method, and a scope limitation over inventory in the audit of the year ended December 31, 2023, the Authority was unable to determine the cumulative effect of applying FIFO to prior periods. Accordingly, the change has been applied prospectively beginning January 1, 2024. Comparative financial statements for the year ended December 31, 2023, have not been restated. The inventory balance at December 31, 2024, is stated under FIFO; the inventory balance at December 31, 2023, is stated under the average cost method.

REQUIRED SUPPLEMENTARY INFORMATION

STATE COLLEGE BOROUGH AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES OF
 CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 LAST 10 YEARS

For the Fiscal Year Ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 338,529	\$ 322,409	\$ 315,566	\$ 300,539	\$ 265,961	\$ 253,296	\$ 249,544	\$ 237,661	\$ 237,985	\$ 226,652
Interest cost	1,091,813	1,053,467	1,026,889	990,793	1,010,556	975,726	870,838	841,863	771,864	742,809
Changes of benefit terms	-	220,000	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(393,352)	-	(828,972)	-	1,096,662	-	615,752	-	95,589
Benefit payments, including refunds										
of member contributions	(882,406)	(805,983)	(786,522)	(794,898)	(733,995)	(754,240)	(690,545)	(664,418)	(586,178)	(545,243)
Net change in total pension liability	547,936	396,541	555,933	(332,538)	542,522	1,571,444	429,837	1,030,858	423,671	519,807
Total Pension Liability - beginning	15,700,006	15,303,465	14,747,532	15,080,070	14,537,548	12,966,104	12,536,267	11,505,409	11,081,738	10,561,931
Total Pension Liability - ending (a)	\$ 16,247,942	\$ 15,700,006	\$ 15,303,465	\$ 14,747,532	\$ 15,080,070	\$ 14,537,548	\$ 12,966,104	\$ 12,536,267	\$ 11,505,409	\$ 11,081,738
Plan fiduciary net position										
Employer contributions	\$ 800,000	\$ 500,000	\$ 500,000	\$ 964,292	\$ 350,000	\$ 450,000	\$ 325,000	\$ 318,800	\$ 400,000	\$ 440,462
Net investment income (loss)	1,880,972	2,095,630	(2,421,919)	1,956,867	1,875,479	2,266,706	(752,997)	1,421,406	1,059,675	(209,133)
Benefit payments, including refunds										
of member contributions	(882,406)	(805,983)	(786,522)	(794,898)	(733,995)	(754,240)	(690,545)	(664,418)	(586,178)	(545,243)
Administrative expense	-	-	(5,800)	(10,800)	(5,600)	(12,500)	(17,000)	-	(4,200)	(10,500)
Net change in plan fiduciary net position	1,798,566	1,789,647	(2,714,241)	2,115,461	1,485,884	1,949,966	(1,135,542)	1,075,788	869,297	(324,414)
Plan fiduciary net position - beginning	16,312,415	14,522,768	17,237,009	15,121,548	13,635,664	11,685,698	12,821,240	11,745,452	10,876,155	11,200,569
Plan fiduciary net position - ending (b)	18,110,981	16,312,415	14,522,768	17,237,009	15,121,548	13,635,664	11,685,698	12,821,240	11,745,452	10,876,155
Net pension liability (asset), ending (a) - (b)	\$ (1,863,039)	\$ (612,409)	\$ 780,697	\$ (2,489,477)	\$ (41,478)	\$ 901,884	\$ 1,280,406	\$ (284,973)	\$ (240,043)	\$ 205,583
Plan fiduciary net position as a percentage of total pension liability	111.47%	103.90%	94.90%	116.88%	100.28%	93.80%	90.12%	102.27%	102.09%	98.14%
Covered payroll	\$ 2,812,783	\$ 2,855,848	\$ 2,721,728	\$ 2,561,243	\$ 2,458,012	\$ 2,375,053	\$ 2,292,062	\$ 2,155,841	\$ 2,143,247	\$ 2,066,442
Net pension liability (asset) as a percentage of covered payroll	-66.23%	-21.44%	28.68%	-97.20%	-1.69%	37.97%	55.86%	-13.22%	-11.20%	9.95%

STATE COLLEGE BOROUGH AUTHORITY

**REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES OF
CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
LAST 10 YEARS**

For the Fiscal Year Ended December 31,	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 14,034	\$ 18,581	\$ 20,394	\$ 16,211	\$ 14,173	\$ 15,003	\$ 13,335
Interest cost	8,204	4,939	4,586	7,390	7,115	6,445	7,602
Changes in assumptions	4,906	(25,591)	(3,865)	15,602	5,917	(4,900)	6,181
Differences between expected and actual experience	11,834	-	3,367	-	23,553	-	-
Benefit payments, including refunds of member contributions	(6,367)	(41,607)	(39,826)	(23,791)	(18,906)	(30,513)	(28,786)
Net change in total OPEB liability	32,611	(43,678)	(15,344)	15,412	31,852	(13,965)	(1,668)
Total OPEB Liability - Beginning	179,769	223,447	238,791	223,379	191,527	205,492	207,160
Total OPEB Liability - Ending	\$ 212,380	\$ 179,769	\$ 223,447	\$ 238,791	\$ 223,379	\$ 191,527	\$ 205,492
Covered payroll	\$ 2,689,358	\$ 2,474,544	\$ 2,561,243	\$ 2,333,508	\$ 2,333,508	\$ 2,155,841	\$ 2,155,841
Net OPEB liability (asset) as a percentage of covered payroll	7.90%	7.26%	8.72%	10.23%	9.57%	8.88%	9.53%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

STATE COLLEGE BOROUGH AUTHORITY

**REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES OF
EMPLOYER PENSION CONTRIBUTIONS TO THE PENSION PLAN**

Year Ended December 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 495,934	\$ 264,237	\$ 252,947	\$ 964,292	\$ 343,850	\$ 326,292	\$ 213,983	\$ 210,159	\$ 196,376	\$ 315,462
Contributions in relation to the actuarially determined contribution	800,000	500,000	500,000	964,292	350,000	450,000	325,000	318,800	400,000	440,462
Contribution deficiency (excess)	\$ (304,066)	\$ (235,763)	\$ (247,053)	\$ -	\$ (6,150)	\$ (123,708)	\$ (111,017)	\$ (108,641)	\$ (203,624)	\$ (125,000)
Authority's covered-employee payroll	\$ 2,812,783	\$ 2,855,848	\$ 2,721,728	\$ 2,561,243	\$ 2,458,012	\$ 2,375,053	\$ 2,292,062	\$ 2,155,841	\$ 2,143,247	\$ 2,066,442
Contributions as a percentage of covered-employee payroll	28.44%	17.51%	18.37%	37.65%	14.24%	18.95%	14.18%	14.79%	18.66%	21.31%

Method and assumptions used to determine contribution rates:

Actuarial valuation date	1/1/2021
Actuarial cost method	Entry-age normal
Amortization method	Level dollar, closed
Remaining amortization period	N/A years
Asset valuation method	Market value of assets as determined by the trustee
Inflation	3.0%
Projected salary increases	5.0%
Investment rate of return	7.0%
Retirement age	Normal retirement age
Mortality	PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement

STATE COLLEGE BOROUGH AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES OF
INVESTMENT RETURNS FOR PENSION PLAN

Year Ended December 31	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	11.39%	14.46%	-14.30%	11.40%	14.00%	19.60%	-5.70%	12.40%	10.00%	-1.70%

SUPPLEMENTARY INFORMATION

STATE COLLEGE BOROUGH AUTHORITY

SCHEDULES OF WATER DISTRIBUTION SYSTEM, LAND AND PLANT

Years Ended December 31, 2024 and 2023

	2024	2023
Water Distribution System		
Well fields	\$ 14,935,734	\$ 14,857,247
Pumping	803,089	797,939
Distributions:		
Transmission mains	5,716,634	5,716,634
Storage mains, tanks and standpipes	10,573,670	10,569,170
Distribution mains	40,514,078	36,094,800
Developers' systems and other	15,875,351	15,875,351
Service pipes and stops	3,340,108	3,320,425
Meters, meter boxes and vaults	8,414,390	7,559,142
Fire hydrants and sprinklers	1,069,996	1,063,605
Total distribution	85,504,227	80,199,127
Engineering costs	4,445,363	4,256,667
Total water distribution system	105,688,413	100,110,980
Land	2,214,631	2,214,631
Water Treatment Plant - Woodside	7,076,401	7,032,587
Water Treatment Plant - Nixon	23,415,983	23,398,322
Total water distribution system, land and plant	\$ 138,395,428	\$ 132,756,520

STATE COLLEGE BOROUGH AUTHORITY

SCHEDULES OF OPERATING EXPENSES

PROPRIETARY FUND TYPE

Years Ended December 31, 2024 and 2023

	2024	2023
Purification/Treatment		
Operating labor and analysis	\$ 78,888	\$ 91,514
Maintenance of property	46,113	28,137
Supplies and expense	72,435	76,185
Total purification/treatment	<u>197,436</u>	<u>195,836</u>
Pumping		
Power purchased	260,869	304,183
Maintenance of property	44,702	19,192
Operating labor	108,697	89,002
Total pumping	<u>414,268</u>	<u>412,377</u>
Filtration		
Operating labor	248,900	219,122
Power purchased	204,543	176,455
Maintenance of property	31,476	44,041
Supplies and expense	76,464	56,467
Total filtration	<u>561,383</u>	<u>496,085</u>
Distribution		
Maintenance of distribution system mains	157,895	641,626
Maintenance of meter, meter boxes and vaults	245,176	170,781
Maintenance of fire hydrants	81,353	46,315
Storage tanks	17,513	23,929
Total distribution	<u>501,937</u>	<u>882,651</u>
Other Operating Expense		
Depreciation	2,710,779	2,435,714
Office payroll and benefits	1,635,216	1,600,657
Insurance	1,030,229	916,129
Maintenance	466,860	402,586
Office supplies and other	355,935	460,442
Pension (income)	292,284	457,979
Professional fees	162,489	160,718
General property	89,045	91,679
Solar power agreement	29,232	20,051
Total other operating	<u>6,772,069</u>	<u>6,545,955</u>
Total operating expenses	<u><u>\$ 8,447,093</u></u>	<u><u>\$ 8,532,904</u></u>

APPENDIX III

2024 Approved Budget

2024 Actual Operating Results

2025 Approved Budget

2025 Income & Expenditures

OVERVIEW

INCOME (page 2*)	2024 Budget	Actual To 12/31/24	2025 Budget
Operating Income	12,806,940	13,057,612	13,422,290
Other Income	335,300	1,120,410	897,500
TOTAL INCOME	\$ 13,142,240	\$ 14,178,022	\$ 14,319,790

EXPENSES	2024 Budget	Actual To 12/31/24	2025 Budget
Operating Expenses			
Chemical Treatment (page 3*)	220,575	194,863	206,600
Pumping (page 4*)	461,190	415,843	506,130
Filtration Plant (page 5*)	556,030	561,384	696,700
Distribution (page 6*)	924,660	936,316	1,132,595
General Expenses (pages 7, 8 & 9*)	4,981,275	4,137,862	5,338,840
Total Operating Expenses	\$ 7,143,730	\$ 6,246,267	\$ 7,880,865
Income Deductions			
Board Reserve Fund (page 10*)	4,678,410	4,687,917	4,723,730
Tank Painting Fund (page 10*)	1,320,800	1,324,846	1,102,205
Total Income Deductions	\$ 5,999,210	\$ 6,012,763	\$ 5,825,935
TOTAL EXPENSES	\$ 13,142,940	\$ 12,259,030	\$ 13,706,800

***See page number for greater detail.**

2025 Income & Expenditures

INCOME

INCOME	2024 Budget	Actual To 12/31/24	2025 Budget
Operating Income			
Metered Sales	10,160,020	10,275,026	10,497,190
Capacity Charge	1,600,930	1,704,745	1,844,680
Fire Protection	1,045,990	1,077,842	1,080,420
Total Operating Income	\$ 12,806,940	\$ 13,057,612	\$ 13,422,290
Other Income			
Services Provided to Others	70,000	60,009	70,000
Penalties Received	87,300	89,609	79,000
Other Operating Revenue	52,000	33,462	57,000
Government Sweep Interest	54,000	59,858	61,000
Board Reserve Fund Interest	72,000	877,472	630,500
Total Other Income	\$ 335,300	\$ 1,120,410	\$ 897,500
TOTAL INCOME	\$ 13,142,240	\$ 14,178,022	\$ 14,319,790
Restricted Revenue			
Tapping Fee Revenue	500,000	577,963	600,000
Tapping Fee Fund Interest	90,000	234,418	260,500
Emergency Fund Interest	60,000	159,951	180,000
Total Restricted Income	\$ 650,000	\$ 972,332	\$ 1,040,500

2025 Income & Expenditures

EXPENDITURES

CHEMICAL TREATMENT EXPENSES	2024 Budget	Actual To 12/31/24	2025 Budget
Chlorination			
Labor	20,475	12,676	18,600
Equipment Maintenance	50,700	40,318	50,000
Purchased	63,400	72,435	60,000
Water Analyses	30,000	24,279	33,000
Total Chlorination Expenses	\$ 164,575	\$ 149,708	\$ 161,600
Fluoridation			
Labor	6,000	1,671	-
Equipment Maintenance	10,000	5,795	-
Purchased	-	-	-
Water Analyses	-	-	-
Total Fluoridation Expenses	\$ 16,000	\$ 7,465	\$ -
Laboratory Analyses			
SDWA (Safe Drinking Water Act)	40,000	37,690	45,000
Total Laboratory Analyses Expenses	\$ 40,000	\$ 37,690	\$ 45,000
TOTAL CHEMICAL TREATMENT EXPENSES	\$ 220,575	\$ 194,863	\$ 206,600

2025 Income & Expenditures

EXPENDITURES

PUMPING EXPENSES	2024 Budget	Actual To 12/31/24	2025 Budget
Well Fields			
Labor	45,760	47,302	60,255
Monitoring	28,000	36,961	35,900
Equipment Maintenance	39,500	35,347	50,530
Electric	272,830	221,955	265,275
Total Well Field Expenses	\$ 386,090	\$ 341,565	\$ 411,960
Pump Stations			
Labor	24,000	26,009	31,050
Equipment Maintenance	5,000	9,355	13,050
Electric	46,100	38,914	50,070
Total Pump Station Expenses	\$ 75,100	\$ 74,278	\$ 94,170
TOTAL PUMPING EXPENSES	\$ 461,190	\$ 415,843	\$ 506,130

2025 Income & Expenditures

EXPENDITURES

FILTRATION EXPENSES	2024 Budget	Actual To 12/31/24	2025 Budget
Labor	230,530	221,595	269,800
Equipment Maintenance	31,000	31,476	95,000
Telemetry	25,500	27,305	31,830
Reservoir	800	607	1,000
Chemicals	25,000	23,457	25,650
Electric	202,700	204,543	215,665
Propane	24,000	33,356	41,000
Lab Expense	16,500	19,044	16,755
TOTAL FILTRATION EXPENSES	\$ 556,030	\$ 561,384	\$ 696,700

2025 Income & Expenditures

EXPENDITURES

DISTRIBUTION EXPENSES	2024 Budget	Actual To 12/31/24	2025 Budget
Maintenance of Distribution Mains			
Waterline Inspection	48,000	16,992	40,290
Labor	146,500	146,340	198,570
Flushing	66,700	53,050	70,000
Leak Detection Program	34,000	38,562	55,615
Underground Locates	143,730	140,761	150,000
GIS locations of Mains, FH, Valve	7,800	5,514	10,000
Materials	70,730	46,633	75,630
Maintenance of Service Lines			
Labor	66,500	109,045	115,540
Materials	23,000	35,377	23,385
Maintenance of Fire Hydrants			
Labor	40,500	26,341	32,500
Materials	50,000	55,012	23,000
Maintenance of Meters			
Labor	130,000	188,257	220,000
Backflow Prevention	26,300	13,523	20,000
Materials	49,800	43,396	61,000
Maintenance of Storage Tanks			
Labor	15,600	6,250	18,300
Materials	1,500	8,205	14,205
Electric	4,000	3,058	4,560
TOTAL DISTRIBUTION EXPENSES	\$ 924,660	\$ 936,316	\$ 1,132,595

2025 Income & Expenditures

EXPENDITURES

GENERAL EXPENSES	2024 Budget	Actual To 12/31/24	2025 Budget
Service Building			
Contract Services	30,000	20,153	25,200
Electric	28,900	21,488	30,200
Propane	11,000	6,330	8,500
Telephone/Cable/Internet	44,550	41,073	45,000
Maintenance & Repairs			
Small Tools (Labor & Materials)	86,900	59,344	85,850
Building & Grounds (Labor & Materials)	194,100	238,888	232,920
Vehicle			
Maintenance	90,000	83,506	104,710
Radio Maintenance	8,000	11,040	11,900
Gas/Oil	107,000	74,082	79,900
Maintenance & Other			
Inventory Adjustments	10,000	(432,828)	10,000
Source Water Protection	5,160	1,708	5,000
Beneficial Reuse	2,500	282	500
Payroll			
Administrative Salaries & Wages	895,000	819,915	940,000
Meter Reading Salaries & Wages	85,000	60,937	75,500
Employee Incentive Compensation	7,000	5,290	7,000
Subtotal General Expenses	\$ 1,605,110	\$ 1,011,206	\$ 1,662,180

2025 Income & Expenditures

EXPENDITURES

GENERAL EXPENSES	2024 Budget	Actual To 12/31/24	2025 Budget
Benefits			
Holiday/Personal Pay	133,330	140,980	160,000
Sick Pay	150,000	101,555	128,955
Vacation Pay	212,430	216,881	217,000
Legal Time Off	20,000	18,822	21,865
Pension	800,000	800,000	825,000
Work Uniforms	20,000	13,772	23,000
Humanitarian	21,000	24,893	22,290
Payroll Taxes	263,700	230,427	281,080
Medical	797,860	743,400	927,000
Group Life	22,500	16,991	18,060
Short and Long Term Disability	42,300	34,582	37,000
Insurance			
Workman's Compensation	50,000	52,391	62,000
General Liability	178,945	182,863	201,000
Services			
Professional Fees	120,000	133,330	165,220
Automated Systems Expense	80,000	68,931	138,000
Regulatory Compliance	38,000	30,600	42,000
Gratuitous Service	43,500	40,428	44,000
Education	78,000	40,990	59,440
CDL Testing	8,000	7,456	8,500
Subtotal General Expenses	\$ 3,079,565	\$ 2,899,294	\$ 3,381,410

2025 Income & Expenditures

EXPENDITURES

GENERAL EXPENSES	2024 Budget	Actual To 12/31/24	2025 Budget
Office			
Office Supplies	66,000	59,104	70,000
Custodial Supplies	4,600	5,196	5,500
Postage & Shipping	54,000	42,508	58,840
Banking Fees	85,000	27,124	39,910
Advertising/Public Notices	13,000	4,305	13,000
Collection			
Delinquent Account Collection	25,000	19,134	25,000
Miscellaneous			
Maintenance Agreements	48,000	38,659	53,000
Contributions	1,000	2,100	3,000
Solar Power	-	29,232	30,000
Subtotal General Expenses	\$ 296,600	\$ 227,362	\$ 295,250
TOTAL GENERAL EXPENSES	\$ 4,981,275	\$ 4,137,862	\$ 5,338,840
TOTAL OPERATING EXPENSES	\$ 7,143,730	\$ 6,246,267	\$ 7,880,865

2025 Income & Expenditures

EXPENDITURES

INCOME DEDUCTIONS	2024 Budget	Actual To 12/31/24	2025 Budget
Board Reserve Fund Transfer	4,678,410	4,687,917	4,723,730
Tank Painting Fund Transfer	1,320,800	1,324,846	1,102,205
Total Capital Transfer	\$ 5,999,210	\$ 6,012,763	\$ 5,825,935
TOTAL DEDUCTIONS & OPERATING EXPENSES	\$ 13,142,940	\$ 12,259,030	\$ 13,706,800

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RODNEY A. BEARD
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August 27, 2025

ELECTRONIC FILING

Via Email to jcoogan@pa.gov

The Honorable John M. Coogan
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: I & E Petition to Request the Commission Open a Section 529 Investigation into the
Acquisition of Rock Spring Water Company
Docket No. P- 2024-3051313

Dear Judge Coogan:

Enclosed for electronic filing please find Rock Spring Water Company's Direct
Testimony of Gene F. and Sharon J. Byers submitted in connection with the above-referenced
Section 529 Proceedings.

Copies are being served on all parties of record per the attached Certificate of Service.

If you should have any questions, please do not hesitate to contact me. Thank you.

Very truly yours,



Rodney A. Beard

RAB/nld

Enclosure

c: Rock Spring Water Company
Secretary Matthew L. Homsher

All parties on the attached Certificate of Service in the manner specified.

Z:\Clients\R\Rock Spring Water Company\PUC\Judge Coogan.ltr.8-27-25.docx

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
The Acquisition of Rock Spring Water :
Company :

VIA ELECTRONIC FILING

Rock Spring Water Company

Direct Written Testimony of Gene F. Byers and Sharon J. Byers

Dated: August 27, 2025

Gene F. Byers

Testimony of Sharon J. Byers [Name] before the Pennsylvania Public
Utility Commission

In re: Petition to Request the Commission
Open a Section 529 Investigation Into
The Acquisition of Rock Spring Water
Company

Docket No. P-2024-3051313

1. Q. What is your name?

A. My name is Gene F. Byers
Sharon J. Byers

2. Q. What is your address?

A. My address is 113 Timothy Lane
PA Furnace, PA 16865

3. Q. Do you reside at that address?

A. Yes.

4. Q. How long have you lived at that address?

A. 33 years.

5. Q. Does your residence have public water service?

A. Yes

6. Q. Who provides the public water service to your residence?

A. Rock Spring Water Company.

7. Q. Has Rock Spring Water Company provided public water service to your residence for the years you have lived there?

A. Yes.

8. Q. Are you satisfied with the water service provided to your residence by Rock Spring Water Company.

A. Yes. I've been very satisfied with Rock Spring Water Company over the years.

9. Q. Has Rock Spring Water Company ever failed to provide you with water service to your residence?

A. No.

10. Q. Is the water provided to your residence by Rock Spring Water Company of good quality?

A. Yes.

11. Q. Are you satisfied with the water service provided to your residence by Rock Spring Water Company?

A. Yes.

12.Q. Has the water service provided to your residence by Rock Spring Water Company been reliable?

A. Yes.

13.Q. Do you know who operates the Rock Spring Water Company?

A. Yes, it is operated by Roy Campbell.

14.Q. Have you ever needed to get in contact with Roy Campbell about the water service?

A. Yes.

15.Q. Have you ever had any problem getting in touch with Rock Spring Water Company regarding your water service?

A. No, Mr. Campbell has always been very responsive.

16.Q. Have you ever become sick or ill from the water provided to your residence?

A. No, the water has always been very good.

17.Q. Do you want to see the Rock Spring Water Company taken over by either Pennsylvania American Water Company or State College Borough Water Authority?

A. No.

18. Q. Why not?

A. There is no reason to change anything. The water service has always been good, the water is of good quality, and it is provided at a reasonable rate. If Rock Spring Water Company is taken over by either Pennsylvania American Water Company or State College Borough Water Authority, the rates will likely increase and dealing with them will be like dealing with huge companies. It will no longer be the small water system run by our neighbors where we know where the water comes from and who to contact about it if we need to.

19. Q. To the best of your knowledge, can Rock Spring Water Company be reasonably expected to furnish and maintain adequate, efficient, safe and reasonable water service to your residence in the future?

A. Yes, I believe so.

20. Q. Have you noticed any change in service from Rock Spring Water Company since Pennsylvania American Water Company has taken over the operations as Receiver?

A. No. It's been just the same as it was before.

20. Q. Do you know anything about the finances of Rock Spring Water Company?

A. No.

21. Q. If Rock Spring Water Company needed to increase rates for water in order to continue to provide water service to your residence and to comply with more stringent modern governmental regulations, would you be willing to pay increased rates for water service?

A. Yes, if it was necessary for them to keep operating and providing good quality water.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition to Request the Commission
Open a Section 529 Investigation Into
The Acquisition of Rock Spring Water
Company

Docket No. P-2024-3051313

VERIFICATION

Gene F. Byers
I, Sharon J. Byers, a customer of Rock Spring Water Company,
verify that I am acquainted with the facts set forth in the foregoing Written Testimony, and that
the facts set forth are true and correct to best of my knowledge, information and belief. I expect
to be able to prove the same at a hearing to be held in this matter. I understand that the
statements herein are made subject to the penalties of 18 Pa. C.S. Section 4904 (relating to
unsworn falsification to authorities).

Date

8/29/2025

Signature

Sharon J. Byers

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition to Request the Commission :
Open a Section 529 Investigation Into : Docket No. P-2024-3051313
The Acquisition of Rock Spring Water :
Company :

CERTIFICATE OF SERVICE

I hereby certify that I am serving Rock Spring Water Company's Direct Written Testimony of its witnesses Gene F. Byers and Sharon J. Byers dated August 27, 2025, in the manner and upon the persons listed below:

Served Via Electronic Mail Only

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Respectfully submitted:

8-27-25

Date



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