Joint Application of American Water Works Co., Inc., Pennsylvania-American Water Co., Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc.	Docket Nos.: A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554
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Hearing Date: November 21, 2025

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PAWC HEARING EXHIBIT 1

TESTIMONY AND EXHIBITS BEING INTRODUCED BY PENNSYLVANIA-AMERICAN WATER COMPANY

Testimony of Michael Salvo

1. Direct Testimony of Michael Salvo, PAWC St. No. 1, together with PAWC Exhibits MS-1 and 2 and a verification; and
2. Rebuttal Testimony of Michael Salvo, PAWC St. No. 1-R, with a verification.

Testimony of Michael J. Guntrum, P.E.

1. Direct Testimony of Michael J. Guntrum, P.E., PAWC St. No. 2, together with PAWC Exhibits MJG-1 through MJG-3 and a verification; and
2. Rebuttal Testimony of Michael J. Guntrum, P.E., PAWC St. No. 2-R, together with a verification.

Testimony of Ashley E. Everette

1. Direct Testimony of Ashley E. Everette, PAWC St. No. 3, together with a verification;
2. Rebuttal Testimony of Ashley E. Everette, PAWC St. No. 3-R, together with a verification; and
3. Rejoinder Testimony of Ashley E. Everette, PAWC St. No. 3-RJ, together with a verification.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary authority, approvals and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	Docket Nos. A-2025-3055551 *et al*.

DIRECT TESTIMONY OF
MICHAEL SALVO ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY

Date: September 2, 2025 PAWC Statement No. 1

DIRECT TESTIMONY OF
MICHAEL SALVO

INTRODUCTION AND OVERVIEW

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

A. My name is Michael Salvo, and my business address is 852 Wesley Drive, Mechanicsburg, PA 17055.

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

A. I am employed by Pennsylvania-American Water Company ("Pennsylvania American" or "PAWC") as Director, Business Development.

Q. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR OF BUSINESS DEVELOPMENT?

A. I support our business team in developing and maintaining necessary contacts to stay abreast of new business opportunities. I also lead and manage acquisitions from initial contact, perform due diligence of an opportunity, respond to Requests for Qualifications, Requests for Proposals and Requests for Bids, prepare the Application for submission to the Pennsylvania Public Utility Commission ("Commission"), and oversee all activities and workflows required to transfer and close the acquisition, including post-closing activities. These responsibilities necessitate that I work closely with the seller to transition all activities to merge companies, maintain a working knowledge of regulatory and technical developments, new technologies and current trends as they affect the water and

wastewater utility industry, and that I be familiar with legislation, regulations and public policy affecting business opportunities.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EDUCATION AND EXPERIENCE.

A. A copy of my curriculum vitae is attached as **PAWC Exhibit MS-1**. I received a Bachelor of Science degree in mechanical engineering technology in 1987 from The Pennsylvania State University and a Master of Business Administration in 1996 from Lebanon Valley College. I have over 37 years of experience in the regulated water and wastewater industry working in various roles and increasing levels of responsibility, including engineering, water and wastewater operations, administration, labor management, customer service and business development.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

A. Yes. I have testified as a witness for PAWC during proceedings at Commission Docket Nos. A-2020-3019634, A-2021-3024058, A-2021-3037047 and A-2023-3043194.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my Direct Testimony is to provide an overview of, and information to support and recommend approval of, the Joint Application filed by American Water Works Company, Inc. ("American Water"), Pennsylvania American, Nexus Regulated Utilities, LLC ("Nexus") and Community Utilities of Pennsylvania, Inc. ("CUPA"), (collectively, the "Joint Applicants"). PAWC respectfully requests that the Commission issue such Orders, Certificates of Public Convenience and other such relief as necessary to evidence

its approval under Sections 1102(a)(3) and 1103 of the Pennsylvania Public Utility Code ("Code"), 66 Pa. C.S. §§ 1102(a)(3) and 1103, of the following:

(1) the transfer of control of CUPA from Nexus to American Water;

(2) the transfer to PAWC, by merger, of all assets of CUPA used or useful in the public service;[1]

(3) the right of PAWC to begin to offer, render, furnish and supply water service to the public in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania;

(4) the right of PAWC to begin to offer, render, furnish, and supply water service to the public in portions of Hanover Township, Northampton County, Pennsylvania;

(5) the right of PAWC to begin to offer, render, furnish, and supply water service to the public in portions of Lehman Township, Pike County, Pennsylvania;

(6) the right of PAWC to begin to offer, render, furnish, and supply wastewater service in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania;

(7) the right of PAWC to begin to offer, render, furnish, and supply wastewater service in portions of West Bradford Township, Chester County, Pennsylvania;

(8) the right of PAWC to offer, render, furnish, and supply wastewater service in portions of Lehman Township, Pike County, Pennsylvania; and

[1] For ease of reference, the transfer of the assets of CUPA to PAWC is referred to herein as the "Merger." The Merger, together with the transfer of control of CUPA from Nexus to American Water, are collectively referred to herein as the "Transaction."

(9) the abandonment by CUPA of all water and wastewater service to the public in Pennsylvania.

In addition, the Joint Applicants request that the Commission approve certain agreements as affiliated interest agreements pursuant to Section 2102 of the Code. The Joint Applicants further request that the Commission approve certain agreements with municipal corporations pursuant to Section 507 of the Code.

Finally, the Joint Applicants request that the Commission grant all other approvals appropriate, customary or necessary under the Code for the Transaction described herein.

Q. ARE THERE ANY MUNICIPAL AGREEMENTS REQUIRED UNDER CODE SECTION 507 THE APPLICANTS WOULD LIKE APPROVED?

A. Yes, the Joint Applicants further request, pursuant to Code Section 507, 66 Pa. C.S. § 507, the issuance of Certificates of Filing or approvals for the following agreements between PAWC and a municipal corporation:

a. Water Services agreement dated January 16, 2007, by and between Utilities, Inc. – Westgate and the City of Bethlehem; and

b. Addendum to Water Service Agreement dated June 6, 2017, by and between Utilities, Inc. - Westgate and the City of Bethlehem.

Q. ARE THERE OTHER REQUESTS FROM THE JOINT APPLICANTS TO THE COMMISSION?

A. Yes. The Joint Applicants respectfully request advance approval of the Merger between PAWC and CUPA which is necessary because it will be scheduled to occur immediately following the closing of the change of control of CUPA from Nexus to American Water

(the "Closing"). The Transaction is detailed further within the Application. The Application was prepared and filed under my supervision. As indicated in my Verification attached to the Application, the Application and its numerous appendices are true and correct to the best of my knowledge, information, and belief. The Application was prepared using the records made available by Nexus, PAWC's records, as well as online document research. For purposes of having a complete evidentiary record in this proceeding upon which the Commission can base its decision, I submit the Application and all its appendices (Appendix A through T) as **PAWC Exhibit MS-2.**

Q. WOULD YOU PLEASE PROVIDE A BRIEF SUMMARY OF THE TRANSACTION?

A. Yes. On May 19, 2025, American Water and Nexus entered into a Purchase and Sale Agreement (the "Stock Purchase Agreement") by which American Water will purchase all the issued and outstanding equity interests in specified entities that own regulated water and wastewater systems located in various states, including CUPA in Pennsylvania. Subject to obtaining certain regulatory approvals and the satisfaction of certain other conditions, the Transaction will result in the change of control of CUPA from Nexus to American Water upon Closing of the transaction contemplated in the Stock Purchase Agreement. A copy of the Stock Purchase Agreement is attached hereto as **"Appendix "F"** to the Application in **PAWC Exhibit MS-2**.

Upon American Water's acquisition of 100% of the equity interests in CUPA (the "Transfer of Control"), American Water proposes to immediately merge CUPA with and into PAWC, as contemplated in the Statement of Merger by and among American

Water, CUPA, and PAWC, see **Appendix "G"** to the Application (Statement of Merger) in **PAWC Exhibit MS-2.**

Through American Water's purchase from Nexus of all of the issued and outstanding equity interests in CUPA and the subsequent Merger, CUPA will be merged with and into PAWC with PAWC as the surviving corporation.

Counsel advises that the Merger is authorized by the Business Corporation Law of 1988, 15 Pa. C.S. § 1101, *et seq*., and pursuant to said Act, a Statement of Merger will be filed with the Pennsylvania Department of State.

The Joint Applicants will advise the Commission of the effective date of the Merger. CUPA will then cease to exist.

Q. WHAT ARE THE REASONS FOR THE TRANSACTION?

A. The Transaction is mutually beneficial to support American Water and Nexus in their respective and continued provision of safe and reliable service to customers. For American Water, the Transaction offers a way to strengthen operations in several states and allow American Water to continue to leverage its scale and size to continue to cost-effectively deliver safe, clean, reliable and affordable water and wastewater services to its existing and new customers over the long-term, including those in Pennsylvania. For Nexus, the Transaction allows it to focus on a smaller core geography where it is better poised to grow and efficiently serve its customers over the long term.

Q. WAS THE TRANSFER OF CONTROL NEGOTIATED AT ARM'S LENGTH?

A. Yes. American Water and Nexus are not affiliated entities and the Transfer of Control was negotiated at arm's length.

Q. WHAT IS THE PURCHASE PRICE OF CUPA'S WATER AND WASTEWATER SYSTEMS?

A. The consideration for American Water's purchase of CUPA's equity interests is set forth in the Stock Purchase Agreement. The portion of the $315 million Preliminary Purchase Price (as defined in the Stock Purchase Agreement) allocated to CUPA is $59,512,629. The method of allocation of the Preliminary Purchase Price and final Purchase Price, as adjusted, is further described in the Direct Testimony of PAWC witness Ashley Everette, referenced below.

DESCRIPTION OF TESTIMONY TO BE SUBMITTED IN SUPPORT OF THE APPLICATION

Q. PLEASE IDENTIFY THE OTHER PAWC WITNESSES WHO WILL BE PROVIDING WRITTEN DIRECT TESTIMONY AND THEIR SUBJECT MATTER AREAS.

A. In addition to my Direct Testimony, PAWC will submit the written Direct Testimony of Michael J. Guntrum, P.E., a Senior Project Engineer, (PAWC Statement No. 2) and Ashley E. Everette, Vice President of Rates and Regulatory for American Water Works Service Company (PAWC Statement No. 3). Mr. Guntrum will describe the CUPA water and wastewater systems (the "Systems") and their current and future challenges, as well as PAWC's system. Mr. Guntrum will also support PAWC's technical fitness to operate the

Systems and explain needed improvements. Mr. Guntrum will also address the anticipated day-to-day operations of the Systems once acquired by PAWC, including staffing, and the customer service enhancements that PAWC intends to implement for the benefit of the Systems' customers.

Ms. Everette will address the initial rates, rules, and regulations for the Systems' customers. Ms. Everette will also discuss acquisition financing and PAWC's overall financial fitness.

Q. WILL NEXUS ALSO SUBMIT DIRECT TESTIMONY IN SUPPORT OF THE APPLICATION?

A. Yes, it is anticipated that Nexus will introduce the testimony of Steven M. Lubertozzi, Senior Vice President of Rates, Regulatory and Legislative Affairs for Nexus Water Group, Inc., marked as CUPA Statement No. 1.

Q. ASIDE FROM AUTHENTICATING THE APPLICATION FOR ITS ADMISSION INTO THE EVIDENTIARY RECORD AND IDENTIFYING ITS REQUESTS FOR RELIEF, WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. My Direct Testimony describes the Transaction. I will explain why the Transaction is in the public interest and provide an affirmative benefit of a substantial nature, and why the Transaction should be promptly approved by the Commission. I will also discuss why PAWC is legally, financially, and technically fit to acquire and operate the Systems.

Q. ARE THE JOINT APPLICANTS PROPOSING THAT THIS APPLICATION BE EVALUATED USING THE FAIR MARKET VALUE PROVISIONS OF SECTION 1329?

A. No. The Joint Applicants are requesting Commission approval under Section 1102(a) of the Code.

Q. AFTER THE CLOSING, DOES PAWC INTEND TO OPERATE CUPA AS A WHOLLY OWNED SUBSIDIARY?

A. No. As discussed above, CUPA will be merged with and into PAWC and will cease to exist as a separate corporate entity.

DESCRIPTION OF PAWC

Q. PLEASE PROVIDE AN OVERVIEW OF PAWC.

A. PAWC, a subsidiary of American Water, is the largest regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, engaged in the business of collecting, treating, storing, supplying, distributing, and selling water service to the public, and collecting, treating, transporting, and disposing of wastewater service for the public. Water and wastewater services are furnished by PAWC (public utility code numbers 212285 (water) and 230073 (wastewater)) to the public in a service territory encompassing more than 424 communities in 38 counties. Overall, PAWC serves a combined population of over 2.4 million people across the Commonwealth and is American Water's largest subsidiary.

As of July 31, 2025, PAWC furnished water service to approximately 694,617 customers and furnished wastewater service to approximately 116,270 customers in Pennsylvania.

PAWC currently employs approximately 1,179 professionals with expertise in all areas of water and wastewater utility operations, including water and wastewater treatment plant operation and maintenance, distribution and collection system operation and maintenance, engineering, regulatory compliance, materials management, risk management, business development, legal, human resources, accounting, and customer service. PAWC has the expertise, the record of environmental compliance, the commitment to invest in necessary capital improvements and resources, and the experienced managerial and operating personnel necessary to provide safe and reliable water services to the residents of the service area.

PAWC takes pride in being a good corporate citizen by sponsoring and participating in local community events, providing environmental and firefighting support grants, offering the "H2O Help to Others Assistance Program" to help low-income customers pay their bills, and supporting economic growth through infrastructure improvements in the communities served by PAWC. In 2024, PAWC donated more than $1,400,000 to organizations in the communities it serves through grants, scholarships, and general charitable contributions to 325 organizations across Pennsylvania. Also in 2024, PAWC contributed $754,167 to fund our customer assistance program, with 1,788 low-income households receiving grants totaling $714,004. PAWC also provided approximately $19 million total in monthly bill discounts and 2,881 conservation kits and education to customers who qualified. Through collaboration with the American Water

Charitable Foundation, the Company helped provide an additional $700,000 in funding to non-profit organizations across Pennsylvania.

In addition, through partnerships, programming, and volunteerism, PAWC demonstrates its commitment to being a good neighbor. That is why PAWC and its dedicated employees play active roles in supporting environmental and educational initiatives related to water, from watershed clean-ups to educational programs focused on drinking water and source water protection, as well as supporting youth education, health and wellness initiatives, community sustainability projects and more to address community-specific needs. PAWC is eager to partner with all the municipalities in CUPA's service area in providing a sustainable long-term future for the Systems. Customers of the Systems will benefit from a stable company with a robust business model and reliable service.

BACKGROUND INFORMATION ON THE SYSTEMS

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF NEXUS AND THE CUPA SYSTEMS.

A. Nexus is a holding company with its principal place of business in Sugar Land, Texas that owns water and wastewater utility companies. Nexus is the direct corporate parent of CUPA. Nexus is a wholly owned indirect subsidiary of Nexus Water Group, Inc., which is headquartered in Sugar Land, Texas and was created in connection with the merger of Corix Infrastructure (US) Inc. and SW Merger Acquisition Corp.[2]

[2] *See, Application of Community Utilities of Pennsylvania Inc., for Certificates of Public Convenience under Sections 1102(a)(3) and 1103 of the Public Utility Code And All Other Approvals Necessary Under the Public Utility Code for Approval of a Merger of Equals Transaction,* Docket Nos. A-2022-3036744 and A-2022-3036745 (Final Order Approving Joint Petition for Full Settlement entered September 8, 2023).

CUPA is an investor-owned certificated Pennsylvania public utility[3] (public utility code numbers 2118089 (water) and 2318090 (wastewater)) and is regulated by the Commission. CUPA provides water service to approximately 3,212 water customers (3,164 residential, and 48 commercial) in three service territories in Pennsylvania, formerly known as Penn Estates Utilities, Inc. ("Penn Estates"), Utilities, Inc. – Westgate ("Westgate"), and Pennsylvania Utility Company ("Tamiment").[4] Maps of CUPA's water service territory and corresponding bearings and distances are attached hereto as Appendix "B" to the Application ("CUPA Service Territory - Water") in **PAWC Exhibit MS-2**.

CUPA provides wastewater service to approximately 3,846 sewer customers to three service territories in Pennsylvania, formerly known as Penn Estates Utilities Inc. of Pennsylvania, Broad Run, and Tamiment.[5] Maps of CUPA's wastewater service territory and corresponding bearings and distances are attached hereto as Appendix "C" to the Application ("CUPA Service Territory – Wastewater") in **PAWC Exhibit MS-2**.

PAWC provides water service in close proximity to CUPA's current water service territory. *See,* combined water service territory map at Appendix "D" to the Application

[3] *Id.* CUPA is owned by Nexus whose indirect parent is Nexus Water Group, Inc.

[4] *See, Joint Application of Community Utilities of Pennsylvania, Inc., Penn Estates Utilities, Inc., Utilities Inc. – Westgate, and Utilities Inc. of Pennsylvania for approval of: (1) The merger of Penn Estates Utilities, Inc. and Utilities Inc. – Westgate into Community Utilities of Pennsylvania, Inc., and the right of Community Utilities of Pennsylvania, Inc. to begin to offer, render, furnish and supply water service to the public in the territories of Penn Estates Utilities, Inc. and Utilities Inc. - Westgate (2) The merger of Penn Estates Utilities, Inc. and Utilities Inc. of Pennsylvania into Community Utilities of Pennsylvania, Inc., and the right of Community Utilities of Pennsylvania, Inc. to begin to offer, render, furnish and supply wastewater service to the public in the territories of Penn Estates Utilities, Inc. and Utilities Inc. of Pennsylvania (3) The transfer of assets from Penn Estates Utilities, Inc. to Community Utilities of Pennsylvania, Inc., and the abandonment of Penn Estates Utilities, Inc. as a water service utility (4) The transfer of assets from Penn Estates Utilities, Inc. to Community Utilities of Pennsylvania, Inc., and the abandonment of Penn Estates Utilities, Inc. as a wastewater service utility (5) The transfer of assets from Utilities Inc. – Westgate to Community Utilities of Pennsylvania, Inc., and the abandonment of Utilities Inc. – Westgate as a water service utility (6) The transfer of assets from Utilities Inc. of Pennsylvania to Community Utilities of Pennsylvania, Inc., and the abandonment of Utilities Inc. of Pennsylvania as a wastewater service utility (7) The Affiliated Interest Agreement between Community Utilities of Pennsylvania, Inc. and Water Service Corporation* – Docket Nos. A-2015-2504889, A-2015-2504891, *et al.* (Opinion and Order entered December 3, 2015).

[5] *Id.*

in **PAWC Exhibit MS-2**.

PAWC provides wastewater service in close proximity to CUPA's current wastewater service territory. *See*, combined wastewater service territory map at Appendix "E" to the Application in **PAWC Exhibit MS-2**.

The Transaction will have no detrimental effect on the service provided to PAWC's existing customers or CUPA's customers which will ultimately, as a result of the Transaction, become PAWC customers.

DESCRIPTION OF SERVICE AREAS

Q. PLEASE EXPLAIN THE WATER AND WASTEWATER SERVICE AREAS SOUGHT BY PAWC IN THE APPLICATION.

A. PAWC is seeking the approval to provide water and wastewater service in the areas shown in **PAWC Exhibit MS-2,** Appendices D and E to the Application – the same territory that is currently being served by CUPA. No municipal authority, corporation, partnership or individual other than the CUPA Systems is now furnishing, or has corporate or franchise rights to furnish, service similar to that to be rendered by PAWC in this service area, and no competitive condition will be created.

PAWC IS LEGALLY, FINANCIALLY, AND TECHNICALLY FIT

Q. DO YOU BELIEVE PAWC IS LEGALLY, FINANCIALLY, AND TECHNICALLY FIT TO ACQUIRE AND OPERATE THE SYSTEMS?

A. Yes. I am advised by counsel that, as an existing public utility, PAWC is presumed to be legally, financially, and technically fit. Nevertheless, PAWC will introduce evidence demonstrating that it is fit.

Q. PLEASE EXPLAIN WHY PAWC IS LEGALLY FIT TO ACQUIRE AND OPERATE THE SYSTEMS.

A. PAWC has an excellent history of complying with the Code and other applicable laws, including environmental laws. There are no pending legal proceedings that would suggest that PAWC is not legally fit to provide service to customers of the System.

Q. PLEASE EXPLAIN WHY PAWC IS FINANCIALLY FIT TO ACQUIRE AND OPERATE THE SYSTEMS.

A. PAWC has a long-demonstrated history of financial stability. My colleague, Ms. Everette, will provide additional details on the financial health of PAWC and its ability to access capital in PAWC Statement No. 3. The audited internal balance sheet, as of December 31, 2024, for PAWC, as well as the audited income statement, as of December 31, 2024, for PAWC are attached as Appendix I and K, respectively, to the Application in **PAWC Exhibit MS-2**. Those documents show that PAWC had total assets of approximately $7.9 billion as of December 31, 2024. Further, they show that PAWC had net income of approximately $314 million for the 12 months ending December 31, 2024. These figures further demonstrate that PAWC has the financial stability and wherewithal to acquire the System and operate it in the public interest.

Q. PLEASE EXPLAIN WHY PAWC IS TECHNICALLY FIT TO ACQUIRE AND OPERATE THE SYSTEMS.

A. As I discussed earlier, PAWC is engaged in the business of treating and storing, distributing, and providing drinking water to the public and collecting, treating, transporting and disposing of wastewater for the public. PAWC is the largest investor-owned water and wastewater utility in the Commonwealth of Pennsylvania and PAWC already has significant water and wastewater operations throughout Pennsylvania and in the areas near the CUPA water and wastewater systems. PAWC is experienced in undertaking and completing water and wastewater system acquisitions with public and private sector owners and successfully integrating those assets into our business operations. In fact, PAWC is often called upon by the Commission to step in and help troubled water and wastewater systems, resolving compliance issues and providing the excellent service that customers expect and deserve. In 2024, the Commission granted approval of, and the Commonwealth Court subsequently appointed PAWC to be receiver of, the East Dunkard Water Authority, taking over a troubled water system that was unable to maintain compliance and was under a Corrective Action Plan by the DEP. Since taking over operation of the East Dunkard system, first as receiver and now as the owner upon closing of the acquisition, PAWC has implemented numerous changes resulting in improved water quality and more efficient operations. As of March 25, 2025, PAWC is serving as the receiver of the Rock Spring Water Company under a separate Commission order, and PAWC is now operating the system on an interim basis and making improvements, with the goal of delivering safe and reliable water service to the Rock Spring customers. Other examples of PAWC providing solutions for troubled systems include the Winola Water

Company, Delaware Sewer Company, Clean Treatment Sewage Company, Nittany Water Company, Wildcat Park Corporation, and the Sewer Authority of the City of Scranton. In all these examples, PAWC quickly improved the reliability and safety of those systems by investing the necessary capital to move the systems toward regulatory compliance. My colleague, Mr. Guntrum, will explain in greater detail in PAWC Statement No. 2, specifically how PAWC intends to operate the CUPA water and wastewater systems once acquired.

Q. WILL CUPA EMPLOYEES BE OFFERED EMPLOYMENT WITH PAWC?

A. Yes. The operators and regional employees who serve CUPA take pride in providing water and wastewater service in these areas, and to help ensure a smooth transition for customers and employees, PAWC is committed to offering employment to CUPA employees consistent with the terms of the Stock Purchase Agreement. In addition, PAWC has committed to not terminate any CUPA employee who accepts an offer of employment from PAWC for twelve (12) months following the closing of the Transactions, except for cause.

THE TRANSACTION IS IN THE PUBLIC INTEREST

Q. WILL YOU DISCUSS GENERALLY HOW ACQUISITIONS CAN PROVIDE OVERALL BENEFITS?

A. Strategic, quality acquisitions can provide immediate revenue benefits for both utilities (the buyer and the seller) and therefore for both customer bases as well (existing customers and the newly acquired customers). Consolidating systems provides a larger customer base on

which to distribute fixed costs, provides opportunities for operating efficiencies and utilization of economies of scale, and serves to mitigate future rate increase impacts. PAWC is in a unique position as a part of American Water. American Water, with its solid financial performance, has affordable access to capital necessary for infrastructure investments. American Water, through its economies of scale and nationally recognized expertise in water treatment and distribution, provides that same level of service and expertise to all its customers no matter how large or small the individual system.

Q. PLEASE EXPLAIN WHY YOU BELIEVE THAT THE TRANSACTION WOULD AFFIRMATIVELY BENEFIT THE PUBLIC IN A SUBSTANTIAL WAY.

A. I am advised by counsel that a transaction provides an affirmative public benefit if the benefits of the transaction outweigh the detriments of the transaction. I am further advised that, when looking at the benefits and detriments of a transaction, the focus must be on all affected parties, not just the customers of CUPA or PAWC. Nevertheless, a transaction does not need to yield net benefits to every affected party in order to provide an affirmative public benefit. In this particular case, I believe the total benefits of the Transaction clearly outweigh the total detriments of the Transaction because the benefits outweigh the detriments for each major stakeholder group affected by the Transaction.

Q. PLEASE DESCRIBE THE PARTIES THAT WILL BE AFFECTED BY THE TRANSACTION.

A. The Transaction is in the public interest, will provide affirmative public benefits of a substantial nature, and satisfy the applicable standard of Code Section 1103, 66 Pa. C.S. § 1103 because the benefits of the Transaction outweigh the detriments for all major stakeholder groups: (1) the public-at-large (all citizens of Pennsylvania, regardless of whether they are customers of CUPA or PAWC), (2) Nexus and CUPA, (3) CUPA's existing customers, (4) American Water and PAWC, (5) PAWC's existing water customers, and (6) PAWC's existing wastewater customers.

Q. PLEASE EXPLAIN THE BENEFITS OF THE TRANSACTION FOR THE PUBLIC-AT-LARGE.

A. The acquisition promotes the Commission's goal of consolidating and regionalizing water and wastewater systems. I am advised by counsel that the Commission has a Statement of Policy at 52 Pa. Code § 69.721, which states that the Commission believes that further regionalization and consolidation of water and wastewater systems may result in greater environmental and economic benefits to customers. "The regionalization of water and wastewater systems through mergers and acquisitions will allow the water industry to institute better management practices and achieve greater economies of scale." The Transaction promotes consolidation because one existing public utility will be merged with and into another, allowing PAWC to achieve greater economies of scale and to apply its management practices over a larger geographic footprint. Examples of economies of scale

include in-house laboratory analysis and reductions in sludge disposal costs through utilizing PAWC's existing disposal contracts. In addition, CUPA's proximity to existing PAWC operations will result in efficiencies through shared labor and equipment resources.

From a regionalization perspective, PAWC is uniquely suited to acquire the CUPA Systems because these Systems are proximate to PAWC's northeast and southeast systems. Additional system details are explained in my colleague Mr. Guntrum's testimony, PAWC Statement No. 2.

The Transaction will also benefit the public-at-large because PAWC will address CUPA's current Notices of Violation ("NOVs") and Consent Orders. A true and correct copy of the summary of NOVs and Consent Order Agreements received by CUPA is presented in **Appendix "T"** of the Application in **PAWC Exhibit MS-2**. PAWC is committed to environmental compliance and will promote the right of all Pennsylvanians to a clean environment, which is protected by the Environmental Rights Amendment. PA. CONST. Art. I., § 27. My colleague, Mr. Guntrum, will address this topic in detail in his testimony.

Q. PLEASE EXPLAIN THE DETRIMENTS OF THE TRANSACTION FOR THE PUBLIC-AT-LARGE.

A. I do not see any detriment of the Transaction for the public-at-large. Therefore, I believe the benefits of the Transaction outweigh the detriments for the public-at-large.

Q. PLEASE EXPLAIN THE BENEFITS OF THE TRANSACTION FOR NEXUS AND CUPA.

A. The Transaction will allow Nexus to focus on a smaller core geography where it is better poised to grow and efficiently serve its customers over the long-term. After the Merger, CUPA will cease to exist as a separate entity in Pennsylvania.

Q. PLEASE EXPLAIN THE DETRIMENTS OF THE TRANSACTION FOR NEXUS AND CUPA.

A. I see no detriments of the Transaction to Nexus and CUPA. Therefore, I believe the benefits of the Transaction outweigh the detriments for Nexus and CUPA.

Q. PLEASE EXPLAIN THE BENEFITS OF THE TRANSACTION FOR CUPA'S EXISTING CUSTOMERS.

A. CUPA's existing customers are members of the public-at-large and so will enjoy the same benefits from the Transaction as all other members of the public-at-large. CUPA's existing customers will also derive specific benefits from the System improvements that will materialize from the Transaction. These benefits include, but are not limited to improved service and access to enhanced customer assistance programs.

In terms of improved service, PAWC has exclusive access to highly trained professionals who possess expertise in various specialized areas and are dedicated to providing necessary, cost-effective, value-added service that supports the provision of safe, reliable and affordable water and wastewater service in a manner consistent with the long-term best interest of customers. This centralized expertise drives knowledge sharing,

standardization, process transparency, and operational efficiency among American Water's subsidiaries, including PAWC. The Transaction will allow CUPA's customer to obtain access to American Water's centralized expertise.

The Transaction will enable CUPA's customers to benefit from American Water's central laboratory that supports research and water compliance efforts through sophisticated testing and analysis. American Water's central laboratory processes more than 30,000 sample events each year, is certified in 17 states and territories, and performs testing using 35 methodologies for over 220 compounds. The lab has a history of being on the forefront of monitoring, testing, identifying and controlling analytes in advance of federal regulations, and regularly collaborates with the United States Environmental Protection Agency ("USEPA") to help develop federal drinking water standards and regulations. American Water's highly sophisticated analytical and research capabilities are why USEPA regularly taps into the lab and its research team to help develop federal drinking standards and regulations.

PAWC has established standards for facility security and safety and will complete upgrades to CUPA's Systems to align with PAWC's safety and security standards. Also, to maintain and improve system reliability and meet established regulatory requirements, PAWC will ensure that uninterrupted power continues to be available to critical infrastructure.

The transferred water and wastewater customers will be served by a large, financially sound company that has the capability to finance necessary capital additions. Given its size, access to capital and its recognized strengths in system planning, capital budgeting and construction management, PAWC is well-positioned to provide high

quality water and wastewater service meeting federal and state requirements to CUPA's current customers and maintain it for PAWC's existing customers.

PAWC will enhance CUPA's existing main replacement program aimed at improving system reliability and reducing water loss within the Systems. In 2025, CUPA reported 25.08% unaccounted for water in the Penn Estates system and 37.3% in the Tamiment system, which is above the industry standard as cited by the Commission in CUPA's 2024 rate case Order.

In CUPA's last rate case, the Commission ordered CUPA to develop a hydraulic model to evaluate fire suppression flows. The settlement agreement for their 2024 rate case included the following commitments:

(1) "Before the next rate case, CUPA will provide an update to the OCA, I&E, and OSBA on the implementation of the recommendations from the engineering study and hydraulic analysis to address low and high pressure in Penn Estates"; and

(2) "The Company will have GHD develop a hydraulic model utilizing existing data for its Tamiment system. The hydraulic model will then be used to evaluate the fire suppression flows available throughout the Tamiment system before the next base rate case. Monthly unmetered public fire protection rates will not be decreased."

Commission Chairman Stephen DeFrank stated:

> By far the most disconcerting fact brought to light is the lack of fire protection in much of CUPA's system. Several fire hydrants in the Westgate and Penn Estate areas are inadequate for fire suppression, which is alarming. The Tamiment community has no fire hydrants capable of meeting the state standards of 500 to 1,000 gallons per minute. I would urge the company, in the strongest terms, to take action on this issue as expeditiously as possible. While I obviously can't speak to future proceedings, I can say that I would be very displeased if the company files

another rate case in two years and this serious public safety issue remains unaddressed.

PAWC intends to comply with these provisions of the settlement from CUPA's 2024 rate case and has the expertise and resources to do so. PAWC has identified projects in its proposed five-year capital plan to replace and/or upsize distribution assets to provide adequate fire protection. My colleague Mr. Guntrum will provide additional details in his Direct Testimony at PAWC Statement No. 2.

The Transaction will allow CUPA's existing customers to benefit from American Water's customer service organization ("CSO"). American Water's CSO is dedicated to enhancing and enriching the lives of customers through high-quality service and self-service options using industry-leading technology. From starting service, to handling customer questions and concerns, billing and collections-related inquiries, collaborating with operations teams in every state and even gauging customer feedback on services, the CSO works diligently to keep customers informed and supported. This includes, among other things, being available around the clock seven days a week in the event of an emergency. Additionally, PAWC's call center is available from 7:00 a.m. to 7:00 p.m. Monday through Friday for routine business whereas CUPA's call center is available from 8:00 a.m. to 5 p.m. Monday through Friday. My colleague, Mr. Guntrum, provides additional information about these enhancements in customer service in his Direct Testimony.

In terms of customer assistance programs, while CUPA offers a formal customer assistance program, the Transaction will allow CUPA's existing customers to benefit from the customer assistance programs offered by PAWC. PAWC offers grants up to $500 per year for qualifying households under its H2O Help to Others Program. While CUPA does

not have a similar grant program, CUPA offers its existing water and wastewater customers a 45% discount on both volumetric rates and monthly customer base charges to households with income at or below 200%. By contrast, PAWC offers its existing water customers discounts on their service charge ranging from 30% to 90% and discounts on their volumetric charge ranging from 20% to 80%. PAWC also offers its existing wastewater customers discounts on their total wastewater charges ranging from 37% to 85%. My colleague, Ms. Everette, discusses the two customer assistance programs in more detail in her Direct Testimony.

Q. PLEASE EXPLAIN THE DETRIMENTS OF THE TRANSACTION FOR CUPA'S EXISTING CUSTOMERS?

A. In terms of the Transaction's rate impacts on CUPA's existing customers, the Transaction will have no immediate rate impact on CUPA's existing customers because PAWC will adopt CUPA's rates applicable to CUPA's existing customers upon Closing. Rates will not change for CUPA's existing customers until the first rate case in which the Systems are included in PAWC's rates.

When rates are adjusted, CUPA's existing customers will benefit from being part of a large public utility system. They will now be able to share the costs of operating and upgrading the Systems with PAWC's existing 694,617 water customers and its existing 116,270 wastewater customers. By spreading costs over a large customer base, PAWC is able to keep rates stable for all PAWC customers. CUPA customers will no longer face the potential large rate spikes that can occur in small systems.

In addition, in the first base rate case in which the Systems are included, the existing customers of CUPA will benefit from PAWC's size, scale, and experience in managing and operating water and wastewater systems, which will result in efficiencies impacting rates in a beneficial way. As discussed above, the integration of CUPA's Systems and PAWC's existing operations creates opportunities for functional and operational consolidation, and associated efficiencies and cost savings or cost avoidance. Additionally, after Closing, PAWC will begin addressing CUPA's levels of unaccounted for water, which will produce savings in water treatment costs. These savings will be passed on to the existing customers of CUPA. For all of the above reasons, it is unclear what the rate impact of the Transaction will be for CUPA's existing customers.

Q. DO YOU BELIEVE THE BENEFITS OF THE TRANSACTION OUTWEIGH THE DETRIMENTS FOR CUPA'S CUSTOMERS?

A. Yes. In my opinion, the Transaction will have a number of important benefits for CUPA's existing customers. In contrast, the only significant detriment is the possibility of higher rates at a future date. When weighing the benefits/detriments of the Transaction, it is important to consider the certainty of each benefit/detriment. Taking this factor into consideration, I believe the benefits of the Transaction outweigh the detriments for CUPA's customers.

Q. PLEASE EXPLAIN THE BENEFITS OF THE TRANSACTION FOR PAWC.

A. The Transaction would result in American Water's subsidiary, PAWC immediately gaining approximately 3,212 additional water customers and 3,846 additional wastewater

customers, which would allow PAWC to become a larger, financially stronger, and more stable public utility, ultimately benefitting all current and future PAWC customers.

Q. PLEASE EXPLAIN THE DETRIMENTS OF THE TRANSACTION FOR PAWC.

A. I do not see that the Transaction has any material detriments for PAWC as the buyer of the System. Ms. Everette states in her Direct Testimony, PAWC Statement No. 3, that the Transaction is not expected to have a negative impact on PAWC's cash flows, credit ratings or access to capital, and therefore will not deteriorate in any manner PAWC's ability to continue to provide safe, adequate and reasonable service to its existing customers at just and reasonable rates.

Considering all of the above, I believe it is clear that the Transaction would benefit PAWC as the Buyer.

Q. PLEASE EXPLAIN THE BENEFITS OF THE TRANSACTION FOR PAWC'S EXISTING WATER CUSTOMERS.

A. PAWC's existing water customers are members of the public-at-large and so will enjoy the same benefits from the Transaction as all other members of the public-at-large. In addition, the Transaction will have a beneficial effect specifically for PAWC's existing water customers because the Transaction will expand the customer base, by adding approximately 3,212 water customers (an increase of approximately 0.46%), over which existing and future costs are recovered and thereby stabilizing or reducing per-customer costs over the long term. The Transaction will have no immediate rate impact on PAWC's

existing water customers; any impacts on the rates of PAWC's existing water customers would occur only upon Commission approval as part of a future base rate proceeding.

Q. PLEASE EXPLAIN THE DETRIMENTS OF THE TRANSACTION FOR PAWC'S EXISTING WATER CUSTOMERS.

A. I do not see that the Transaction has any material detriments on PAWC's existing water customers.

Q. DO YOU BELIEVE THE BENEFITS OF THE TRANSACTION OUTWEIGH THE DETRIMENTS FOR PAWC'S EXISTING WATER CUSTOMERS?

A. Yes.

Q. PLEASE EXPLAIN THE BENEFITS OF THE TRANSACTION FOR PAWC'S EXISTING WASTEWATER CUSTOMERS.

A. PAWC's existing wastewater customers are members of the public-at-large and so will enjoy the same benefits from the Transaction as all other members of the public-at-large. In addition, the Transaction will have a beneficial effect specifically for PAWC's existing wastewater customers because it will expand PAWC's customer base, by adding approximately 3,846 wastewater customers (an increase of approximately 3.31%), over which existing and future costs are recovered and thereby stabilizing or reducing per-customer costs over the long term. Additionally, as discussed above, the Transaction will expand PAWC's water customer base, which could benefit PAWC's existing wastewater customers because Section 1311(c) of the Code permits PAWC to shift some of the costs

of operating its wastewater system to water customers if the Commission finds that such a result is in the public interest. The Transaction will have no immediate rate impact on PAWC's existing wastewater customers; any impacts on the rates of PAWC's existing wastewater customers would occur only upon Commission approval as part of a future base rate proceeding.

Q. PLEASE EXPLAIN THE DETRIMENTS OF THE TRANSACTION FOR PAWC'S EXISTING WASTEWATER CUSTOMERS.

A. I do not see that the Transaction has any material detriments on PAWC's existing wastewater customers.

Q. DO YOU BELIEVE THE BENEFITS OF THE TRANSACTION OUTWEIGH THE DETRIMENTS FOR PAWC'S EXISTING WASTEWATER CUSTOMERS?

A. Yes.

Q. CONSIDERING THE BENEFITS AND DETRIMENTS FOR ALL OF THE STAKEHOLDER GROUPS, DO YOU BELIEVE THE TRANSACTION WILL RESULT IN AN AFFIRMATIVE PUBLIC BENEFIT OF A SUBSTANTIAL NATURE?

A. Yes. I believe the Transaction has a net benefit for each relevant stakeholder group. Therefore, I believe the net benefits of the Transaction outweigh the net detriments, considered as a whole.

CONCLUSION

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. However, I respectfully reserve the right to supplement my testimony as additional issues or facts arise during this proceeding. Thank you.

Joint Application of American Water Works Company Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities LLC and Community Utilities of Pennsylvania, Inc

Docket No. A-2025-3055551*, et al.*

PAWC Exhibit MS-1

Curriculum Vitae Of Michael Salvo

Michael.salvo@amwater.com
(717) 554-2700

MICHAEL SALVO

PROFESSIONAL SUMMARY

37+ years of progressively responsible Water & Wastewater Utility operations, administration, labor management, mergers and acquisition, regulatory, legislative, and environmental compliance experience.

CORE QUALIFICATIONS

- Experienced in all areas of the water and wastewater utility industry
- Extensive knowledge of regulated water and wastewater utility operations
- Experienced in identifying, developing, securing business opportunities, managing the regulatory approval, and closing processes

PA AMERICAN WATER EXPERIENCE

DIRECTOR, BUSINESS DEVELOPMENT
2023 - Present

SENIOR MANAGER, BUSINESS DEVELOPMENT
2016 - Present

SENIOR DIRECTOR, FIELD OPERATIONS (CENTRAL AND EASTERN PA)
2008 - 2016

MANAGER NETWORK OPERATIONS (EASTERN PA, VIRGINIA, MARYLAND)
2004 – 2008

OPERATIONS MANAGER (NORTH AND CENTRAL OPERATIONS)
1997 – 2004

OPERATIONS SUPERINTENDENT (CENTRAL OPERATIONS)
1991 – 1997

ENGINEER (PITTSBURGH)
1987 – 1991

EDUCATION

LEBANON VALLEY COLLEGE —M., Business Administration —1996

PENN STATE UNIVERSITY — B.S., Mechanical Engineering Technology —1987

MEMBERSHIPS

AMERICAN WATER WORKS ASSOCIATION

NATIONAL ASSOCIATION OF WATER COMPANIES

PAWARN

BOARDS / CIVIC AFFLIATIONS	CORPORATE DEVELOPMENT CHAIR, BOARD MEMBER – BREAKTHROUGH T1D (FORMERLY JUVENILE DIABETES RESEARCH FOUNDATION (JDRF)) – PENNSYLVANIA, NATIONAL (2023 – PRESENT)
	PRESIDENT AND EXECUTIVE COUNCIL – JUVENILE DIABETES RESEARCH FOUNDATION (JDRF) – PENNSYLVANIA) (2021-2023)
	NORTH LONDONDERRY TOWNSHIP SUPERVISOR AND PLANNING COMMISSION, LEBNAON COUNTY, PA (2025 – 2031)
	BOARD MEMBER – AGNUS WALKER FOUNDATION, AMERICAN ASSOCIATION OF NEUROSCIENCE NURSING (2018 – 2023)
	EXTRAORDINARY/EUCHARISTIC MINISTER
	BOARD MEMBER, WILKES-BARRE CHAMBER OF COMMERCE (2011-2016)
	BOARD MEMBER, NATIONAL ASSOCIATION OF WATER COMPANIES (2010-2014)

Joint Application of American Water Works Company Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities LLC and Community Utilities of Pennsylvania, Inc

Docket No. A-2025-3055551, *et al.*

PAWC Exhibit MS-2

Joint Application of American Water Works Company Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities LLC and Community Utilities of Pennsylvania, Inc

PENNSYLVANIA AMERICAN WATER

Elizabeth Rose Triscari
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Pennsylvania and New Jersey American Water
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elizabeth.triscari@amwater.com

May 30, 2025

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

In re: Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary authority, approvals, and certificates of public convenience to approve (1) the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.; (2) the transfer to Pennsylvania-American Water Company, by merger, of all assets of Community Utilities of Pennsylvania Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania, (4) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply water service to the public in portions of Hanover Township, Northampton County, Pennsylvania, (5) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply water service to the public in portions of Lehman Township, Pike County, Pennsylvania, (6) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply wastewater service in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania, (7) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply wastewater service in portions of West Bradford Township, Chester County, Pennsylvania, (8) the right of Pennsylvania-American Water Company to offer, render, furnish, and supply wastewater service in portions of Lehman Township, Pike County, Pennsylvania, and (9) the abandonment by Community Utilities of Pennsylvania Inc. of all water and wastewater service to the public – Docket Nos. A-2025-

Dear Secretary Homsher:

On behalf of Pennsylvania-American Water Company, American Water Works Company, Inc, Nexus Regulated Utilities, LLC and Community Utility of Pennsylvania Inc. (hereinafter "Joint Applicants"), I am e-filing an original copy of the above-referenced Application, together with payment of $350.00. A Certificate of Service is also attached.

Should you have any questions, please feel free to contact me.

Sincerely,

Elizabeth Rose Triscari

cc: All Parties on the attached Certificate of Service *(via electronic mail)*
Paul Diskin, Director - Bureau of Technical Utility Services *(via electronic mail)*
Daniel Searfoorce, Manager – Bureau of Technical Utility Services *(via electronic mail)*
Sean Donnelly, Supervisor - Bureau of Technical Utility Services *(via electronic mail)*

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary authority, approvals, and certificates of public convenience to approve (1) the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.; (2) the transfer to Pennsylvania-American Water Company, by merger, of all assets of Community Utilities of Pennsylvania Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania, (4) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply water service to the public in portions of Hanover Township, Northampton County, Pennsylvania, (5) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply water service to the public in portions of Lehman Township, Pike County, Pennsylvania, (6) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply wastewater service in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania, (7) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply wastewater service in portions of West Bradford Township, Chester County, Pennsylvania, (8) the right of Pennsylvania-American Water Company to offer, render, furnish, and supply wastewater service in portions of Lehman Township, Pike County, Pennsylvania, and (9) the abandonment by Community Utilities of Pennsylvania Inc. of all water and wastewater service to the public	:	Docket Nos. A-2025-_____ A-2025-_____
In re: Joint Request of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc. For	:	

approval of Affiliated Interest Agreements Pursuant to Section 2102 of the Pennsylvania Public Utility Code	:	Docket Nos. G-2025-_____ G-2025-_____
Joint Request of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc. For approval of Agreements with Municipal Corporations Pursuant to Section 507 of the Pennsylvania Public Utility Code	:	Docket Nos. U-2025-_____ U-2025-_____

CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of May, 2025 the above-referenced Application upon the people, via electronic mail, which service satisfies the requirements of 52 Pa. Code §1.54 (relating to service by a party).

SERVED VIA ELECTRONIC MAIL ON MAY 30, 2025

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Harrisburg, PA 17101-1923

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Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
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HMS Legal LLP
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Respectfully submitted,

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On behalf of American Water Works Company, Inc. and Pennsylvania-American Water Company

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary authority, approvals, and certificates of public convenience to approve (1) the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.; (2) the transfer to Pennsylvania-American Water Company, by merger, of all assets of Community Utilities of Pennsylvania Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania, (4) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply water service to the public in portions of Hanover Township, Northampton County, Pennsylvania, (5) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply water service to the public in portions of Lehman Township, Pike County, Pennsylvania, (6) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply wastewater service in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania, (7) the right of Pennsylvania-American Water Company to begin to offer, render, furnish, and supply wastewater service in portions of West Bradford Township, Chester County, Pennsylvania, (8) the right of Pennsylvania-American Water Company to offer, render, furnish, and supply wastewater service in portions of Lehman Township, Pike County, Pennsylvania, and (9) the abandonment by Community Utilities of	:	Docket Nos. A-2025- A-2025-

Pennsylvania Inc. of all water and wastewater service to the public,	:	
In re: Joint Request of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc. For approval of Affiliated Interest Agreements Pursuant to Section 2102 of the Pennsylvania Public Utility Code	:	Docket Nos. G-2025- G-2025-
Joint Request of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc. For approval of Agreements with Municipal Corporations Pursuant to Section 507 of the Pennsylvania Public Utility Code	:	Docket Nos. U-2025- U-2025-

JOINT APPLICATION OF AMERICAN WATER WORKS COMPANY, INC. PENNSYLVANIA-AMERICAN WATER COMPANY, NEXUS REGULATED UTILITIES, LLC AND COMMUNITY UTILITIES OF PENNSYLVANIA INC.

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION

I. INTRODUCTION AND OVERVIEW

1. American Water Works Company, Inc. ("American Water"), Pennsylvania-American Water Company ("Pennsylvania-American" or "PAWC"), Nexus Regulated Utilities, LLC ("Nexus") and Community Utilities of Pennsylvania Inc. ("CUPA"), (collectively, the "Joint Applicants") hereby respectfully request that the Pennsylvania Public Utility Commission ("Commission") issue such Orders, Certificates of Public Convenience and other such relief as necessary to evidence its approval under Sections 1102(a)(3) and 1103 of the Pennsylvania Public Utility Code ("Code"), 66 Pa. C.S. §§ 1102(a)(3) and 1103, of the following: (1) the transfer of control of CUPA from Nexus to American Water; (2) the transfer

to Pennsylvania-American, by merger, of all assets of CUPA used or useful in the public service;[1] (3) the right of Pennsylvania-American to begin to offer, render, furnish and supply water service to the public in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania; (4) the right of Pennsylvania-American to begin to offer, render, furnish, and supply water service to the public in portions of Hanover Township, Northampton County, Pennsylvania; (5) the right of Pennsylvania-American to begin to offer, render, furnish, and supply water service to the public in portions of Lehman Township, Pike County, Pennsylvania; (6) the right of Pennsylvania-American to begin to offer, render, furnish, and supply wastewater service in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania; (7) the right of Pennsylvania-American to begin to offer, render, furnish, and supply wastewater service in portions of West Bradford Township, Chester County, Pennsylvania; (8) the right of Pennsylvania-American to offer, render, furnish, and supply wastewater service in portions of Lehman Township, Pike County, Pennsylvania; and (9) the abandonment by CUPA of all water and wastewater service to the public. In addition, the Joint Applicants request that the Commission approve certain agreements as affiliated interest agreements. Finally, the Joint Applicants request that the Commission grant all other approvals necessary, including affiliated interest approvals pursuant to Section 2102 of the Code, 66 Pa. C.S. § 2102, for the transactions described herein.

2. The Joint Applicants further request, pursuant to Code Section 507, 66 Pa. C.S. § 507, the issuance of Certificates of Filing or approvals for the following agreements between PAWC and a municipal corporation:

a. Water Services agreement dated January 16, 2007, by and between

[1] For ease of reference, the transfer of the assets of CUPA to Pennsylvania-American is referred to herein as the "Merger." The Merger, together with the transfer of control of CUPA from Nexus to American Water, are collectively referred to herein as the "Transactions."

Utilities, Inc. – Westgate and the City of Bethlehem; and

b. Addendum to Water Service Agreement dated June 6, 2017, by and between Utilities, Inc. - Westgate and the City of Bethlehem.

3. Advance approval of the Merger between Pennsylvania-American and CUPA is necessary because it will be scheduled to occur immediately following the closing of the change of control of CUPA from Nexus to American Water. These Transactions are detailed further within the Application.

II. IDENTITY AND BRIEF DESCRIPTION OF THE JOINT APPLICANTS AND THEIR CURRENT OWNERSHIP STRUCTURE

The Joint Applicants

4. American Water owns 100% of the stock of Pennsylvania-American. American Water is the largest and most geographically diverse investor-owned water and wastewater utility company in the United States, serving 3.5 million customer connections in fourteen states, including Pennsylvania. Its transmission and distribution network includes 795 water and wastewater treatment plants, 1,700 pumping stations, 1,200 groundwater wells, 1,100 treated water storage facilities, 74 dams, and approximately 54,000 miles of main and collection pipes

5. Pennsylvania-American is a regulated public utility corporation (public utility code number 212285 (water) and 230073 (wastewater)) organized and existing under the laws of the Commonwealth of Pennsylvania, and is engaged in the business of collecting, treating, storing, supplying, distributing, and selling water to the public, and collecting, treating, transporting, and disposing of wastewater for the public. Water and wastewater service is furnished by Pennsylvania-American to the public in a service territory encompassing more than 417 communities across the Commonwealth with a combined population of approximately 2,400,000. A description of Pennsylvania-American's existing certificated water and wastewater service

territory is found in **Appendix "A"**, attached hereto, along with a detailed corporate history, outlining all the mergers, acquisitions and consolidations, which have created Pennsylvania-American as it exists on the date of this Application, as reflected in documents already on file with the Commission.

6. As of April 30, 2025, Pennsylvania-American provides water service to approximately 690,173 customers in the following classifications:

Residential	635,622
Commercial	47,289
Industrial	549
Municipal, Resale & Other	2,317
Fire Protection	4,395
Misc.	1

In addition, Pennsylvania-American furnishes wastewater service to approximately 115,130 customers as of April 30, 2025. The total number of wastewater customers by class are as follows:

Residential	105,721
Commercial	8,966
Industrial	84
Municipal	307
Misc., SFR / Bulk	52

7. Nexus is a holding company with its principal place of business in Chicago, Illinois that owns U.S. water and wastewater utility companies. Nexus is the direct corporate parent of CUPA. Nexus is a wholly owned indirect subsidiary of Nexus Water Group, Inc., which is headquartered in Sugar Land, Texas and was created by the merging of Corix Infrastructure (US),

Inc. and Southwest Water Merger Acquisition Corporation.[2]

8. CUPA is an investor-owned certificated Pennsylvania public utility[3] (public utility code number 2118089 (water) and 2318090 (wastewater)) and is regulated by the Commission. CUPA provides water service to approximately 3,212 water customers (3,164 residential, and 48 commercial) in three service territories in Pennsylvania, formerly known as Penn Estates Utilities, Inc. ("Penn Estates"), Utilities, Inc. -Westgate ("Westgate"), and Pennsylvania Utility Company ("Tamiment").[4] Maps of CUPA's water service territory and corresponding bearings and distances are attached hereto as **Appendix "B"** ("CUPA Service Territory - Water").

9. CUPA provides wastewater service to approximately 3,846 sewer customers to three service territories in Pennsylvania, formerly known as Penns Estates, Utilities Inc. of Pennsylvania (collectively "Consolidated Service"), Broad Run, and Tamiment.[5] Maps of CUPA's service territory and corresponding bearings and distances are attached hereto as **Appendix "C"** ("CUPA Service Territory – Wastewater").

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[2] *See, Community Utilities of Pennsylvania, Inc. Application of Community Utilities of Pennsylvania Inc., for Certificates of Public Convenience under Sections 1102(a)(3) and 1103 of the Public Utility Code And All Other Approvals Necessary Under the Public Utility Code for Approval of a Merger of Equals Transaction* – Docket Nos. A-2022-3036744 and A-2022-3036745 (Final Order Approving Joint Petition for Full Settlement entered September 8, 2023).

[3] *Id.* CUPA is owned by Nexus Regulated Utilities, LLC whose parent is Nexus Water Group.

[4] *See, Joint Application of Community Utilities of Pennsylvania, Inc., Penn Estates Utilities, Inc., Utilities Inc. – Westgate, and Utilities Inc. of Pennsylvania for approval of: (1) The merger of Penn Estates Utilities, Inc. and Utilities Inc. – Westgate into Community Utilities of Pennsylvania, Inc., and the right of Community Utilities of Pennsylvania, Inc. to begin to offer, render, furnish and supply water service to the public in the territories of Penn Estates Utilities, Inc. and Utilities Inc. - Westgate (2) The merger of Penn Estates Utilities, Inc. and Utilities Inc. of Pennsylvania into Community Utilities of Pennsylvania, Inc., and the right of Community Utilities of Pennsylvania, Inc. to begin to offer, render, furnish and supply wastewater service to the public in the territories of Penn Estates Utilities, Inc. and Utilities Inc. of Pennsylvania (3) The transfer of assets from Penn Estates Utilities, Inc. to Community Utilities of Pennsylvania, Inc., and the abandonment of Penn Estates Utilities, Inc. as a water service utility (4) The transfer of assets from Penn Estates Utilities, Inc. to Community Utilities of Pennsylvania, Inc., and the abandonment of Penn Estates Utilities, Inc. as a wastewater service utility (5) The transfer of assets from Utilities Inc. – Westgate to Community Utilities of Pennsylvania, Inc., and the abandonment of Utilities Inc. – Westgate as a water service utility (6) The transfer of assets from Utilities Inc. of Pennsylvania to Community Utilities of Pennsylvania, Inc., and the abandonment of Utilities Inc. of Pennsylvania as a wastewater service utility (7) The Affiliated Interest Agreement between Community Utilities of Pennsylvania, Inc. and Water Service Corporation* – Docket Nos. A-2015-2504889, A-2015-2504891, *et al*. (Opinion and Order entered December 3, 2015)

[5] *Id.*

10. Pennsylvania-American provides water service in close proximity to CUPA's current water service territory. *See*, combined water service territory map at **Appendix "D"**.

11. Pennsylvania-American provides wastewater service in close proximity to CUPA's current wastewater service territory. *See*, combined wastewater service territory map at **Appendix "E"**.

III. COUNSEL FOR JOINT APPLICANTS

12. The names and addresses of the Joint Applicants are:

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Mechanicsburg, PA 17055

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The names and addresses of the Joint Applicants' attorneys are:

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IV. REASON FOR THE TRANSACTIONS

13. The Transactions are mutually beneficial to support American Water and Nexus in their respective and continued provision of safe and reliable service to customers. For American Water, the Transactions offer a way to strengthen operations in several states and allow American Water to continue to leverage its scale and size to continue to cost-effectively deliver safe, clean, reliable and affordable water and wastewater services to its existing and new customers over the long-term, including those in Pennsylvania. For Nexus, the Transactions allow it to focus on a smaller core geography where it is better poised to grow and efficiently serve its customers over the long-term.

V. DESCRIPTION OF THE TRANSACTIONS

Summary of the Transactions

14. On May 19, 2025, American Water and Nexus entered into a Purchase and Sale Agreement (the "Stock Purchase Agreement") for the purchase of all the issued and outstanding equity interests in specified entities that own regulated water and wastewater systems located in various states, including CUPA in Pennsylvania. Subject to obtaining certain regulatory approvals and the satisfaction of other certain conditions, the Transactions will result in the change of control of CUPA from Nexus to American Water upon closing of the transactions contemplated in the Stock Purchase Agreement. A copy of the Stock Purchase Agreement is attached hereto as **Appendix "F"**.

15. Upon American Water's acquisition of 100% of the equity interests in CUPA, American Water proposes to immediately merge CUPA with and into Pennsylvania-American, as contemplated in the Statement of Merger by and among American Water, CUPA, and Pennsylvania-American Water, the form of which is attached hereto as **Appendix "G".**

16. Through American Water's purchase from Nexus of all of the issued and outstanding equity interests in CUPA and the subsequent Merger, CUPA will be merged with and into Pennsylvania-American with Pennsylvania-American as the surviving corporation.

17. The Merger is authorized by the Business Corporation Law of 1988, 15 Pa. C.S. § 1101, et seq., and pursuant to said Act, a Statement of Merger will be filed with the Department of State.

18. Joint Applicants will advise the Commission of the effective date of the Merger. CUPA will then cease to exist.

Background Financial Information

19. There is attached hereto the unaudited balance sheet of CUPA as of December, 31, 2024 **(Appendix "H")** and Pennsylvania-American's audited balance sheet as of December 31, 2024 **(Appendix "I")**.

20. There is attached hereto the unaudited income statement of CUPA as of December 31, 2024 **(Appendix "J")** and Pennsylvania-American's audited income statement for the 12 months ending December 31, 2024 **(Appendix "K")**.

21. All the annual reports, tariffs, certificates of public convenience, applications, securities certificates and similar documents filed with this Commission by Pennsylvania-American and its predecessors are made a part hereof by reference.

22. All the annual reports, tariffs, certificates of public convenience,

applications, securities certificates and similar documents filed with this Commission by CUPA and its predecessors are made part hereof by reference.

Terms and Impact of the Transactions

23. As set forth in Paragraphs 13 through 18 above, this Application seeks, among other things, approval of the transfer, by merger, to Pennsylvania-American of all of the property of CUPA used and useful in the public service.

24. The consideration for American Water's purchase of CUPA's equity interests is set forth in the Stock Purchase Agreement. The Transaction is and was negotiated at arm's length.

25. The portion of the purchase price allocated to CUPA is $59,512,629.

26. Attached hereto is a combined *pro forma* balance sheet of Pennsylvania-American as of December 31, 2024, giving effect to the transfer **(Appendix "L")**.

27. Attached hereto is a combined *pro forma* income statement of Pennsylvania-American as of December 31, 2024, giving effect to the transfer (**Appendix "M"**).

28. Attached hereto is an Extract of Resolutions of the Board of Directors of American Water and Resolutions of the Board of Directors of PAWC **(Appendix "N")**.

29. The minutes from Nexus Board of Directors authorizing the execution of the Stock Purchase Agreement are attached as **(Appendix "O")**.

30. Following completion of the Closing of the equity purchase transactions set forth in the Stock Purchase Agreement (the "Equity Acquisition"), the sole shareholder of CUPA will be American Water, which will approve the merger with and into PAWC immediately following the Equity Acquisition.

Effect on Service and Rates and Other Affirmative Benefits

31. The Transactions will have no detrimental effect on the service provided to Pennsylvania-American's existing customers or CUPA's customers which will ultimately, as a result of the Transactions, become Pennsylvania-American customers.

32. The Transactions are in the public interest, will provide affirmative public benefits of a substantial nature, and satisfy the applicable standard of Code Section 1103, 66 Pa. C.S. § 1103, because the benefits of the Transactions outweigh the detriments for all major stakeholder groups: (1) the public-at-large, (2) Nexus and CUPA, (3) CUPA's existing customers, (4) American Water and Pennsylvania-American and (5) Pennsylvania-American's existing customers.

33. The Transactions will benefit the public-at-large for the following reasons (among others):

a. Pennsylvania-American has the legal, managerial, technical, and financial capabilities to safely and adequately operate CUPA's water and wastewater systems (the "Systems") in compliance with the Code, the Clean Streams Law (35 Pa. C.S. §§ 691.1-691.801), the Pennsylvania Safe Drinking Water Act (35 P.S. §§ 721.1-721.17), and other requisite regulatory requirements, and to make improvements as needed, on a short- and long-term basis.

b. Pennsylvania-American has a good record of complying with applicable environmental statutes and regulations.

c. Pennsylvania-American is uniquely situated to address current and mitigate future Notices of Violation ("NOVs") and Consent Orders. A true and correct copy of the summary of NOVs and Consent Order Agreements received by CUPA is attached hereto as **(Appendix "T")**.

d. Pennsylvania-American is committed to environmental compliance and will promote the rights of all Pennsylvanians to a clean environment, which are protected by the Environmental

Rights Amendment. PA. CONST. Art. I., § 27.

e. The acquisition will further the Commission's goal of regionalization. The CUPA Systems will become a part of a larger organizational footprint that is viable from a costs and rates standpoint and is committed to providing improved service in the future. Any necessary system improvements can be completed within a reasonable period of time, without adversely affecting service to Pennsylvania-American's existing customers.

f. Permitting CUPA to merge with and into Pennsylvania-American will result in efficiencies for the Commission, as the Commission will not have to review multiple annual filings by utilities.

34. The Transactions will benefit Nexus and CUPA for the following reasons (among others):

a. The Transactions will allow Nexus to focus on a smaller core geography where it is better poised to grow and efficiently serve its customers over the long-term.

b. Pennsylvania-American has exclusive access to highly trained professionals who possess expertise in various specialized areas and are dedicated to providing necessary, cost-effective, value-added service that supports the provision of safe, reliable and affordable water and wastewater service in a manner consistent with the long-term best interest of customers. This centralized expertise drives knowledge sharing, standardization, process transparency and operational efficiency among American Water's subsidiaries, including Pennsylvania-American. The Transactions will allow CUPA to also access American Water's centralized expertise.

c. The Transactions will enable CUPA to benefit from American Water's central laboratory that supports research and water compliance efforts through sophisticated testing and analysis. American Water's central laboratory processes more than 30,000 sample events each year, is certified in 17 states and territories, and performs testing using 35 methodologies for over 220 compounds. The lab has a history of being on the forefront of monitoring, testing, identifying and controlling analytes in advance of federal regulations, and regularly collaborates with the United States Environmental Protection Agency ("USEPA")

to help develop federal drinking water standards and regulations.

d. Pennsylvania-American will enhance CUPA's existing main replacement program aimed at improving system reliability and reducing water loss within the Systems. In 2025, CUPA reported 25.08% unaccounted for water in the Penn Estates system and 37.3% in the Tamiment system, which is above the industry standard.

e. Pennsylvania-American has established standards for facility security and safety and will complete upgrades to CUPA's Systems to align with Pennsylvania-American's safety and security standards.

f. To maintain and improve system reliability and meet established regulatory requirements, Pennsylvania-American will ensure that uninterrupted power continues to be available to critical infrastructure.

g. The integration, by acquisition and merger, of CUPA's Systems and Pennsylvania-American's existing operations creates opportunities for functional and operational consolidation, and associated efficiencies and cost savings. Examples of such cost savings opportunities include in-house laboratory analysis and reductions in sludge disposal costs through utilizing Pennsylvania-American's existing disposal contracts, CUPA's proximity to existing Pennsylvania-American operations will result in cost savings through shared equipment and tool use as well as contract savings as the existing maintenance contracts will be included into existing Pennsylvania-American contracts.

35. The Transactions will benefit CUPA's existing customers for the following reasons (among others):

a. CUPA's existing customers are members of the public-at-large and so will enjoy the same benefits from the Transactions as all other members of the public-at-large.

b. CUPA's existing customers will also derive benefits from the System improvements listed in the above section describing benefits to CUPA that will materialize from the Transactions.

c. The Transactions will have a beneficial effect on the customers of CUPA in that they will receive the benefit of Pennsylvania-American's size, scale and experience in managing and

operating water and wastewater systems, which will result in efficiencies impacting rates in a beneficial way and improvements in the service to the customers to be transferred.

d. The transferred water and wastewater customers will be served by a large, financially sound company that has the capability to finance necessary capital additions. Given its size, access to capital and its recognized strengths in system planning, capital budgeting and construction management, Pennsylvania-American is well-positioned to ensure that high quality water and wastewater service meeting federal and state requirements is provided to CUPA's current customers and maintained for Pennsylvania-American's existing customers.

e. In CUPA's last rate case, the PUC ordered CUPA to develop a hydraulic model to evaluate fire suppression flows. The settlement agreement for their 2024 rate case included the following commitments:

> (1) "Before the next rate case, CUPA will provide an update to the OCA, I&E, and OSBA on the implementation of the recommendations from the engineering study and hydraulic analysis to address low and high pressure in Penn Estates"; and
>
> (2) "The Company will have GHD develop a hydraulic model utilizing existing data for its Tamiment system. The hydraulic model will then be used to evaluate the fire suppression flows available throughout the Tamiment system before the next base rate case. Monthly unmetered public fire protection rates will not be decreased."

In addition, the final PUC order for the rate case included the following statement by the PUC Chairman Stephen DeFrank: "By far the most disconcerting fact brought to light is the lack of fire protection in much of CUPA's system. Several fire hydrants in the Westgate and Penn Estate areas are inadequate for fire suppression, which is alarming. The Tamiment community has no fire hydrants capable of meeting the state standards of 500 to 1,000 gallons per minute. I would urge the company, in the strongest terms, to take action on this issue as expeditiously as possible. While I obviously can't speak to future proceedings, I can say that I would be very displeased if the company files another rate case in two years and this serious public safety issue remains unaddressed."

f. PAWC has the expertise and resources to address these concerns and has identified projects in its proposed 5-year capital plan to replace and/or upsize distribution assets to provide adequate fire protection.

g. The transferred water and wastewater customers will benefit from enhanced customer service in a number of areas, such as extended customer service and call center hours, customer information and education programs, and Pennsylvania-American's customer assistance programs.

h. While CUPA offers a formal customer assistance program, the Transactions will allow CUPA's existing customers to benefit from the customer assistance programs offered by Pennsylvania-American. Pennsylvania-American offers grants up to $500 per year for qualifying households under its H2O Help to Others Program. While CUPA does not have a similar grant program, CUPA offers its existing water and wastewater customers a 45% discount on both volumetric rates and monthly customer base charges to households with income at or below 200%. By contrast, Pennsylvania-American offers to its existing water customers discounts on their service charge ranging from 30% to 90% and discounts on their volumetric charge ranging from 20% to 80%. Pennsylvania-American also offers to its existing wastewater customers discounts on their total wastewater charges ranging from 37% to 85%.

i. The Transactions will allow CUPA's existing customers to benefit from American Water's customer service organization ("CSO"). American Water's CSO is dedicated to enhancing and enriching the lives of customers through high-quality service and self-service options using industry-leading technology. From starting service, to handling customer questions and concerns, billing and collections-related inquiries, collaborating with operations teams in every state and even gauging customer feedback on services, the CSO works diligently to keep customers informed and supported. This includes, among other things, being available around the clock seven days a week in the event of an emergency. Additionally, Pennsylvania-American's call center is available from 7:00 a.m. to 7:00 p.m. Monday through Friday for routine business whereas CUPA's call center is available from 8:00 a.m. to 5 p.m. Monday through Friday.

j. The Transactions will have no immediate rate impact on

CUPA's existing customers because Pennsylvania-American will adopt CUPA's rates applicable to CUPA's existing customers upon closing of the Transactions.

36. The Transactions will benefit American Water and Pennsylvania-American for the following reasons (among others):

a. The Transactions would result in American Water's subsidiary, Pennsylvania-American immediately gaining approximately 3,212 additional water customers and 3,846 additional wastewater customers, which would allow Pennsylvania-American to become a larger, financially stronger and more stable public utility, ultimately benefitting all current and future Pennsylvania-American customers.

37. The Transactions will benefit Pennsylvania-American's existing customers for the following reasons (among others):

a. Pennsylvania-American's existing customers are members of the public-at-large and so will enjoy the same benefits from the Transactions as all other members of the public-at-large.

b. The Transactions will have a beneficial effect on Pennsylvania-American's existing customers because it will expand the customer base, by adding approximately 7,300 customers, over which existing and future costs are recovered and thereby stabilizing or reducing per-customer costs over the long term.

c. The Transactions will have no immediate rate impact on Pennsylvania-American's existing customers; any impacts on the rates of Pennsylvania-American's existing customers would occur only upon Commission approval as part of a base rate proceeding.

38. The operators and regional employees who service CUPA take pride in providing water and wastewater service in these areas, and to ensure a smooth transition for customers and employees, Pennsylvania-American is committed to offering employment to CUPA employees consistent with the terms of the Stock Purchase Agreement. In addition, Pennsylvania-American commits not to terminate (other than for cause or in the

event of a voluntary resignation) any CUPA employee who accepts an offer of employment for twelve (12) months following the closing of the proposed transaction.

39. Pennsylvania-American will use either short-term debt or cash on hand to finance the Transactions. The Transactions will be accounted for as a business combination in accordance with generally accepted accounting principles.

40. Pennsylvania-American and CUPA are not affiliated with each other as of the date of this filing, but as indicated in Paragraph 14 above, Pennsylvania-American and CUPA briefly will be affiliated with each other upon the closing of the Stock Purchase Agreement. Consequently, the Joint Applicants respectfully request that the Stock Purchase Agreement and the Statement of Merger be approved as affiliated interest agreements pursuant to 66 Pa. C.S. § 2102.

41. Approval of this Application is necessary and proper in order for the public now served by CUPA to benefit by receiving water and wastewater service from Pennsylvania-American, which has the resources and personnel to provide safe and reliable water and wastewater service at reasonable rates.

42. The Joint Applicants also request, pursuant to Code Section 507, 66 Pa. C.S. § 507, the issuance of Certificates of Filing or approvals for the following agreements between PAWC and a municipal corporation:

a. Water Services agreement dated January 16, 2007 by and between Utilities, Inc. – Westgate and the City of Bethlehem; and

b. Addendum to Water Service Agreement dated June 6, 2017 by and between Utilities, Inc. - Westgate and the City of Bethlehem.

VI. THE RIGHTS OF PENNSYLVANIA-AMERICAN TO OFFER OR FURNISH WATER AND WASTEWATER SERVICE TO THE PUBLIC IN CUPA'S CURRENT SERVICE TERRITORY

43. Pennsylvania-American is currently furnishing water and wastewater

services in the service territory outlined in Paragraph 5 of this Application. CUPA is currently furnishing water service in CUPA's Service Territory as explained in Paragraph 8 of this Application. CUPA is currently furnishing wastewater service as explained in Paragraph 9 of this Application.

44. The CUPA Water Service Territory is shown on the map referred to in Paragraph 8 (*See*, **Appendix "B**").**.**

45. The CUPA Wastewater Service Territory is shown on the map referred to in Paragraph 9 (*See* **Appendix "C")**.

46. Pennsylvania-American's applied-for water service territory is shown on the map in **(Appendix "B")** and further described in that appendix.

47. Pennsylvania-American's applied-for wastewater service territory is shown on the map in **(Appendix "C")** and further described in that appendix.

48. Water Quality Permits for CUPA are attached hereto as **Appendix "P"**.

49. No corporation, partnership or individual other than CUPA is now furnishing or has corporate or franchise rights to furnish water or wastewater service similar to that to be rendered by Pennsylvania-American in the CUPA Service Territory covered by this Application, and no competitive condition will be created. As part of this Application, Pennsylvania-American has requested approval to acquire, by merger, all of CUPA's assets used and useful in the public service.

50. The estimated annual revenues and expenses of Pennsylvania-American in connection with serving the customers of CUPA are set forth in **Appendix "Q"**.

51. Pennsylvania-American further requests approval to make effective

upon closing of the Merger the *pro forma* water tariff supplement attached hereto as **Appendix "R."** Pennsylvania-American further requests approval to make effective upon closing of the Merger the *pro forma* wastewater tariff supplement attached hereto as **Appendix "S."**

VII. CONCLUSION

WHEREFORE, the Joint Applicants respectfully request that the Pennsylvania Public Utility Commission approve this Application and issue such Orders, Certificates of Public Convenience, and such other relief under the Code, 66 Pa. C.S. §§ 1102(a) and 1103, authorizing:

(a) the change in control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.;

(b) the transfer to Pennsylvania-American Water Company, by merger, of all assets of Community Utilities of Pennsylvania, Inc. used and useful in the public service;

(c) the adoption of the rates as shown on the *pro forma* water tariff supplement attached hereto as **Appendix "R"**, to be made effective upon one day's notice, and the implementation of all other rates, and the rules and regulations regarding conditions of Pennsylvania-American Water Company's water service, as reflected in Pennsylvania-American Water Company's prevailing water tariff, to become effective upon the completion of the Merger;

(d) the adoption of the rates as shown on the *pro forma* wastewater tariff supplement attached hereto as **Appendix "S"**, to be made effective upon one day's notice, and the implementation of all other rates, and the rules

and regulations regarding conditions of Pennsylvania-American Water Company's wastewater service, as reflected in Pennsylvania-American Water Company's prevailing wastewater tariff, to become effective upon the completion of the Merger;

(e) the abandonment by Community Utilities of Pennsylvania Inc. of all water service in its current service territory upon the completion of the Merger;

(f) the abandonment by Community Utilities of Pennsylvania Inc. of all wastewater service its current service territory upon the completion of the Merger;

(g) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service in portions of Stroud and Pocono Townships, Monroe County;

(h) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service in portions of Hanover Township, Northampton County;

(i) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service in portions of Lehman Township, Pike County;

(j) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply wastewater service in portions of Stroud and Pocono Townships, Monroe County;

(k) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply wastewater service in portions of West Bradford

Township, Chester County;

(l) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply wastewater service in portions of Lehman Township, Pike County;

(m) the Stock Purchase Agreement and the Statement of Merger be approved as affiliated interest agreements pursuant to 66 Pa. C.S. § 2102;

(n) Certificates of Filing or approvals be issued pursuant to 66 Pa. C.S. § 507 for the following agreements between Pennsylvania-American Water Company and a municipal corporation:

i. Water Service Agreement dated January 16, 2007 by and between Utilities, Inc—Westgate and the City of Bethlehem; and

ii. Addendum to Water Service Agreement dated June 6, 2017 by and between Utilities, Inc. - Westgate and the City of Bethlehem;

(o) the issuance of any other approvals or certificates appropriate, customary, or necessary under the Pennsylvania Public Utility Code to carry out the Transactions contemplated in this Application in a lawful manner.

Respectfully submitted,

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On behalf of American Water Works Company, Inc. and Pennsylvania-American Water Company

Dated: May 30, 2025

Community Utilities of Pennsylvania Inc.

Application Appendices

Appendix Number	Appendices
Appendix A	Pennsylvania-American Water Company ("PAWC") History/Certificate Service Territory
Appendix B	Community Utilities of Pennsylvania – Water Service Territory
Appendix C	Community Utilities of Pennsylvania – Wastewater Service Territory
Appendix D	Combined Water Service Territory of PAWC and CUPA
Appendix E	Combined Wastewater Service Territory of PAWC and CUPA
Appendix F	Stock Purchase Agreement ("SPA") between American Water and Nexus Regulated Companies
Appendix G	Plan of Merger Form between American Water, Pennsylvania American Water Company, Nexus Regulated Utilities and Community Utilities of Pennsylvania Inc.
Appendix H	Unaudited Balance Sheet of Community Utilities of Pennsylvania Inc. for Year ending December 31, 2024
Appendix I	Audited Balance Sheet of Pennsylvania-American Water Company for Year ending December 31, 2024
Appendix J	Unaudited Income Statement of Community Utilities of Pennsylvania Inc. for Year ending December 31, 2024
Appendix K	Audited Balance Sheet of Pennsylvania-American Water Company for Year ending December 31, 2024
Appendix L	Combined *Pro Forma* Balance Sheet of Pennsylvania-American Water Company and Community Utilities of Pennsylvania Inc. as of December 31, 2024
Appendix M	Combined *Pro Forma* Income Sheet of Pennsylvania-American Water Company and Community Utilities of Pennsylvania Inc. as of December 31, 2024
Appendix N	Extract of Resolutions of the Board of Directors for American Water and Resolutions of the Board of Directors of Pennsylvania-American Water Company
Appendix O	Minutes from the Nexus Board of Directors Authorizing Execution of Stock Purchase Agreement
Appendix P	Water Quality Permits of Community Utilities of Pennsylvania Inc.
Appendix Q	Estimated Annual Revenue and Expenses of Pennsylvania-American Water Company Service Community Utilities of Pennsylvania Inc.
Appendix R	*Pro Forma* Tariff Supplement for Former Community Utilities of Pennsylvania Inc.
Appendix S	*Pro Forma* Tariff Supplement for Former Community Utilities of Pennsylvania Inc.

Community Utilities of Pennsylvania Inc.

Application Appendices

Appendix T	Notices of Violation Received by Community Utilities of Pennsylvania Inc. and Consent Order and Agreement

APPENDIX A

PENNSYLVANIA-AMERICAN WATER COMPANY HISTORY

PENNSYLVANIA-AMERICAN WATER COMPANY

Pennsylvania-American Water Company, an investor-owned water company, with corporate offices at 852 Wesley Drive, Mechanicsburg, is a subsidiary of American Water Works Company, Inc. On February 1, 1989, the then-existing Pennsylvania-American Water Company (the result of the January 1, 1987 merger of Riverton Consolidated Water Company with and into Keystone Water Company) was merged with and into Western Pennsylvania Water Company, and the name of the surviving corporation was changed to Pennsylvania-American Water Company. A brief summary of each of the three predecessor companies follows.

Riverton Consolidated Water Company was formed by the merger and consolidation of six operating water companies in 1904. It subsequently acquired seven additional systems, and at the time of its merger with Keystone, supplied water to 12 municipalities on the Harrisburg west shore, Cumberland County, and Fairview Township in York County.

Keystone Water Company resulted from the 1973 merger of 14 companies with and into White Deer Mountain Water Company. The Company later acquired four systems. It provided water service in 14 eastern Pennsylvania counties through the following distribution systems: Abington, Bangor, Berwick, Frackville, Hallstead, Hershey/Palmyra, Montrose, Moshannon Valley, Norristown, Northumberland, Susquehanna, Thompson, White Deer (Milton), and Yardley.

Western Pennsylvania Water Company was the product of the merger of 16 water companies with and into South Pittsburgh Water Company at various times from 1970 to 1973. WPW added seven water distribution systems, extending its service territory into portions of 12 western Pennsylvania counties. The company operated through the following district offices: Butler, Clarion, Connellsville, Ellwood, Indiana, Kane, Kittanning, McDonald, Mon Valley, New Castle, Pittsburgh, Punxsutawney, Uniontown, Warren, and Washington.

After the merger of Riverton and Keystone in 1987, the former Pennsylvania-American Water Company purchased five systems: Red Land Water Company in York County, Campbelltown Water Company in Lebanon County, and three systems in the Moshannon Valley area, Clearfield County - Woodland-Bigler Area Authority, Allport Water Authority, and Graham Water Association.

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water and wastewater systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995); the water utility assets of Pennsylvania Gas and

Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Lackawanna County Water System at Montage (Lackawanna County, April 11, 1997); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono Mountains Industrial Park Authority (Monroe County, May 7, 1998); Coolbaugh Township-Fire System (Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998); Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); Shippenville Municipal Authority (Clarion County, March 31, 2005); Blue Mountain Lake Associates, L.P. (Monroe County, October 31, 2005); East Fallowfield Township (Chester County, December 22, 2005); Stillwater Lakes Water Corporation (Monroe County, January 17, 2006); Winona Lakes Utilities, Inc. (Monroe and Pike Counties, January 26, 2006); Saville Rustin Water Company, Inc./Pine Ridge Community Association, Inc. (Pike County, March 29, 2006); Lexington Woods Corporation (Monroe County, July 24, 2006); Community Association of Pocono Farms, Incorporated (Monroe County, July 31, 2006); Redstone Water Company (Fayette and Washington Counties, March 20, 2007); Mountain Top Estates Property Owners Association (Monroe County, May 30, 2008); Claysville-Donegal Joint Municipal Authority (Washington County, July 31, 2008); Three Lane Utilities, Inc. (Pike County, September 10, 2008); Clarion Area Authority (Clarion County, October 30, 2008); Boggs Township (Centre County, September 10, 2009); Amwell Township Water Authority (Washington County, September 23, 2009); Wallaceton Municipal Authority (Clearfield County, October 1, 2009); Saxonburg Area Authority (Butler County, October 28, 2009); Nittany Water Company (Centre and Clinton Counties, February 3, 2010); Sutton Hills Homeowners Association (Luzerne County, May 5, 2010); Birch Acres Water Works, Inc. (Monroe County, December 7, 2010); Helen Norella and Louis & Isabelle Norella (Lackawanna County, October 5, 2011); Wildcat Park Corporation (Schuylkill County, November 17, 2011); Estate of George Spangenberg d/b/a Lake Spangenberg Water Company (Lackawanna County, May 3, 2012); North Fayette County Municipal Authority-Balsinger Public Water System and Springfield Pike Public Water System

(Fayette County, October 4, 2012); All Seasons Water Company (Pike County, December 20, 2012); Ha Ra Corporation-Fernwood Community Water System (Monroe County, December 31, 2012); Olwen Heights Water Service Company, Inc. (Lackawanna County, February 4, 2013); Indian Rocks Water Association (Wayne County, March 13, 2013); Koppel Borough (Beaver County, May 31, 2013); Pocono Mountain Lake Forest Community Association (Pike County, July 22, 2013); Clean Treatment Sewage Company (Pike County, August 21, 2013); Franklin Township Municipal Authority (Adams County, August 29, 2013); Berry Hollow Water Company (Northampton County, April 3, 2014); Scott Township (Lackawanna County, May 22, 2014); Paint-Elk Joint Sewer Authority (Clarion County, July 31, 2014); Hamiltonban Township Municipal Authority (Adams County, November 3, 2014); Abbey Woods Homeowners Association (Butler County, July 14, 2015); Shippenville Borough (Clarion County, August 4, 2015); Paint Township Municipal Water Authority (Clarion County, October 15, 2015); McEwensville Municipal Authority (Northumberland County, October 21, 2015); Fairview Township (York County, December 22, 2015); Borough of New Cumberland (Cumberland County, October 31, 2016); Sewer Authority of the City of Scranton (Lackawanna County, December 29, 2016); The Municipal Authority of the City of McKeesport (Allegheny County, December 18, 2017); Township of Sadsbury (Chester County, March 6, 2019); Municipal Authority of the Borough of Turbotville (Northumberland County, July 23, 2019); Borough of Turbotville (Northumberland County, July 23, 2019); Steelton Borough Authority (Dauphin County, October 9, 2019); Township of Exeter (Berks County, October 24, 2019); Kane Borough Authority (McKean County, October 13, 2020); Winola Water Company (Wyoming County, December 17, 2020); Delaware Sewer Company (Pike County, May 13, 2021); Borough of Royersford (Montgomery County, May 25, 2021); Valley Township-Water (Chester County, November 18, 2021); Valley Township-Wastewater (Chester County, November 18, 2021); SLIBCO Utilities, Inc. (Lackawanna County, November 19, 2021); York City Sewer Authority (York County, May 27, 2022); Upper Pottsgrove Township (Berks and Montgomery Counties, June 30, 2022); Foster Township (Luzerne County, October 27, 2022); Creekside Homeowners Association (Lancaster County, June 22, 2023); Butler Area Sewer Authority (Butler County, October 29, 2024); Sadsbury Township Municipal Authority-Wastewater (Lancaster County, October 31, 2024) and Farmington Township-Water and Wastewater (Clarion County, November 21, 2024). On July 2, 1990, Brownsville Water Company (Fayette County) and California Water Company (Washington County) were acquired and merged into the Company. On June 16, 1992, the former Forge Road Acres water system (Cumberland County) was sold to South Middleton Township. On March 24, 2003, Salisbury Water Supply Company (State of Massachusetts) was acquired and merged into the Company.

As a result of the various mergers and acquisitions, the Company furnishes water service to about 687,608 customers in the following municipalities:

All, or portions of, the Townships of Mount Joy, Mount Pleasant and Straban in Adams County;

All, or portions of, the Cities of Clairton and Pittsburgh (16th, 18th, 19th, 20th, 28th, 29th, 30th, 31st and 32nd Wards), the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Elizabeth, Glassport, Greentree, Heidelburg, Homestead, Ingram, Jefferson, Liberty, Lincoln,

Mount Oliver, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Elizabeth, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Elizabeth, Forward, Mt. Lebanon, North Fayette, Robinson, Scott, South Fayette, South Park and Upper St. Clair in Allegheny County;

All, or portions of, the Boroughs of Applewold and Kittanning and the Townships of Manor and Rayburn in Armstrong County;

All, or portions of, the Boroughs of Big Beaver, Ellwood City, Frankfort Springs and Koppel and the Townships of Franklin, Hanover and North Sewickly in Beaver County;

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence and Wyomissing and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor, South Heidelberg and Spring in Berks County;

All, or portions of, the Borough of Yardley and the Townships of Falls and Lower Makefield in Bucks County;

All, or portions of, the City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Donegal, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit in Butler County;

All, or portions of, the Boroughs of Philipsburg and South Philipsburg and the Townships of Boggs, Rush and Walker in Centre County;

All, or portions of, the City of Coatesville, the Boroughs of Atglen, Parkesburg, South Coatesville and Spring City and the Townships of Caln, East Coventry, East Fallowfield, East Pikeland, East Vincent, Highland, Sadsbury, Schuylkill, Valley, West Caln, West Sadsbury and West Vincent in Chester County;

All, or portions of, the Boroughs of Clarion, Shippenville, Sligo and Strattanville and the Townships of Clarion, Elk, Farmington, Highland, Knox, Limestone, Monroe, Paint and Piney in Clarion County;

All, or portions of, the Boroughs of Chester Hill, Osceola Mills and Wallaceton and the Townships of Boggs, Bradford, Decatur, Graham and Morris in Clearfield County;

All, or portions of, the Township of Porter in Clinton County;

All, or portions of, the Boroughs of Berwick and Briar Creek and the Township of Briar Creek in Columbia County;

All, or portions of, the Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Middlesex, Silver Spring and Upper Allen in Cumberland County;

All, or portions of, the Borough of Steelton and the Townships of Conewago, Derry, Londonderry, South Hanover, Swatara and West Hanover in Dauphin County;

All, or portions of, the Cities of Connellsville and Uniontown, the Boroughs of Brownsville and South Connellsville and the Townships of Brownsville, Bullskin, Connellsville, Dunbar, German, Jefferson, Luzerne, Menallen, North Union, Redstone and South Union in Fayette County;

All, or portions of, the Borough of Indiana and the Township of White in Indiana County;

All, or portions of, the Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young in Jefferson County;

All, or portions of, the Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Carbondale, Fell, Glenburn, Jefferson, North Abington, Roaring Brook, Scott and South Abington in Lackawanna County;

All, or portions of, the Borough of Quarryville and the Townships of Bart, Colerain, Eden, Providence and Sadsbury in Lancaster County;

All, or portions of, the City of New Castle; the Boroughs of Ellport, Ellwood City, New Beaver and South New Castle and the Townships of Hickory, Mahoning, Neshannock, North Beaver, Perry, Shenango, Taylor, Union and Wayne in Lawrence County;

All, or portions of, the Borough of Palmyra and the Townships of Annville, North Annville, North Londonderry, South Annville and South Londonderry in Lebanon County;

All, or portions of, the Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laflin, Larksville, Laurel Run, Luzerne, Nescopeck, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Conyngham, Fairview, Hanover, Hunlock, Jackson, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Salem, Union, Wilkes-Barre and Wright in Luzerne County;

All, or portions of, the Borough of Kane and the Township of Wetmore in McKean County;

All, or portions of, the Borough of Mount Pocono, the Townships of Coolbaugh, Hamilton, Middle Smithfield, Ross, Smithfield and Stroud and the Village of Tobyhanna in Monroe County;

All, or portions of, the Boroughs of Bridgeport, Norristown and Royersford and the Townships of East Norriton, Limerick, Lower Pottsgrove, Lower Providence, Perkiomen, Plymouth, Skippack, Upper Merion, Upper Providence, West Norriton, Whitemarsh, Whitpain and Worcester in Montgomery County;

All, or portions of, the Boroughs of Bangor, Nazareth, Pen Argyl, Roseto, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Mount Bethel, Lower Nazareth, Palmer, Plainfield, Upper Mount Bethel, Upper Nazareth and Washington in Northampton County;

All, or portions of, the Boroughs of McEwensville, Milton, Northumberland, Turbotville and Watsontown and the Townships of Delaware, East Chillisquaque, Lewis, Point, Turbot, Upper Augusta and West Chillisquaque in Northumberland County;

Portions of the Townships of Delaware, Lehman and Westfall in Pike County;

All, or portions of, the Borough of Frackville and the Townships of Butler, Mahanoy, New Castle, Walker and West Mahanoy in Schuylkill County;

All, or portions of, the Boroughs of Forest City, Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland in Susquehanna County;

All, or portions of, the Borough of Lewisburg and the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer in Union County;

All, or portions of, the City of Warren and the Townships of Conewango, Glade, Meade, and Pleasant in Warren County;

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Claysville, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle, West Brownsville and West Middletown and the Townships of Amwell, Buffalo, Canton, Carroll, Cecil, Chartiers, Cross Creek, Donegal, East Finley, East Pike Run, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Morris, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane and Union in Washington County;

Portions of the Townships of Clinton and Salem in Wayne County;
Portion of the Township of Overfield in Wyoming County; and

All, or portions of, the Townships of Fairview and Newberry in York County.

As a result of acquisitions, the Company furnishes wastewater service to about 114,915 customers in the following municipalities:

Portions of, the Townships of Franklin, Hamiltonban and Highland in Adams County;

All, or portions of, the Cities of Duquesne and McKeesport and the Boroughs of Dravosburg, Port Vue and West Mifflin in Allegheny County;

All of the Borough of Koppel in Beaver County;

All, or portions of, the Townships of Alsace, Douglass, Exeter and Lower Alsace in Berks County;

All, or portions of, the City of Butler, the Borough of East Butler and the Townships of Butler, Center, Connoquenessing, Oakland and Summit in Butler County;

All, or portions of, the City of Coatesville, the Boroughs of Parkesburg and South Coatesville and the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury in Chester County;

All, or portions of, the Boroughs of Clarion and Shippenville and the Townships of Clarion, Elk, Farmington, Monroe and Paint in Clarion County;

All, or portions of, the Borough of New Cumberland and the Township of Lower Allen in Cumberland County;

All of the City of Scranton and the Borough of Dunmore in Lackawanna County;

Portions of the Township of Sadsbury, Lancaster County;

Portions of the Township of Foster in Luzerne County;

All, or portions of, the Borough of Kane and Township of Wetmore in McKean County;

Portions of the Townships of Coolbaugh, Middle Smithfield, Smithfield and Stroud in Monroe County;

All, or portions of, the Borough of Royersford and the Townships of Upper Pottsgrove and Upper Providence in Montgomery County;

All, or portions of, the Boroughs of McEwensville and Turbotville in Northumberland County;

Portions of the Townships of Delaware and Lehman in Pike County;

All, or portions of, the Borough of Claysville and the Township of Donegal in Washington County; and

All, or portions of, the City of York, the Borough of North York and the Townships of Fairview, Manchester, Newberry and York in York County.

[418 municipalities in 37 counties.] 12/31/2024

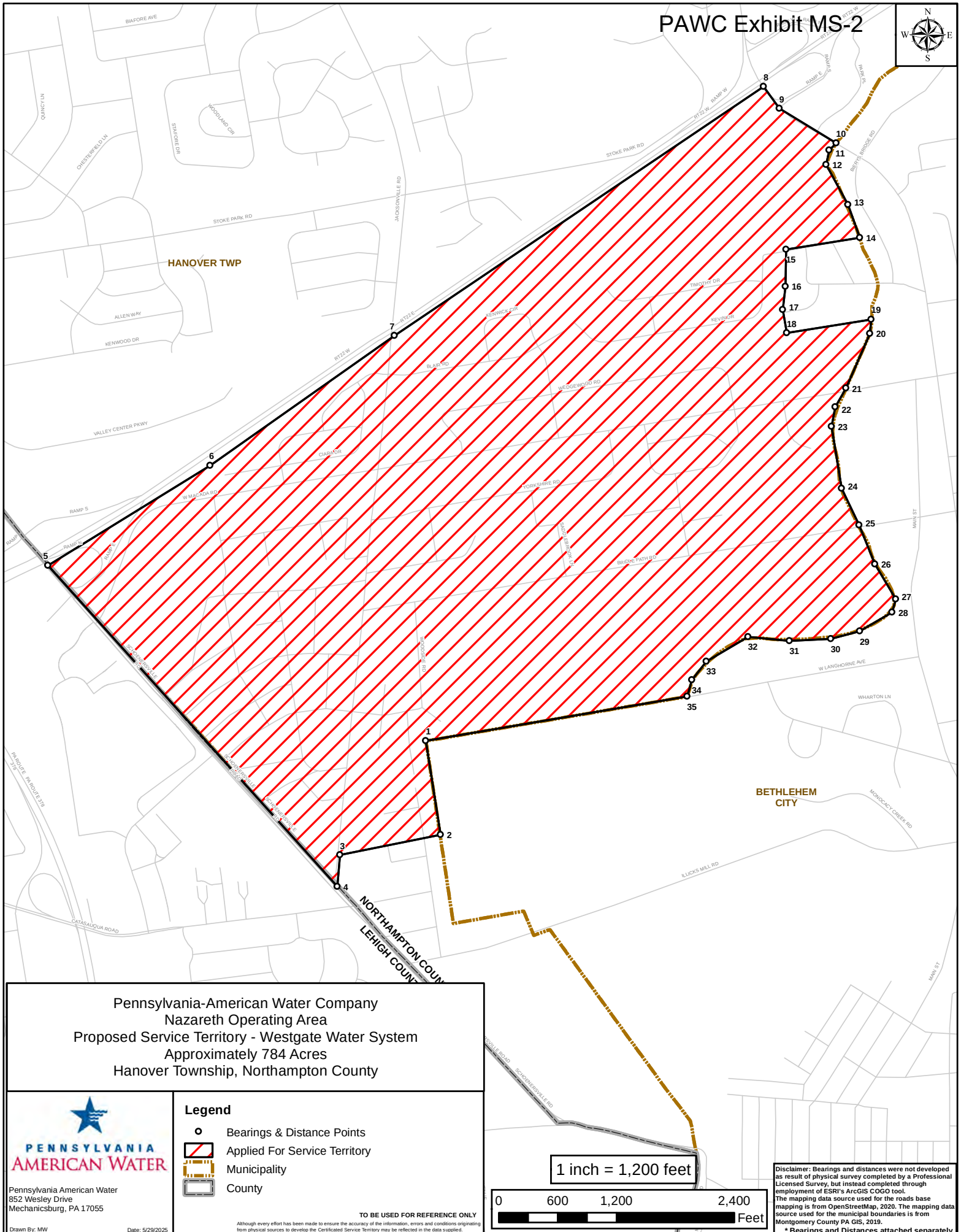
APPENDIX B

MAP OF COMMUNITY UTILITIES OF PENNSYLVANIA INC. WATER SERVICE TERRITORIES

WESTGATE SERVICE TERRITORY MAP AND CORRESPONDING BEARINGS AND DISTANCES

(HANOVER TOWNSHIP, NORTHAMPTON COUNTY)

PAWC Exhibit MS-2



Pennsylvania-American Water Company
Nazareth Operating Area
Proposed Service Territory - Westgate Water System
Approximately 784 Acres
Hanover Township, Northampton County

PENNSYLVANIA AMERICAN WATER

Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

Drawn By: MW

Date: 5/29/2025

Legend

- Bearings & Distance Points
- Applied For Service Territory
- Municipality
- County

TO BE USED FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the Certificated Service Territory may be reflected in the data supplied.

1 inch = 1,200 feet

0 600 1,200 2,400 Feet

Disclaimer: Bearings and distances were not developed as result of physical survey completed by a Professional Licensed Survey, but instead completed through employment of ESRI's ArcGIS COGO tool.
The mapping data source used for the roads base mapping is from OpenStreetMap, 2020. The mapping data source used for the municipal boundaries is from Montgomery County PA GIS, 2019.
*** Bearings and Distances attached separately**

Document Path: \\amznfsxnjltjzzpz.amwater.net\gis\gisuserdata\Pennsylvania\Acquisitions\Northampton County\Westgate_WP\PUC\Westgate_Water_PUCApplication_5-28-25.mxd

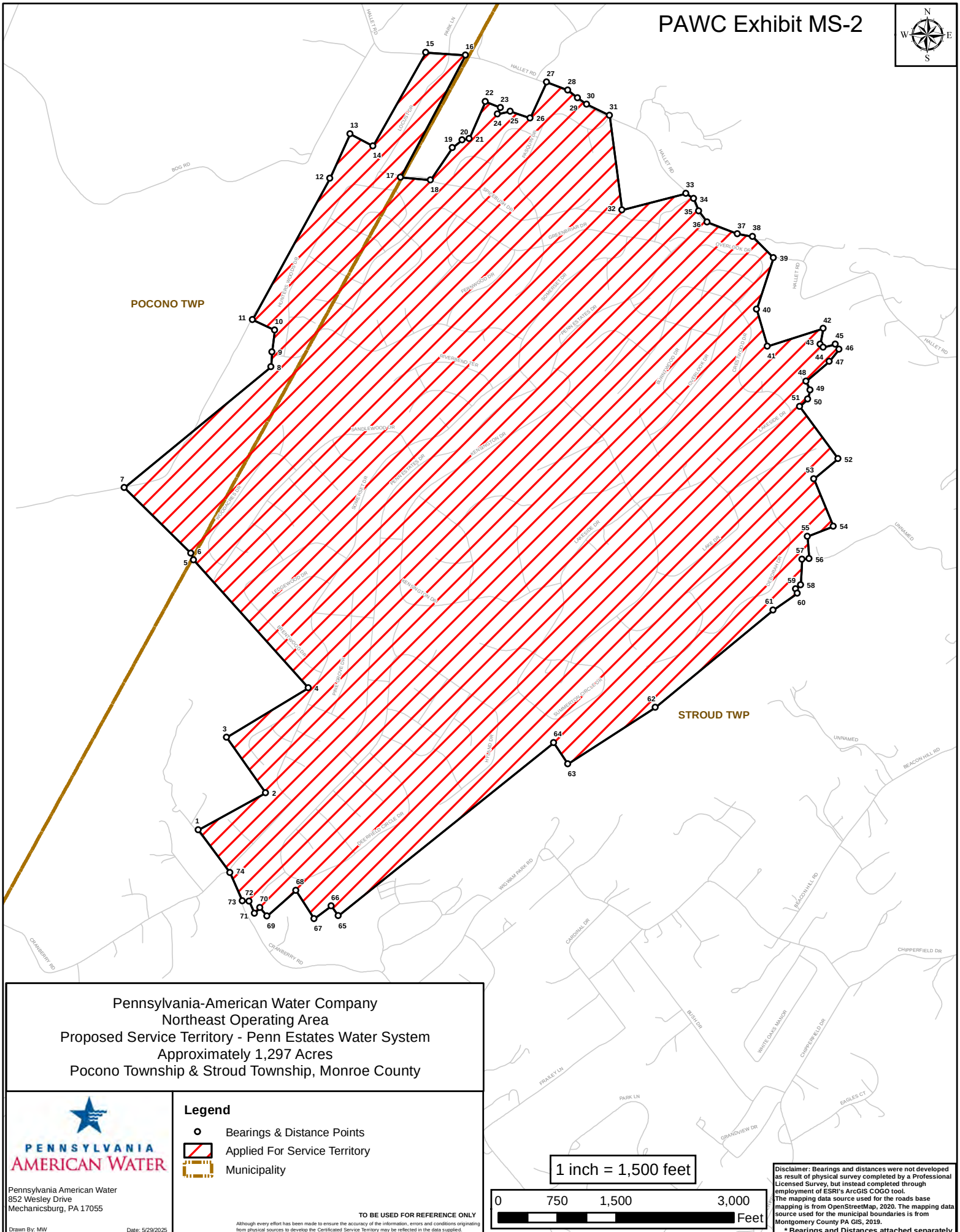
Starting Point: The southwestern point of parcel pin N6NW41790214, located at the coordinates of 40.644685, -75.396834.

Sequence	From	To	Bearing	Distance (ft)
1	1	2	S8°56'08"E	967.33
2	2	3	S78°36'07"W	1,047.32
3	3	4	S5°00'55"W	322.65
4	4	5	N42°02'11"W	4,403.69
5	5	6	N58°20'00"E	1,943.29
6	6	7	N54°51'17"E	2,295.94
7	7	8	N56°01'10"E	4,539.34
8	8	9	S35°28'23"E	274.87
9	9	10	S58°41'32"E	677.45
10	10	11	S44°29'08"W	102.35
11	11	12	S11°38'51"W	149.84
12	12	13	S28°48'46"E	463.22
13	13	14	S19°42'04"E	358.19
14	14	15	S80°54'49"W	761.07
15	15	16	S1°12'56"W	376.05
16	16	17	S6°09'32"W	237.68
17	17	18	S9°15'56"E	242.22
18	18	19	N80°53'31"E	873.77
19	19	20	S6°05'14"W	143.81
20	20	21	S23°37'47"W	609.56
21	21	22	S29°35'04"W	219.10
22	22	23	S10°25'43"W	203.68
23	23	24	S9°09'37"E	637.78
24	24	25	S25°25'03"E	414.56
25	25	26	S22°08'45"E	428.15
26	26	27	S30°48'07"E	413.52
27	27	28	S14°49'36"W	140.68
28	28	29	S59°37'53"W	381.32
29	29	30	S75°10'26"W	305.68
30	30	31	S87°22'25"W	421.44
31	31	32	N84°24'20"W	423.77
32	32	33	S59°32'55"W	494.52
33	33	34	S37°48'16"W	238.25
34	34	35	S16°17'54"W	176.93
35	35	1	S80°21'57"W	2,700.08

PENN ESTATES SERVICE TERRITORY MAP AND CORRESPONDING BEARINGS AND DISTANCES

(STROUD AND POCONO TOWNSHIPS, MONROE COUNTY)

PAWC Exhibit MS-2



Pennsylvania-American Water Company
Northeast Operating Area
Proposed Service Territory - Penn Estates Water System
Approximately 1,297 Acres
Pocono Township & Stroud Township, Monroe County

PENNSYLVANIA AMERICAN WATER

Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

Drawn By: MW
Date: 5/29/2025

Legend

- Bearings & Distance Points
- Applied For Service Territory
- Municipality

TO BE USED FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the Certificated Service Territory may be reflected in the data supplied.

1 inch = 1,500 feet

0 750 1,500 3,000 Feet

Disclaimer: Bearings and distances were not developed as result of physical survey completed by a Professional Licensed Survey, but instead completed through employment of ESRI's ArcGIS COGO tool. The mapping data source used for the roads base mapping is from OpenStreetMap, 2020. The mapping data source used for the municipal boundaries is from Montgomery County PA GIS, 2019.

*** Bearings and Distances attached separately**

Document Path: \\amznfsxnjtjzzpz.amwater.net\gis\gisuserdata\Pennsylvania\Acquisitions\Monroe County\PennEstates\PUC\PennEstates_Water_PUCApplication_5-28-25.mxd

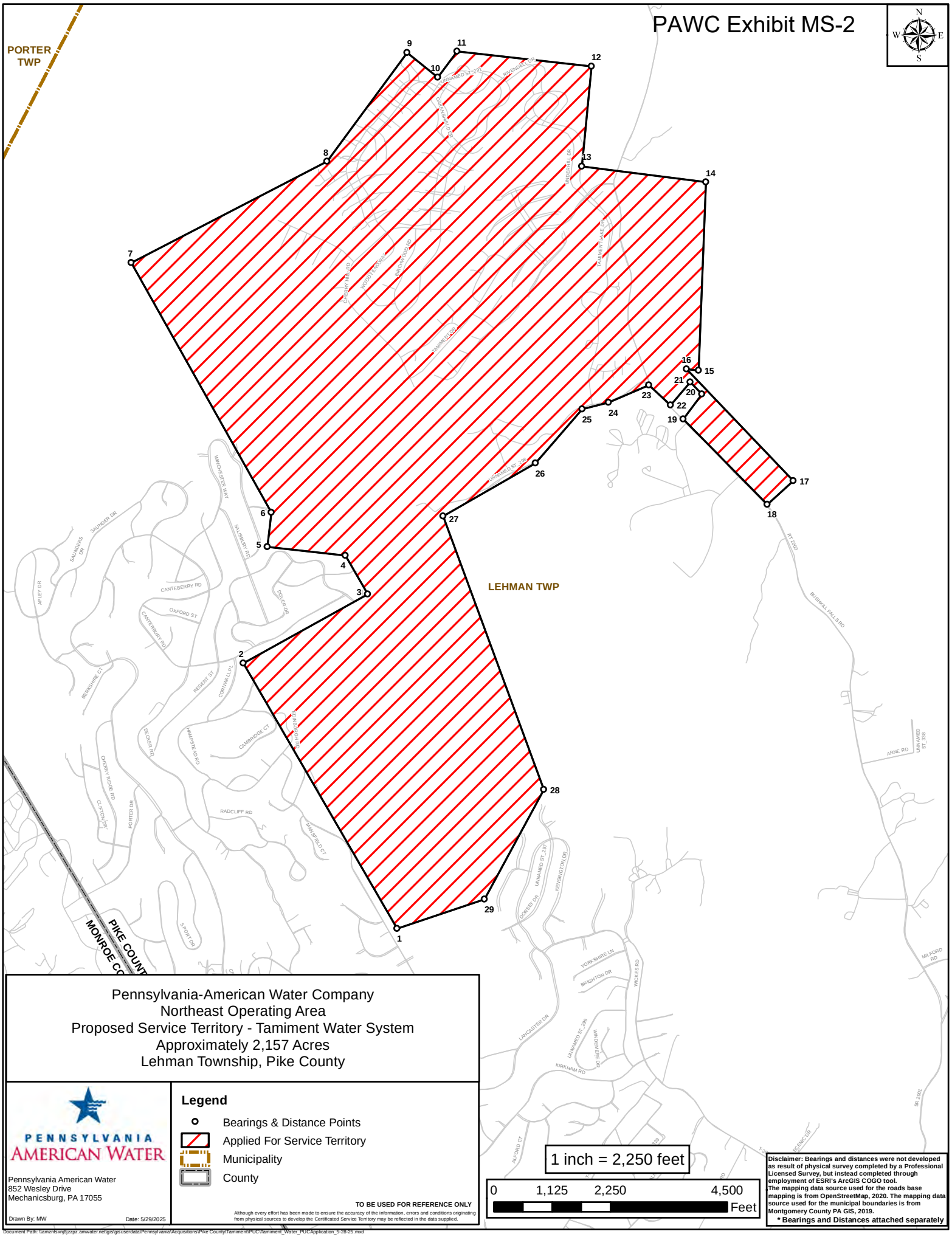
Starting Point: The western most point of parcel pin 17638204815517, located at the coordinates of 41.022347, -75.255794.				
Sequence	**From**	**To**	**Bearing**	**Distance (ft)**
1	1	2	N61°08'11"E	978.34
2	2	3	N35°16'17"W	866.23
3	3	4	N58°47'32"E	1,217.80
4	4	5	N41°53'16"W	2,183.50
5	5	6	N22°26'24"W	96.21
6	6	7	N45°29'02"W	1,192.02
7	7	8	N50°34'34"E	2,419.82
8	8	9	N3°43'57"E	190.80
9	9	10	N7°37'07"E	277.95
10	10	11	N64°35'12"W	313.90
11	11	12	N28°41'05"E	2,052.57
12	12	13	N24°38'15"E	621.93
13	13	14	S62°06'33"E	326.58
14	14	15	N29°34'06"E	1,367.03
15	15	16	S86°10'31"E	505.67
16	16	17	S27°58'16"W	1,761.17
17	17	18	S84°35'40"E	383.15
18	18	19	N33°56'03"E	496.47
19	19	20	N51°45'34"E	158.92
20	20	21	N79°09'49"E	92.44
21	21	22	N23°28'56"E	515.84
22	22	23	S67°29'17"E	206.41
23	23	24	S23°54'32"W	86.65
24	24	25	N78°01'59"E	166.20
25	25	26	S71°15'54"E	264.77
26	26	27	N24°51'48"E	504.05
27	27	28	S69°17'48"E	289.21
28	28	29	S50°59'07"E	158.23
29	29	30	S54°19'51"E	142.18
30	30	31	S63°59'04"E	323.43
31	31	32	S7°25'49"E	1,213.73
32	32	33	N75°28'57"E	842.42
33	33	34	S56°34'11"E	117.62
34	34	35	S22°07'25"E	170.11
35	35	36	S37°17'01"E	180.46
36	36	37	S68°37'55"E	412.18
37	37	38	S81°00'38"E	195.69
38	38	39	S44°25'41"E	382.45
39	39	40	S18°18'20"W	689.45
40	40	41	S16°24'06"E	492.61

41	41	42	N72°20'17"E	747.18
42	42	43	S11°21'02"W	205.25
43	43	44	S46°09'16"E	53.53
44	44	45	N76°39'56"E	159.52
45	45	46	S37°32'54"E	76.24
46	46	47	S37°39'53"W	200.21
47	47	48	S50°01'18"W	388.33
48	48	49	S23°46'13"E	122.30
49	49	50	S13°58'38"W	120.74
50	50	51	S47°05'00"W	137.79
51	51	52	S36°17'57"E	825.56
52	52	53	S50°20'01"W	399.91
53	53	54	S22°18'22"E	652.85
54	54	55	S68°49'47"W	355.74
55	55	56	S4°42'28"E	285.95
56	56	57	S85°17'32"W	93.23
57	57	58	S2°58'50"W	326.96
58	58	59	S52°27'48"W	81.58
59	59	60	S24°49'19"E	60.33
60	60	61	S55°11'27"W	378.34
61	61	62	S50°30'14"W	1,946.19
62	62	63	S57°06'49"W	1,327.09
63	63	64	N33°24'15"W	324.55
64	64	65	S51°11'27"W	3,517.86
65	65	66	N36°26'41"W	152.93
66	66	67	S53°33'19"W	269.56
67	67	68	N32°51'14"W	429.08
68	68	69	S48°26'12"W	495.07
69	69	70	N38°50'06"W	139.20
70	70	71	S44°42'07"W	99.35
71	71	72	N24°34'29"W	165.46
72	72	73	N86°22'04"W	85.65
73	73	74	N23°22'21"W	394.53
74	74	1	N36°38'18"W	675.54

TAMIMENT WATER SERVICE TERRITORY AND CORRESPONDING BEARINGS AND DISTANCES

(LEHMAN TOWNSHIP, PIKE COUNTY)

PAWC Exhibit MS-2



Pennsylvania-American Water Company
Northeast Operating Area
Proposed Service Territory - Tamiment Water System
Approximately 2,157 Acres
Lehman Township, Pike County

PENNSYLVANIA AMERICAN WATER

Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

Drawn By: MW

Date: 5/29/2025

Legend

- Bearings & Distance Points
- Applied For Service Territory
- Municipality
- County

TO BE USED FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the Certificated Service Territory may be reflected in the data supplied.

1 inch = 2,250 feet

0 1,125 2,250 4,500 Feet

Disclaimer: Bearings and distances were not developed as result of physical survey completed by a Professional Licensed Survey, but instead completed through employment of ESRI's ArcGIS COGO tool. The mapping data source used for the roads base mapping is from OpenStreetMap, 2020. The mapping data source used for the municipal boundaries is from Montgomery County PA GIS, 2019.

*** Bearings and Distances attached separately**

Document Path: \\amznfsxnjtjzzpz.amwater.net\gis\gisuserdata\Pennsylvania\Acquisitions\Pike County\Tamiment\PUC\Tamiment_Water_PUCApplication_5-28-25.mxd

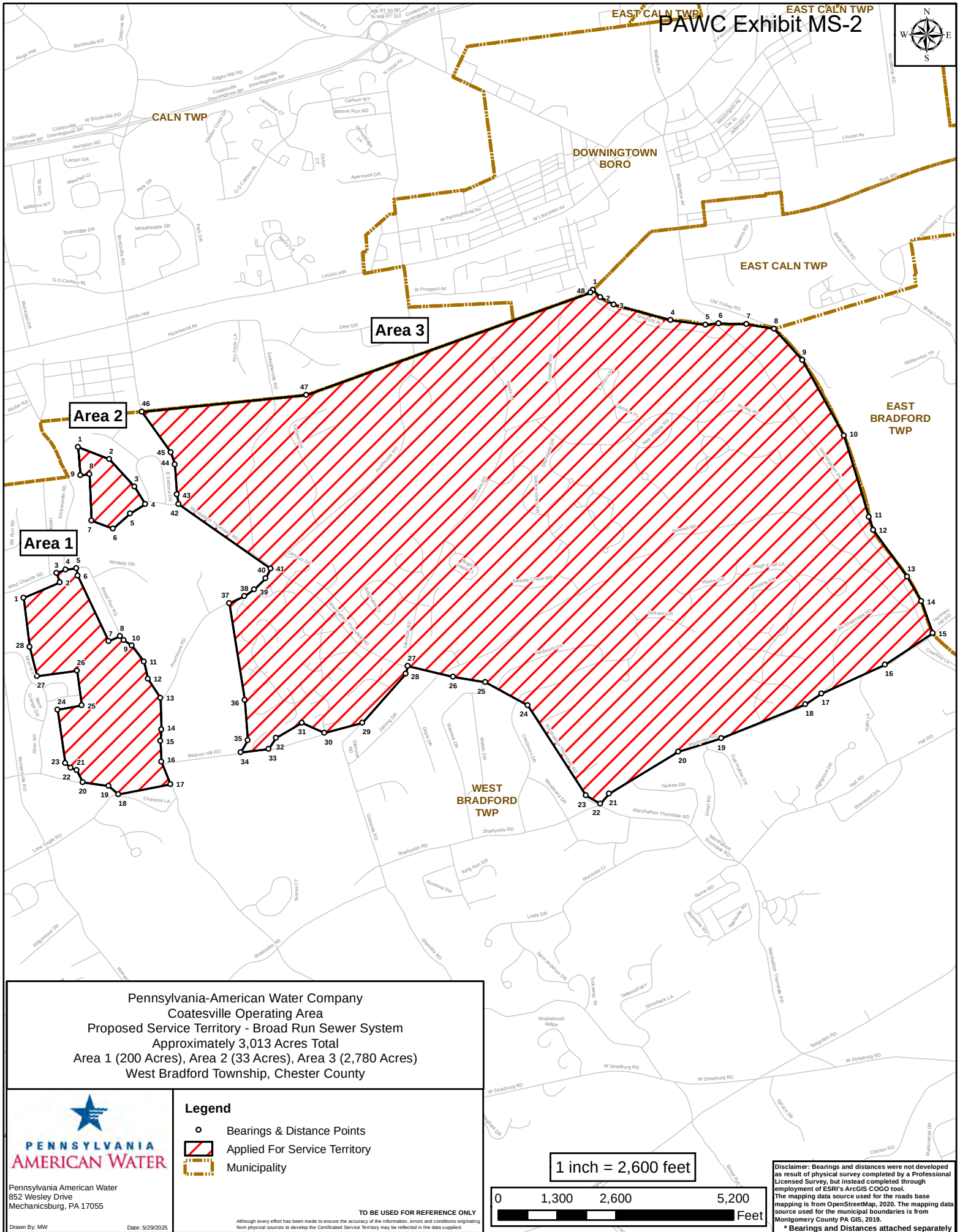
Starting Point: The southern most point of parcel pin 187.00-02-01, located at the coordinates of 41.116282, -75.039419.				
Sequence	**From**	**To**	**Bearing**	**Distance (ft)**
1	1	2	N30°04'50"W	5,915.62
2	2	3	N61°00'45"E	2,743.18
3	3	4	N29°59'59"W	858.50
4	4	5	N83°37'14"W	1,514.73
5	5	6	N6°55'30"E	667.80
6	6	7	N29°18'39"W	5,518.84
7	7	8	N62°35'47"E	4,247.34
8	8	9	N36°21'58"E	2,603.07
9	9	10	S51°26'50"E	761.21
10	10	11	N36°26'15"E	619.06
11	11	12	S83°39'20"E	2,606.07
12	12	13	S5°22'48"W	1,932.94
13	13	14	S82°41'59"E	2,407.44
14	14	15	S2°15'03"W	3,633.41
15	15	16	N84°01'02"W	230.66
16	16	17	S43°45'58"E	2,977.55
17	17	18	S47°38'13"W	679.94
18	18	19	N44°30'42"W	2,309.17
19	19	20	N36°51'48"E	598.01
20	20	21	N44°17'51"W	327.72
21	21	22	S40°28'01"W	581.60
22	22	23	N47°06'05"W	568.32
23	23	24	S66°33'08"W	847.39
24	24	25	S75°37'09"W	528.32
25	25	26	S40°39'57"W	1,372.30
26	26	27	S60°20'04"W	2,055.69
27	27	28	S20°14'52"E	5,621.05
28	28	29	S28°24'13"W	2,403.15
29	29	1	S71°26'56"W	1,780.04

APPENDIX C

MAP OF COMMUNITY UTILITIES OF PENNSYLVANIA INC. WASTEWATER SERVICE TERRITORIES

BROAD RUN SERVICE TERRITORY MAP AND CORRESPONDING BEARINGS AND DISTANCES

(WEST BRADFORD TOWNSHIP, CHESTER COUNTY)



Pennsylvania-American Water Company
Coatesville Operating Area
Proposed Service Territory - Broad Run Sewer System
Approximately 3,013 Acres Total
Area 1 (200 Acres), Area 2 (33 Acres), Area 3 (2,780 Acres)
West Bradford Township, Chester County

Legend

- Bearings & Distance Points
- Applied For Service Territory
- Municipality

PENNSYLVANIA AMERICAN WATER

Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

Drawn By: MW
Date: 5/29/2025

TO BE USED FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the Certificated Service Territory may be reflected in the data supplied.

1 inch = 2,600 feet

0 1,300 2,600 5,200 Feet

Disclaimer: Bearings and distances were not developed as result of physical survey completed by a Professional Licensed Survey, but instead completed through employment of ESRI's ArcGIS COGO tool. The mapping data source used for the roads base mapping is from OpenStreetMap, 2020. The mapping data source used for the municipal boundaries is from Montgomery County PA GIS, 2019.

*** Bearings and Distances attached separately**

Document Path: \\amznfsxnjtjzzpz.amwater.net\gis\gisuserdata\Pennsylvania\Acquisitions\Chester County\BroadRunWW\PUC\BroadRun_Sewer_PUCApplication_5-28-25.mxd

Starting Point: The southern most point of parcel pin 50010065010, located at the coordinates of 39.979106, -75.756096.				
Sequence	**From**	**To**	**Bearing**	**Distance (ft)**
1	1	2	N66°49'45"E	869.51
2	2	3	N18°51'36"W	220.54
3	3	4	N69°34'31"E	212.96
4	4	5	N82°15'18"E	237.91
5	5	6	S10°23'38"E	166.60
6	6	7	S25°06'02"E	1,604.32
7	7	8	N66°07'11"E	280.72
8	8	9	S40°33'13"E	119.06
9	9	10	S56°40'15"E	217.67
10	10	11	S36°59'18"E	439.19
11	11	12	S13°35'17"E	390.48
12	12	13	S33°12'55"E	505.11
13	13	14	S1°43'58"E	704.27
14	14	15	S5°30'42"W	252.08
15	15	16	S2°42'59"E	459.36
16	16	17	S22°15'29"E	536.53
17	17	18	S79°06'09"W	1,175.68
18	18	19	N48°39'16"W	282.07
19	19	20	N82°01'42"W	578.56
20	20	21	N27°07'57"W	302.52
21	21	22	N68°58'06"W	138.67
22	22	23	N48°46'45"W	159.10
23	23	24	N8°14'24"W	1,193.79
24	24	25	N80°19'20"E	544.43
25	25	26	N7°44'06"W	774.10
26	26	27	S82°37'51"W	891.61
27	27	28	N14°37'15"W	660.94
28	28	1	N6°45'54"W	1,093.32

Starting Point: The northern most point of parcel pin 50010036310, located at the coordinates of 39.988535, -75.749952.				
Sequence	**From**	**To**	**Bearing**	**Distance (ft)**
1	1	2	S68°42'46"E	745.08
2	2	3	S42°13'14"E	824.13
3	3	4	S32°21'25"E	452.19
4	4	5	S58°13'40"W	398.30
5	5	6	S48°02'33"W	502.45
6	6	7	N69°38'54"W	513.10
7	7	8	N2°15'02"W	1,026.88
8	8	9	S82°58'23"W	202.59
9	9	1	N5°01'50"W	631.11

Starting Point: The point where the municipal boundaries of Downingtown Borough, East Caln Township, and West Bradford Township meet, located at the coordinates of 39.997353, -75.709057.

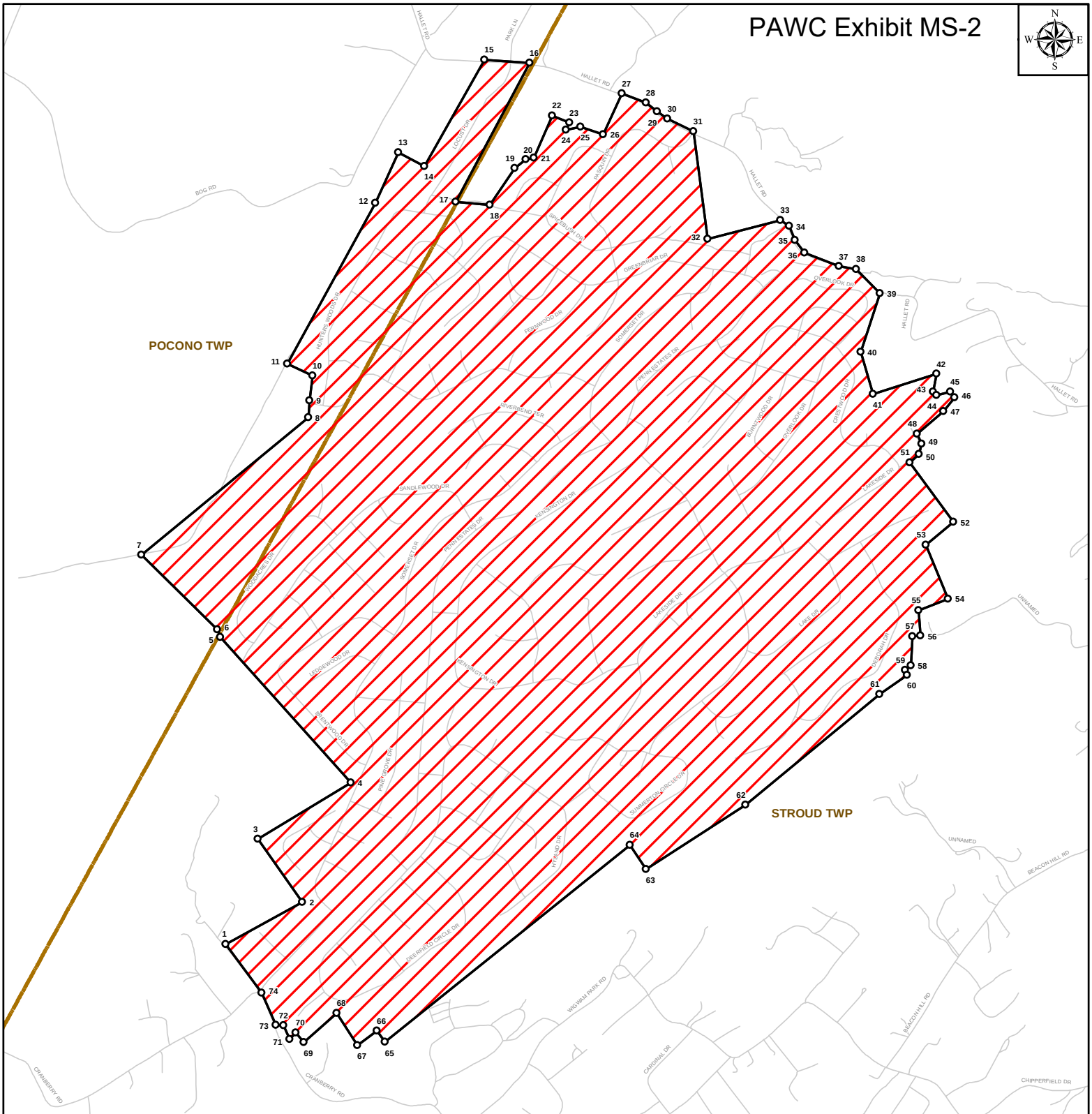
Sequence	From	To	Bearing	Distance (ft)
1	1	2	S45°01'24"E	229.72
2	2	3	S60°48'23"E	336.92
3	3	4	S74°57'33"E	1,300.33
4	4	5	S82°04'47"E	783.19
5	5	6	N83°10'28"E	289.74
6	6	7	S88°37'32"E	617.66
7	7	8	S80°04'47"E	616.75
8	8	9	S42°08'56"E	928.69
9	9	10	S28°46'35"E	1,912.67
10	10	11	S17°09'50"E	1,879.18
11	11	12	S18°28'37"E	305.98
12	12	13	S36°00'40"E	1,275.29
13	13	14	S29°23'03"E	624.97
14	14	15	S19°52'03"E	746.23
15	15	16	S56°20'51"W	1,266.84
16	16	17	S65°39'17"W	1,542.57
17	17	18	S55°31'15"W	424.87
18	18	19	S68°04'40"W	2,002.64
19	19	20	S72°31'45"W	1,003.55
20	20	21	S58°36'46"W	1,784.19
21	21	22	S41°42'39"W	296.16
22	22	23	N59°49'49"W	366.97
23	23	24	N32°43'28"W	2,374.07
24	24	25	N61°32'09"W	1,069.09
25	25	26	N80°44'39"W	721.68
26	26	27	N76°25'30"W	1,032.01
27	27	28	S15°16'17"W	182.11
28	28	29	S41°28'05"W	1,445.42
29	29	30	S75°05'36"W	869.36
30	30	31	N65°17'09"W	541.61
31	31	32	S59°26'01"W	663.66
32	32	33	S33°47'01"W	294.07
33	33	34	S83°01'12"W	621.49
34	34	35	N29°25'31"E	311.43
35	35	36	N4°10'40"W	890.89
36	36	37	N9°12'25"W	2,168.17
37	37	38	N65°44'19"E	373.22
38	38	39	N55°23'52"E	260.71
39	39	40	N44°48'25"E	354.83

40	40	41	N27°21'01"E	241.49
41	41	42	N54°57'49"W	2,483.35
42	42	43	N10°51'00"W	215.30
43	43	44	N3°53'11"W	667.91
44	44	45	N18°21'33"W	281.08
45	45	46	N35°12'37"W	1,098.33
46	46	47	N84°12'10"E	3,645.13
47	47	48	N70°08'30"E	6,685.38
48	48	1	N44°34'53"E	76.50

PENN ESTATES SERVICE TERRITORY MAP AND CORRESPONDING BEARINGS AND DISTANCES

(STROUD AND POCONO TOWNSHIPS, MONROE COUNTY)

PAWC Exhibit MS-2



Pennsylvania-American Water Company
Northeast Operating Area
Proposed Service Territory - Penn Estates Wastewater System
Approximately 1,297 Acres
Pocono Township & Stroud Township, Monroe County

PENNSYLVANIA AMERICAN WATER

Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

Drawn By: MW

Date: 5/29/2025

Legend

- Bearings & Distance Points
- Applied For Service Territory
- Municipality

TO BE USED FOR REFERENCE ONLY

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1 inch = 1,500 feet

0 750 1,500 3,000 Feet

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*** Bearings and Distances attached separately**

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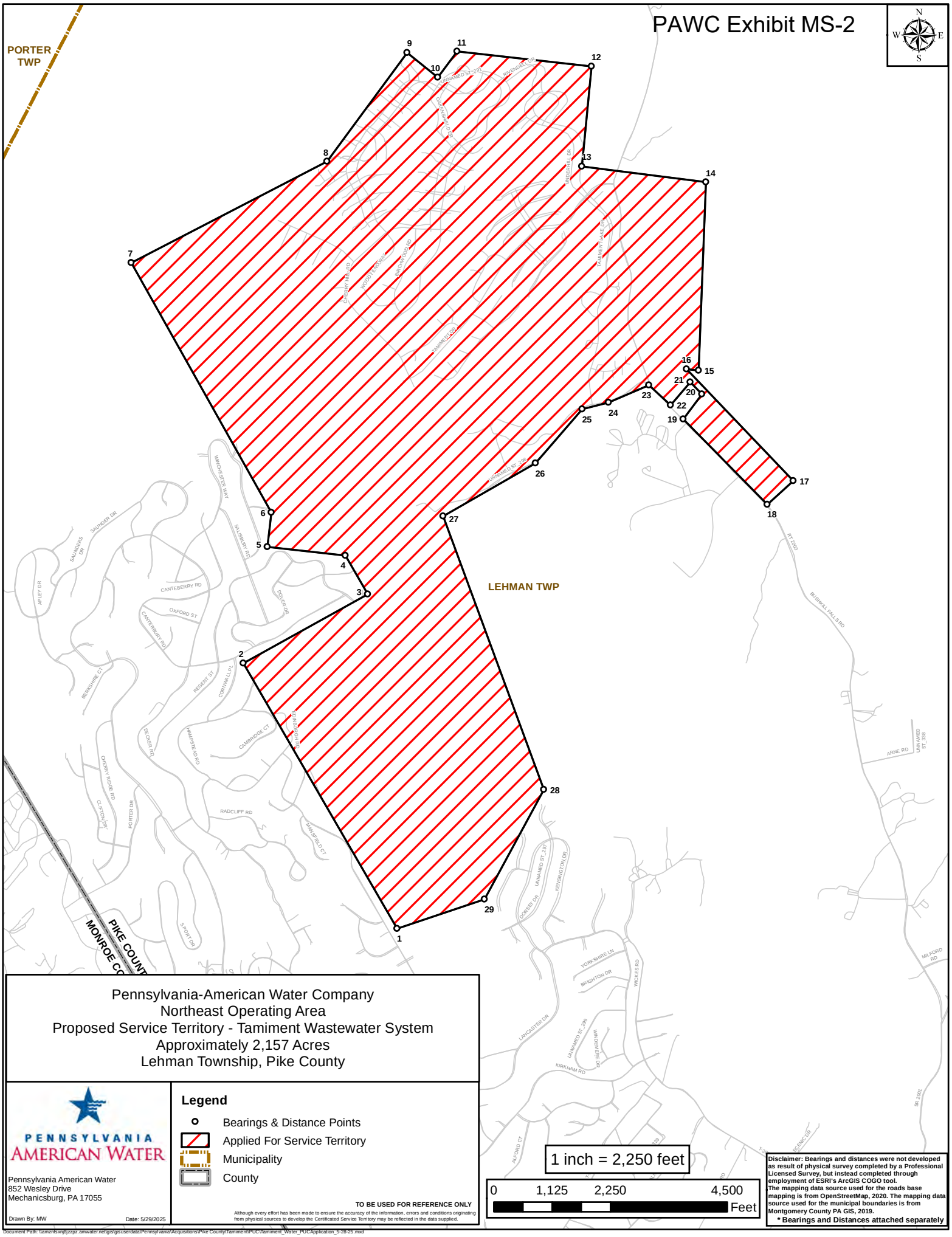
Starting Point: The western most point of parcel pin 17638204815517, located at the coordinates of 41.022347, -75.255794.				
Sequence	**From**	**To**	**Bearing**	**Distance (ft)**
1	1	2	N61°08'11"E	978.34
2	2	3	N35°16'17"W	866.23
3	3	4	N58°47'32"E	1,217.80
4	4	5	N41°53'16"W	2,183.50
5	5	6	N22°26'24"W	96.21
6	6	7	N45°29'02"W	1,192.02
7	7	8	N50°34'34"E	2,419.82
8	8	9	N3°43'57"E	190.80
9	9	10	N7°37'07"E	277.95
10	10	11	N64°35'12"W	313.90
11	11	12	N28°41'05"E	2,052.57
12	12	13	N24°38'15"E	621.93
13	13	14	S62°06'33"E	326.58
14	14	15	N29°34'06"E	1,367.03
15	15	16	S86°10'31"E	505.67
16	16	17	S27°58'16"W	1,761.17
17	17	18	S84°35'40"E	383.15
18	18	19	N33°56'03"E	496.47
19	19	20	N51°45'34"E	158.92
20	20	21	N79°09'49"E	92.44
21	21	22	N23°28'56"E	515.84
22	22	23	S67°29'17"E	206.41
23	23	24	S23°54'32"W	86.65
24	24	25	N78°01'59"E	166.20
25	25	26	S71°15'54"E	264.77
26	26	27	N24°51'48"E	504.05
27	27	28	S69°17'48"E	289.21
28	28	29	S50°59'07"E	158.23
29	29	30	S54°19'51"E	142.18
30	30	31	S63°59'04"E	323.43
31	31	32	S7°25'49"E	1,213.73
32	32	33	N75°28'57"E	842.42
33	33	34	S56°34'11"E	117.62
34	34	35	S22°07'25"E	170.11
35	35	36	S37°17'01"E	180.46
36	36	37	S68°37'55"E	412.18
37	37	38	S81°00'38"E	195.69
38	38	39	S44°25'41"E	382.45
39	39	40	S18°18'20"W	689.45
40	40	41	S16°24'06"E	492.61

41	41	42	N72°20'17"E	747.18
42	42	43	S11°21'02"W	205.25
43	43	44	S46°09'16"E	53.53
44	44	45	N76°39'56"E	159.52
45	45	46	S37°32'54"E	76.24
46	46	47	S37°39'53"W	200.21
47	47	48	S50°01'18"W	388.33
48	48	49	S23°46'13"E	122.30
49	49	50	S13°58'38"W	120.74
50	50	51	S47°05'00"W	137.79
51	51	52	S36°17'57"E	825.56
52	52	53	S50°20'01"W	399.91
53	53	54	S22°18'22"E	652.85
54	54	55	S68°49'47"W	355.74
55	55	56	S4°42'28"E	285.95
56	56	57	S85°17'32"W	93.23
57	57	58	S2°58'50"W	326.96
58	58	59	S52°27'48"W	81.58
59	59	60	S24°49'19"E	60.33
60	60	61	S55°11'27"W	378.34
61	61	62	S50°30'14"W	1,946.19
62	62	63	S57°06'49"W	1,327.09
63	63	64	N33°24'15"W	324.55
64	64	65	S51°11'27"W	3,517.86
65	65	66	N36°26'41"W	152.93
66	66	67	S53°33'19"W	269.56
67	67	68	N32°51'14"W	429.08
68	68	69	S48°26'12"W	495.07
69	69	70	N38°50'06"W	139.20
70	70	71	S44°42'07"W	99.35
71	71	72	N24°34'29"W	165.46
72	72	73	N86°22'04"W	85.65
73	73	74	N23°22'21"W	394.53
74	74	1	N36°38'18"W	675.54

TAMIMENT WASTEWATER SERVICE TERRITORY AND CORRESPONDING BEARINGS AND DISTANCES (LEHMAN TOWNSHIP, PIKE COUNTY)

PAWC Exhibit MS-2



Pennsylvania-American Water Company
Northeast Operating Area
Proposed Service Territory - Tamiment Wastewater System
Approximately 2,157 Acres
Lehman Township, Pike County

PENNSYLVANIA AMERICAN WATER

Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

Drawn By: MW
Date: 5/29/2025

Legend

- Bearings & Distance Points
- Applied For Service Territory
- Municipality
- County

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1 inch = 2,250 feet

0 1,125 2,250 4,500 Feet

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*** Bearings and Distances attached separately**

Document Path: \\amznfsxnjltjzzpz.amwater.net\gis\gisuserdata\Pennsylvania\Acquisitions\Pike County\Tamiment\PUC\Tamiment_Water_PUCApplication_5-28-25.mxd

Starting Point: The southern most point of parcel pin 50010065010, located at the coordinates of 39.979106, -75.756096.				
Sequence	**From**	**To**	**Bearing**	**Distance (ft)**
1	1	2	N66°49'45"E	869.51
2	2	3	N18°51'36"W	220.54
3	3	4	N69°34'31"E	212.96
4	4	5	N82°15'18"E	237.91
5	5	6	S10°23'38"E	166.60
6	6	7	S25°06'02"E	1,604.32
7	7	8	N66°07'11"E	280.72
8	8	9	S40°33'13"E	119.06
9	9	10	S56°40'15"E	217.67
10	10	11	S36°59'18"E	439.19
11	11	12	S13°35'17"E	390.48
12	12	13	S33°12'55"E	505.11
13	13	14	S1°43'58"E	704.27
14	14	15	S5°30'42"W	252.08
15	15	16	S2°42'59"E	459.36
16	16	17	S22°15'29"E	536.53
17	17	18	S79°06'09"W	1,175.68
18	18	19	N48°39'16"W	282.07
19	19	20	N82°01'42"W	578.56
20	20	21	N27°07'57"W	302.52
21	21	22	N68°58'06"W	138.67
22	22	23	N48°46'45"W	159.10
23	23	24	N8°14'24"W	1,193.79
24	24	25	N80°19'20"E	544.43
25	25	26	N7°44'06"W	774.10
26	26	27	S82°37'51"W	891.61
27	27	28	N14°37'15"W	660.94
28	28	1	N6°45'54"W	1,093.32

Starting Point: The northern most point of parcel pin 50010036310, located at the coordinates of 39.988535, -75.749952.				
Sequence	**From**	**To**	**Bearing**	**Distance (ft)**
1	1	2	S68°42'46"E	745.08
2	2	3	S42°13'14"E	824.13
3	3	4	S32°21'25"E	452.19
4	4	5	S58°13'40"W	398.30
5	5	6	S48°02'33"W	502.45
6	6	7	N69°38'54"W	513.10
7	7	8	N2°15'02"W	1,026.88
8	8	9	S82°58'23"W	202.59
9	9	1	N5°01'50"W	631.11

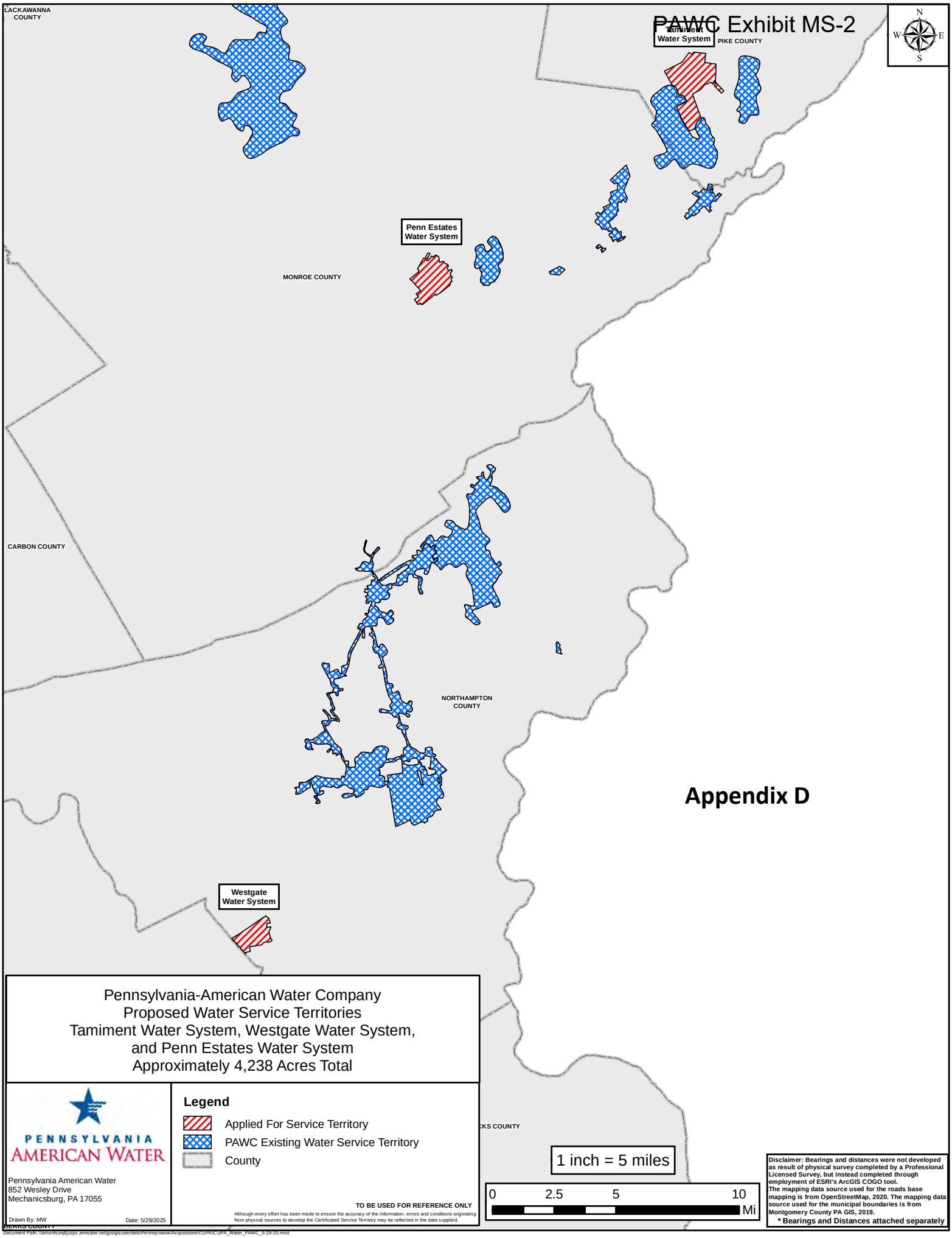
Starting Point: The point where the municipal boundaries of Downingtown Borough, East Caln Township, and West Bradford Township meet, located at the coordinates of 39.997353, -75.709057.

Sequence	From	To	Bearing	Distance (ft)
1	1	2	S45°01'24"E	229.72
2	2	3	S60°48'23"E	336.92
3	3	4	S74°57'33"E	1,300.33
4	4	5	S82°04'47"E	783.19
5	5	6	N83°10'28"E	289.74
6	6	7	S88°37'32"E	617.66
7	7	8	S80°04'47"E	616.75
8	8	9	S42°08'56"E	928.69
9	9	10	S28°46'35"E	1,912.67
10	10	11	S17°09'50"E	1,879.18
11	11	12	S18°28'37"E	305.98
12	12	13	S36°00'40"E	1,275.29
13	13	14	S29°23'03"E	624.97
14	14	15	S19°52'03"E	746.23
15	15	16	S56°20'51"W	1,266.84
16	16	17	S65°39'17"W	1,542.57
17	17	18	S55°31'15"W	424.87
18	18	19	S68°04'40"W	2,002.64
19	19	20	S72°31'45"W	1,003.55
20	20	21	S58°36'46"W	1,784.19
21	21	22	S41°42'39"W	296.16
22	22	23	N59°49'49"W	366.97
23	23	24	N32°43'28"W	2,374.07
24	24	25	N61°32'09"W	1,069.09
25	25	26	N80°44'39"W	721.68
26	26	27	N76°25'30"W	1,032.01
27	27	28	S15°16'17"W	182.11
28	28	29	S41°28'05"W	1,445.42
29	29	30	S75°05'36"W	869.36
30	30	31	N65°17'09"W	541.61
31	31	32	S59°26'01"W	663.66
32	32	33	S33°47'01"W	294.07
33	33	34	S83°01'12"W	621.49
34	34	35	N29°25'31"E	311.43
35	35	36	N4°10'40"W	890.89
36	36	37	N9°12'25"W	2,168.17
37	37	38	N65°44'19"E	373.22
38	38	39	N55°23'52"E	260.71
39	39	40	N44°48'25"E	354.83

40	40	41	N27°21'01"E	241.49
41	41	42	N54°57'49"W	2,483.35
42	42	43	N10°51'00"W	215.30
43	43	44	N3°53'11"W	667.91
44	44	45	N18°21'33"W	281.08
45	45	46	N35°12'37"W	1,098.33
46	46	47	N84°12'10"E	3,645.13
47	47	48	N70°08'30"E	6,685.38
48	48	1	N44°34'53"E	76.50

APPENDIX D

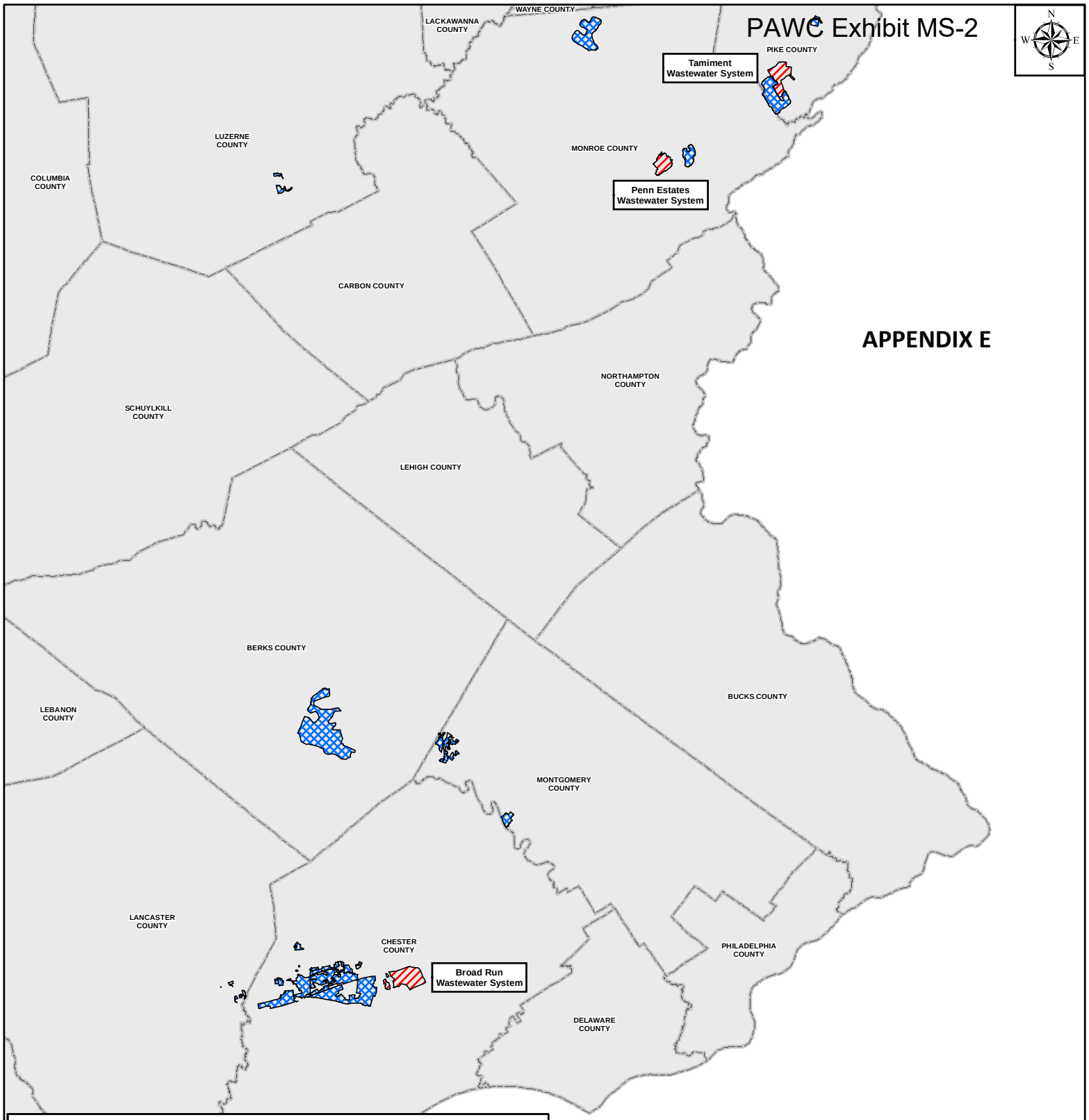
MAP OF PENNSYLVANIA-AMERICAN WATER COMPANY AND COMMUNITY UTILITY OF PENNSYLVANIA INC'S COMBINED SERVICE TERRITORIES (WATER)


PAWC Exhibit MS-2
LACKAWANNA COUNTY
Tamiment Water System
PIKE COUNTY
Penn Estates Water System
MONROE COUNTY
CARBON COUNTY
NORTHAMPTON COUNTY
Westgate Water System
BERKS COUNTY
Appendix D
Pennsylvania-American Water Company
Proposed Water Service Territories
Tamiment Water System, Westgate Water System,
and Penn Estates Water System
Approximately 4,238 Acres Total
PENNSYLVANIA AMERICAN WATER
Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055
Drawn By: MW
Date: 5/29/2025
Legend
Applied For Service Territory
PAWC Existing Water Service Territory
County
TO BE USED FOR REFERENCE ONLY
Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the Certificated Service Territory may be reflected in the data supplied.
1 inch = 5 miles
0 2.5 5 10
Mi
Disclaimer: Bearings and distances were not developed as result of physical survey completed by a Professional Licensed Survey, but instead completed through employment of ESRI's ArcGIS COGO tool.
The mapping data source used for the roads base mapping is from OpenStreetMap, 2020. The mapping data source used for the municipal boundaries is from Montgomery County PA GIS, 2019.
* Bearings and Distances attached separately
Document Path: \\amznfsxnjltjzzpz.amwater.net\gis\gisuserdata\Pennsylvania\Acquisitions\CUPA\CUPA_Water_PAWC_5-29-25.mxd

APPENDIX E

MAP OF PENNSYLVANIA-AMERICAN WATER COMPANY AND COMMUNITY UTILITY OF PENNSYLVANIA INC'S COMBINED SERVICE TERRITORIES (WASTEWATER)

PAWC Exhibit MS-2



APPENDIX E

Pennsylvania-American Water Company
Proposed Wastewater Service Territories
Tamiment Wastewater System, Broad Run Wastewater System,
and Penn Estates Wastewater System
Approximately 6,467 Acres Total

PENNSYLVANIA AMERICAN WATER

Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

Drawn By: MW

Date: 5/29/2025

Legend

- Applied For Service Territory
- PAWC Existing Wastewater Service Territory
- County

TO BE USED FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the Certificated Service Territory may be reflected in the data supplied.

1 inch = 12 miles

0 6 12 24 Mi

Disclaimer: Bearings and distances were not developed as result of physical survey completed by a Professional Licensed Survey, but instead completed through employment of ESRI's ArcGIS COGO tool. The mapping data source used for the roads base mapping is from OpenStreetMap, 2020. The mapping data source used for the municipal boundaries is from Montgomery County PA GIS, 2019.

*** Bearings and Distances attached separately**

Document Path: \\amwater.net\gis\gisuserdata\Pennsylvania\Acquisitions\CUPA\CUPA_Wastewater_PAWC_5-29-25.mxd

APPENDIX F

STOCK PURCHASE AGREEMENT BETWEEN AMERICAN WATER WORKS COMPANY, INC. AND NEXUS REGULATED UTILITIES, LLC

EXECUTED ON MAY 19, 2025

PURCHASE AND SALE AGREEMENT

between

Nexus Regulated Utilities, LLC,

as Seller,

and

American Water Works Company, Inc.,

as Purchaser

Dated as of May 19, 2025

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DISCLOSURE LETTERS

Seller Disclosure Letter

This PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of May 19, 2025, by and between Nexus Regulated Utilities, LLC, an Illinois limited liability company ("Seller") and American Water Works Company, Inc., a Delaware corporation ("Purchaser"). Each of Seller and Purchaser is, individually, a "Party," and, collectively, the "Parties."

RECITALS

WHEREAS, as of the date hereof, Seller owns 100% of the outstanding Equity Interests in the Acquired Subsidiaries (as defined below);

WHEREAS, the Acquired Subsidiaries are engaged in the business of providing water and wastewater utility services in Illinois, Indiana, Kentucky, Maryland, New Jersey, Pennsylvania, Tennessee, and Virginia (such business as conducted by the Acquired Subsidiaries as of the date hereof, the "Acquired Business"); and

WHEREAS, pursuant to the terms of this Agreement, Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller the Acquired Business by purchasing 100% of the outstanding Equity Interests in the Acquired Subsidiaries (the "Transaction").

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

1.01 Definitions.

As used in this Agreement (including in the Recitals above), the following terms, when capitalized, shall have the following meanings:

"2025 Capital Expenditure Amount" means the cumulative amount of Capital Expenditures made by Seller or any of its Affiliates with respect to the Acquired Business in the 2025 calendar year, as determined in accordance with the Accounting Principles.

"2025 Capital Expenditure Excess" means the amount by which the 2025 Capital Expenditure Amount exceeds the 2025 Target Capital Expenditure Amount.

"2025 Capital Expenditure Shortfall" means the amount by which the 2025 Target Capital Expenditure Amount exceeds the 2025 Capital Expenditure Amount.

"2025 Target Capital Expenditure Amount" means $29,255,000.

"Accountant Arbitrator" has the meaning given such term in Section 2.03(c).

"Accounting Principles" means the accounting principles, policies and practices set forth on Exhibit A hereto.

"Acquired Business" has the meaning given such term in the Recitals.

"Acquired Business Assets" means all assets, properties, claims and rights of the Acquired Subsidiaries, including:

(a) all Permits Related to the Acquired Business;

(b) all Contracts Related to the Acquired Business and all rights or claims related to or arising under the foregoing;

(c) all machinery, equipment, office equipment and supplies and all other items of tangible personal property (including all furniture, furnishings, fixtures, vehicles, tools, components, laptops, tablets and smartphones) that are Related to the Acquired Business or otherwise exclusively utilized by the Acquired Business Employees;

(d) all Intellectual Property Related to the Acquired Business owned or purported to be owned by Seller or an Affiliate of Seller (excluding, for clarity, the Seller Marks and all goodwill associated therewith or symbolized thereby); and

(e) the assets, properties, claims and rights set forth on Section 1.01 of the Seller Disclosure Letter.

"Acquired Business Employees" means (a) each of the employees of Seller or its Subsidiaries listed on Schedule I hereto, which may be updated by Seller from time to time prior to Closing to reflect ordinary course staffing changes and (b) any other employee of Seller or its Subsidiaries that Purchaser and Seller mutually agree to treat as an Acquired Business Employee.

"Acquired Business Leases" has the meaning given such term in Section 3.17(b).

"Acquired Business Liabilities" means all liabilities of the Acquired Subsidiaries, including:

(a) all liabilities Related to the Acquired Business or arising therefrom;

(b) all liabilities in respect of any claim, whether or not presently threatened, asserted or pending, Related to the Acquired Business, arising therefrom or arising from the operation of the Acquired Business Assets;

(c) all liabilities arising out of any noncompliance Related to the Acquired Business or the Acquired Business Personnel with any applicable Law; and

(d) the liabilities of the Acquired Subsidiaries set forth on Section 1.02 of the Seller Disclosure Letter.

"Acquired Business Permits" has the meaning given such term in Section 3.12.

"Acquired Business Personnel" means, as of the Closing Date, any (a) current or former director, officer, consultant or employee of any Acquired Subsidiary or (b) individual who otherwise provided services Related to the Acquired Business at any point during the twelve (12)-month period immediately preceding such individual's cessation of employment or engagement with Seller or any of its Affiliates. For the avoidance of doubt, Acquired Business Personnel includes all Acquired Business Employees.

"Acquired Business Property" has the meaning given such term in Section 3.17(b).

"Acquired Interests" has the meaning given such term in Section 2.01.

"Acquired Interests Assignment Agreement" has the meaning given such term in Section 2.04(a)(ii).

"Acquired Subsidiary" or "Acquired Subsidiaries" means individually or collectively, as applicable, Colchester Utilities, Inc., Community Utilities of Indiana Inc., Community Utilities of Maryland Inc., Community Utilities of Pennsylvania Inc., Maryland Water Service, Inc., Montague Sewer Co., Inc., Montague Water Co., Inc., Prairie Path Water Company, Tennessee Water Service, Inc., and Water Service Corporation of Kentucky.

"Adjusted Purchase Price" means (a) the Base Purchase Price, *plus* (b) the Net Working Capital Excess (if any), *minus* (c) the Net Working Capital Shortfall (if any), *plus* (d) the 2025 Capital Expenditure Excess (if any), *minus* (e) the 2025 Capital Expenditure Shortfall (if any), *plus* (f) the Closing Capital Expenditure Amount, *minus* (g) the Closing Net Indebtedness, in each case of clauses (b) through (g), as finally determined in accordance with Section 2.03.

"Affiliate" means any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with, the Person specified. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether through ownership of voting securities, by contract or otherwise. For the avoidance of doubt, (a) no other portfolio company nor client, fund, investment vehicle, or separate account that is a client of or sponsored, advised or managed or owned by either (A) BCI or (B) IIF or its Affiliates shall be deemed to be an Affiliate of Seller or any of the Acquired Subsidiaries for the purposes of this Agreement, (b) the Acquired Subsidiaries shall be considered "Affiliates" of (i) Seller prior to, but not after, the Closing and (ii) Purchaser after, but not prior to, the Closing and (c) J.P. Morgan Chase & Co. and its affiliates are not Affiliates of IIF or any of its Affiliates, including Seller.

"Affiliate Contract" means any Contract between Seller or any of its Affiliates (other than any Acquired Subsidiary), on the one hand, and any Acquired Subsidiary, on the other hand.

"Agreement" has the meaning given such term in the Preamble.

"AML Laws" has the meaning given such term in Section 3.22(b).

"Ancillary Agreements" means the Acquired Interests Assignment Agreement and all other agreements, certificates and instruments executed and delivered in connection with the transactions contemplated hereby.

"Anti-Corruption Laws" has the meaning given such term in Section 3.22(a)(i).

"Applicable Transfer Time" means (a) the Closing Date or (b) with respect to any Delayed Transfer Employees, the date such Acquired Business Employee's employment transfers to the Purchaser or its Affiliate (including an Acquired Subsidiary).

"Base Purchase Price" means $315,000,000.

"BCI" means British Columbia Investment Management Corporation, including its successors and assigns.

"Books and Records" means originals, copies or electronic versions of all books, ledgers, files, reports, operating records and any other material documents of the Acquired Subsidiaries.

"Burdensome Effect" means any order, action or regulatory condition (including any Final Order) of any Governmental Entity containing terms, conditions, liabilities, obligations, commitments or sanctions, that, individually or in the aggregate, would reasonably be expected to result in a material adverse effect on the business, assets, liabilities, properties, financial condition or results of operations of Purchaser and its utility Affiliates within Illinois, Indiana, Kentucky, Maryland, New Jersey, Pennsylvania, Tennessee and Virginia, taken as a whole (without giving effect to the Transaction); provided, however, that none of the following shall constitute or be taken into account in determining whether any such terms, conditions, liabilities, obligations, commitments or sanctions would, individually or in the aggregate, have such a Burdensome Effect: (i) any Judgment issued by any of the Utilities Commissions prior to the date of this Agreement and applicable to the Acquired Subsidiaries; (ii) any Regulatory Proceedings, including any rate cases, involving the Acquired Subsidiaries; (iii) any terms, conditions, liabilities, obligations, commitments or sanctions imposed by any of the Utilities Commissions on the Acquired Subsidiaries in connection with obtaining approval of the Subsequent Mergers or under the Fair Market Value Statutes, or (iv) any other terms, conditions, liabilities, obligations, commitments or sanctions imposed by any of the Utilities Commissions on the Acquired Subsidiaries other than in connection with obtaining a Required Statutory Approval.

"Business Day" means any day other than (a) a Saturday or a Sunday or (b) a day on which banking and savings and loan institutions are authorized or required by Law to be closed in New York City.

"Capital Expenditure" means (a) any expenditure, including construction work in process, to add to, repair, restore or replace property, plant, equipment or tools which have a useful life that extends beyond one year or which extends an asset's estimated useful life Related to the Acquired Business, which expenditures will include contracted labor, internal direct labor, materials and indirect costs including an allowance for funds used during construction, and (b) any expenditure, excluding amounts not included in rate base, to acquire an entity, assets or business of the Acquired Business or to add to, repair, restore or replace property, plant, equipment or tools related to an acquisition of an entity, assets or business of the Acquired Business.

"Closing" has the meaning given such term in Section 2.04.

"Closing Capital Expenditure Amount" means the cumulative amount of Capital Expenditures made by Seller or any of its Affiliates with respect to the Acquired Business, after December 31, 2025, until the Closing Date, as determined in accordance with the Accounting Principles, *less* an aggregate amount of $500,000 for each month (pro rated for any portion of a month) after December 31, 2025, until the Closing Date (representing the change in accumulated depreciation). For the avoidance of doubt, any amounts included in the calculations of Closing Net Indebtedness and Closing Net Working Capital, in each case, shall not be included in the calculation of the Closing Capital Expenditure Amount for the purposes of this Agreement.

"Closing Cash" means, as of the Closing Date, all (a) cash, bank deposits or cash equivalents (whether in hand or credited to any account with any banking, financial, lending or other similar institution or organization), (b) liquid or easily realizable stocks, shares, bonds, treasury bills and other securities (and interest accrued on each of the foregoing) and (c) such other line items designated for inclusion therein pursuant to the Accounting Principles, held by the Acquired Subsidiaries on a consolidated basis and without duplication.

"Closing Date" has the meaning given such term in Section 2.04.

"Closing Indebtedness" means, with respect to the Acquired Subsidiaries, on a consolidated basis and without duplication, (a) all obligations of the Acquired Subsidiaries for borrowed money, (b) all obligations of the Acquired Subsidiaries evidenced by bonds, debentures, notes or similar instruments, (c) all unpaid income Taxes of the Acquired Subsidiaries relating to taxable periods ending on or before the Closing Date (calculated in accordance with Section 8.07), excluding Taxes to be taken into account on any Tax Return that is filed on a combined, consolidated or unitary basis with Seller or an Affiliate thereof (other than an Acquired Subsidiary) and (d) PFAS Proceeds. For the avoidance of doubt, (i) all liabilities in respect of Taxes other than Taxes described in clause (c), (ii) Intercompany Indebtedness, and (iii) current liabilities relating to Capital Expenditures, in each case, shall not be included in the calculation of Closing Indebtedness.

"Closing Net Indebtedness" means, as of the Closing Date (without giving effect to the transactions contemplated in this Agreement), as determined in accordance with, and adjusted by, the Accounting Principles, (a) the Closing Indebtedness (stated as a positive amount), *minus* (b) the Closing Cash (it being understood that the Closing Net Indebtedness may be either a positive or negative number).

"Closing Net Working Capital" means, as of the Closing Date (without giving effect to the transactions contemplated in this Agreement), as determined in accordance with, and adjusted by, the Accounting Principles, (a) current assets of the Acquired Subsidiaries (excluding cash and deferred Tax assets or deferred Tax liabilities, if any), *minus* (b) current liabilities of the Acquired Subsidiaries. For the avoidance of doubt, (i) all current and deferred income Tax assets and liabilities, (ii) Intercompany Indebtedness, (iii) liabilities relating to Capital Expenditures, and (iv) the current portion of Closing Indebtedness, in each case, shall not be included in the calculation of Closing Net Working Capital.

"Closing Statement" has the meaning given such term in Section 2.03(a).

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

"Company Benefit Plan" means each (a) "employee benefit plan" within the meaning of Section 3(3) of ERISA (whether or not subject to ERISA), (b) other benefit and compensation plan, contract, policy, program, practice, arrangement or agreement, including, but not limited to, pension, profit-sharing, savings, termination, executive compensation, phantom stock, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, insurance, hospitalization, medical, dental, life, employee loan, education assistance, fringe benefit, deferred compensation, retirement or post-retirement, severance, supplemental retirement, equity or equity-based, incentive and bonus plan, contract, policy, program, practice, arrangement or agreement, and (c) other employment, consulting or other individual agreement, and each other benefit or compensation plan, practice, policy, contract, program, and arrangement, in each case of (a), (b), and (c) if, (i) it is sponsored, maintained or contributed to by Seller, any Acquired Subsidiary or any other ERISA Affiliate of Seller (or with respect to which any of the foregoing are a party) in each case for the benefit of the Acquired Business Personnel or (y) with respect to which any of the Acquired Subsidiaries could reasonably be expected to have any actual or potential material liability, but excluding from the definition of Company Benefit Plan any multiemployer pension plan within the meaning of Section 3(37) of ERISA.

"Conduct of Business Exceptions" has the meaning given such term in Section 5.02(a).

"Confidentiality Agreement" means that certain Confidentiality Agreement, dated as of November 1, 2024, between Purchaser and Seller.

"Confidentiality Terms" has the meaning given such term in Section 5.04(b).

"Consent" has the meaning given such term in Section 3.04(b).

"Continuing Employee" has the meaning given such term in Section 6.01(b).

"Contract" means any legally binding contract, lease, license, indenture, note, bond, agreement, concession, franchise or other instrument.

"D&O Indemnified Parties" has the meaning given such term in Section 6.06(c).

"Data" means the data relating to the Acquired Subsidiaries or the Acquired Business as currently stored in either paper or an electronic format on computer servers operated by Seller (or any Affiliate thereof), including financial, employee, customer payment and billing information, customer service records, property records and maintenance records.

"Delayed Transfer Employee" means each Acquired Business Employee whose employment transfers to Purchaser or any of its Affiliates following the Closing Date, if any (including, for the avoidance of any doubt, any Leave Employee) because (a) such individual's employment may not transfer to Purchaser or an Affiliate (including an Acquired Subsidiary) before the Closing Date under applicable Laws or (b) Seller reasonably believes that it is necessary to delay the transfer of employment for such individual.

"DOJ" has the meaning given such term in Section 5.01(b).

"Environmental Claim" has the meaning given such term in Section 3.15(e).

"Environmental Law" has the meaning given such term in Section 3.15(e).

"Environmental Permit" has the meaning given such term in Section 3.15(a).

"Equity Interests" means, with respect to any Person, any and all shares, interests, participations, rights in or other equivalents of such Person's capital stock, partnership interests, membership interests, limited liability company interests or other equivalent equity or ownership interests and any rights, warrants, stock appreciation rights, phantom stock or options exchangeable or exercisable for or convertible into such capital stock or other equity or ownership interests (whether embedded in other securities or not), and all rights, privileges, liabilities and obligations incident thereto (including any put rights, call rights, preemptive rights or rights of first refusal or offer with respect thereto).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" with respect to an entity shall mean any other entity that, together with such first entity, would be treated as a single employer under Section 414 of the Code.

"Estimated 2025 Capital Expenditure Amount" has the meaning given such term in Section 2.02(b).

"Estimated 2025 Capital Expenditure Excess" means the amount by which the Estimated 2025 Capital Expenditure Amount exceeds the 2025 Target Capital Expenditure Amount.

"Estimated 2025 Capital Expenditure Shortfall" means the amount by which the 2025 Target Capital Expenditure Amount exceeds the Estimated 2025 Capital Expenditure Amount.

"Estimated Closing Capital Expenditure Amount" has the meaning given such term in Section 2.02(b).

"Estimated Closing Net Indebtedness" has the meaning given such term in Section 2.02(b).

"Estimated Closing Statement" has the meaning given such term in Section 2.02(b).

"Estimated Net Working Capital" has the meaning given such term in Section 2.02(b).

"Estimated Net Working Capital Excess" means the amount by which the Estimated Net Working Capital exceeds the Target Net Working Capital.

"Estimated Net Working Capital Shortfall" means the amount by which the Target Net Working Capital exceeds the Estimated Net Working Capital.

"Excess Payment" has the meaning given such term in Section 2.03(d)(i).

"Fair Market Value Statutes" means 220 Illinois Compiled Statutes 5/9-210.5; Indiana Code 8-1-30.3; Kentucky Revised Statutes 278.295; Maryland Public Utilities Article § 6-301, *et seq.*; Tennessee Code Annotated 65-4-113; Tennessee Public Utility Regulation 1220-04-14-.03.

"Final Allocation Schedule" has the meaning given such term in Section 8.08(c).

"Final Order" has the meaning given such term in Section 7.01(a).

"Final Settlement Date" has the meaning given such term in Section 2.03(b).

"Final Statement" has the meaning given such term in Section 2.03(c).

"Financial Statements" has the meaning given such term in Section 3.05(a).

"Fraud" means a Party's knowing and intentional misrepresentations with actual knowledge of falsity with respect to the making of the representations and warranties set forth in Article III (in the case of Seller) or Article IV (in the case of Purchaser), as applicable, or in any certificate delivered pursuant to this Agreement. For the avoidance of doubt, "Fraud" does not include equitable fraud, promissory fraud, unfair dealings fraud, constructive fraud or any claim based on constructive knowledge, negligent or reckless misrepresentation or any similar theory.

"FTC" has the meaning given such term in Section 5.01(b).

"GAAP" means United States generally accepted accounting principles as in effect during the applicable periods.

"Good Utility Practice" means (a) any of the practices, methods and acts engaged in or approved by a significant portion of the water and wastewater utility industry during the relevant time period or (b) any of the practices, methods or acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, would reasonably have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition; provided that Good Utility Practice is not intended to be limited to optimum practices, methods or acts to the exclusion of all others but rather to be acceptable practices, methods or acts generally accepted in the geographic location of the performance of such practice, method or act.

"Government Official" has the meaning given such term in Section 3.22(a)(ii).

"Governmental Entity" has the meaning given such term in Section 3.04(b).

"HSR Act" has the meaning given such term in Section 3.04(b).

"IIF" means the Infrastructure Investment Fund, a fund advised by J.P. Morgan Asset Management.

"Indebtedness" means, with respect to any Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all capitalized lease obligations of such Person or obligations of such Person to pay the deferred and unpaid purchase price of property or equipment (other than trade payables incurred in the ordinary course of business), (d) all guarantees and arrangements having the economic effect of a guarantee of such Person of any Indebtedness of any other Person, (e) all obligations or undertakings of such Person to maintain or cause to be maintained the financial position or covenants of any other Person or to purchase the obligations or property of any other Person, (f) net cash payment obligations of such Person under swaps, options, derivatives and other hedging agreements or arrangements that will be payable upon termination thereof (assuming they were terminated on the date of determination) or (g) letters of credit, performance bonds, bank guarantees and other similar contractual obligations entered into by or on behalf of such Person, to the extent amounts are drawn upon.

"Intellectual Property" means intellectual property rights existing under the Laws of any jurisdiction worldwide, including (a) patents, (b) trademarks, service marks, trade dress, logos, trade names, and Internet domain names and all goodwill associated therewith or symbolized thereby, (c) copyrighted works and copyrights, (d) trade secrets and rights in know-how and (e) as applicable, all registrations and applications for any of the foregoing.

"Intercompany Indebtedness" means any Indebtedness owed by an Acquired Subsidiary to another Acquired Subsidiary.

"IRS" means the U.S. Internal Revenue Service.

"Judgment" has the meaning given such term in Section 3.04(a).

"Knowledge" of (a) Seller means, with respect to any matter in question, the actual knowledge of the following: Steve Lubertozzi or Justin Kersey and (b) Purchaser means, with respect to any matter in question, the actual knowledge of the following: John Griffith, in each of (a) and (b), after making reasonable inquiry of such Person's direct reports having primary responsibility for such matter.

"Labor Organization" has the meaning given such term in Section 3.10(a).

"Law" means any domestic or foreign, federal, state or local statute, law (including common law), ordinance, rule, binding administrative interpretation, code, rule, regulation, Order, writ, injunction, directive, judgment, decree or other requirement of any Governmental Entity, including the rules, directives, regulations and requests of the Utilities Commissions.

"Leased Property" has the meaning given such term in Section 3.17(b).

"Leave Employee" has the meaning given such term in Section 6.01(a).

"Legal Restraint" has the meaning given such term in Section 7.01(b).

"Liens" has the meaning given such term in Section 3.02(a).

"Loss(es)" means any and all judgments, losses, liabilities, amounts paid in settlement, damages, fines, penalties, deficiencies, losses and expenses (including interest, court costs, reasonable fees of attorneys, accountants and other experts or other reasonable expenses of litigation or other proceedings or of any claim, default or assessment).

"Material Adverse Effect" means any fact, circumstance, effect, change, event or development (an "Effect") that has or would reasonably be expected to have, individually or taken together with all other Effects, a material adverse effect on the business, assets, liabilities, properties, financial condition or results of operations of the Acquired Subsidiaries, taken as a whole; provided that no Effect to the extent resulting from or arising out of any of the following, individually or in the aggregate, shall constitute or be taken into account in determining whether a Material Adverse Effect has occurred: (a) any Effect affecting the water or wastewater utility industries in which the Acquired Subsidiaries operate (including, in each case, any changes in the operations thereof); (b) any Effect affecting any economic, legislative or political condition (including the imposition or adjustment of tariffs) or affecting any securities, credit, financial or other capital markets conditions, in each case in the United States, in any foreign jurisdiction or in any specific geographical area; (c) any change in customer usage patterns; (d) any failure in and of itself by the Acquired Subsidiaries to meet any internal or public projection, budget, forecast, estimate or prediction in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the underlying causes of the failure to meet any projections, budgets, forecasts, estimates or predictions may be taken into account in determining whether a Material Adverse Effect may have occurred unless such cause is otherwise excepted from this definition); (e) any change attributable to the announcement, execution or delivery of this Agreement or the pendency of the transactions contemplated by this Agreement (it being understood that the exception in this clause (e) shall not apply to the references to Material Adverse Effect in the representations and warranties contained in Section 3.04(a) and, to the extent related to such portions of such representations and warranties, the condition in Section 7.03(a)), including (i) any action taken by any Acquired Subsidiary that is required or contemplated pursuant to this Agreement, or is consented to by Purchaser, or any action taken by Purchaser or any Affiliate thereof, to obtain any Consent from any Governmental Entity to the consummation of the transactions contemplated by this Agreement and the result of any such actions, (ii) any Effect in supplier, employee, financing source, shareholder, regulatory, partner or similar relationships resulting therefrom, (iii) any reduction in the credit rating of any of the Acquired Subsidiaries or (iv) any Effect that arises out of or relates to the identity of Purchaser or any of its Affiliates as the acquirer of the Acquired Subsidiaries; (f) any change in applicable Law or GAAP (or authoritative interpretation thereof); (g) geopolitical conditions, the outbreak or escalation of hostilities, any act of war, sabotage or terrorism, or any escalation or worsening of any such act of war, cyber-attack, sabotage or terrorism threatened or underway as of the date hereof; (h) any hurricane, tornado, tsunami, flood, earthquake, fire or other natural disaster or weather-related event, circumstance or development; or (i) any Effect (regardless of the applicability of any other subpart hereof) arising out of, in response to, or resulting from any pandemic (including COVID-19), epidemic or other disease outbreak or any domestic or foreign protests, including any changes in habits of people or markets, or any Law or any directive, pronouncement or guideline issued by a Governmental Entity or industry group, including providing for business closures, "sheltering-in-place," curfews or other restrictions that relate to, or arise out of any of the foregoing; provided, however, that any Effect set forth in clauses (a), (b), (c) and (h) above may be taken into account in determining whether a Material Adverse Effect has occurred solely to the extent such Effect has a materially disproportionate adverse effect on the Acquired Subsidiaries, taken as a whole, as compared to other entities (if any) engaged in the water and wastewater utility business and related businesses in the same state or states in which such Effect has taken place (in which case, only the incremental disproportionate impact may be taken into account in determining whether there has been, or would be, a Material Adverse Effect, to the extent such change is not otherwise excluded from being taken into account by clauses (a) through (i) of this definition).

"Material Contract" has the meaning given such term in Section 3.16(a).

"Materials of Environmental Concern" has the meaning given such term in Section 3.15(e).

"Net Working Capital Excess" means the amount by which the Closing Net Working Capital exceeds the Target Net Working Capital, provided, however, such Net Working Capital Excess shall in no event be greater than $2,000,000 for purposes of determining the Purchase Price.

"Net Working Capital Shortfall" means the amount by which the Target Net Working Capital exceeds the Closing Net Working Capital.

"Notice of Disagreement" has the meaning given such term in Section 2.03(b).

"Order" means any order, injunction, Judgment, decree, ruling, writ, assessment, settlement, stipulation or award.

"Organizational Documents" means any corporate, partnership or limited liability organizational documents, including certificates or articles of incorporation, articles, notices of articles, bylaws, certificates of formation, operating agreements (including limited liability company agreement and agreements of limited partnership), certificates of limited partnership, partnership agreements, shareholder agreements and certificates of existence, as applicable.

"Outside Date" has the meaning given such term in Section 9.01(b).

"Owned Property" has the meaning given such term in Section 3.17(b).

"Party" has the meaning given such term in the Preamble.

"Permit" has the meaning given such term in Section 3.12.

"Permitted Encumbrances" means:

(a) liens for Taxes not yet due or delinquent or the validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP;

(b) mechanic's, carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business or in connection with workers' compensation, unemployment insurance and other types of social security or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return of money bonds and similar obligations for amounts not yet delinquent or for amounts the validity of which is being contested in good faith by appropriate proceedings;

(c) easements, covenants, rights of way, convents, conditions and restrictions and other similar encumbrances or imperfections of title and other Liens that would not reasonably be expected to materially impair the value of such real property or materially impair the continued use and operation of such real property, as presently conducted;

(d) matters that are shown in title reports, title commitments, title opinions or title policies and encroachments, Liens and any matters not of record that would be disclosed by an accurate survey or inspection of such real property that would not reasonably be expected to materially impair the value of such real property or materially impair the continued use and operation of such real property, as presently conducted;

(e) zoning, entitlement, environmental or conservation restrictions and other land use and environmental restrictions and ordinances that would not reasonably be expected to materially impair the value of such real property or materially impair the continued use and operation of such real property, as presently conducted;

(f) rights, terms or conditions of any Acquired Business Lease or Liens arising under equipment leases with third parties;

(g) with respect to any Leased Property, any Liens affecting solely the interest of the landlord under the applicable Acquired Business Lease;

(h) licenses of or other grants of rights to use Intellectual Property;

(i) Liens that will be released prior to or as of the Closing Date;

(j) liens arising under applicable securities laws; and

(k) Liens arising under this Agreement.

"Person" means any individual, partnership, limited liability company, corporation, joint stock company, trust, estate, joint venture, association or unincorporated organization, or any other form of business or professional entity.

"Personal Information" has the meaning given such term in Section 5.04(c).

"PFAS Proceeds" means the aggregate amount of all cash proceeds or damages awards actually received by any Acquired Subsidiary prior to and including the Closing Date in connection with the litigation proceedings listed in Item 2 of Section 1.01 of the Seller Disclosure Letter.

"Post-Closing Transition" has the meaning given such term in Section 5.11(b).

"Pre-Closing Claims" has the meaning given such term in Section 6.06(b).

"Preliminary Purchase Price" means (a) the Base Purchase Price, *plus* (b) the Estimated Net Working Capital Excess (if any), *minus* (c) the Estimated Net Working Capital Shortfall (if any), *plus* (d) the Estimated 2025 Capital Expenditure Excess (if any), *minus* (e) the Estimated 2025 Capital Expenditure Shortfall (if any), *plus* (f) the Estimated Closing Capital Expenditure Amount, *minus* (g) the Estimated Closing Net Indebtedness.

"Proposed Allocation Schedule" has the meaning given such term in Section 8.08(c).

"Purchase Price" has the meaning given such term in Section 2.02(a).

"Purchaser" has the meaning given such term in the Preamble.

"Purchaser Fundamental Representations" means those representations and warranties set forth in Section 4.01 (*Organization, Standing and Power*), Section 4.02 (*Authority; Execution and Delivery; Enforceability*), Section 4.03(a)(i), 4.03(a)(iii) and 4.03(b) (*No Conflicts; Consents*) and Section 4.07 (*Brokers' Fees and Expenses*).

"Purchaser Indemnified Parties" has the meaning given such term in Section 8.06(a).

"Purchaser Material Adverse Effect" means any Effect that has or would reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate, or that would reasonably be expected to prevent or materially impede, interfere with or delay Purchaser's consummation of, the transactions contemplated by this Agreement.

"Purchaser Statutory Approvals" has the meaning given such term in Section 4.03(b).

"Purchaser Termination Fee" means five percent (5%) of the Base Purchase Price.

"Qualified Plan" has the meaning given such term in Section 3.09(c).

"Regulatory Proceedings" has the meaning given such term in Section 5.03.

"Related to the Acquired Business" means exclusively relating to, exclusively held for use with, or exclusively used in connection with the Acquired Business, in each case, as the context requires.

"Related to the Retained Business" means primarily relating to, primarily held for use with, or primarily used in connection with the Retained Business, in each case, as the context requires.

"Release" has the meaning given such term in Section 3.15(e).

"Released Parties" has the meaning given such term in Section 10.14.

"Representatives" means, with respect to any Person, such Person's Affiliates and its and their respective officers, directors, principals, partners, managers, members, attorneys, accountants, agents, employees, consultants, financial advisors or other authorized representatives, in each case, solely to the extent acting on behalf of such Person in connection with the Transaction.

"Required Consents" has the meaning given such term in Section 4.03(a).

"Required Seller Consents" has the meaning given such term in Section 3.04(a).

"Required Statutory Approvals" has the meaning given such term in Section 4.03(b).

"Retained Business" means all other businesses, products or services, other than the Acquired Business, now, previously or hereafter conducted by Seller and the Retained Companies.

"Retained Business Assets" means, as of the Closing Date, all assets, properties, claims and rights of Seller and the Retained Companies, including:

(a) all Permits Related to the Retained Business;

(b) all Contracts Related to the Retained Business and all rights or claims related to or arising under the foregoing;

(c) all machinery, equipment, office equipment and supplies and all other items of tangible personal property (including all furniture, furnishings, fixtures, vehicles, tools, components, laptops, tablets and smartphones) that are Related to the Acquired Business or otherwise primarily utilized by the Retained Business Personnel;

(d) all assets of any Company Benefit Plan other than any Company Benefit Plan sponsored by an Acquired Subsidiary;

(e) the Seller Marks (and all goodwill associated therewith or symbolized thereby, all applications and registrations therefor and all rights and remedies against past, present, and future infringement, misappropriation, or other violation thereof) and all Intellectual Property Related to the Retained Business; and

(f) the assets, properties, claims and rights of Seller and the Retained Companies set forth on Section 1.03 of the Seller Disclosure Letter.

"Retained Business Liabilities" means, as of the Closing Date, all liabilities of Seller and the Retained Companies, including:

(a) all liabilities to the extent Related to the Retained Business or arising therefrom;

(b) all liabilities in respect of any claim, whether or not presently threatened, asserted or pending, to the extent Related to the Retained Business or the operation of the Retained Business Assets;

(c) all liabilities with respect to Company Benefit Plans other than those Company Benefit Plans sponsored by an Acquired Subsidiary;

(d) all liabilities to the extent arising out of any noncompliance Related to the Retained Business or the Retained Business Personnel with any applicable Law; and

(e) the liabilities of Seller and the Retained Companies set forth on Section 1.04 of the Seller Disclosure Letter.

"Retained Business Personnel" means employees and independent contractors of Seller and the Retained Companies other than the Acquired Business Personnel.

"Retained Companies" means all of Seller's direct and indirect Subsidiaries other than the Acquired Subsidiaries, including any Subsidiary formed after the date hereof for the purpose of engaging in the Retained Business.

"Sanctioned Jurisdiction" means any country or region subject to comprehensive Sanctions (at the time of this Agreement, Cuba, Iran, North Korea Syria, Crimea, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic regions of Ukraine and the Russian-occupied areas of the Kherson Oblast and the Zaporizhzhia Oblast).

"Sanctioned Person" means any Person subject to Sanctions, including as a result of being (a) listed on any Sanctions-related list of restricted Persons maintained by the United States (including the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State), the government of Canada, Global Affairs Canada, Public Safety Canada, the Department of Justice Canada, the United Nations Security Council, the European Union, any European Union member state and the United Kingdom, (b) located, organized, or ordinarily resident in a Sanctioned Jurisdiction or (c) directly or indirectly owned fifty percent or more or controlled, individually or in the aggregate, by one or more Persons described in the foregoing clauses (a) or (b).

"Sanctions" means any economic or financial sanctions or trade embargoes imposed, administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the government of Canada, Global Affairs Canada, Public Safety Canada, the Department of Justice Canada, the United Nations Security Council, the European Union, any European Union member state, or the United Kingdom.

"Section 338(h)(10) Elections" has the meaning given such term in Section 8.08(b).

"Securities Act" means the Securities Act of 1933, as amended.

"Seller" has the meaning given such term in the Preamble.

"Seller Disclosure Letter" has the meaning given such term in Article III.

"Seller Fundamental Representations" means those representations and warranties set forth in Section 3.01 (*Organization, Standing and Power*), Section 3.02 (*Capital Structure; Title*), Section 3.03 (*Authority; Execution and Delivery, Enforceability*), Sections 3.04(a)(i), 3.04(a)(iii) and 3.04(b) (*No Conflicts; Consents*) and Section 3.21 (*Brokers' Fees and Expenses*).

"Seller Indemnified Parties" has the meaning given such term in Section 8.06(b).

"Seller Indirect Parent" means Nexus Water Group Holdings, Inc.

"Seller Marks" has the meaning given such term in Section 5.09(a).

"Seller Related Party" means any of Seller's former, current and future Affiliates, and each of its and their respective former, current and future direct or indirect directors, officers, principals, general or limited partners, employees, stockholders, other equity holders, members, managers, agents, successors, assignees, Affiliates, controlling Persons or representatives.

"Seller Statutory Approvals" has the meaning given such term in Section 3.04(b).

"Senior Foreign Political Figure" has the meaning given such term in 31 C.F.R. § 1010.605(p).

"Shared Seller Policies" has the meaning given such term in Section 6.06(b).

"Shortfall Payment" has the meaning given such term in Section 2.03(d)(i).

"Skadden" means Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates.

"Straddle Period" has the meaning given such term in Section 8.07.

"Straddle Period Return" has the meaning given such term in Section 8.01.

"Subsequent Mergers" means, after the Closing, the merger of each Acquired Subsidiary with and into the Subsidiary owned by Purchaser in the state that such Acquired Subsidiary is engaged in the business of providing water and wastewater utility services.

"Subsidiary" of any Person means another Person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, more than fifty percent (50%) of the Equity Interests of which) is owned directly or indirectly by such first Person.

"Support Obligations" has the meaning given such term in Section 5.08(a).

"Surviving Covenants" has the meaning given such term in Section 10.01.

"Target Net Working Capital" means ($3,000,000).

"Tax Proceeding" has the meaning given such term in Section 8.03.

"Tax Returns" means any return, declaration, statement, report, election, claim for refund, information return or similar filing filed or required to be filed with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Taxes" means any and all U.S. federal, state, local, or non-U.S. taxes, customs, tariffs, imposts, levies, duties, fees or other like assessments or charges of any kind, including gross income, net income, gross receipts, capital gains, net worth, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, capital stock, franchise, profits, branch profits, estimated, withholding, social security (or similar, including FICA), unemployment, disability, real property, or personal property, ad valorem, sales, services, digital services, use,

transfer, documentary, recording, environmental, registration, value added, alternative or add-on minimum, franchise tax, governmental charge, customs duty, tariff, impost, levy or other similar charges, in each case, in the nature of a tax and imposed by a Governmental Entity, together with all interest, penalties and additions imposed with respect to such amounts, and any liability for any of the foregoing resulting from having been a member of a group filing a combined, consolidated, affiliated, unitary or similar tax group, by operation of any other applicable tax Law, or as a transferee or successor.

"Taxing Authority" means any Governmental Entity responsible for the administration or collection of any Tax.

"Transaction" has the meaning given such term in the Recitals.

"Transfer Taxes" has the meaning given such term in Section 8.05.

"Transition Committee" has the meaning given such term in Section 5.11(a).

"Transition Plan" has the meaning given such term in Section 5.11(a).

"Utilities Commissions" means Indiana Utility Regulatory Commission, Illinois Commerce Commission, Kentucky Public Service Commission, Maryland Public Service Commission, New Jersey Board of Public Utilities, Pennsylvania Public Utilities Commission, Tennessee Public Utility Commission and Virginia Corporation Commission.

"WARN Act" means the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar applicable state or local Law requiring notice to employees in the event of a plant closing or mass layoff.

"Water Rights" has the meaning given such term in Section 3.14.

"Willful Breach" means a material breach of, or failure to perform, any of the covenants or other agreements contained in this Agreement, that is a consequence of an act or failure to act by the breaching or non-performing Party with actual knowledge, or knowledge that a Person acting reasonably under the circumstances should have, that such Party's act or failure to act would, or would reasonably be expected to, result in or constitute a breach of or failure of performance under this Agreement.

1.02 Interpretation; Construction. When a reference is made in this Agreement to an Exhibit, an Article or a Section, such reference shall be to an Exhibit, an Article or a Section of this Agreement unless otherwise indicated. The table of contents, index of defined terms and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Any reference herein to any statute shall also be deemed to refer to all rules and regulations promulgated thereunder. The words "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "or" is not exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or

other thing extends, and such phrase shall not mean simply "if." The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Any Law defined or referred to herein means such Law as amended, modified or supplemented as of the applicable date or period of time. Any Contract defined or referred to herein means such Contract as from time to time amended, modified or supplemented, unless otherwise specifically indicated. References to a Person are also to its permitted successors and assigns. Unless otherwise specifically indicated, all references to "dollars" and "$" will be deemed references to the lawful money of the United States of America. Each of the Parties has participated in the drafting and negotiation of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement must be construed as if it is drafted by all the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of authorship of any of the provisions of this Agreement. The words "made available" and words of similar import refer to documents which were, at least two (2) Business Days prior to the execution of this Agreement, posted to the data site maintained by Seller or its Representatives in connection with the transactions contemplated by this Agreement. When calculating the period of time before which, within which or after which any act is to be done or step taken pursuant to this Agreement, (i) the date that is the reference date in calculating such period shall be excluded and (ii) if the last day of such period is not a Business Day, the period in question shall end on the next succeeding Business Day. All references in this Agreement to a number of days are to such number of calendar days unless Business Days are specified. References herein to "as of the date hereof" or words of similar import shall be deemed to mean "as of immediately prior to the execution and delivery of this Agreement."

ARTICLE II

SALE AND PURCHASE

2.01 Sale and Purchase. Subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell, convey, assign, transfer and deliver to Purchaser and Purchaser shall purchase, acquire and accept from Seller, the Equity Interests in the Acquired Subsidiaries (the "Acquired Interests"), free and clear of all Liens (other than Permitted Encumbrances), for the consideration specified in Section 2.02(a).

2.02 Purchase Price; Estimated Closing Statement.

(a) Purchase Price. At the Closing, Purchaser shall pay Seller the Preliminary Purchase Price in immediately available funds by wire transfer to an account or accounts that have been designated by Seller to Purchaser in writing prior to the Closing, which amount shall be adjusted in accordance with Section 2.03 (as so adjusted, the "Purchase Price").

(b) Estimated Closing Statement. No later than five (5) Business Days prior to the Closing Date, Seller shall deliver to Purchaser a written statement (the "Estimated Closing Statement") setting forth, with reasonable supporting information, Seller's estimated calculation of (i) the Closing Net Indebtedness (the "Estimated Closing Net Indebtedness"), also setting forth therein the calculation of the Closing Cash, (ii) the 2025 Capital Expenditure Amount (the "Estimated 2025 Capital Expenditure Amount"), (iii) the Closing Capital Expenditure Amount (the "Estimated Closing Capital Expenditure Amount") and (iv) the Closing Net Working Capital (the "Estimated Net Working Capital"), in each case, determined as of the anticipated Closing Date and calculated in accordance with the Accounting Principles.

2.03 Purchase Price Adjustments.

(a) Closing Statement. Within thirty (30) days after the Closing, Purchaser shall prepare and deliver to Seller a written statement (the "Closing Statement") setting forth, with reasonable supporting information, Purchaser's calculation of (i) the Closing Net Indebtedness, setting forth therein the calculation of the Closing Cash, (ii) the 2025 Capital Expenditure Amount, (iii) the Closing Capital Expenditure Amount, (iv) the Closing Net Working Capital and (v) any asserted Excess Payment or Shortfall Payment, in each case, determined as of the Closing Date and calculated in accordance with the Accounting Principles; provided that if Purchaser does not deliver the Closing Statement within such time period, then the Estimated Closing Statement shall be deemed to be the Closing Statement. Purchaser shall provide Seller and its Representatives reasonable access during normal business hours to the Books and Records as may reasonably be required by Seller for purposes of Seller's review of the Closing Statement. Each Party shall make itself and its Representatives available as reasonably required by the other Party for purposes of this Section 2.03.

(b) Notice of Disagreement. The Closing Statement shall become final and binding upon the Parties on the earlier of the date that is (i) thirty (30) days after receipt thereof by Seller and (ii) ten (10) days after the expiration of the thirty (30)-day time period specified in Section 2.03(a) in the event Purchaser does not deliver a Closing Statement within such time period (the "Final Settlement Date"), unless Seller gives written notice of its disagreement ("Notice of Disagreement") to Purchaser prior to such date. Any Notice of Disagreement shall specify in reasonable detail the dollar amount, nature and basis of any such disagreement. If a Notice of Disagreement is received by Purchaser, then the Closing Statement (as revised in accordance with Section 2.03(c), if applicable) shall become final and binding on the Parties on, and the Final Settlement Date shall be, the earlier of (A) the date upon which Seller and Purchaser agree in writing with respect to all matters specified in the Closing Statement and (B) the date upon which the Final Statement is issued by the Accountant Arbitrator pursuant to Section 2.03(c).

(c) During the first thirty (30) days after the date upon which Purchaser receives a Notice of Disagreement, the Parties shall attempt to resolve in writing any differences that they may have with respect to all matters specified in the Notice of Disagreement. If the Parties have not reached agreement within such thirty (30) day period, then the Parties shall, within ten (10) days thereafter, agree upon the selection of an arbitrator (the "Accountant Arbitrator"), who shall be a partner of a nationally recognized independent public accounting firm, to determine the Final Statement. If the Parties fail to agree upon the selection of the Accountant Arbitrator within such ten (10) day period, then either Party may request that the AAA appoint the Accountant Arbitrator. Upon his or her appointment, the Accountant Arbitrator shall, as soon as reasonably practicable, establish a timetable and a hearing date for the determination of the Final Statement. All proceedings before the Accountant Arbitrator shall be conducted on a confidential basis. Such proceedings shall be seated in Houston, Texas, although the Accountant Arbitrator may direct that any physical hearing occur in another location, or by video conference or teleconference. Neither the Accountant Arbitrator nor any Person within his or her firm shall have any *ex parte*

communications with any of the Parties concerning the determinations required hereunder. All communications between any Party, or any of its Representatives, and the Accountant Arbitrator shall be conducted in writing, with copies sent simultaneously to the other Party in the same manner, or at a hearing or preliminary conference to which the representatives of both Seller and Purchaser have been invited and of which such Parties have been provided prior written notice. Seller and Purchaser shall, not later than seven (7) days prior to the hearing date set by the Accountant Arbitrator, each submit a brief (to include their respective calculations with regard to amounts in dispute) to the Accountant Arbitrator. Within three (3) Business Days after the conclusion of the hearing, the Accountant Arbitrator shall render a written award, which award shall include a written statement of his or her findings and conclusions regarding the calculations of the Closing Net Indebtedness (including the calculation of the Closing Cash), the 2025 Capital Expenditure Amount, the Closing Capital Expenditure Amount and the Closing Net Working Capital set forth in the Closing Statement. The Accountant Arbitrator shall (i) act as an arbitrator and not as an expert, (ii) not have power to resolve any disputes other than disagreements as to the calculations of the Closing Net Indebtedness (including the calculation of the Closing Cash), the 2025 Capital Expenditure Amount, the Closing Capital Expenditure Amount and the Closing Net Working Capital in accordance with this Section 2.03(c) and (iii) for each disputed item, not assign a value greater than the greatest value for such item claimed by either Seller or Purchaser or smaller than the smallest value for such item claimed by either Seller or Purchaser. The decision of the Accountant Arbitrator shall be final and binding on the Parties, absent manifest error, and judgment thereupon may be entered in any court of competent jurisdiction. Seller and Purchaser shall each bear fifty percent (50%) of the fees and expenses of the Accountant Arbitrator pursuant to this Section 2.03(c) and shall bear their own costs and expenses (including attorney's fees) in any dispute arising under this Section 2.03. As used in this Agreement, the term "Final Statement" shall mean (A) the Closing Statement delivered pursuant to Section 2.03(a), as subsequently adjusted, if applicable, pursuant to this Section 2.03(c) to reflect any subsequent written agreement between the Parties with respect thereto and, if submitted to the Accountant Arbitrator, any amendments or modifications to the Closing Statement decided by the Accountant Arbitrator or (B) if the Closing Statement is not delivered within the time period specified in Section 2.03(a), the Estimated Closing Statement.

(d) Final Settlement and Adjustment to Purchase Price; Payment.

(i) (A) If the Preliminary Purchase Price is less than the Adjusted Purchase Price, then the Purchase Price shall equal the Preliminary Purchase Price increased by an amount equal to such difference (a "Shortfall Payment") and (B) if the Preliminary Purchase Price is greater than the Adjusted Purchase Price, then the Purchase Price shall equal the Preliminary Purchase Price decreased by an amount equal to such difference (an "Excess Payment").

(ii) Any Shortfall Payment or Excess Payment shall be paid by Purchaser to Seller or Seller to Purchaser, respectively, not later than three (3) Business Days after the Final Settlement Date by wire transfer of immediately available funds to an account or accounts specified by Purchaser or Seller, as applicable.

To the extent permitted by applicable Law, the Parties shall treat any payment made pursuant to this Section 2.02(f) as an adjustment to the aggregate consideration paid to Seller in connection with the Transaction for all Tax purposes.

2.04 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place remotely via the exchange of electronic documents, at 9:00 a.m. New York time, on the tenth (10th) Business Day after the day on which all of the conditions set forth in Article VII have been satisfied or waived in accordance with this Agreement (other than those conditions that by their nature can only be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing). The date on which the Closing occurs is referred to as the "Closing Date." Notwithstanding anything to the contrary in Section 9.01(b), if the conditions to the Closing set forth in Article VII (except for those conditions to the Closing that by their nature are to be satisfied at the Closing but subject to the satisfaction or waiver of such conditions) have been satisfied or waived on a date that is prior to the Outside Date but the Closing Date would occur after the Outside Date, the Outside Date shall be automatically extended such that it occurs on the day immediately following the ten (10) Business Day period described in the preceding sentence. At the Closing:

(a) Seller shall deliver, or cause to be delivered, to Purchaser the following:

(i) a properly completed and executed IRS Form W-9 for Seller and each Acquired Subsidiary;

(ii) an assignment of the Acquired Interests in substantially the form of Exhibit B hereto (the "Acquired Interests Assignment Agreement"), duly executed by Seller;

(iii) all other Ancillary Agreements, if any, to which Seller or an Affiliate is a party, duly executed by Seller or such Affiliate thereof;

(iv) copies (or other evidence) of all valid Consents of all Governmental Entities required to be obtained, filed or made by Seller in satisfaction of Section 7.01(a);

(v) the officer's certificate referred to in Section 7.03(b); and

(vi) a duly executed IRS Form 8023 making the Section 338(h)(10) Election.

(b) Purchaser shall deliver, or cause to be delivered, to Seller the following:

(i) the Preliminary Purchase Price referred to in Section 2.02(a);

(ii) the Acquired Interests Assignment Agreement, duly executed by Purchaser;

(iii) all other Ancillary Agreements, if any, to which Purchaser or an Affiliate is a party, duly executed by Purchaser or such Affiliate thereof;

(iv) the officer's certificate referred to in Section 7.02(b); and

(v) copies (or other evidence) of all valid Consents of all Governmental Entities required to be obtained, filed or made by Purchaser in satisfaction of Section 7.01(a).

2.05 Withholding. Except as otherwise provided in Section 5.11, Purchaser and any other Person making payments pursuant to this Agreement shall be entitled to deduct and withhold any amount from any amounts payable pursuant to this Agreement as it is required to deduct and withhold with respect to the payment of such amounts under the Code, or any provision of U.S. federal, state, local or foreign Law. As soon as reasonably practicable, but in any event at least fifteen (15) Business Days prior to deducting or withholding from any amounts otherwise payable pursuant to this Agreement, the applicable payor shall notify the applicable payee in writing of such intent to deduct and withhold and the basis therefor and shall provide such payee with a reasonable opportunity to provide such forms or other evidence as will reduce or eliminate such deduction or withholding. Any withheld amounts shall be duly and timely paid over to the appropriate Taxing Authority and any amounts so paid over shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER REGARDING SELLER, THE ACQUIRED SUBSIDIARIES AND THE ACQUIRED BUSINESS

Except as set forth in the disclosure letter delivered by Seller to Purchaser concurrently with the execution and delivery by Seller of this Agreement (the "Seller Disclosure Letter") and subject to Section 10.12, Seller represents and warrants to Purchaser as of the date hereof and as of the Closing Date (unless otherwise stated) as follows:

3.01 Organization, Standing and Power . Each of Seller and the Acquired Subsidiaries is as of the date hereof, and as of the Closing Date each of the Acquired Subsidiaries will be, duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized (in the case of good standing, to the extent such jurisdiction recognizes such concept), except where the failure to be so organized, existing or in good standing, individually or in the aggregate, is not and would not reasonably be expected to be, individually or in the aggregate, material to the Acquired Subsidiaries, taken as a whole. Seller and each Acquired Subsidiary is as of the date hereof, and as of the Closing Date each of the Acquired Subsidiaries will be, duly qualified or licensed to do business in each jurisdiction where the nature of its business or the ownership, operation or leasing of its properties and assets makes such qualification necessary, other than in such jurisdictions where the failure to be so qualified or licensed has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Seller has made available to Purchaser, prior to execution of this Agreement, true, correct and complete copies of the applicable Organizational Documents of each of the Acquired Subsidiaries.

3.02 Capital Structure; Title.

(a) All the outstanding Equity Interests in each Acquired Subsidiary have been as of the date hereof, and as of the Closing Date all the outstanding Equity Interests in each of the Acquired Subsidiaries will have been, validly issued and are fully paid and nonassessable and are indirectly owned by Seller free and clear of all pledges, liens, claims, charges, mortgages, deeds of trust, security interests, easements, rights of way and other similar encumbrances (collectively, "Liens") and free of any other restrictions (including any restriction on the right to vote, sell or otherwise dispose of such Equity Interests), except for (i) Permitted Encumbrances or (ii) restrictions set forth in each Acquired Subsidiary's Organizational Documents or restrictions generally imposed on securities under U.S. federal or state securities Laws applicable to securities generally or utility Laws. Except as set forth in each Acquired Subsidiary's Organizational Documents and in this Agreement, none of the Equity Interests in the Acquired Subsidiaries are as of the date hereof, and as of the Closing Date none of the Equity Interests in the Acquired Subsidiaries will be, subject to any shareholder agreement, investor rights agreement, registration rights agreement, voting agreement, trust or proxy arrangement other than as a result of the transactions contemplated by this Agreement.

(b) Section 3.02(b) of the Seller Disclosure Letter lists the authorized and outstanding capitalization of each Acquired Subsidiary as of the date hereof. Seller has good and valid title to all Acquired Interests, free and clear of any Liens (other than (x) Permitted Encumbrances or (y) restrictions set forth in each Acquired Subsidiary's Organizational Documents or restrictions generally imposed on securities under U.S. federal or state securities Laws applicable to securities generally or utility Laws).

(c) No Acquired Subsidiary owns, directly or indirectly, any Equity Interests in, or any interest convertible into or exchangeable or exercisable for, any Equity Interests in, any firm, corporation, partnership, company, limited liability company, trust, joint venture, association or other entity other than ordinary course investments in publicly traded securities constituting five (5%) percent or less of a class of outstanding securities of any entity.

(d) There are no outstanding securities convertible into or exchangeable for Equity Interests in any Acquired Subsidiary or any options, warrants, phantom stock, stock appreciation rights, profit participation, purchase rights, subscription rights, conversion rights, exchange rights, calls, puts, rights of first refusal or first offer, preemptive rights, convertible securities or other Contracts that could require any Acquired Subsidiary to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem Equity Interests in any Acquired Subsidiary.

3.03 Authority; Execution and Delivery, Enforceability. Seller has all requisite corporate power and authority to execute and deliver this Agreement and the other Ancillary Agreements to which it is or will be a party and to consummate the Transaction and the other transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction and the transactions contemplated hereby have been duly and validly authorized and no other corporate proceedings are necessary to authorize, adopt or approve this Agreement or to consummate the Transaction and the other transactions contemplated by this Agreement. Seller has duly executed and delivered this Agreement and, assuming the due authorization, execution and delivery by Purchaser, this Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or similar Laws affecting creditors' rights generally and by general principles of equity.

3.04 No Conflicts; Consents.

(a) The execution and delivery by Seller of this Agreement does not, and the performance by Seller of its obligations hereunder and the consummation of the Transaction and the other transactions contemplated by this Agreement and the Ancillary Agreements to which Seller is a party, will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation under, or result in the creation of any Lien upon any of the properties or assets of any Acquired Subsidiary under, any provision of (i) the Organizational Documents of Seller or any Acquired Subsidiary, (ii) assuming the receipt of the Consents contemplated in Section 3.04(a)(ii) of the Seller Disclosure Letter (the "Required Seller Consents"), any Material Contract or (iii) subject to the Consents and other matters referred to in Section 3.04(b), any judgment, order or decree of a Governmental Entity or arbitrator other than a Permit ("Judgment") or Law, in each case applicable to any Acquired Subsidiary or their respective properties or assets, except, in the case of the preceding clauses (ii) and (iii), for such violations or breaches that have not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) No consent, waiver, Permit, declaration or filing (any of the foregoing, a "Consent"), of or from, or made to or with, any federal, national, state, tribal, provincial or local, whether domestic or foreign, government or any court of competent jurisdiction, administrative agency or commission or other governmental entity or instrumentality, whether domestic, foreign or supranational (a "Governmental Entity"), is required to be obtained or made by Seller in connection with the execution and delivery of this Agreement or its performance of its obligations hereunder or the consummation of the Transaction and the other transactions contemplated by this Agreement, other than (i) compliance with and Consents under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), (ii) the Consents of each of the Utilities Commissions with respect to the consummation of the Transaction set forth in Section 3.04(b)(ii) of the Seller Disclosure Letter, and (iii) any pre-approvals of license transfers by the Federal Communications Commission (collectively, the Consents in the preceding clauses (i) through (iii), the "Seller Statutory Approvals").

3.05 Financial Statements.

(a) Copies of the unaudited consolidated balance sheets of the Acquired Subsidiaries for the fiscal years ended December 31, 2023 and December 31, 2024, and the related unaudited consolidated statements of income, owners' equity and cash flows with respect thereto, together with all related notes and schedules thereto (the "Financial Statements"), have been made available to Purchaser.

(b) The Financial Statements present in all material respects the financial condition and results of operations of the applicable Acquired Subsidiaries as of the dates thereof or for the periods covered thereby, and have been prepared in accordance with GAAP applied on a basis consistent with the past practices of the applicable Acquired Subsidiaries, and for the period from April 1, 2024 through December 31, 2024, with GAAP applied on a basis consistent with the past practices of the applicable Acquired Subsidiaries, except, for the absence of footnote disclosure and normal and recurring year-end adjustments, none of which would be material (whether individually or in the aggregate).

3.06 Regulation as a Utility.

(a) Each Acquired Subsidiary set forth in Section 3.06 of the Seller Disclosure Letter is a regulated public utility or public service company (or similar designation) in the jurisdiction, and by the Governmental Entity, listed opposite such Acquired Subsidiary.

(b) Since December 31, 2023, each Acquired Subsidiary has filed with the appropriate Governmental Entities all documents required to be filed by it under applicable state utility Laws, except for filings the failure of which to make are not and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) As of the date hereof, no Acquired Subsidiary is subject to regulation as a public utility or public service company (or similar designation) by any other state in the United States, other than the state listed opposite such Acquired Subsidiary in Section 3.06 of the Seller Disclosure Letter.

3.07 Absence of Certain Changes or Events. Since December 31, 2024, and until the date hereof, the Acquired Business has in all material respects been conducted in the ordinary course and there has not been any event or development that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.08 Taxes. Except for failures that would not have reasonably been expected to have, individually or in the aggregate, a Material Adverse Effect:

(a) Each Acquired Subsidiary has (i) filed, or caused to be filed, all Tax Returns that it was required to file when due in accordance with applicable Law (taking into account any extension of time within which to file) and (ii) paid or caused to be paid all Taxes shown as due and payable on such Tax Returns.

(b) There are no outstanding agreements or waivers extending the statutory period of limitations applicable to the assessment of any Tax against the Acquired Subsidiaries (other than extensions arising from an automatic extension of the due date for filing a Tax Return).

(c) There are no ongoing, pending or, to the Knowledge of Seller, threatened audits, examinations or other administrative or judicial proceedings with respect to any Taxes of any Acquired Subsidiary being conducted, or proposed deficiencies or other claims for unpaid material Taxes of the Acquired Subsidiaries.

(d) No Acquired Subsidiary (i) is now or has been a member of an "affiliated group" as defined in Section 1504 of the Code (or any similar provision of any applicable Law), other than an "affiliated group" of which Seller Indirect Parent or any of its Subsidiaries is the common parent or (ii) has any material liability for the Taxes of any other Person (other than a member of an "affiliated group" of which Seller Indirect Parent or any of its Subsidiaries is the common parent) under Treasury Regulation Section 1.1502-6 (or any similar provision of any applicable Law), or as a transferee or successor.

(e) No Acquired Subsidiary (i) is a party to or bound by, or has any liability under any Tax allocation, indemnification, sharing or similar Contract other than, (x) any Contract solely between one or more of the Acquired Subsidiaries or (y) customary indemnifications for Taxes contained in Contracts the primary purposes of which do not relate to Taxes, or (ii) has granted any power of attorney with respect to any matters related to Taxes that is currently in force.

(f) Since January 1, 2023, no Acquired Subsidiary has entered into or been a party to any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2) as of the date hereof, respectively, excluding any transactions contemplated by this Agreement.

(g) Notwithstanding anything to the contrary in this Agreement, this Section 3.08 (and so much of Section 3.09 as relates to Taxes) are the sole representations and warranties in this Agreement, and no other representation or warranty in this Agreement shall be construed or interpreted as containing any representation or warranty, in each case with respect to Tax matters. The representations and warranties set forth in this Section 3.08 (i) are made only with respect to Tax periods ending on or prior to the Closing Date and (ii) shall not be construed as a representation or warranty, and shall not be relied upon for any claim for Losses, with respect to the existence, amount, expiration date, limitation on or availability of any Tax asset or attribute attributable to any Tax period (or portion thereof) beginning after the Closing Date, or for any Tax positions taken by Purchaser or its Affiliates (including the Acquired Subsidiaries) in any Tax period (or portion thereof) beginning after the Closing Date.

3.09 Employee Benefits.

(a) Section 3.09(a) of the Seller Disclosure Letter sets forth a correct and complete list of each material Company Benefit Plan in effect as of the date hereof. Seller has made available to Purchaser written summary plan descriptions of each material Company Benefit Plan that is sponsored by an Acquired Subsidiary or an Affiliate thereof.

(b) Each Company Benefit Plan has been established, registered, operated and administered in accordance with its terms and the requirements of all applicable Laws, including ERISA and the Code, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. There are no pending or, to the Knowledge of Seller, threatened material claims (other than routine claims for benefits) by, on behalf of or against any of the Company Benefit Plans or any trusts related thereto.

(c) Section 3.09(c) of the Seller Disclosure Letter identifies each Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code as of the date hereof (each, a "Qualified Plan"). To the Knowledge of Seller, there are no existing circumstances and no events have occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Plan or the related trust.

(d) Each Company Benefit Plan that is intended to qualify for tax-preferred or tax-exempt treatment has been duly registered in accordance with applicable Laws, and, to the Knowledge of Seller, there are no existing circumstances and no events have occurred that could reasonably be expected to adversely affect the tax or registered status of any such Company Benefit Plan except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(e) With respect to each Company Benefit Plan subject to Title IV or Section 302 of ERISA or Section 412 of the Code, no liability under Title IV or Section 302 of ERISA has been incurred by any Acquired Subsidiary that has not been satisfied in full, and no condition exists that presents a material risk to any Acquired Subsidiary of incurring any such liability.

(f) None of the Acquired Subsidiaries has maintained, established, contributed to, been obligated to contribute to, or has any liability (including "withdrawal liability" within the meaning of Title IV of ERISA) with respect to any plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA or a plan that has two or more contributing sponsors at least two of whom are not under common control within the meaning of Section 4063 of ERISA. No Acquired Subsidiary sponsors, has sponsored or has any obligation with respect to any employee benefit plan that provides for any United States employees with post-employment or post-retirement medical or death benefits (whether or not insured) with respect to former or current directors or employees, or their respective beneficiaries or dependents, beyond their retirement or other separation from service, except as required by Section 4980B of the Code or similar state statute.

(g) The execution of this Agreement and the consummation of the Transaction will not, either alone or, to the Knowledge of Seller, in combination with another event, (i) entitle any Acquired Business Personnel to severance pay, retention or any other bonus amount or accrued pension benefit or any other payment, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such Acquired Business Personnel, (iii) trigger any funding obligation under any Company Benefit Plan sponsored by an Acquired Subsidiary or to which an Acquired Subsidiary is a party, (iv) result in the forgiveness of Indebtedness for the benefit of any Acquired Business Personnel or (v) result in any breach or violation of, or default under, or limit any Acquired Subsidiary's right to extend, renew, replace, amend, modify or terminate, any Company Benefit Plan sponsored by an Acquired Subsidiary or to which an Acquired Subsidiary is a party.

3.10 Labor and Employment Matters.

(a) As of the date hereof, no Acquired Subsidiary is a party to or bound by any collective bargaining agreement or other written Contract with any labor union or other similar organization with respect to any Acquired Business Employee. As of the date hereof, no Acquired Business Employees are represented by any labor union or other similar organization ("Labor Organization") with respect to their employment with an Acquired Subsidiary.

Except for matters that are not and would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect, (i) there is no pending or, to the Knowledge of Seller, threatened strike, lockout, slowdown, work stoppage or unfair labor practice by or with respect to any Acquired Business Employees and (ii) to the Knowledge of Seller, there are no activities or proceedings of any Labor Organization to organize any employees of any Acquired Subsidiary and no demand for recognition as the exclusive bargaining representative of any such employees has been made by or on behalf of any Labor Organization.

(b) Except for instances of noncompliance that are not and would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect, the Acquired Subsidiaries are in compliance with all applicable Laws relating to labor and employment, including those relating to labor management relations, wages, hours, overtime, discrimination, sexual harassment, civil rights, affirmative action, work authorization, child labor, immigration, safety and health, disability rights or benefits, equal employment, plant closures and layoffs, workers' compensation, employee leave issues, unemployment insurance and continuation coverage under group health plans (each, if and as applicable).

3.11 Litigation. As of the date hereof, there are no claims, suits, actions, or other proceedings pending or, to the Knowledge of Seller, threatened in writing at law or in equity by or before any Governmental Entity against any Acquired Subsidiary that are reasonably likely to result in a Material Adverse Effect, and other than Permits, there are no outstanding Judgments to which any Acquired Subsidiary is a party or by which it is bound that are, individually or in the aggregate, material to the Acquired Business, taken as a whole.

3.12 Permits. Each Acquired Subsidiary has all requisite power and authority and possesses all governmental franchises, licenses, permits, authorizations, variances, easements, exemptions, exceptions, consents, certificates, orders, registrations, permissions, qualifications, clearances and other approvals (collectively, "Permits") necessary to enable such Acquired Subsidiary to own, lease and operate its respective properties and assets or to develop, produce, store, distribute, promote, offer and sell its respective products and services or otherwise to carry on the Acquired Business (collectively, the "Acquired Business Permits"), and, as of the date hereof, all such Acquired Business Permits are in full force and effect and no suspension, revocation, termination, cancellation, non-renewal, or modification not requested by Seller or an Acquired Subsidiary of any of the Acquired Business Permits is pending or, to the Knowledge of Seller, threatened, except where the failure to have such power or authority or to possess the Acquired Business Permits has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.13 Compliance with Applicable Laws. The Acquired Subsidiaries are in compliance with all applicable Laws and Acquired Business Permits except for instances of noncompliance that would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. This Section 3.13 does not relate to Tax matters, employee benefits matters, labor and employment matters, Water Rights, environmental matters or Intellectual Property, information technology or data privacy matters which are the subjects of Sections 3.08, 3.09, 3.10, 3.14, 3.15, 3.18, respectively.

3.14 Water Rights. As of the date hereof, the Acquired Subsidiaries have all material rights, authorizations, Permits, easements, contractual rights, prescriptive rights or rights of way, whether or not of record, which are necessary to extract and deliver water to their respective customers in a manner adequate and sufficient for the conduct of the Acquired Business (the "Water Rights").

3.15 Environmental Matters.

(a) The Acquired Business is, and, except for matters that have been resolved or for which the statute of limitations has expired, has been, in material compliance with all Environmental Laws in all material respects (which compliance includes possession of all material Permits required under Environmental Laws ("Environmental Permits") and compliance with the terms thereof), and no written or, to the Knowledge of Seller, oral notice has been received alleging that any Acquired Subsidiary is in violation of, or has any liability under, any Environmental Law, except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. There are no administrative or legal proceedings pending or, to the Knowledge of Seller, threatened to revoke or adversely modify the terms of any Environmental Permit, except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect.

(b) There are no material Environmental Claims pending or, to the Knowledge of Seller, threatened against or affecting any Acquired Subsidiary.

(c) No Acquired Subsidiary has contractually or, to the Knowledge of Seller, by operation of law, retained or assumed any liabilities or obligations that Seller expects would form the basis of any Environmental Claim against any Acquired Subsidiary, except in respects that are not and would not reasonably be expected to be, individually or in the aggregate, material to the Acquired Subsidiaries, taken as a whole.

(d) To the Knowledge of Seller, there has been no Release of any Materials of Environmental Concern at any Owned Property or Leased Property at any property formerly owned, leased or used by any of the Acquired Subsidiaries during the time of such ownership, leasing or use, that in any case requires reporting, investigation, assessment, cleanup, or remediation by Seller or any of the Acquired Subsidiaries pursuant to any Environmental Law, except to the extent that such Release or threatened Release has been addressed appropriately pursuant to Environmental Law or to the extent that such reporting, investigation, assessment, cleanup or remediation is not and would not be reasonably expected to be material to the Acquired Subsidiaries taken as a whole.

(e) For all purposes of this Agreement: (i) "Environmental Claims" means any and all administrative, regulatory or judicial suits, actions, other proceedings, demands, investigations, Judgments, directives, Liens or written or oral notices of noncompliance or violation by or from any Person alleging liability of any kind or nature (including liability or responsibility for Losses relating to enforcement proceedings, investigations, cleanup, removal, remediation, mitigation, corrective actions, response actions, natural resource damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from (A) the presence or Release of, or exposure to, any Materials of Environmental Concern at any location or (B) the failure to comply with any Environmental Law; (ii) "Environmental

Law" means any Law, Judgment, Permit or legally binding agreement issued, promulgated or entered into by or with any Governmental Entity relating to pollution, contamination, water quality, natural resources, the climate, human health and safety (as it relates to exposure to or handling of Materials of Environmental Concern) or the protection or conservation of the environment (including ambient and indoor air, surface water, groundwater, land surface or subsurface strata, natural resources or endangered or threatened species); (iii) "Materials of Environmental Concern" means any per- and polyfluoroalkyl substances, petroleum or petroleum products, radioactive materials or wastes, asbestos in any form, polychlorinated biphenyls, hazardous or toxic substances and any other chemical regulated as "hazardous," "toxic," a pollutant, a contaminant or words of similar import under Environmental Laws; and (iv) "Release" means any actual or threatened release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration.

3.16 Material Contracts.

(a) Section 3.16(a) of the Seller Disclosure Letter sets forth, to the extent in effect as of the date hereof, a list of the following (excluding any Company Benefit Plan and any insurance Contract or policy):

(i) each non-competition Contract or other Contract containing terms that expressly limit any Acquired Subsidiary from engaging or competing in any line of business or in any geographic area in a manner that would be reasonably likely to be material to the Acquired Business;

(ii) each Contract pursuant to which any Indebtedness of any Acquired Subsidiary for an amount greater than $10,000,000 is outstanding or may be incurred, other than any such Contract or understanding solely between or among the Acquired Subsidiaries;

(iii) each partnership or joint venture Contract to which any Acquired Subsidiary is a party relating to the formation, creation, operation, management or control of any partnership or joint venture, in each case material to the Acquired Business;

(iv) each Contract providing for the purchase or other acquisition or sale or other disposition (directly or indirectly) by any of the Acquired Subsidiaries of an asset or assets or a business or businesses (A) in which the aggregate purchase or sale price (regardless of whether the consideration was paid or received) (1) was paid upon closing or was to be paid over time, (2) involved an earn-out or other contingency (in which case the amount of the consideration subject to any as yet-unrealized earn-out or other contingency shall be estimated reasonably and in good faith) and (3) in the form of cash, stock, assets, a debt instrument or otherwise, was in excess of $20,000,000 and (B) under which any of the Acquired Subsidiaries have or are reasonably likely to have a payment obligation, including any obligation to make any indemnification payment (other than indemnification with respect to directors and officers) or any payment under any guarantee or other financial obligation, in each case, involving consideration in excess of $5,000,000;

(v) each Contract or understanding to which any Acquired Subsidiary is a party involving the future disposition or acquisition of assets or properties with a fair market value in excess of $5,000,000; and

(vi) each Contract which obligates any Acquired Subsidiary to make future payments in excess of (A) $2,500,000 in connection with operations and maintenance services and (B) $20,000,000 for construction services in connection with Capital Expenditures, in each case, not terminable by the applicable Acquired Subsidiary without material penalty on one hundred twenty (120) days' or less notice.

Each Contract or understanding of the type described in this Section 3.16(a) is referred to herein as a "Material Contract."

(b) Except as has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) each Material Contract is a valid, binding and legally enforceable obligation of one of the Acquired Subsidiaries, as the case may be, and, to the Knowledge of Seller, of the other parties thereto, except, in each case, as enforcement may be limited by bankruptcy, insolvency, reorganization or similar Laws affecting creditors' rights generally and by general principles of equity, (ii) each such Material Contract is in full force and effect and (iii) no Acquired Subsidiary is (with or without notice or lapse of time, or both) in breach or default under any such Material Contract and, to the Knowledge of Seller, no other party to any such Material Contract is (with or without notice or lapse of time, or both) in breach or default thereunder.

3.17 Real Property.

(a) Except as has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) an Acquired Subsidiary has good and valid fee simple title to all Owned Property, in each case, free and clear of all Liens (other than Permitted Encumbrances) and (ii) there is no suit, action or other proceeding pending or, to the Knowledge of Seller, threatened against or affecting any Acquired Subsidiary challenging the applicable Acquired Subsidiary's fee simple title to the Owned Property.

(b) (i) An Acquired Subsidiary holds good and subsisting leasehold interests in the Leased Property, free and clear of all Liens (other than Permitted Encumbrances or Liens which do not, individually or in the aggregate, materially impair and would not reasonably be expected to materially impair the continued use and operation of the Leased Property, as presently conducted), and (ii) except as has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (A) all Acquired Business Leases are in full force and effect and (B) there is not any existing material breach of, or material default under, any Acquired Business Lease by any Acquired Subsidiary.

For all purposes of this Agreement, (i) "Owned Property" means the material real property and personal property (other than the Water Rights) owned by an Acquired Subsidiary and necessary to conduct the Acquired Business, (ii) "Leased Property" means the real property (other than the Water Rights) leased pursuant to the Acquired Business Leases, (iii) "Acquired Business Leases" means the leases, subleases, licenses or other occupancy agreements for real property material to the Acquired Business to which any Acquired Subsidiary is a party that are currently in effect and (iv) "Acquired Business Property" means the Leased Property and the Owned Property.

(c) Except as has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) no condemnation, eminent domain or other similar proceeding is pending or, to the Knowledge of Seller, threatened against any of the Acquired Business Property and (ii) to the Knowledge of Seller, there are no outstanding options, rights of first offer or rights of first refusal for any other Person to purchase any Acquired Business Property or any portion thereof or interest therein.

3.18 Intellectual Property; Information Technology; Data Privacy.

(a) Section 3.18(a) of the Seller Disclosure Letter sets forth, as of the date hereof, a correct and complete list of all (i) patents and patent applications, (ii) trademark registrations and applications (excluding, for clarity, for Seller Marks) and (iii) copyright registrations, in each case, which is owned by the Acquired Subsidiaries.

(b) As of the Closing Date, except for matters that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (i) each Acquired Subsidiary owns any material Intellectual Property owned or purported to be owned by it, and, is validly licensed or otherwise has the right to use all other material Intellectual Property used in the operation of the Acquired Business as currently conducted (excluding the Seller Marks); provided that the foregoing shall not be deemed to constitute a representation or warranty with respect to infringement, misappropriation or other violation of Intellectual Property (which is solely addressed in clauses (ii) through (iv) below), (ii) as of the date hereof, no suits, actions or other proceedings are pending or, to the Knowledge of Seller, threatened in writing against an Acquired Subsidiary alleging that any Acquired Subsidiary is infringing, misappropriating or otherwise violating the Intellectual Property of any Person, (iii) to the Knowledge of Seller, no Person is infringing, misappropriating or otherwise violating any Intellectual Property owned by any Acquired Subsidiary, and (iv) to the Knowledge of Seller, the conduct of the business of the Acquired Subsidiaries as currently conducted does not infringe, misappropriate or otherwise violate, and has not in the past two (2) years, infringed, misappropriated or otherwise violated, the Intellectual Property of any other Person.

3.19 Insurance. Section 3.19 of the Seller Disclosure Letter sets forth a list of all material insurance policies maintained as of the date hereof by any Acquired Subsidiary or with respect to which any Acquired Subsidiary is a named insured or otherwise the beneficiary of coverage. As of the date hereof, each such insurance policy listed in Section 3.19 of the Seller Disclosure Letter is in full force and effect, and neither Seller nor any Acquired Subsidiary has, with respect to the Acquired Business, received any notice from the insurer under any such insurance policy of non-renewal.

3.20 Related Party Transactions. Except for Contracts entered into on arm's-length terms or that will be terminated as of the Closing Date (in both cases which have been set forth in Section 3.20 of the Seller Disclosure Letter), there are no Contracts that are in existence as of the date hereof between, on the one hand, any Acquired Subsidiary and, on the other hand, (a) any present executive officer or director of any Acquired Subsidiary or any person that has served as an executive officer or director of any Acquired Subsidiary within the last two (2) years or any of such officer's or director's immediate family members or (b) to the Knowledge of Seller, any Affiliate of any such officer or director.

3.21 Brokers' Fees and Expenses. Except for RBC Capital Markets, LLC, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller or any Acquired Subsidiary.

3.22 Anti-Corruption; Anti-Money Laundering; Sanctions.

(a) None of Seller or the Acquired Subsidiaries or, to the Knowledge of Seller, any of their respective directors, officers, employees or other Persons acting on behalf of any of the foregoing, directly or indirectly in relation to the Acquired Subsidiaries, has, since the date falling two (2) years prior to the date hereof:

(i) violated any applicable anti-corruption Laws in any material respect, including the Corruption of Foreign Public Officials Act (Canada), the U.S. Foreign Corrupt Practices Act or any other applicable anti-corruption Law (collectively, "Anti-Corruption Laws");

(ii) made, offered or promised to make, or authorized the payment or giving of money, or anything else of value, to any (A) executive, official, employee or Person acting in an official capacity for or on behalf of a Governmental Entity, (B) political party or official thereof, or candidate for political office (each of the foregoing a "Government Official"), or (C) any other Person, while knowing or believing that all or some portion of the money or value will be offered, given or promised to a Government Official, in the case of clause (A), (B) or (C), for the purposes of obtaining or retaining business or securing any improper advantage in violation of any applicable Anti-Corruption Law or in other circumstances when such offer, payment or promise would be unlawful; or

(iii) been the subject of any suit, action or other proceeding or, to the Knowledge of Seller, investigation with regard to any actual or alleged breach of any Anti-Corruption Law.

(b) Seller and each Acquired Subsidiary and any Person controlling Seller and the Acquired Subsidiaries (in each case, solely with respect to their relationship with the Acquired Subsidiaries) is in compliance in all material respects with all applicable anti-money laundering Laws related to the prevention of money laundering and terrorist financing, including to the extent applicable the Bank Secrecy Act, the USA PATRIOT Act and the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (collectively, "AML Laws") and applicable Sanctions.

(c) None of Seller or the Acquired Subsidiaries, nor any Person controlling Seller or the Acquired Subsidiaries, is currently or has been since April 24, 2019, a Sanctioned Person.

3.23 No Additional Representations. Except for those representations and warranties expressly set forth in this Article III and except as otherwise expressly set forth in this Agreement, none of Seller or any other Person acting on behalf of Seller or the Acquired Subsidiaries has made or makes any representation or warranty of any kind or nature, express or implied, with respect to the Acquired Subsidiaries or any of their Affiliates or any of their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects in connection with this Agreement or the transactions contemplated by this Agreement. In addition, without limiting the generality of the foregoing, none of the Acquired Subsidiaries or other Person acting on behalf of the Acquired Subsidiaries has made or makes any representation or warranty with respect to any projections, estimates or budgets made available to Purchaser or its Affiliates of future revenues, future results of operations (or any component thereof), future cash flows or future financial condition (or any component thereof) of the Acquired Subsidiaries.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as of the date hereof and as of the Closing Date (unless otherwise stated) as follows:

4.01 Organization, Standing and Power. Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized (in the case of good standing, to the extent such jurisdiction recognizes such concept). Purchaser is duly qualified or licensed to do business in each jurisdiction where the nature of its business or the ownership, operation or leasing of its properties and assets makes such qualification necessary, other than in such jurisdictions where the failure to be so qualified or licensed has not had and would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

4.02 Authority; Execution and Delivery; Enforceability. Purchaser has all requisite corporate power and authority to execute and deliver this Agreement and the other Ancillary Agreements to which it is or will be a party and to consummate the Transaction and the other transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction and the transactions contemplated hereby have been duly and validly authorized and no other corporate proceedings are necessary to authorize, adopt or approve this Agreement or to consummate the Transaction and the other transactions contemplated by this Agreement. Purchaser has duly executed and delivered this Agreement and, assuming the due authorization, execution and delivery by Seller, this Agreement constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or similar Laws affecting creditors' rights generally and by general principles of equity.

4.03 No Conflicts; Consents.

(a) The execution and delivery by Purchaser of this Agreement does not, and the performance by Purchaser of its obligations hereunder and the consummation of the Transaction and the other transactions contemplated by this Agreement, and the Ancillary Agreements to which Purchaser is a party, will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation under, or result in the creation of any Lien upon any of the properties or assets of Purchaser under, any provision of (i) its Organizational Documents, (ii) any Contract to which Purchaser is a party or by which any of its properties or assets is bound or any Permit applicable to the business of Purchaser and its Affiliates, or (iii) subject to the Consents and other matters referred to in Section 4.03(b), any Judgment or Law, in each case applicable to Purchaser or its properties or assets, except, in the case of the preceding clauses (ii) and (iii), for such violations or breaches that have not had and would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

(b) No Consent, of or from, or made to or with, any Governmental Entity, is required to be obtained or made by Purchaser or any Affiliate of Purchaser in connection with Purchaser's execution and delivery of this Agreement or its performance of its obligations hereunder, other than (i) compliance with and Consents under the HSR Act, (ii) the Consents of each of the Illinois Commerce Commission, the Kentucky Public Service Commission, the Maryland Public Service Commission, the New Jersey Board of Public Utilities, the Pennsylvania Public Utilities Commission, the Tennessee Public Utility Commission and the Virginia Corporation Commission with respect to the consummation of the Transaction, and (iii) any pre-approvals of license transfers by the Federal Communications Commission (collectively, the Consents in the preceding clauses (i) through (iii), the "Purchaser Statutory Approvals" and together with the Seller Statutory Approvals, the "Required Statutory Approvals").

4.04 Litigation. As of the date hereof, there are no claims, suits, actions or other proceedings pending or, to the Knowledge of Purchaser, threatened in writing at law or in equity by or before any Governmental Entity against Purchaser, and there are no outstanding Judgments to which Purchaser is a party or by which it is bound by or with any Governmental Entity, in each case, that has had or would reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

4.05 Compliance with Applicable Laws. Except as has not had or would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, Purchaser is in compliance with all applicable Laws and material Permits applicable to the business and operations of Purchaser.

4.06 Financial Capacity; Solvency. On and after the date hereof, Purchaser has sufficient cash or other access to sources of immediately available funds to pay in cash the Preliminary Purchase Price and for all other actions necessary for Purchaser to consummate the transactions contemplated in this Agreement and perform its obligations hereunder. Purchaser acknowledges that receipt or availability of funds or financing by Purchaser or any of its Affiliates shall not be a condition to Purchaser's obligations hereunder. After giving effect to the transactions contemplated

hereby, and assuming the accuracy of the representations and warranties of Seller contained in this Agreement, Purchaser Entities (a) are not insolvent (either because its financial condition is such that the sum of its debts is greater than the fair value of its assets or because the present fair saleable value of its assets will be less than the amount required to pay its probable liability on its debts as they become absolute and matured), (b) have unreasonably small capital with which to engage in its business or (c) have incurred or plan to incur debts beyond its ability to pay as they become absolute and matured.

4.07 Brokers' Fees and Expenses. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated under this Agreement based upon arrangements made by Purchaser or any of its Affiliates.

4.08 Information. Seller and the Acquired Subsidiaries have provided Purchaser with such access to the facilities, books, records and personnel of the Acquired Subsidiaries as Purchaser has deemed necessary and appropriate in order for Purchaser to investigate to its satisfaction the Acquired Business and properties of the Acquired Subsidiaries sufficiently to make an informed investment decision to purchase the Acquired Interests and to enter into this Agreement. Purchaser is knowledgeable, sophisticated and experienced in financial and business matters so as to be capable of evaluating the merits and risks of an investment in the Acquired Interests, and Purchaser is capable of bearing the economic risks of an investment in the Acquired Interests for an indefinite period and could afford a complete loss of such investment. Purchaser's purchase of the Acquired Interests on the Closing Date shall be based upon its own investigation, examination and determination with respect thereto as to all matters and without reliance upon any express or implied representations or warranties of any nature made by or on behalf of or imputed to Seller, except as expressly set forth in this Agreement. Purchaser does not know of the existence or non-existence or occurrence or non-occurrence of any event, condition or circumstance the occurrence or non-occurrence of which does or would cause any representation or warranty of Seller contained in this Agreement to be untrue or inaccurate in any respect or would excuse Purchaser from its timely performance of its obligations hereunder.

4.09 Purchase for Investment. Purchaser understands and acknowledges that the Acquired Interests being acquired by Purchaser pursuant to the transactions contemplated hereby have not been registered under the Securities Act or under any state securities Laws. Purchaser is not an underwriter, as such term is defined under the Securities Act, and Purchaser is purchasing the Acquired Interests solely for its own account for investment purposes and not with a view toward, or for sale in connection with, any distribution of such securities or any portion thereof (or any securities issuable upon conversion or exchange thereof) in violation of any federal or state securities Laws. Purchaser and its Affiliates acknowledge that the Acquired Interests are being offered and sold in reliance upon exemptions provided in the Securities Act and state securities Laws for transactions not involving any public offering and, therefore, cannot be re-offered for sale, re-sold or otherwise transferred except in compliance with the registration requirements or exemption provisions under the Securities Act and the rules and regulations promulgated thereunder, or any other applicable securities Laws. Purchaser is an "accredited investor" as defined in Regulation D under the Securities Act, and Purchaser is not subject to, and has not been subject to or experienced (in each case, within the period of time prescribed by the applicable disqualifying or disclosable event under Rule 506(d) of the Securities Act), any of the disqualifying events described in Rule 506(d)(1)(i)-(viii) of the Securities Act.

4.10 Anti-Money Laundering; Sanctions.

(a) Purchaser and any Person controlling Purchaser is in compliance in all material respects with all applicable AML Laws and Sanctions.

(b) None of Purchaser, nor any Person controlling Purchaser, is currently, or has been since April 24, 2019, a Sanctioned Person.

(c) None of Purchaser, nor, to the Knowledge of Purchaser, any Person controlling Purchaser, is a Senior Foreign Political Figure, an immediate family member of a Senior Foreign Political Figure, or a close associate of a Senior Foreign Political Figure.

None of Purchaser, nor, to the Knowledge of Purchaser, any Person controlling Purchaser is a foreign shell bank, as defined in 31 C.F.R. § 1010.605(g).

ARTICLE V
COVENANTS

5.01 Further Actions; Regulatory Approvals; Required Actions.

(a) Subject to the terms and conditions of this Agreement, each of the Parties shall use reasonable best efforts to take, or cause to be taken, all actions, and do, or cause to be done, and assist and cooperate with the other Party in doing, all things necessary to cause the conditions to the Closing set forth in Article VII to be satisfied as promptly as reasonably practicable or to effect the Closing as promptly as reasonably practicable, including (i) making all necessary filings with Governmental Entities and (ii) obtaining the Required Statutory Approvals, the Required Consents and all other Consents that are necessary, proper or advisable to consummate the transactions contemplated hereunder. Each of the Parties shall use commercially reasonable efforts to cooperate with the other Party with respect to any actions required under the Fair Market Value Statutes or in connection with seeking Consent from the Utilities Commissions for the Subsequent Mergers; provided, however, that no specific Consent or finding under the Fair Market Value Statutes nor any such Consents relating to the Subsequent Mergers shall constitute a condition to Closing.

(b) In connection with and without limiting the generality of Section 5.01(a) on or as promptly as reasonably advisable after the three (3)-month anniversary but prior to the six (6)-month anniversary of the date hereof the Parties shall file with the United States Federal Trade Commission (the "FTC") and the Antitrust Division of the United States Department of Justice (the "DOJ") Notification and Report Forms relating to the transactions contemplated herein required by the HSR Act. Without limitation of Section 5.01(c) below, each Party shall, as promptly as reasonably practicable, (i) supply the other Party with any information which may be required in order to effectuate such filings and (ii) supply any additional information which reasonably may be required by the FTC or the DOJ.

(c) The Parties shall use reasonable best efforts to prepare and file, or cause to be prepared and filed, as promptly as reasonably practicable after the date hereof but in no event more than forty-five (45) Business Days or by such other time as is mutually agreed to by the Parties, all Consents required to be filed with any Governmental Entity with respect to the Transaction and the other transactions contemplated by this Agreement, including

all Required Statutory Approvals except for any filings in connection with the HSR Act which shall be prepared and filed in accordance with Section 5.01(b). Each Party shall, as promptly as reasonably practicable, (i) supply the other Party with any information which reasonably may be required in order to effectuate such filings, (ii) supply any additional information which reasonably may be required by a Governmental Entity of any jurisdiction and which the Parties may reasonably deem appropriate and (iii) subject to applicable Law and the instructions of any Governmental Entity, keep each other apprised of the status of matters relating to the completion of the transactions contemplated hereby, including promptly furnishing the other with copies of notices or other communications received by a Party or any of their respective Subsidiaries or Affiliates, from any third party or any Governmental Entity with respect to such transactions. No Party shall independently participate in any meeting, or engage in any substantive conversation, with any Governmental Entity in respect to any such filings, investigation or other inquiry without using reasonable best efforts to give (to the extent feasible and appropriate) the other Party prior notice of the meeting or conversation and, unless prohibited by such Governmental Entity, a reasonable opportunity to attend or participate. Subject to applicable Law and the instructions of any Governmental Entity, the Parties will consult and cooperate with one another and permit the other Party or its counsel to review in advance, and consider in good faith the views of the other in connection with, any proposed written or oral communication by such Party to any Governmental Entity in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any Party in connection with proceedings under or relating to the Required Statutory Approvals or any applicable state Laws in connection with the Transaction and the other transactions contemplated by this Agreement.

(d) The Parties shall and shall cause their respective Subsidiaries and Affiliates to, (i) use reasonable best efforts to obtain, and to maintain in full force and effect once obtained, any approval, consent, ratification, permission, waiver or authorization required to be obtained from any Governmental Entity with respect to the Transaction and the other transactions contemplated by this Agreement, including all Required Statutory Approvals, prior to the Closing, and (ii) reasonably cooperate with the other in connection therewith. Nothing contained in this Agreement (including the obligations set forth in the first sentence of this Section 5.01(d) and Section 5.01(c)) shall require (A) Seller or any of its Affiliates to take any action or agree to any commitment in connection with obtaining the Seller Statutory Approvals or (B) Purchaser or any of its Affiliates to take any action or agree to any commitment in connection with obtaining the Purchaser Statutory Approvals that is not conditioned on the Closing.

(e) Without limiting the foregoing, Purchaser shall take, or cause to be taken, any and all actions to eliminate any actual or asserted impediment under any applicable Law to enable the Closing to occur, including, if necessary to obtain any Required Statutory Approval (i) proposing, negotiating, committing to, and effecting, by consent decree, hold separate order or otherwise, the sale, divestiture, license or disposition of such business, product lines, assets or properties of Purchaser or its Affiliates as may be necessary to obtain such Required Statutory Approval, (ii) terminating, modifying or waiving existing contractual rights, relationships or obligations and (iii) taking any action to avoid, eliminate or resolve each and every actual or threatened impediment to obtaining such Required Statutory Approval. Notwithstanding the foregoing, this Section 5.01 shall not (A) require Purchaser, or any Affiliate of Purchaser or (B) permit Seller or any of the Acquired Subsidiaries, without the prior written consent of Purchaser (which consent shall not to be unreasonably withheld, conditioned, or delayed), to undertake any efforts or take any action (including accepting any terms, conditions, liabilities, obligations, commitment, sanctions or other measures) if the taking of such efforts or action, individually or in the aggregate, has resulted or would reasonably be expected to result in a Burdensome Effect.

(f) The Parties shall each (i) give the other prompt notice of the commencement or threat of commencement of any Legal Proceeding by or before any Governmental Entity with respect to the Transaction or any of the other transactions contemplated by this Agreement, (ii) keep the other informed as to the status of any such legal proceeding or threat and (iii) cooperate in all material respects with each other with respect to any such action or proceeding.

(g) Purchaser shall not, and shall cause its Affiliates not to, take any action, including acquiring any asset, property, business or Person (by way of merger, consolidation, share exchange, investment, other business combination, asset, stock or equity purchase, or otherwise), that would reasonably be expected to materially and adversely affect Purchaser's ability to obtain any Purchaser Statutory Approval or Required Consent or materially delay the timely receipt thereof.

(h) Purchaser shall be responsible for and shall pay all filing fees and other charges for the filings required pursuant to this Section 5.01. Seller shall not be required to pay any amount in connection with obtaining the Required Consents, Required Statutory Approvals or otherwise complying with this Section 5.01.

5.02 Conduct of Business.

(a) Except for (1) actions taken in connection with the Retained Business, (2) the matters set forth in Section 5.02(a) of the Seller Disclosure Letter or actions otherwise permitted or required by this Agreement, (3) as required by applicable Law or (4) actions taken with the prior written consent of Purchaser (which shall not be unreasonably withheld, conditioned or delayed) (the exceptions under clauses (1) through (4) above, the "Conduct of Business Exceptions"), from the date hereof to the Closing Date, Seller shall, and shall cause each Acquired Subsidiary to, (x) use commercially reasonable efforts to conduct the Acquired Business in the ordinary course consistent with past practice in all material respects, (y) use commercially reasonable efforts to (A) preserve the goodwill and maintain all material relationships of each Acquired Subsidiary with customers, suppliers, Governmental Entities and other Persons with which the Acquired Subsidiaries have material business dealings and (B) preserve, maintain and protect the material assets of the Acquired Business and the Acquired Subsidiaries (ordinary wear and tear excepted) and (z) maintain in full force and effect customary insurance policies providing coverage for each Acquired Subsidiary. In addition, and without limiting the generality of the foregoing, subject to the Conduct of Business Exceptions, from the date hereof to the Closing Date, Seller shall not, and shall not permit any Acquired Subsidiary to, do any of the following (solely with respect to the Acquired Subsidiaries):

(i) amend the Organizational Documents of any Acquired Subsidiary (except for immaterial or ministerial amendments);

(ii) transfer, issue, deliver, sell, grant, pledge or otherwise encumber or subject to any Lien (other than Permitted Encumbrances) (A) any Equity Interests in an Acquired Subsidiary, (B) any securities convertible into Equity Interests in an Acquired Subsidiary or (C) any warrants, calls, options or other rights to acquire any Equity Interests in an Acquired Subsidiary, in each case except in connection with incurrence of Indebtedness as permitted by this Agreement;

(iii) split, combine, consolidate, subdivide or reclassify Equity Interests in an Acquired Subsidiary, or issue or authorize the issuance of any other Equity Interests in an Acquired Subsidiary;

(iv) adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such liquidation or a dissolution, merger, consolidation, restructuring, recapitalization or other reorganization;

(v) (A) grant to any Acquired Business Employee any material increase in compensation or benefits except for increases in base salary, wages or annual or other incentive compensation made in the ordinary course of business or (B) establish, adopt, enter into, amend in any material respect or terminate any Company Benefit Plan sponsored by an Acquired Subsidiary or to which an Acquired Subsidiary is a party (or any plan or agreement that would be a Company Benefit Plan sponsored by an Acquired Subsidiary or to which an Acquired Subsidiary is a party if in existence on the date hereof) by any such Company Benefit Plan covering any Acquired Business Employee or by applicable Law;

(vi) make any material change in accounting methods, principles or practices, except to the extent as may have been required by a change in applicable Law, GAAP or by any Governmental Entity;

(vii) make any acquisition or disposition of any business or line of business (whether by merger, consolidation or acquisition of stock or assets), except for any acquisition or disposition for consideration that is individually not in excess of $10,000,000 and in the aggregate not in excess of $25,000,000; or pursuant to the capital plan set forth in Section 5.02(a)(vii) of the Seller Disclosure Letter (for the avoidance of doubt, Capital Expenditures for the purchase of assets shall be governed solely by Section 5.02(a)(viii));

(viii) make, or agree or commit to make, any Capital Expenditure, except for (A) Capital Expenditures in accordance with the capital plan set forth in Section 5.02(a)(viii) of the Seller Disclosure Letter, *plus* a 25% positive variance for each principal category set forth in such capital plan, (B) with respect to any Capital Expenditure not addressed by the preceding clause (A), not to exceed $10,000,000 in any 12-month period or (C) Capital Expenditures related to operational emergencies, equipment failures or outages or deemed necessary or prudent based on Good Utility Practice;

(ix) other than in the ordinary course of business or with respect to a Material Contract that otherwise would be permitted pursuant to another subsection of this Section 5.02, either (A) extend, renew, replace, amend, modify or terminate any Material Contract in a manner which would be reasonably expected to result in a Material Adverse Effect or (B) enter into any Contract that would have been a Material Contract if it had been entered into prior to the date hereof;

(x) (A) make (other than in the ordinary course of business), change or rescind any material Tax election, material method of Tax accounting or any annual Tax accounting period, or (B) settle or compromise any audit, assessment, claim or other controversy, in each case relating to material Taxes;

(xi) enter into any new line of business;

(xii) initiate, settle or compromise any claim or other proceeding involving an amount equal to or in excess of $10,000,000, or waive, release or assign any material rights or claims thereunder, excluding, in each case, any such claim or other proceeding that are solely with the control of an insurer; or

(xiii) enter into any Contract to do any of the foregoing.

In the event that Seller or any Acquired Subsidiary would be prohibited from taking any action by reason of this Section 5.02(a) without the prior written consent of Purchaser, such action may nevertheless be taken without such consent if Seller requests Purchaser's prior written consent and Purchaser fails to respond in writing or fails to withhold its consent to such request within five (5) Business Days after the date of such request; provided that Purchaser shall use reasonable best efforts to respond within any such shorter time period as may be requested by Seller and reasonably warranted by the circumstances.

(b) Emergencies. Notwithstanding anything to the contrary herein, Seller may, and may cause any Acquired Subsidiary to, take reasonable actions (i) to comply with applicable Law (including any Law, directive, pronouncement or guideline issued by a Governmental Entity or industry group providing for business closures, "sheltering-in-place" or other restrictions that arise from or are in response to or otherwise resulting from any pandemic, epidemic or disease outbreak or domestic or foreign protest) or (ii) with respect to any operational emergencies (including any restoration measures in response to any hurricane, strong winds, ice event, fire, tornado, tsunami, flood, earthquake or other natural disaster, severe weather-related event, circumstance or development, act of terrorism or sabotage), cybersecurity incidents, equipment failures, outages or an immediate and material threat to the health or safety of natural Persons.

(c) No Control of Seller's Business. Purchaser acknowledges and agrees that (i) nothing contained herein is intended to give Purchaser, directly or indirectly, the right to control or direct the operations of Seller, the Acquired Business or any Acquired Subsidiary prior to the Closing Date and (ii) prior to the Closing Date, Seller shall exercise complete control and supervision over the Acquired Business and the Acquired Subsidiaries' respective operations.

(d) For the avoidance of doubt, this Section 5.02 does not relate to the ability of Seller or the Acquired Subsidiaries to make filings in connection with, or agree to settlement or stipulation of, Regulatory Proceedings.

5.03 Regulatory Proceedings. Between the date hereof and the Closing Date, Seller and the Acquired Subsidiaries may (a) initiate, continue to pursue or settle rate cases and any other regulatory proceedings in the ordinary course of business and (b) initiate or participate in any other proceeding with Governmental Entities in the ordinary course of business (the preceding clauses (a) and (b), collectively, "Regulatory Proceedings"); provided that in any Regulatory Proceeding described in the preceding clauses (a) and (b), Seller shall cause the Acquired Subsidiaries to keep the Purchaser reasonably informed as to the progress of such Regulatory Proceedings, and to the extent reasonably practicable and as permitted by applicable Law, consult in advance with Purchaser and consider in good faith any suggestions made by Purchaser in connection therewith, except with respect to Regulatory Proceedings of the type disclosed in the preceding clauses (a) and (b) that are immaterial to the applicable Acquired Subsidiary.

5.04 Access and Information.

(a) Subject to applicable Law and the Confidentiality Agreement, Seller shall, and shall cause each of the Acquired Subsidiaries to, afford to Purchaser and its Representatives reasonable access (at Purchaser's sole cost and expense), during normal business hours and upon reasonable advance notice, during the period from the date hereof until the earlier of the Closing Date or termination of this Agreement pursuant to Section 9.01, to such properties, books, contracts, commitments, personnel and records that are Related to the Acquired Business as Purchaser may reasonably request, and during such period, Seller shall cause the Acquired Subsidiaries to, make available promptly to Purchaser all available information concerning the Acquired Business as Purchaser may reasonably request; provided, however, that Seller and the Acquired Subsidiaries may withhold from Purchaser or its Representatives any document or information that Seller or such Acquired Subsidiary believes: (i) is subject to the terms of a confidentiality agreement with a third party (provided that (A) Seller or such Acquired Subsidiary shall use its commercially reasonable efforts to obtain the required consent of such third party to disclose such document or information and (B) commercially reasonable efforts shall not include the making of any concession, waiving any right, or incurring any unreimbursed cost, expense, or fee), (ii) is subject to any attorney-client privilege (provided that (A) Seller or such Acquired Subsidiary shall use its commercially reasonable efforts to allow the disclosure of such document or information (or as much of it as possible) in a manner that does not result in a loss of attorney-client privilege and (B) commercially reasonable efforts shall not include the making of any concession, waiving any right, or incurring any unreimbursed cost, expense, or fee), or (iii) the sharing of such document or information would result in a violation of applicable Law; provided, however, in any event, (1) Purchaser and its Representatives shall not have the right to collect any air, soil, surface water or ground water samples or perform any invasive or destructive air sampling on, under, at or from any of the properties owned, leased or operated by Seller or any of its Affiliates, except with the advance written consent of Seller, which shall not be unreasonably withheld

or delayed and (2) Seller may withhold any document, information or access to properties or personnel to the extent related solely to the Retained Business or the Retained Companies. Except for incidents caused by Seller's or its Affiliates' intentional misconduct, Purchaser shall indemnify Seller and its Affiliates and Representatives from, and hold Seller and its Affiliates and Representatives harmless against, any and all claims and Losses, and the cost of enforcing this indemnity arising out of or resulting from any access to such properties provided pursuant to this Section 5.04(a).

(b) The terms and existence of this Agreement, the Ancillary Agreements, and all information exchanged pursuant to this Section 5.04 shall be deemed Confidential Information (as defined in the Confidentiality Agreement) and be subject to the confidentiality and non-use obligations (including all permitted uses and exceptions) as set forth in the Confidentiality Agreement (collectively, the "Confidentiality Terms"); provided that notwithstanding the expiration of the Confidentiality Agreement or the termination of this Agreement, the Parties shall remain subject to the Confidentiality Terms until the earlier of (i) the Closing or (ii) twenty-four (24) months after the date that this Agreement is terminated in accordance with Article IX.

(c) To the extent information provided to Purchaser by Seller or the Acquired Subsidiaries includes information about an identifiable individual ("Personal Information"), Purchaser shall, at all times, comply with all Laws governing personal information, including any obligation to notify affected individuals that personal information was disclosed in the course of the transactions contemplated by this Agreement and that the transactions contemplated by this Agreement have been consummated. Purchaser shall only collect, use or disclose such Personal Information for the purposes of investigating the Acquired Subsidiaries and the Acquired Business as contemplated in this Agreement and completing the transactions contemplated in this Agreement. Purchaser shall safeguard all Personal Information collected from Seller or the Acquired Subsidiaries in a manner consistent with the degree of sensitivity of the Personal Information and maintain, at all times, the security and integrity of the Personal Information. Purchaser shall not make copies of the Personal Information or any excerpts thereof or in any way recreate the substance or contents of the Personal Information if the Transaction is not consummated for any reason and shall return all Personal Information to Seller or, at Seller's request, destroy such Personal Information at Purchaser's sole cost. To the extent any Personal Information is information regarding individuals who will become either customers or employees of Purchaser or its Affiliates, the public announcement of the Transaction described herein shall satisfy all notice requirements of this Section 5.04(c) if (and only to the extent) such notice satisfies any notice obligations under applicable Laws.

5.05 Publicity. Purchaser and Seller shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other written public statement with respect to this Agreement or the transactions contemplated hereby and shall not issue any such press release or make any such written public statement prior to such consultation, except as such Party reasonably concludes may be required by applicable Law or court process. Purchaser and Seller agree that the initial press release to be issued with respect to this Agreement or the transactions contemplated hereby shall be in a form agreed to by the Parties. Nothing in this Section 5.05 shall limit the ability of any Party to make internal announcements to its respective employees that are consistent in all material respects with the prior public disclosures regarding the transactions contemplated by this Agreement.

5.06 Misallocated Assets and Liabilities. Following the Closing, in the event that any Party becomes aware that (a) record or beneficial ownership or possession of any asset that is a Retained Business Asset or Acquired Business Asset has not been contributed, assigned, transferred, conveyed or delivered by the applicable Acquired Subsidiary to Seller or a Retained Company, or by Seller or any of its Affiliates to an Acquired Subsidiary, as applicable, prior to the Closing or (b) any Retained Business Liability has been erroneously assumed by Purchaser or any of its Affiliates, or any Acquired Business Liability has been erroneously retained by Seller or any of its Affiliates, then it shall promptly notify the applicable Party and the Parties shall thereafter reasonably cooperate to, as promptly as practicable, contribute, assign, transfer, convey or deliver (or cause to be contributed, assigned, transferred, conveyed or delivered), as applicable, without consideration the relevant asset to the relevant entity or assignee or cause the relevant liability to be assumed by the relevant entity or assignee in furtherance of the terms of this Agreement.

5.07 Litigation Support. Subject to Section 10.15, in the event and for so long as any Party or its Affiliate is actively contesting or defending against any claim, action or proceeding after the Closing in connection with any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving any Acquired Subsidiary or the Acquired Business, the other Party will make reasonable efforts to cooperate with such Party or its counsel in the contest or defense, make reasonably available their personnel for the purpose of such contest or defense and reasonably provide such testimony and access to their books and records as shall be reasonably necessary solely in connection with such contest or defense, all at the sole cost and expense of the contesting or defending Party and solely upon written notice from the contesting or defending Party, which written notice shall specify in reasonable detail the nature of the support required of the assisting Party and the anticipated timeframe for such support; provided that no Party shall be obligated to (a) assist the contesting or defending Party in any claim**,** action or proceeding among the Parties or their respective Affiliates, (b) assist the contesting or defending Party in any claim**,** action or proceeding to the extent that such Party reasonably believes that such assistance or any portion thereof is sought in furtherance of, or in preparation for, a claim, demand or other proceeding against such Party or any of its Affiliates, (c) provide access to or disclose information that constitutes attorney work product or that the assisting Party reasonably determines would vitiate any attorney-client privilege of such Party or any of its Affiliates or their respective Representatives, or which is restricted or prohibited under applicable Laws, (d) provide any assistance or take any action that would violate any Law or Order or (e) provide any information or assistance that would require the consent of any third party (unless such consent has previously been obtained by the contesting or defending Party). The contesting or defending Party shall indemnify and hold harmless the other Party from and against any and all Losses arising out of or in connection with such other Party's compliance with its obligations under this Section 5.07. To the extent that any litigation is initiated against Seller or its Affiliates that is Related to the Acquired Business and Seller or any of its Affiliates (other than the Acquired Subsidiaries) are named as a defendant party in any such litigation as a result of their ownership or control of the Acquired Subsidiaries, from and after the Closing, Purchaser will, and will cause the Acquired Subsidiaries to, make reasonable efforts to cause Seller and its Affiliates to be removed and released from any such litigation.

5.08 Support Obligations.

(a) Purchaser and Seller shall cooperate and each use their commercially reasonable efforts to obtain from the respective beneficiary, in form and substance reasonably satisfactory to Seller, on or before the Closing Date, valid and binding written unconditional releases of Seller and its Affiliates, as applicable, from their respective obligations under the Contracts or other instruments set forth on Section 5.08 of the Seller Disclosure Letter (together with any similar obligations under any Contracts entered into after the date hereof in accordance with this Agreement (copies of which shall be provided to Purchaser within a reasonable time after entering into such Contracts), the "Support Obligations") which shall be effective as of the Closing Date, including the Purchaser offering substitute guarantees, furnishing letters of credit, instituting escrow arrangements, posting surety or performance bonds or making other arrangements as the counterparty may reasonably request.

(b) Without limiting Purchaser's obligations under Section 5.08(a), if such releases are not obtained as of the Closing Date, Seller or its Affiliates shall continue to maintain the applicable Support Obligations at the same levels as provided as of the Closing Date, and Purchaser and Seller shall continue to use their commercially reasonable efforts to replace such Support Obligations as promptly as practicable following the Closing Date (but in no event later than two (2) months following the Closing Date). Subject to the terms hereof, effective as from the Closing Date and limited to any Support Obligations to the extent and for as long as not released, Purchaser shall (i) reimburse Seller and its Affiliates for, and indemnify and hold each of them harmless from, all amounts paid or payable to the relevant beneficiary and (ii) reimburse Seller and its Affiliates for any third party expenses reasonably incurred by Seller or its Affiliates for any Support Obligations issued by third parties on Seller's or its Affiliates' behalf. From and after the Closing, Purchaser shall promptly provide any financial, operational or ownership information regarding the assets underlying any outstanding Support Obligations reasonably requested by Seller from time to time, including for purposes of Seller's risk assessment procedures and financial reporting obligations, and shall cause proper provision to be made such that any successors, assigns or acquirors of such assets shall assume the obligations set forth in this Section 5.08.

(c) Notwithstanding anything to the contrary herein, the Parties acknowledge and agree that at any time on or after the Closing Date, none of Seller or any of its Affiliates will have any obligation to renew any letters of credit or surety or performance bonds issued on behalf of any Acquired Subsidiary or the Acquired Business after the expiration of any such letters of credit or surety or performance bonds.

5.09 Business Name Changes; No Rights to Seller Intellectual Property.

(a) Purchaser shall promptly (and, in any event, within thirty (30) Business Days following the Closing Date) cause the Acquired Subsidiaries to cease using the words "Nexus Water Group" and any associated designs, and the designs set forth on Section 5.09(a) of the Seller Disclosure Letter, and any name, domain name, social media account or handle or mark consisting or comprising of, or containing, any of the foregoing or including or constituting an abbreviation, translation, transliteration, derivation, stylized version or extension thereof, or that is otherwise confusingly similar to any of the foregoing, and any logos associated therewith (the "Seller Marks"), including, as soon as reasonably practicable, eliminating or covering the Seller Marks from all assets, systems and other materials owned or controlled by the Acquired Subsidiaries, including stationary and literature,

packaging materials, displays, signs, promotional materials, manuals, forms, and websites of the Acquired Subsidiaries bearing the Seller Marks. Except as may be otherwise agreed by the Parties in a separate Contract, Purchaser shall not, and shall cause the Acquired Subsidiaries not to, use the Seller Marks or any other Intellectual Property of Seller or its Affiliates, whether arising under statutory or common law, and Purchaser acknowledges that it, its Affiliates and the Acquired Subsidiaries have no rights whatsoever to use or otherwise exploit such Intellectual Property from and after the Closing. Without limiting the foregoing:

(b) Within three (3) Business Days after the Closing Date, Purchaser shall cause the Acquired Subsidiaries whose names consist of, contain or comprise any of the Seller Marks to change their names to a name that does not contain any of the Seller Marks (and, as applicable, cause their respective Organizational Documents to be amended to remove any reference to Seller Marks).

(c) Within thirty (30) days after the Closing Date, Purchaser shall provide evidence that is reasonably acceptable to Seller that Purchaser has (i) made all filings necessary or advisable to effect the name changes required by Section 5.09(b) and (ii) provided notice to all applicable Governmental Entities and all counterparties to the Material Contracts regarding the sale of the Acquired Subsidiaries to Purchaser and the new addresses for notice purposes.

5.10 Termination of Affiliate Contracts. Seller shall terminate all Affiliate Contracts effective immediately prior to the consummation of the Closing and, thereafter, such Contracts shall have no further force and effect.

5.11 Transition Committee; Transition Matters.

(a) Within fifteen (15) days following the date of this Agreement, each of Seller and Purchaser will designate three (3) individuals to a joint transition team (the "Transition Committee") for the purpose of, subject to compliance with applicable Law, coordinating with respect to transition planning. The Transition Committee will be responsible for preparing, as soon as reasonably practicable after the date of this Agreement, and overseeing the implementation of, a transition plan (to be mutually agreed upon by Purchaser and Seller) that will identify and describe substantially all of the transition activities that the Parties will use commercially reasonable efforts to cause to occur before the Closing as well as certain post-Closing transition support activities described herein (in each case, subject to applicable Law and any obtaining any required consents of any third party), specifically including the extraction of Data from Seller's systems and the transfer of the Acquired Business Employees (the "Transition Plan"). Prior to the transfer of any Personal Information pursuant to this Section 5.11, the Parties shall enter into a Data Privacy Agreement regarding the transfer of such Personal Information in connection with this Section 5.11 (which shall provide that Purchaser indemnifies, defends and holds harmless Seller and the Acquired Subsidiaries against, any and all claims and Losses arising out of or resulting from the transfer of Personal Information to Purchaser in accordance therewith and shall address removal, at Purchaser's sole cost, of Data from Purchaser's systems if the Transaction is not consummated for any reason). This Transition Committee will stay in place for six (6) months after the Closing. Notwithstanding anything herein to the contrary, the Parties shall be permitted to invite additional representatives to attend any meeting of the Transition Committee as reasonably necessary or appropriate.

(b) Seller and each of the Acquired Subsidiaries agree to reasonably cooperate with and provide (or cause to be provided) reasonable assistance to Purchaser, prior to Closing, in connection with the matters described in Section 5.11(a), which, for clarity, shall not include formatting or conversion of any Data to facilitate the transfer of the Data to Purchaser (which formatting and conversion and shall be Purchaser's sole responsibility, and all Data transferred by Seller or any Acquired Subsidiary shall be in the same form and format maintained by Seller or such Acquired Subsidiary at such time or such other form and format agreed upon by the Parties). This cooperation shall include reasonable and mutually agreed-upon technical support (and reasonable access to system matter experts of Seller and the Acquired Subsidiaries) during normal business hours to reasonably assist with the transfer of Data to Purchaser (consistent with the Transition Plan). To the extent not already completed by the Closing, Seller will continue (for a period of no longer than six (6) months) to use commercially reasonable efforts to transfer the Data (consistent with the Transition Plan) until all necessary Data is provided to Purchaser for inclusion in Purchaser's information technology systems in all material respects (the "Post-Closing Transition"). With regard to the Post-Closing Transition, Purchaser shall pay to Seller, free of any deduction or withholding, the actual cost (without markup) to provide the foregoing cooperation and assistance (and the transition activities described in Section 5.11(a)), including direct labor and direct material and allocation of overhead (and reimbursement of any out-of-pocket costs and expenses) incurred in providing the foregoing cooperation and assistance. If any deduction or withholding for Taxes is required under applicable Law, Purchaser shall pay additional amounts to Seller such that, after taking into account such deduction or withholding for Taxes (including such deduction or withholdings applicable to additional sums payable under this Section 5.11(b)), Seller receives the amount it would have received had no such deduction or withholding been applicable. Purchaser shall pay or reimburse Seller for and be responsible for any sales, use, transfer, turnover, excise, value-added, services, goods and services Taxes, customs duties, tariffs, imposts, levies or other similar charges or similar Taxes, in each case, imposed on or with respect to the provision of such cooperation and assistance (and the performance of such transition activities) hereunder, including any interest and any penalties, fines, additions to tax or additional interest related thereto.

(c) For a period of twelve (12) months after the Closing, upon reasonable request, Seller will provide (or cause to be provided) reasonable support consisting of provision of information and documentation to Purchaser consistent with the Transition Plan, including providing information and documentation in connection with (i) claims made after the Closing which pertain to pre-Closing events (including customer complaints) and (ii) required federal or state reporting (e.g., consumer confidence reports and reports to Governmental Entities) due after the Closing Date; and (iii) any and all post-Closing regulatory proceedings related to the Acquired Subsidiaries. Purchaser shall pay to Seller, free of any deduction or withholding, the actual cost (without markup) to provide the foregoing support, including direct labor and direct material and allocation of overhead (and reimbursement of any out-of-pocket costs and expenses) incurred in providing the foregoing support. If any deduction or withholding for Taxes is required under applicable Law, Purchaser shall pay additional amounts to Seller such that, after taking into account such deduction or withholding for Taxes (including such deduction or withholdings applicable to additional sums payable under this Section 5.11(c)), Seller receives the amount it would have received had no such deduction or withholding been applicable. Purchaser shall pay or reimburse Seller for and be responsible for any sales, use, transfer, turnover, excise, value-added, services, goods and services Taxes, customs duties, tariffs, imposts, levies or other similar charges or similar Taxes, in each case, imposed on or with respect to the provision of such support hereunder, including any interest and any penalties, fines, additions to tax or additional interest related thereto.

(d) For clarity, any Personal Information transferred or required to be transferred under Sections 5.11(a), 5.11(b) or 5.11(c) shall be subject to the terms of Section 5.04(c). Notwithstanding anything to the contrary in Sections 5.11(a), 5.11(b) or 5.11(c), Seller and the Acquired Subsidiaries may withhold from Purchaser or its Representatives (and shall not be obligated hereunder to provide) any document or information or Data (or any such cooperation or assistance) that Seller or such Acquired Subsidiary believes: (i) is subject to the terms of a confidentiality agreement with a third party or otherwise requires the consent of a third party (provided that (A) Seller or such Acquired Subsidiary shall use its commercially reasonable efforts to obtain the required consent of such third party to disclose such document or information or Data (or provide such cooperation or assistance) and (B) commercially reasonable efforts shall not include the making of any concession, waiving any right, or incurring any unreimbursed cost, expense, or fee), (ii) is subject to any attorney-client privilege (provided that (A) Seller or such Acquired Subsidiary shall use its commercially reasonable efforts to allow the disclosure of such document or information or Data (or as much of it as possible) or provision of such cooperation or assistance in a manner that does not result in a loss of attorney-client privilege and (B) commercially reasonable efforts shall not include the making of any concession, waiving any right, or incurring any unreimbursed cost, expense, or fee), or (iii) the sharing of such document or information or Data (or the provision of such cooperation or assistance) would result in a violation of applicable Law or breach of a contractual obligation; provided, however, in any event, Seller may withhold any document, information or Data to the extent related solely to the Retained Business or the Retained Companies. Except for incidents caused by Seller's or its Affiliates' intentional misconduct, Purchaser shall indemnify Seller, its Affiliates and their respective Representatives from, and hold Seller, its Affiliates and their respective Representatives harmless against, any and all claims and Losses, and the cost of enforcing this indemnity arising out of or resulting from any access to such documents, information or Data provided pursuant to Sections 5.11(a), 5.11(b) or 5.11(c).

(e) Notwithstanding anything in this Section 5.11 to the contrary, (i) Seller and the Acquired Subsidiaries shall only be required to provide such support, cooperation and assistance in respect of (and Purchaser shall only utilize such support, cooperation and assistance for) the Acquired Business, (ii) Seller shall not be liable to Purchaser for any Losses suffered by Purchaser in connection with Seller's or its Affiliates' errors or other failures to perform its obligations under this Section 5.11, except to the extent such Loss is caused by Seller's or its Affiliates' intentional misconduct, and (iii) EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SUPPORT, COOPERATION AND ASSISTANCE REQUIRED TO BE PROVIDED UNDER THIS SECTION 5.11 ARE PROVIDED ON AN "AS IS" BASIS, WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR OTHER WARRANTIES, CONDITIONS, GUARANTEES OR REPRESENTATIONS, WHETHER EXPRESS OR IMPLIED.

(f) NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, EXCEPT FOR CLAIMS ARISING OUT OF SELLER'S OR ITS AFFILIATES' INTENTIONAL MISCONDUCT, IN NO EVENT SHALL SELLER OR ANY OF ITS AFFILIATES (OR ANY OF THEIR RESPECTIVE REPRESENTATIVES) BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, SPECIAL, UNFORESEEN, INDIRECT OR OTHER CONSEQUENTIAL DAMAGES (OR ANY DAMAGES MEASURED BY LOST PROFITS OR REVENUE) ARISING OUT OF OR IN CONNECTION WITH SECTIONS 5.11(a), 5.11(b) or 5.11(c) (OR ITS PERFORMANCE OR NON-PERFORMANCE THEREUNDER OR ACTS OR OMISSIONS TAKEN IN RESPECT THEREOF), EVEN IF IT HAD BEEN ADVISED, KNEW OR SHOULD HAVE KNOWN THE POSSIBILITY THEREOF, AND WHETHER SUCH DAMAGES OR OTHER RELIEF ARE SOUGHT BASED ON BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER LEGAL OR EQUITABLE RELIEF.

ARTICLE VI
OTHER AGREEMENTS

6.01 Employee Matters.

(a) Not later than immediately prior to the Closing, Seller shall use commercially reasonable efforts to cause the employment of Acquired Business Employees who are employed by Seller or any of its Affiliates (but not by an Acquired Subsidiary) to transfer employment to an Acquired Subsidiary. With respect to each Delayed Transfer Employee (if any), the Purchaser shall, or shall cause an Affiliate (including an Acquired Subsidiary) to, offer such individual employment as soon as reasonably practicable following the Closing to each such Delayed Transfer Employee on terms and conditions consistent with this Article VI and subject to and in accordance with applicable Law. With respect to each Delayed Transfer Employee (i) who is employed by Seller or its Affiliates (other than an Acquired Subsidiary) as of immediately prior to the Closing and (ii) who is on an approved leave of absence as of immediately prior to the Closing (each such individual, a "Leave Employee"), if any, such transfer of employment to Purchaser or an Affiliate (including an Acquired Subsidiary) following the Closing will (1) be contingent on such employee presenting himself or herself for active employment during the one hundred eighty (180)-day period immediately following the Closing Date and (2) will be effective as of, and have an Applicable Transfer Time that is, the date that such employee presents himself or herself to the Purchaser or an Affiliate (including an Acquired Subsidiary) for active employment.

(b) Subject, and in addition, to requirements imposed by applicable Law, (i) Purchaser shall, or shall cause one of its Affiliates to, provide each Acquired Business Employee who is employed by Purchaser or its Affiliates (including an Acquired Subsidiary) following the Closing (each such individual, a "Continuing Employee") with (A) a base salary (or hourly base wage rate), (B) target short-term incentive opportunities and (C) employee benefits (excluding defined benefit pensions and retiree medical plans) that are in the aggregate no less favorable than the employee benefits provided or made available to such Continuing Employee immediately prior to the Applicable Transfer Time, and (ii) Purchaser and its Affiliates shall not terminate any Continuing Employee (other than for cause or in the event of a voluntary resignation) for twelve (12) months following the Applicable Transfer Time.

(c) Subject, and in addition, to requirements imposed by applicable Law, Purchaser shall, or shall cause one of its Affiliates to (i) provide each Continuing Employee full credit for service with Seller or any of its Affiliates for all purposes under each employee benefit or compensation plan, program or agreement in which the Continuing Employee is, or in which the Continuing Employee becomes, eligible to participate on or after the Closing Date; provided that such credit shall not be given to the extent that it would result in a duplication of benefits for the same period of service and (ii) waive any limitation on health and welfare coverage for each Continuing Employee due to pre-existing conditions, waiting periods, active employment requirements and requirements to show evidence of good health under any applicable health and welfare plan in which the Continuing Employee is, or in which the Continuing Employee becomes, eligible to participate on or after the Closing Date and credit each Continuing Employee with all deductible payments, co-payments and co-insurance paid by such employee under any medical plan of Seller or any of its Affiliates prior to the Closing Date during the year in which the Closing occurs for the purpose of determining the extent to which any such employee has satisfied any applicable deductible and whether such employee has reached the out-of-pocket maximum under any benefit plan of Purchaser or any of its Affiliates for such year.

(d) As promptly as practicable following the date hereof, Seller will provide Purchaser with a summary of the employee contribution percentages and estimated aggregate annual employee contributions with respect to each Company Benefit Plan.

(e) The Parties shall cooperate and work together in good faith prior to the Closing to timely satisfy their respective notice, information, bargaining or consultation obligations, in accordance with applicable Laws, and each Party shall provide all documents and information necessary to complete such notice, information or consultation obligations within a reasonable period following request by another Party.

(f) For a period of twelve (12) months after the Closing Date, Purchaser shall not engage in any conduct that would result in an employment loss for a sufficient number of Acquired Business Employees which, if aggregated with any such conduct on the part of Seller or any of its Affiliates prior to the Closing Date, would trigger the WARN Act.

(g) Seller shall take such action as is necessary to ensure that each Acquired Subsidiary is no longer a participating employer eligible to participate in any Company Benefit Plan on or after the Closing Date. With respect to Company Benefit Plans in which any Acquired Subsidiary cease to be participating employers, Seller shall take such action as necessary to ensure that all Acquired Business Employees cease to participate in the Company Benefit Plans on or after the Closing Date, except to the extent (i) they, or their dependents, beneficiaries or alternate payees are entitled to receive a previously accrued benefit under a Company Benefit Plan or (ii) as required by applicable Law (including the health care continuation provisions of the Consolidated Omnibus Budget Reconciliation Act (or similar state law)).

(h) Nothing contained in this Section 6.01, express or implied, is intended to confer upon any Person not a party (including any employee of an Acquired Subsidiary or any beneficiary thereof) any right, benefit or remedy of any nature whatsoever, including any right to employment or continued employment or service for any period of time by reason of this Agreement, any right to a particular term or condition of employment or any right to any specific compensation or benefits. Notwithstanding anything to the contrary contained in this Agreement, no provision of this Agreement is intended to, or does, constitute the establishment of, or an amendment to, any Company Benefit Plan or benefit or compensation plan of Purchaser or an Affiliate or similar arrangement.

6.02 Release. Effective as of the Closing Date and subject to the immediately following sentence, (a) Seller hereby unconditionally and irrevocably releases and waives any claims that Seller has or may have, in its capacity as an equity holder or otherwise, against the Acquired Subsidiaries to the extent relating to actions, omissions, facts or circumstances occurring or existing at or prior to the Closing and (b) Purchaser hereby, on its own behalf and on behalf of its Affiliates, unconditionally and irrevocably releases and waives any claims that Purchaser or its Affiliates have or may have against Seller or any Released Parties, arising out of, resulting from or relating to actions, omissions, facts or circumstances occurring, arising or existing at or prior to the Closing. Nothing contained in this Section 6.02 is intended to, nor does it, (i) extend to any claims in respect of this Agreement, any Ancillary Agreement or any of the provisions set forth herein or therein, (ii) affect any right to indemnification, exculpation or advancement of expenses to which Seller or any Released Party may be entitled as a result of such Person's interest in or service as a manager, director, officer, employee, advisor, consultant or other representative of the Acquired Subsidiaries, including the rights set forth in Section 6.06, or (iii) affect Purchaser's indemnification rights under Section 8.06.

6.03 "AS IS, WHERE IS". PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE III (*AS MODIFIED BY THE SELLER DISCLOSURE LETTER*), NEITHER SELLER, A SELLER RELATED PARTY NOR ANY OTHER PERSON MAKE, OR HAVE MADE, ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO THE ACQUIRED SUBSIDIARIES, THE ACQUIRED BUSINESS OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES TO SELLER AND THE SELLER RELATED PARTIES' EXPRESS DISAVOWAL AND DISCLAIMER OF ANY OTHER REPRESENTATIONS OR WARRANTIES, WHETHER MADE BY SELLER OR THE SELLER RELATED PARTIES OR THEIR RESPECTIVE REPRESENTATIVES, AND OF ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, PROJECTION, FORECAST, STATEMENT, OR INFORMATION MADE, COMMUNICATED, OR FURNISHED (ORALLY OR IN WRITING) TO PURCHASER OR ITS EQUITYHOLDERS, INCORPORATORS, CONTROLLING PERSONS, LIMITED OR GENERAL PARTNERS, MEMBERS, AFFILIATES OR REPRESENTATIVES (INCLUDING ANY OPINION, INFORMATION, PROJECTION, OR ADVICE THAT MAY HAVE BEEN OR MAY BE PROVIDED TO PURCHASER OR ITS EQUITYHOLDERS, INCORPORATORS, CONTROLLING PERSONS, LIMITED OR GENERAL PARTNERS, MEMBERS, AFFILIATES OR REPRESENTATIVES BY SELLER, ANY SELLER RELATED PARTY OR ANY OF THEIR REPRESENTATIVES). PURCHASER ACKNOWLEDGES AND AGREES THAT IT HAS CONDUCTED TO ITS SATISFACTION ITS OWN INDEPENDENT INVESTIGATION OF THE CONDITION, OPERATIONS, LIABILITIES AND BUSINESS OF THE ACQUIRED SUBSIDIARIES AND, IN MAKING ITS DETERMINATION TO PROCEED WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, PURCHASER RELIED SOLELY ON THE RESULTS OF ITS OWN INDEPENDENT INVESTIGATION AND THE EXPRESS REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH IN ARTICLE III (*AS MODIFIED BY THE SELLER DISCLOSURE LETTER*). IN FURTHERANCE OF THE FOREGOING, AND NOT IN LIMITATION THEREOF, PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER DOES NOT MAKE,

NOR HAS ANY OTHER PERSON MADE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY FINANCIAL PROJECTION OR FORECAST DELIVERED TO PURCHASER OR ITS EQUITYHOLDERS, INCORPORATORS, CONTROLLING PERSONS, LIMITED OR GENERAL PARTNERS, MEMBERS, AFFILIATES OR REPRESENTATIVES WITH RESPECT TO THE PERFORMANCE OF THE ACQUIRED SUBSIDIARIES OR THE ACQUIRED BUSINESS WHETHER BEFORE, ON OR AFTER THE CLOSING DATE. PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER DOES NOT MAKE, NOR HAS MADE (OR HAS AUTHORIZED ANY OTHER PERSON TO MAKE ON THEIR BEHALF), ANY REPRESENTATION OR WARRANTY TO PURCHASER REGARDING THE PROBABLE SUCCESS OR PROFITABILITY OF THE ACQUIRED SUBSIDIARIES OR THE ACQUIRED BUSINESS. PURCHASER SHALL ACQUIRE THE ACQUIRED SUBSIDIARIES (A) WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE QUALITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONFORMITY TO SAMPLES, OR CONDITION OF THE ACQUIRED BUSINESS, ANY ASSETS OR ANY PART THEREOF AND (B) IN AN "AS IS" CONDITION AND ON A "WHERE IS" BASIS, EXCEPT, IN EACH CASE, FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE III (*AS MODIFIED BY THE SELLER DISCLOSURE LETTER*). PURCHASER HEREBY WAIVES, ON BEHALF OF ITSELF AND ITS AFFILIATES, FROM AND AFTER THE CLOSING, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW, ANY AND ALL RIGHTS, CLAIMS AND CAUSES OF ACTION IT MAY HAVE AGAINST SELLER, ANY OF THE SELLER RELATED PARTIES AND ANY OF THEIR REPRESENTATIVES, AND AGREES NO RECOURSE SHALL BE SOUGHT OR GRANTED AGAINST ANY OF THEM, RELATING TO THE OPERATION OF THE ACQUIRED BUSINESS OR RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT (INCLUDING THE REPRESENTATIONS, WARRANTIES AND COVENANTS CONTAINED HEREIN, THE SCHEDULES AND EXHIBITS HERETO AND ANY CERTIFICATE, INSTRUMENT, OPINION OR OTHER DOCUMENTS DELIVERED IN CONNECTION HEREWITH) AND THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER ARISING UNDER OR BASED UPON ANY FEDERAL, STATE, LOCAL OR FOREIGN STATUTE, LAW, ORDINANCE, RULE OR REGULATION OR OTHERWISE (INCLUDING ANY RIGHT, WHETHER ARISING AT LAW OR IN EQUITY, TO SEEK INDEMNIFICATION, CONTRIBUTION, COST RECOVERY, DAMAGES, OR ANY OTHER RECOURSE OR REMEDY, INCLUDING AS MAY ARISE UNDER COMMON LAW). FURTHERMORE, WITHOUT LIMITING THE GENERALITY OF THIS SECTION 6.03, NO ACTION, CAUSE OF ACTION, CLAIM, CROSS-CLAIM OR THIRD-PARTY CLAIM OR LEGAL PROCEEDING OF ANY KIND (WHETHER AT LAW, IN EQUITY, IN CONTRACT, IN TORT OR OTHERWISE) SHALL BE BROUGHT OR MAINTAINED BY PURCHASER OR ANY OF ITS AFFILIATES AGAINST SELLER, ANY SELLER RELATED PARTY OR ANY OF THEIR RESPECTIVE REPRESENTATIVES, AND NO RECOURSE SHALL BE SOUGHT OR GRANTED AGAINST ANY OF THEM, BY VIRTUE OF OR BASED UPON (I) ANY ALLEGED MISREPRESENTATION OR INACCURACY IN OR BREACH OF ANY OF THE REPRESENTATIONS, WARRANTIES OR COVENANTS SET FORTH OR CONTAINED IN THIS AGREEMENT, ANY CERTIFICATE, INSTRUMENT, OPINION OR OTHER

DOCUMENTS DELIVERED HEREUNDER, THE EXHIBITS AND DISCLOSURE SCHEDULE HERETO OR THE SUBJECT MATTER HEREOF OR THEREOF, OR (II) THE ACQUIRED BUSINESS, THE OWNERSHIP, OPERATION, MANAGEMENT, USE OR CONTROL OF THE ACQUIRED SUBSIDIARIES OR THE ACQUIRED BUSINESS, ANY OF THEIR ASSETS, ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR ANY ACTIONS OR OMISSIONS AT OR PRIOR TO THE CLOSING DATE.

NOTWITHSTANDING THE ABOVE, PURCHASER RETAINS THE RIGHT TO MAKE ANY CLAIMS FOR INDEMNIFICATION CONTEMPLATED IN, AND IN ACCORDANCE WITH, SECTION 8.06.

6.04 Further Assurances. Seller and Purchaser each agree that from time to time after the Closing they will execute and deliver, and will cause their respective controlled Affiliates to execute and deliver, such further instruments, and take, and cause their respective controlled Affiliates to take, such other actions as may be reasonably necessary to carry out the purposes and intent of this Agreement.

6.05 Fees, Costs and Expenses. Except as provided otherwise in this Agreement, all fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such fees, costs or expenses, whether or not the Closing occurs.

6.06 Insurance Matters; Directors' and Officers' Indemnification.

(a) From and after the Closing, the Acquired Subsidiaries shall cease to be insured by Seller's or its Affiliates' insurance policies or programs or self-insured programs. Seller and its Affiliates may, to be effective at the Closing, amend any such insurance policies and ancillary arrangements in the manner they deem appropriate. From and after the Closing, Purchaser and its Affiliates shall be responsible, at their sole discretion, for securing all insurance they consider appropriate for the Acquired Subsidiaries and the Acquired Business with respect to claims arising out of any actual or alleged act, omission, circumstance, matter, event or occurrence first existing or occurring after the Closing relating to the Acquired Subsidiaries or the Acquired Business.

(b) At and after the Closing, Purchaser agrees to cause an Acquired Subsidiary to, (i) take over and assume all known and incurred but not reported claims of the Acquired Subsidiaries and the Acquired Business (whether known by Seller or any of its Affiliates or by any of the Acquired Subsidiaries) and (ii) be responsible to pay such claims until they are finally settled and closed. Notwithstanding anything in this Agreement to the contrary, from and after the Closing, the Acquired Subsidiaries shall have the right to assert claims and access coverage under Seller's or any of its Affiliates' current and historical insurance policies, excluding any self-insured programs ("Shared Seller Policies"), arising out of any actual or alleged act, omission, circumstance, matter, event or occurrence existing or occurring in whole or in part at or prior to the Closing relating to the Acquired Subsidiaries or the Acquired Business ("Pre-Closing Claims"). From and after the Closing, Seller and its Affiliates shall use commercially reasonable efforts to make any available insurance coverage under the Shared Seller Policies available to the Acquired Subsidiaries for Pre-Closing Claims, whether asserted prior to, on or after the Closing, including noticing claims to the applicable insurer(s) and promptly remitting insurance proceeds to the Acquired Subsidiaries; provided that in the event that the applicable insurer(s) fails to accept coverage for a Pre-Closing Claim within a reasonable time (including by denying, disputing or reserving rights with respect to any such Pre-Closing Claim), then Seller shall promptly provide to Purchaser copies of the applicable Shared Seller Policies which Purchaser and its Affiliates shall only use for purposes of pursuing any such Pre-Closing Claim.

(c) From and after the Closing, Purchaser shall cause the Acquired Subsidiaries to (i) indemnify and hold harmless all past and present directors, officers and employees of the Acquired Subsidiaries (collectively, the "D&O Indemnified Parties") against any and all Losses incurred in connection with any action arising out of or pertaining to acts or omissions of any such D&O Indemnified Party, who is or was a director, officer or employee of any Acquired Subsidiary, as applicable, or is or was serving at the request of Seller or its Affiliates on behalf of any Acquired Subsidiary as a director, officer or employee of any other Person, occurring at or prior to the Closing, whether asserted or claimed before, at or after the Closing (including such acts or omissions occurring in connection with this Agreement, the Ancillary Agreements and the consummation of the Closing) and promptly provide advancement of reasonable expenses to the D&O Indemnified Parties (for claims in existence as of the Closing Date after receipt by Purchaser or its Affiliates from a D&O Indemnified Party of a proper request therefor including an undertaking by such D&O Indemnified Party to repay such legal and other fees and expenses paid in advance if it is ultimately determined in a final and non-appealable Judgment that such D&O Indemnified Party is not entitled to be indemnified), in all such cases to the greatest extent that the D&O Indemnified Parties have the right to be indemnified or have expenses advanced by any Acquired Subsidiary, as applicable, as provided in the Organizational Documents of Seller, Seller's Affiliates and the Acquired Subsidiaries, and any indemnification or other similar Contracts or policies of any Acquired Subsidiary set forth on Section 6.06(c) of the Seller Disclosure Letter, in each case, as in effect on the date hereof, and (ii) without limitation of clause (i), to the fullest extent permitted by applicable Law, include and cause to be maintained in effect the provisions regarding elimination of liability of directors, and indemnification of and advancement of expenses to directors, officers and employees equivalent to those contained in the Organizational Documents of Seller, Seller's Affiliates and the Acquired Subsidiaries in existence on the date hereof.

(d) Each D&O Indemnified Party under this Section 6.06 will, promptly after the receipt of notice of the commencement of any action or other proceeding against such D&O Indemnified Party in respect of which indemnity may be sought from a Purchaser or an Acquired Subsidiary under this Section 6.06, notify Purchaser in writing of the commencement thereof. The omission of any D&O Indemnified Party to notify Purchaser of any such action shall not relieve such Purchaser from any liability which it may have to such D&O Indemnified Party, unless, and only to the extent that, such omission actually and materially prejudices Purchaser or the appropriate Acquired Subsidiary. In case any such action or other proceeding shall be brought against any D&O Indemnified Party and it shall notify Purchaser of the commencement thereof, the Purchaser and the appropriate Acquired Subsidiary shall be entitled to participate therein and, to the extent that it may wish, to assume the defense thereof, with counsel reasonably satisfactory to such D&O Indemnified Party; provided, however, that any D&O Indemnified Party may, at its own expense, retain separate counsel to participate in such defense. Notwithstanding the foregoing, in any action or proceeding in which both the Purchaser or the appropriate Acquired Subsidiary and a D&O Indemnified Party are, or are reasonably likely to become, a party, such D&O Indemnified Party shall have the right to employ separate counsel at

the Purchaser or appropriate Acquired Subsidiary's expense and to control its own defense of such action or proceeding if, based on the advice of counsel to such D&O Indemnified Party, (i) there are or may be legal defenses available to such D&O Indemnified Party or to other D&O Indemnified Parties that are different from or additional to those available to either the Purchaser or the appropriate Acquired Subsidiary or (ii) any conflict or potential conflict exists between the Purchaser or the appropriate Acquired Subsidiary and such D&O Indemnified Party that would make such separate representation advisable. The Purchaser or the appropriate Acquired Subsidiary shall not, without the consent of the D&O Indemnified Party, consent to the entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such D&O Indemnified Party of a release from all liability in respect to such claim or litigation or which requires action by the D&O Indemnified Party. The rights accorded to D&O Indemnified Parties under this Agreement shall be in addition to any rights that any D&O Indemnified Party may have at common law, by separate agreement or otherwise.

(e) Following the Closing Date, Purchaser shall either (i) for a period of at least six (6) years following the Closing Date, continue to maintain in effect the current policies of directors' and officers' liability insurance and fiduciary liability insurance as maintained by Seller or its Affiliates that cover the D&O Indemnified Parties for claims arising out of or pertaining to events occurring at or prior to the Closing or (ii) at its option, purchase a "tail" directors' and officers' liability insurance policy and fiduciary liability insurance policy for the D&O Indemnified Parties who are currently covered by the directors' and officers' and fiduciary liability insurance coverage currently maintained by Seller or its Affiliates, such tail to provide coverage in an amount not less than the existing coverage and to have other terms not less favorable to the insured persons than the directors' and officers' liability insurance and fiduciary liability insurance coverage currently maintained by Seller or its Affiliates with respect to claims arising from facts or events that occurred on or before the Closing Date for a period of not less than six (6) years. Purchaser shall maintain such policies in full force and effect, and continue to honor the obligations thereunder, for such six (6)-year period.

(f) The obligations of Seller and its Affiliates, Purchaser and the Acquired Subsidiaries under this Section 6.06 shall not be terminated, amended or modified in any manner so as to adversely affect any D&O Indemnified Party (including their successors, heirs and legal representatives) to whom this Section 6.06 applies without the written consent of such affected D&O Indemnified Party (it being expressly agreed that the D&O Indemnified Parties to whom this Section 6.06 applies shall be third party beneficiaries of this Section 6.06, and this Section 6.06 shall be enforceable by such D&O Indemnified Parties and their respective successors, heirs and legal representatives and shall be binding on all successors and assigns of Seller and its Affiliates, Purchaser and the Acquired Subsidiaries).

(g) If Seller or any of its Affiliates, Purchaser or, following the Closing, the Acquired Subsidiaries, or any of their respective successors or assigns (i) shall consolidate with or merge into any other Person and shall not be the continuing or surviving entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of Seller or any of its Affiliates, Purchaser or the Acquired Subsidiaries, or any of their respective successors or assigns, as the case may be, shall assume all of the obligations of their respective predecessor and assignor set forth in this Section 6.06.

(h) The provisions of this Section 6.06 (i) shall survive the Closing, (ii) are intended to be for the benefit of, and will be enforceable by, each indemnified or insured party (including the D&O Indemnified Parties) and each of their heirs and representatives and (iii) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have under the Organizational Documents of the Acquired Subsidiaries, by Contract or otherwise.

6.07 Resignations. Seller shall use its reasonable best efforts to deliver any resignations (effective as of the Closing Date) of, or evidence of removal of, the directors, managers and officers of the Acquired Subsidiaries that are requested by Purchaser no less than five (5) Business Days prior to the Closing Date.

6.08 Post-Closing Access. In connection with any matter relating to any period prior to, or any period ending on, the Closing Date, Purchaser shall, upon the request and at the expense of Seller, permit Seller and its Affiliates and its and their Representatives full access at all reasonable times to the Books and Records as Seller or its Affiliates may reasonably request for any reasonable business purpose, including insurance matters, financial reporting, accounting matters or in connection with any disclosure obligation or the defense of any claim, and Purchaser shall execute and shall cause the Acquired Subsidiaries to execute such documents as Seller may reasonably request in connection therewith. Purchaser shall not dispose of such Books and Records during the seven (7)-year period beginning with the Closing Date without Seller's prior written consent.

ARTICLE VII
CONDITIONS PRECEDENT

7.01 Conditions to Obligations of Both Parties. The respective obligations of Seller and Purchaser to consummate the Transaction shall be subject to the satisfaction at or prior to the Closing of the following conditions, any or all of which may be waived by written agreement of Seller and Purchaser, in whole or in part, to the extent permitted by applicable Law:

(a) the Required Statutory Approvals, including the expiration or termination of any waiting periods applicable to the purchase of the Acquired Interests pursuant hereto under the HSR Act shall have been obtained at or prior to the Closing Date and such Required Statutory Approvals shall have become Final Orders. For purposes of this Section 7.01(a), a "Final Order" means an action by the relevant Governmental Entity that has not been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which any waiting period prescribed by Law before the transactions contemplated hereby may be consummated has expired, and as to which all conditions to the consummation of such transactions prescribed by applicable Law or order have been satisfied; and

(b) there shall not be in effect any Law or Judgment, whether preliminary, temporary or permanent, making illegal or prohibiting the consummation of the Transaction or the other transactions contemplated by this Agreement (any such Law, a "Legal Restraint").

7.02 Conditions to Obligations of Seller. The obligation of Seller to consummate the Transaction shall be subject to the satisfaction at or prior to the Closing of the following conditions, any or all of which may be waived by Seller, in whole or in part, to the extent permitted by applicable Law:

(a) (i) the Purchaser Fundamental Representations shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date (except for such representations and warranties that by their express provisions are made as of an earlier date, in which case, as of such earlier date) and (ii) the representations and warranties of Purchaser contained in this Agreement (other than the Purchaser Fundamental Representations), disregarding all qualifications contained herein relating to materiality, Purchaser Material Adverse Effect or similar qualifications, shall be true and correct on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date (except for such representations and warranties that by their express provisions are made as of an earlier date, in which case, as of such earlier date), except to the extent that the failure of such representations and warranties to be true and correct has not had, and would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect;

(b) Purchaser shall have delivered to Seller a certificate dated the Closing Date and signed by a senior executive officer of Purchaser as to the fulfillment of the conditions set forth in Section 7.02(a);

(c) Purchaser shall have duly performed and complied in all material respects with all agreements contained herein required to be performed or complied with by it at or before the Closing;

(d) no Required Statutory Approvals which have become Final Orders shall have imposed terms or conditions that would reasonably be expected to be adverse to Seller or its Affiliates (other than the Acquired Subsidiaries) after giving effect to the Transaction; and

(e) Purchaser shall have delivered, or caused to be delivered, to Seller all items required to be delivered in accordance with Section 2.04(b).

7.03 Conditions to Obligations of Purchaser. The obligation of Purchaser to consummate the Transaction shall be subject to the satisfaction at or prior to the Closing of the following conditions, any or all of which may be waived by Purchaser, in whole or in part, to the extent permitted by applicable Law:

(a) (i) the Seller Fundamental Representations shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date (except for such representations and warranties that by their express provisions are made as of an earlier date, in which case, as of such earlier date) and (ii) the representations and warranties of Seller contained in this Agreement (other than the Seller Fundamental Representations), disregarding all qualifications contained herein relating to materiality, Material Adverse Effect or similar qualifications, shall be true and correct on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date (except for such representations and warranties that by their express provisions are made as of an earlier date, in which case, as of such earlier date), except to the extent that the failure of such representations and warranties to be true and correct has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) Seller shall have delivered to Purchaser a certificate dated the Closing Date and signed by a senior executive officer of Seller as to the fulfillment of the conditions set forth in Section 7.03(a);

(c) Seller shall have duly performed and complied in all material respects with all agreements contained herein required to be performed or complied with by it at or prior to the Closing;

(d) no Required Statutory Approvals which have become Final Orders shall have imposed terms or conditions that would reasonably be expected to result in a Burdensome Effect; and

(e) Seller shall have delivered, or caused to be delivered, to the Purchaser all items required to be delivered in accordance with Section 2.04(a).

ARTICLE VIII
TAX MATTERS

8.01 Tax Returns. To the extent required by applicable Law, Seller shall prepare and file (or cause to be prepared and filed) in substance consistent with the past practice of the applicable Acquired Subsidiary for the applicable type of Tax Return, (a) all Tax Returns of any Acquired Subsidiary with respect to any Tax period ending on or before the Closing Date or any Straddle Period (each, a "Straddle Period Return") or (b) all Tax Returns that are prepared on a consolidated, combined, affiliated or unitary basis with respect to Seller or any of its Affiliates. To the extent a Straddle Period Return was prepared (or caused to be prepared) by Seller, at Purchaser's request, Seller shall provide Purchaser with a draft of such Straddle Period Return at least fifteen (15) days prior to the due date thereof (including extensions) for Purchaser's review and comment and shall consider in good faith Purchaser's reasonable comments thereto. At the request of Seller, Purchaser shall cause the applicable Acquired Subsidiary to file any available extension or waiver of the due date for filing such Tax Returns.

8.02 Tax Refunds. Any Tax refund, credit or similar benefit (including any interest paid or credited with respect thereto) relating to any Tax periods (or portions thereof) of an Acquired Subsidiary ending on or before the Closing Date that is later received or credited against Taxes by Purchaser (or any of its Affiliates) or any Acquired Subsidiary shall be paid over promptly by Purchaser to Seller, net of all out-of-pocket expenses (including any Taxes) incurred by Purchaser in obtaining such refund, credit or similar benefit.

8.03 Tax Proceedings. Purchaser shall notify Seller within ten (10) days after the receipt by Purchaser (or any of its Affiliates), as applicable, of notice of any inquiries, claims, assessments, audits or similar events with respect to Taxes of any Acquired Subsidiary or with respect to any Acquired Subsidiary with respect to any Tax period ending on or before the Closing Date or any Straddle Period (a "Tax Proceeding"), which notice

shall describe the asserted Tax Proceeding in reasonable detail and shall include copies of any notices and other documents received from any Taxing Authority in respect thereof, if any. Seller shall be entitled to control and defend any Tax Proceeding; provided, however, that, if Purchaser could reasonably be expected to be adversely affected by the resolution of any such Tax Proceeding, then Seller shall (a) permit Purchaser to participate (at its own expense) in such Tax Proceeding, (b) keep Purchaser reasonably informed of the developments and status of such Tax Proceeding, (c) provide any material written submissions made with respect to such Tax Proceeding to Purchaser in advance of submission and (d) not settle or compromise any such Tax Proceeding without Purchaser's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

8.04 Cooperation.

(a) Purchaser and Seller shall, and shall cause their respective Affiliates to, provide to the other Party such cooperation and information, as and to the extent reasonably requested and reasonably necessary, in connection with (i) preparing, reviewing or filing any Tax Return, amended Tax Return or claim for refund of or with respect to the Acquired Subsidiaries, (ii) determining liabilities for Taxes or a right to refund of Taxes of or with respect to the Acquired Subsidiaries or (iii) conducting any audit or other action with respect to Taxes of or with respect to the Acquired Subsidiaries. Such cooperation and information may, if reasonable, include providing copies of all relevant portions of relevant Tax Returns, together with all relevant portions of relevant accompanying schedules and relevant work papers, relevant documents relating to rulings or other determinations by Taxing Authorities and relevant records concerning the ownership and Tax basis of property and other information, which any such party may possess. Each Party and its Affiliates shall use commercially reasonable efforts to make its employees available on a basis mutually convenient to both parties to provide explanations of any documents or information provided hereunder. The Parties agree that from and after the Closing Date, the Acquired Subsidiaries shall (A) retain and maintain all such records including all Tax Returns, schedules and work papers, records and other documents in their possession relating to Tax matters of Seller, and each Acquired Subsidiary for taxable periods ending on or prior to the Closing Date and for each Straddle Period for the longer of (x) the seven (7)-year period beginning on the Closing Date or (y) the full period of the applicable statute of limitations, excluding any extension thereof and (B) allow the Representatives of Seller and its Affiliates, upon reasonable notice and at mutually convenient times to inspect, review and make copies of such records (at the expense of the requesting Person) as Purchaser may deem reasonably necessary or appropriate from time to time. Any information obtained under this Section 8.04 shall be kept confidential except as may be otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other proceeding.

(b) Notwithstanding anything to the contrary in this Agreement, neither Seller nor any of its Affiliates shall be required to disclose to Purchaser or any of its Affiliates any Tax Return of Seller or an Affiliate thereof (other than an Acquired Subsidiary) or any Tax Return that is filed on a combined, consolidated or unitary basis with Seller or an Affiliate thereof (other than a Tax Return of a group that consists solely of the Acquired Subsidiaries), or any related work papers, except, in each case, for materials or portions thereof that relate solely to any Acquired Subsidiary, nor shall Purchaser or any of its Affiliates have any right to inspect, review, comment on or approve any such Tax Return or to control or participate in any Tax Proceeding or other proceeding related thereto, and all rights with respect to each such Tax Return shall remain solely with Seller and its Affiliates.

(c) Purchaser shall not take, and shall cause its Affiliates (including the Acquired Subsidiaries) not to take, any action after the Closing that would reasonably be expected to increase any Tax liability (i) of Seller or any of its Affiliates (other than the Acquired Subsidiaries) or (ii) of any Acquired Subsidiary that, in the case of this clause (ii), could reasonably be expected to result in a reduction of the Purchase Price or an increase in Taxes allocable to a taxable period that begins on or before the Closing Date. Without limiting the generality of the foregoing, Purchaser shall not, and shall cause its Affiliates not to, make any election with respect to any Acquired Subsidiary (including any entity classification election pursuant to Treasury Regulations Section 301.7701-3 or, except as otherwise provided in Section 8.08, an election under Section 338 of the Code) or change any method of Tax accounting or any Tax accounting period of any Acquired Subsidiary, which election or change would be effective on or prior to the Closing Date, without the prior written consent of Seller.

8.05 Transfer Taxes. Seller and Purchaser shall each be responsible for and shall pay fifty percent (50%) of all documentary, sales, use, registration, value added, transfer, stamp and similar Taxes, fees and costs (including interest, penalties and additions to any such Taxes) imposed on or payable in connection with the transactions contemplated under this Agreement ("Transfer Taxes"). Seller shall prepare and timely file, or cause to be prepared and timely filed, any Tax Returns and other necessary documentation required to be filed with respect to any such Transfer Taxes. Each of Purchaser and Seller shall, and shall cause their respective Affiliates to, reasonably cooperate in reducing the amount of any Transfer Taxes or obtaining exemptions therefrom.

8.06 Tax Indemnification.

(a) From and after the Closing Date, Seller shall indemnify, defend, save and hold harmless the Purchaser, the Acquired Subsidiaries, their respective Affiliates and each of their respective Representatives, successors and assigns (collectively, the "Purchaser Indemnified Parties") from and against any and all (i) Taxes imposed on or payable by Seller for any taxable period; (ii) Taxes that are attributable to, or otherwise imposed on or payable by, any Acquired Subsidiary with respect to any taxable period ending on or before the Closing Date, and with respect to the portion of any Straddle Period ending on (and including) the Closing Date (as determined under Section 8.07); (iii) Taxes imposed on any of the Acquired Subsidiaries as a result of being a transferee or successor to Seller pursuant to applicable Law; (iv) amounts required to be paid by or imposed on any of the Acquired Subsidiaries pursuant to any Tax allocation, Tax sharing, Tax indemnification or similar agreement or arrangement (other than (A) indemnification or reimbursement provisions in any such agreement or arrangement entered into in the ordinary course of business, the principal subject of which does not relate to Taxes, and (B) Tax allocation, Tax sharing, Tax indemnification or similar agreement or arrangements solely between or among any of the Acquired Subsidiaries) to which any Acquired Subsidiary is a party or is otherwise subject, in either case, on or prior to the Closing Date; (v) any Taxes imposed pursuant to U.S. Treasury Regulation Section 1.1502-6 (or any comparable provision under state, local or non-U.S. Law or regulation imposing joint or several liability upon members of a consolidated, combined, affiliated, unitary or other group for Tax purposes) for which an Acquired Subsidiary may be liable because of membership in any affiliated group, within the meaning of Section 1504(a) of the Code, or any consolidated group, combined, affiliated or unitary group, at any time on or prior to the Closing Date; and (vi) any costs and expenses, including reasonable out-of-pocket

investigatory, legal or accounting fees and expenses, losses, damages, assessments, settlements or Judgments arising out of, incident to the imposition, assessment or assertion of, or attributable to any item described in clauses (i) through (v) (including, subject to Section 8.03, the contest of any Tax liability in connection therewith); provided, however, that Seller shall not be liable, and the Purchaser Indemnified Parties shall not seek indemnification, for any Taxes or Losses to the extent recovery for such Taxes or Losses would be duplicative of amounts recovered as an adjustment to (or otherwise taken into account in determining) the Closing Statement. To the extent permitted by applicable Law, the Parties shall treat any payment made pursuant to this Section 8.06 as an adjustment to the aggregate consideration paid to Seller in connection with the Transaction for all Tax purposes.

(b) From and after the Closing Date, Purchaser and the Acquired Subsidiaries shall jointly and severally indemnify, defend, save and hold harmless, Seller, its Affiliates and each of their respective Representatives, successors and assigns (collectively, the "Seller Indemnified Parties") from and against any and all (i) Taxes imposed on or payable by Purchaser or its Affiliates for any taxable period; (ii) Taxes that are attributable to, or otherwise imposed on or payable by, any Acquired Subsidiary with respect to any taxable period ending after the Closing Date, and with respect to the portion of any Straddle Period ending after the Closing Date (as determined under Section 8.07); and (iii) any costs and expenses, including reasonable out-of-pocket investigatory, legal or accounting fees and expenses, losses, damages, assessments, settlements or Judgments arising out of, incident to the imposition, assessment or assertion of, or attributable to any item described in clauses (i) and (ii) (including, subject to Section 8.03, the contest of any Tax liability in connection therewith); provided, however, that Purchaser shall not be liable, and the Seller Indemnified Parties shall not seek indemnification, for any Taxes or Losses to the extent recovery for such Taxes or Losses would be duplicative of amounts recovered as an adjustment to (or otherwise taken into account in determining) the Closing Statement. To the extent permitted by applicable Law, the Parties shall treat any payment made pursuant to this Section 8.06 as an adjustment to the aggregate consideration paid to Seller in connection with the Transaction for all Tax purposes.

8.07 Straddle Period Tax Allocation. For purposes of this Article VIII, in the case of Taxes that are payable with respect to a taxable period that begins on or before the Closing Date and ends after the Closing Date (a "Straddle Period"), the portion of any such Tax that is allocable to the portion of the period ending on and including the Closing Date shall be:

(a) in the case of Taxes other than those described in clauses (b) and (c) (including income, capital gains, and similar Taxes), deemed equal to the amount that would be payable if the taxable year ended with (and included) the Closing Date; provided that depreciation and amortization deductions shall be allocated between the period ending on (and including) the Closing Date and the period beginning on the day following the Closing Date in proportion to the number of days in each period to which such deduction is applicable; provided, further, any Tax deductions attributable to any payments or expenses borne directly or indirectly by Seller or by any Acquired Subsidiary in connection with the transactions contemplated hereby shall be attributed, to the maximum extent permitted under applicable Law, to Seller and shall be reflected on Tax Returns filed with respect to Seller;

(b) in the case of property Taxes and other Taxes similarly imposed on a periodic basis, deemed to be the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), *multiplied by* a fraction the numerator of which is the number of calendar days in the period ending on and including the Closing Date and the denominator of which is the number of calendar days in the entire period; provided that in the event that such Taxes are attributable to any property which is revalued or re-assessed on or after the Closing Date and as a result of the transactions contemplated under this Agreement, the portion of such Taxes allocated to the taxable period that is deemed to end on (and include) the Closing Date shall be determined without taking into account such revaluation or re-assessment; and

(c) in the case of Taxes in the form of interest or penalties, all such Taxes to the extent relating to a Tax for a taxable period ending on or before the Closing Date whether such items are incurred, accrued, assessed or similarly charged on, before or after the Closing Date.

8.08 Certain U.S. Federal Income Tax Elections.

(a) For purposes of Treasury Regulation Section 1.1502-76(b)(1)(ii)(A) and (B) (and for purposes of similar provisions under state, local and non-U.S. Tax Law), the Parties agree that the status of each Acquired Subsidiary that is a member of the "affiliated group" under Section 1504 of the Code of which Seller Indirect Parent is the common parent shall cease as of the end of the Closing Date, and each such Acquired Subsidiary shall become a member of the "affiliated group" as defined in Section 1504(a) of the Code of which Purchaser is a member as of the beginning of the day immediately following the Closing Date. The Parties agree that neither Purchaser or any of its Affiliates (including, in the case of Purchaser following the Closing, any Acquired Subsidiary) shall make an election under Treasury Regulation Section 1.1502- 76(b)(2)(ii)(D) to ratably allocate items (or make any similar election or ratably allocate items under any corresponding provision of state, local or non-U.S. Law).

(b) Seller and Purchaser shall make, or cause to be made, joint elections with respect to each of the Acquired Subsidiaries (except for any Acquired Subsidiaries described in Section 1504(b)(3) of the Code) under Section 338(h)(10) of the Code and under any applicable similar provisions of state or local law in connection with the Transaction (all such elections being referred to collectively as "Section 338(h)(10) Elections"). Seller shall complete and properly execute, or cause to be completed and properly executed, IRS Form 8023 (and any comparable form required for purposes of making such elections under state or local law) and deliver such completed and executed form Purchaser at or prior to the Closing in accordance with Section 2.04. Purchaser shall execute and file, or cause to be filed, such forms no later than sixty (60) days after the Closing Date and provide a copy of such executed filing to Seller. Each of Purchaser and Seller agrees that neither it nor any of its Affiliates shall take, or fail to take, any action to the extent such action or failure to act, as the case may be, is inconsistent with or would otherwise prejudice any Section 338(h)(10) Elections.

(c) Within sixty (60) days after the Closing Statement is final and binding on the Parties in accordance with Section 2.03, Seller shall prepare and deliver to Purchaser a schedule (the "Proposed Allocation Schedule") and a corresponding properly completed Form 8883 allocating *first*, the

consideration payable hereunder (and any liabilities to the extent taken into account as amount realized for applicable Tax purposes) among the stock of each Acquired Subsidiary, and, *then*, the "aggregate deemed sales price," as defined in Treasury Regulations Section 1.338-4 and the "aggregate grossed up basis," as defined in Treasury Regulation Section 1.338-5, for each Acquired Subsidiary among the assets of such Acquired Subsidiary with respect to with a Section 338(h)(10) Election has been or will be made, in compliance with Treasury Regulations Sections 1.338-6 and 1.338-7, as applicable. Purchaser shall have the right to review such Proposed Allocation Schedule and, to the extent Purchaser disagrees with the Proposed Allocation Schedule, Purchaser shall notify Seller in writing of any objections within thirty (30) days after receipt of such Proposed Allocation Schedule. If, within thirty (30) days following delivery of the Proposed Allocation Schedule, Purchaser notifies Seller in writing of its disagreement with the Proposed Allocation Schedule, Seller and Purchaser shall use their reasonable best efforts to resolve such disagreement, and if they are able to do so shall make such revisions to the Proposed Allocation Schedule to reflect such resolution, which shall be final and binding. If Purchaser and Seller are unable to reach an agreement within thirty (30) days after the receipt by Seller of Purchaser's timely objection, Purchaser shall provide Seller written notice of the items remaining in dispute, and the Parties shall request the Accountant Arbitrator to decide any disputed items within thirty (30) days; provided that (i) the dollar amount of each item in dispute shall be determined within the range of dollar amounts proposed by Purchaser in its written notice, on the one hand, and the amount proposed by Seller, on the other hand; (ii) the review by and determinations of the Accountant Arbitrator shall be limited to, and only to, the unresolved item or items specified in Purchaser's written notice; and (iii) the determinations by the Accountant Arbitrator shall be based solely on such reports submitted by Seller and Purchaser and the information and documents (including work papers) provided to the Accountant Arbitrator which form the basis for Seller's and Purchaser's respective positions, and applicable U.S. federal income tax principles. The Proposed Allocation Schedule, as finally determined pursuant to this Section 8.08(c), shall become the "Final Allocation Schedule" and shall be binding upon the Parties and each of Purchaser and Seller shall file and cause their respective Affiliates to file all U.S. federal, state, local and non-U.S. Tax Returns in accordance with the Final Allocation Schedule; provided, however, that (x) the deemed purchase prices of the assets may differ from amounts shown on the Final Allocation Schedule in order to reflect Purchaser's transaction costs not included in the Final Allocation Schedule and (y) the amounts realized on the deemed sales of assets may differ from the deemed sales prices shown on the Final Allocation Schedule in order to reflect transaction costs that reduce the amounts realized for U.S. federal income Tax purposes.

(d) Seller and Purchaser shall and shall cause their Affiliates to (i) timely file all Tax Returns in a manner consistent with any Section 338(h)(10) Election and the Final Allocation Schedule, and (ii) take no position contrary thereto on any applicable Tax Return or in any Tax Proceeding or otherwise, in each case, except to the extent required to do otherwise pursuant to a "determination" within the meaning of Section 1313(a) of the Code (or any analogous provision of state, local or non-U.S. Law). In the event that the Section 338(h)(10) Election or the Final Allocation Schedule is disputed by any Taxing Authority, the party receiving notice of the dispute shall promptly notify the other party of the dispute.

8.09 Survival of Tax Covenants. The covenants contained in this Article VIII shall survive until thirty (30) days after the expiration of the applicable statute of limitations (including any valid extensions thereof).

ARTICLE IX
TERMINATION

9.01 Termination. This Agreement may be terminated:

(a) at any time prior to the Closing Date by mutual agreement of Purchaser and Seller;

(b) subject to Section 2.04, by Purchaser or Seller, by written notice to the other Party, if the Closing shall not have occurred by August 19, 2026 (the "Outside Date"); provided that if, prior to the Outside Date, all of the conditions to the Closing set forth in Article VII have been satisfied or waived, as applicable, or, with respect to those conditions that by their terms are to be satisfied at the Closing, shall then be capable of being satisfied, except for any condition set forth in Section 7.01, either Purchaser or Seller may, prior to 5:00 p.m. New York City time on the Outside Date, extend the Outside Date on two (2) successive occasions of three (3) months each for an additional period of up to six (6) months after the Outside Date (and if so extended, the "Outside Date" shall mean such later date); provided, further, that the right to terminate this Agreement pursuant to this Section 9.01(b) shall not be available to a Party whose failure to fulfill any obligation under this Agreement shall have been a material cause of, or resulted in, the failure of the Closing to occur on or before such date;

(c) by Purchaser or Seller, by written notice to the other Party, if any Legal Restraint permanently prohibiting the consummation of the transactions contemplated by this Agreement shall have become final and non-appealable; provided that the right to terminate this Agreement pursuant to this Section 9.01(c) shall not be available to a Party whose failure to fulfill any obligation under this Agreement shall have been a material cause of, or resulted in, the Legal Restraint;

(d) by Purchaser, by written notice to Seller, if Seller has breached or failed to perform in any material respect any of its obligations set forth in this Agreement, (i) such that the conditions set forth in Section 7.01 or Section 7.03 cannot be satisfied, and (ii) such breach or failure to perform cannot be cured by Seller or, if capable of being cured, shall not have been cured within the earlier of (x) thirty (30) days after receipt by Seller of notice in writing from Purchaser, specifying the nature of such breach and requesting that it be cured, and (y) three Business Days prior to the Outside Date; provided that Purchaser shall not have the right to terminate this Agreement pursuant to this Section 9.01(d) if it is then in breach of any of its obligations under this Agreement such that the conditions set forth in Section 7.01 or Section 7.02 cannot be satisfied;

(e) by Seller, by written notice to Purchaser, if Purchaser has breached or failed to perform in any material respect any of its obligations set forth in this Agreement, (i) such that the conditions set forth in Section 7.01 or Section 7.02 cannot be satisfied, and (ii) such breach or failure to perform cannot be cured by Purchaser or, if capable of being cured, shall not have been cured within the earlier of (x) thirty (30) days after receipt by Purchaser of notice in writing from Seller, specifying the nature of such breach and requesting that it be cured and (y) three (3) Business Days prior to the Outside Date; provided that Seller shall not have the right to terminate this Agreement pursuant to this Section 9.01(e) if it is then in breach of any of its obligations under this Agreement such that the conditions set forth in Section 7.01 or Section 7.03 cannot be satisfied;

(f) by Seller, if (i) all of the conditions set forth in Sections 7.01 and 7.03 have been and continue to be satisfied or waived in accordance with this Agreement as of the date that the Closing should have been consummated pursuant to Section 2.04 (except for those conditions that by their terms are to be satisfied at the Closing; provided those conditions would be or would be capable of being satisfied at the Closing), (ii) Purchaser does not complete the Closing on the day that the Closing should have been consummated pursuant to Section 2.04 and (iii) Purchaser fails to consummate the Closing within five (5) Business Days following its receipt of irrevocable written notice from Seller (A) certifying that Seller would be ready, willing and able to consummate the Closing on that date, (B) certifying that all conditions to the Closing set forth in Sections 7.01 and 7.03 have been satisfied (except for those conditions that by their terms are to be satisfied at the Closing) and (C) requesting such consummation; or

(g) by Purchaser, if any Required Statutory Approval has become a Final Order which imposes terms or conditions that would result in a Burdensome Effect.

9.02 Effect of Termination; Termination Fee.

(a) Subject to the other terms hereof, if this Agreement is terminated as provided in this Article IX, this Agreement shall become null and void and of no further force or effect, except for the provisions of:

(i) the last sentence of Section 5.04(a);

(ii) Section 5.04(b);

(iii) this Section 9.02; and

(iv) Article X and any corresponding definitions.

Nothing in this Section 9.02, however, shall be deemed to extinguish any right or remedy of any Party that shall have accrued hereunder prior to any such termination, or release any Party from any liability, for any Fraud or Willful Breach by such Party of the terms and provisions of this Agreement.

(b) If (i) either Seller or Purchaser terminates this Agreement pursuant to Section 9.01(b) and, at the time of such termination, any of the conditions set forth in Section 7.01(a), Section 7.01(b) (solely in connection with the Required Statutory Approvals) or Section 7.03(d), shall have not been satisfied, (ii) either Seller or Purchaser terminates this Agreement pursuant to Section 9.01(c) if the applicable Legal Restraint giving rise to such termination arises in connection with the Required Statutory Approvals, (iii) Seller terminates this Agreement pursuant to Section 9.01(e) or (iv) Purchaser terminates this Agreement pursuant to Section 9.01(g), and in each case of the preceding clauses (i), (ii), (iii) and (iv), at the time of such termination, all conditions to the Closing set forth in Sections 7.03(a) and 7.03(c) shall have been satisfied or waived (except for those conditions that by their nature are to be satisfied at the Closing but which conditions would be satisfied or would be capable of being satisfied if the Closing Date were the date of such termination), then Purchaser shall pay to Seller the Purchaser Termination Fee. Purchaser shall pay the Purchaser Termination Fee to Seller by wire transfer of same-day funds (to an account designated in writing by Seller) prior to or concurrently with such termination of this Agreement by Purchaser or no later than three (3) Business Days after the date of the applicable termination.

(c) The Parties acknowledge that the agreement contained in Section 9.02(b) is an integral part of the transactions contemplated by this Agreement, and that, without this agreement, the Parties would not enter into this Agreement. If Purchaser fails to promptly pay an amount due pursuant to Section 9.02(b) and, in order to obtain such payment, Seller commences a claim that results in a Judgment against Purchaser for the amount of the Purchaser Termination Fee, or any portion thereof, Purchaser shall pay to Seller Seller's costs and expenses (including reasonable attorneys' fees and the fees and expenses of any expert or consultant engaged by Seller) in connection with such claim, together with interest on the amount of such payment from the date such payment was required to be made until the date of payment at the U.S. prime rate as quoted by the Wall Street Journal in effect on the date such payment was required to be made.

(d) Each of the Parties acknowledge and agree that the Purchaser Termination Fee is not intended to be a penalty, but rather is liquidated damages in an amount intended to compensate Seller in the circumstances in which such Purchaser Termination Fee is due and payable, for the efforts and resources expended and opportunities forgone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated by this Agreement, which amount would otherwise be difficult to calculate with precision. For the avoidance of doubt, Purchaser acknowledges and agrees that (i) following any termination of this Agreement, Purchaser and any of its Affiliates shall remain obligated for, and Seller will be entitled to remedies with respect to the provisions listed in Section 9.02(a), irrespective of the payment of Purchaser Termination Fee, and (ii) the payment of the Purchaser Termination Fee shall not be deemed to extinguish any right or remedy of Seller that shall have accrued hereunder prior to any such termination, or release the Purchaser from any additional liability, for any Willful Breach by Purchaser of the other terms and provisions of this Agreement. The Parties acknowledge and agree that in no event shall Purchaser be required to pay the Purchaser Termination Fee on more than one occasion.

ARTICLE X
GENERAL PROVISIONS

10.01 Non-Survival. None of the representations and warranties of Seller and Purchaser contained in this Agreement and in any certificate delivered pursuant to this Agreement shall survive the Closing, and all claims (whether in contract or in tort or otherwise) of any Party related thereto shall be automatically extinguished upon the Closing. Each and every covenant contained in this Agreement (other than the covenants that by their terms are to be performed by the Parties following the Closing (the "Surviving Covenants")) shall expire with the consummation of the sale of the Transaction and shall not survive the Closing; and none of Seller, any Acquired Subsidiary, Purchaser or any of their respective Affiliates, shall have any liability whatsoever with respect to any such covenant from and after the Closing. The Surviving Covenants shall survive the Closing Date until fully performed, and none of Seller, any Acquired Subsidiary, Purchaser or any of their respective Affiliates shall have any liability whatsoever with respect to any such Surviving Covenant thereafter. Purchaser acknowledges it shall have no recourse with respect to any Losses arising out of any breaches of the representations and warranties of Seller contained in this Agreement. Nothing in this Agreement shall limit any claims arising from Fraud.

10.02 Governing Law. This Agreement, and all claims or causes of action of any kind (whether at Law, in equity, in contract, in tort or otherwise) that may be based upon, arise out of or relate to this Agreement (including the exhibits and schedules hereto), any certificate, instrument or other documents delivered hereunder, or the negotiation, execution or performance hereof or thereof (including any claim or cause of action of any kind based upon, arising out of or related to any representation or warranty made in or in connection herewith or therewith) shall be governed by and construed in accordance with the Law of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws.

10.03 Consent to Jurisdiction; Waiver of Jury Trial.

(a) Each Party hereby irrevocably and unconditionally (i) submits, for itself and its property, to the exclusive jurisdiction of the Delaware Court of Chancery (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any Federal court of the United States of America sitting in the State of Delaware), and any appellate court from any thereof, in any claim or cause of action of any kind arising out of or relating to this Agreement, any certificate, instrument, opinion or other documents delivered hereunder, or the negotiation, execution or performance hereof or thereof (including any claim or cause of action of any kind based upon, arising out of or related to any representation or warranty made in or in connection herewith or therewith), or for recognition or enforcement of any Judgment, and agrees that all claims in respect of any such claim or cause of action of any kind shall be heard and determined in such Delaware Court of Chancery (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any Federal court of the United States of America sitting in the State of Delaware), (ii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any claim or cause of action of any kind arising out of or relating to this Agreement, any certificate, instrument, opinion or other documents delivered hereunder, or the negotiation, execution or performance hereof or thereof (including any claim or cause of action of any kind based upon, arising out of or related to any representation or warranty made in or in connection herewith or therewith) in the Delaware Court of Chancery, any Federal court of the United States of America sitting in the State of Delaware, or in any Delaware State court, (iii) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such claim or cause of action of any kind in any such court and (iv) agrees that a final Judgment in any such claim or cause of action of any kind shall be conclusive and may be enforced in other jurisdictions by suit on the Judgment or in any other manner provided by Law. Each of the Parties agrees that service of process, summons, notice or document by registered mail addressed to it at the applicable address set forth in Section 10.10 below shall be effective service of process for any claim or cause of action of any kind brought in any such court.

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

10.04 Remedies.

(a) The Parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the Parties do not perform the provisions of this Agreement (including failing to take such actions as are required of them hereunder to consummate the transactions contemplated by this Agreement) in accordance with its specified terms or otherwise breach such provisions. It is accordingly agreed that the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement (including breaches of Section 5.01, irrespective of any other remedies provided for under Section 9.02(b)) and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at Law or in equity. For the avoidance of doubt, to the extent Purchaser terminates this Agreement in accordance with the terms of Section 9.01(g), such termination shall not be deemed a breach of Purchaser's obligations under this Agreement for which specific performance or other equitable relief is available, except that Seller shall be entitled to specific performance of Purchaser's obligation to pay the Purchaser Termination Fee in accordance with Section 9.02(b) if Purchaser fails to make such payment. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that the Party seeking the injunction, specific performance and other equitable relief has an adequate remedy of Law. The remedies available to Seller pursuant to this Section 10.04 shall be in addition to any other remedy to which it is entitled at Law or in equity. To the extent any Party brings any action to enforce specifically the performance of the terms and provisions of this Agreement (other than an action solely to specifically enforce any provision that expressly survives termination of this Agreement pursuant to Section 9.02 hereof) when available to such party pursuant to the terms of this Agreement, the Outside Date shall automatically be extended by the longer of (i) the amount of time during which such action is pending, *plus* twenty (20) Business Days, or (ii) such other time period established by the court presiding over such action.

(b) For the avoidance of doubt, in no event shall the exercise of the Parties' right to seek specific performance pursuant to this Section 10.04 reduce, restrict or otherwise limit a Party's right to terminate this Agreement pursuant to Article IX or pursue all applicable remedies at Law, including Seller's right to seek payment of the Purchaser Termination Fee in connection with a termination. Notwithstanding the foregoing or elsewhere in this Agreement, in no event shall Seller, directly or indirectly, be permitted or entitled to receive both (i) a grant of specific performance that results in the Closing, on the one hand, and (ii) payment of the Purchaser Termination Fee, on the other hand.

10.05 Modification; Waiver. This Agreement may be modified only by a written instrument executed by the Parties. Any of the terms and conditions of this Agreement may be waived in writing (subject to applicable Law) at any time on or prior to the Closing Date by the Party entitled to the benefits thereof.

10.06 Entire Agreement. This Agreement together with the Ancillary Agreements constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, oral or written, express or implied, between the Parties and their respective Representatives in respect of the subject matter hereof, except that this Agreement does not supersede the Confidentiality Agreement, the terms and conditions of which the Parties expressly reaffirm.

10.07 Severability. If any term or other provision of this Agreement is found to be, by competent authority with jurisdiction, invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible.

10.08 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement; provided that: (a) the D&O Indemnified Parties shall be considered third party beneficiaries of Section 6.06, (b) the Seller Related Parties shall be considered third party beneficiaries of Section 6.03, (c) the Released Parties shall be considered third party beneficiaries of Section 10.14 and (d) Skadden shall be considered a third party beneficiary of Section 10.15, and, in each case, such parties shall have the right to enforce such Sections.

10.09 Failure or Indulgence Not Waiver. No failure or delay on the part of any Party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof, or of any other right.

10.10 Notices. All notices, requests, instructions, claims, demands and other communications under this Agreement shall be sent by email and shall be deemed given or made on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day (or otherwise on the next succeeding Business Day); provided that no "bounce back" or similar message indicating non-delivery is received with respect to such communication. Such communications must be sent to the respective Parties at the following email address, or at such other email address for a Party as shall be specified by like notice in accordance with this Section 10.10 (it being understood that rejection or other refusal to accept or the inability to deliver because of a changed email address for which no notice was given shall be deemed to be receipt of such communication as of the date of such inability to deliver):

if to Seller:

Nexus Regulated Utilities, LLC
c/o Nexus Water Group, Inc.
2150 Town Square Place, Suite 400
Sugar Land, TX 77479
Attention: Chief Legal Officer
Email: legalnotices@nexuswg.com

with copies to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
Attention: Katherine D. Ashley
Email: katherine.ashley@skadden.com

if to Purchaser:

American Water Works Company, Inc.
One Water Street
Camden, NJ 08102
Attention: Stacy Mitchell, General Counsel
Email: stacy.mitchell@amwater.com

with a copy to (which shall not constitute notice):

American Water Works Company, Inc.
One Water Street
Camden, NJ 08102
Attention: Jordan Mersky
Email: jordan.mersky@amwater.com

10.11 Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that any assignment, by operation of law or otherwise, by a Party shall require the prior written consent of the other Party and any purported assignment or other transfer without such consent shall be void and unenforceable.

10.12 Disclosure Schedules and Exhibits. The Schedules and Exhibits to this Agreement and the Seller Disclosure Letter are hereby incorporated and made a part hereof and are an integral part of this Agreement. Seller may, at its option, include in the Seller Disclosure Letter items that are not material in order to avoid any misunderstanding, and such inclusion, or any references to dollar amounts herein or in the Seller Disclosure Letter shall not be deemed to be an acknowledgment or representation that such items are material, to establish any standard of materiality or to define further the meaning of such terms for purposes of this Agreement or otherwise. Any matter set forth in any section of the Seller Disclosure Letter shall be deemed to be referred to and incorporated in any section to which it is specifically referenced or cross-referenced and also in all other sections of the Seller Disclosure Letter to which such matter's application or relevance is reasonably apparent on its face. Any capitalized term used in any Exhibit, Schedule or the Seller Disclosure Letter but not otherwise defined therein shall have the meaning given to such term herein.

10.13 Counterparts. This Agreement and any amendment, restatement, supplement or other modification hereto or thereof or waiver hereunder, (a) may be executed in any number of counterparts (including by means of facsimile or email in .pdf format), each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement and (b) to the extent signed and delivered by means of a facsimile machine or scanned pages via email, shall be treated in all manner and respect as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

10.14 No Recourse. Except as set forth in the Ancillary Agreements, all claims, obligations or liabilities (whether at Law, in equity, in contract, in tort or otherwise) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement), may be made only against (and such representations and warranties are those solely of) the Parties. No Person who is not a Party, including any current, former or future equityholder, incorporator, controlling person, general or limited partner, member, Affiliate, assignee or representative of any Party, or any current, former or future equityholder, incorporator, controlling person, general or limited partner, Affiliate, assignee or representative of any of the foregoing or any of their respective successors, predecessors or assigns (or any successors, predecessors or assigns of the foregoing) (collectively, the "Released Parties"), shall have any liability (whether in Law or in equity, whether in contract or in tort or otherwise) for any claims, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach (other than as set forth in the Ancillary Agreements), and, to the maximum extent permitted by Law, each Party hereby waives and releases all claims or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach (other than as set forth in the Ancillary Agreements) against any such Released Party. Without limiting the foregoing, to the maximum extent permitted by Law, except to the extent otherwise set forth in the Ancillary Agreements, (a) each Party hereby waives and releases any and all rights or claims that may otherwise be available, whether at Law, in equity, in contract, in tort or otherwise, to avoid or disregard the entity form of a Party or otherwise impose liability of a Party on any Released Party, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise, in each case arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach (other than as set forth in the Ancillary Agreements); and (b) each Party disclaims any reliance upon any Released Party with respect to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement. Notwithstanding anything to the contrary contained herein or otherwise, after the Closing, no Party may seek to rescind this Agreement or any of the transactions contemplated hereby.

10.15 Provision Respecting Legal Representation. Purchaser (on its behalf and, from and after the Closing, on behalf of the Acquired Subsidiaries) hereby waives, and agrees to cause its Affiliates to waive, any conflicts that may arise in connection with Skadden representing Seller or any Seller Related Party after the Closing as such representation may relate to Purchaser, the Acquired Subsidiaries or the transactions contemplated by this Agreement. Purchaser (on its behalf and, from and after the Closing, on behalf of the Acquired Subsidiaries) hereby agrees that, in the event that a dispute arises after the Closing between Purchaser or the Acquired Subsidiaries, on the one hand, and Seller or any Seller Related Party, on the other hand, Skadden may represent any or all of Seller or any Seller Related Party in such dispute even though the interests of Seller or the Seller Related Parties may be directly adverse to Purchaser, the Acquired Subsidiaries or any of their respective Affiliates, and even though Skadden formerly may have represented the Acquired Subsidiaries in a matter substantially related to such dispute. In addition, all communications involving attorney-client confidences by Seller, the Acquired Subsidiaries or the Seller Related Parties in the course of the negotiation, documentation and consummation of the transactions contemplated hereby shall be deemed to be attorney-client confidences that belong solely to Seller and the Seller Related Parties (and not Purchaser or the Acquired Subsidiaries). Accordingly, Purchaser and the Acquired Subsidiaries shall not have access to any such communications, or to the files of Skadden relating to the engagement described in this Section 10.15, whether or not the Closing shall have occurred. Without limiting the generality of the foregoing, upon and after the Closing, (a) Seller and the Seller Related Parties (and not Purchaser, the Acquired Subsidiaries or their respective Affiliates) shall be the sole holders of the attorney-client privilege with respect to such engagement, and none of Seller, the Acquired Subsidiaries or their respective Affiliates shall be a holder thereof, (b) to the extent that the files of Skadden in respect of such engagement constitute property of the client, only Seller and the Seller Related Parties (and not Purchaser, the Acquired Subsidiaries or their respective Affiliates) shall hold such property rights and (c) Skadden shall have no duty whatsoever to reveal or disclose any such attorney-client communications or files to Purchaser, the Acquired Subsidiaries or their respective Affiliates by reason of any attorney-client relationship between Skadden and any of Purchaser, the Acquired Subsidiaries or their respective Affiliates or otherwise.

Remainder of page intentionally left blank

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date first above written.

NEXUS REGULATED UTILITIES, LLC

By: /s/ Robert MacLean
Name: Robert MacLean
Title: President

AMERICAN WATER WORKS COMPANY, INC.

By: /s/ David Bowler
Name: David Bowler
Title: Chief Financial Officer

[*Signature Page to Purchase and Sale Agreement*]

LIST OF EXHIBITS AND SCHEDULES OMITTED FROM FILING

The following exhibits, schedules and attachments to the attached Purchase and Sale Agreement have been omitted from Exhibit 2.1 pursuant to Item 601(a)(5) of Regulation S-K. The Company will furnish the omitted exhibits, schedules and attachments to the U.S. Securities and Exchange Commission upon request.

EXHIBITS

Exhibit A – Accounting Principles
Exhibit B – Acquired Interests Assignment Agreement

SCHEDULE

Schedule I – Acquired Business Employees

DISCLOSURE LETTERS

Seller Disclosure Letter

Press Release

AMERICAN WATER

American Water Agrees to Purchase Nexus Water Group Systems in Eight States

CAMDEN, N.J. – MAY 19, 2025 – American Water Works Company, Inc. (NYSE: AWK), the largest regulated water and wastewater utility company in the U.S., announced today that it has agreed with Nexus Regulated Utilities, LLC, a subsidiary of Nexus Water Group, Inc. ("Nexus Water Group"), to purchase multiple water and wastewater systems located in eight states for a total of approximately $315 million, subject to adjustment as provided for in the purchase and sale agreement.

Based on current connection counts, the acquisition would add nearly 47,000 customer connections within American Water's existing footprint in Illinois, Indiana, Kentucky, Maryland, New Jersey, Pennsylvania, Tennessee and Virginia.

"American Water is excited about this announced transaction as it is good for customers and another example of the execution of our core growth strategy," said John Griffith, President and CEO of American Water. "Through this transaction, we will grow in eight of our existing regulated states and leverage our scale and size to deliver safe, clean, reliable and affordable water and wastewater services to nearly 47,000 new customer connections. Additionally, we believe this expansion will lead to even more growth in those states as communities continue to look for water and wastewater solutions."

The transaction will require regulatory approval by the state public utility commissions in applicable states, as well as other customary approvals from other governmental entities, and both American Water and Nexus Water Group are committed to working together to ensure that the transition will be seamless for customers after the acquisition and beyond. American Water is also committed to offering employment to the approximately 70 employees of Nexus Water Group affiliates who proudly provide water and wastewater service in these areas.

Nexus Water Group President and CEO Rob MacLean said, "Nexus Water Group is committed to driving sustained growth and value through our long-term strategy. This agreement with American Water will allow Nexus Water Group to focus on a smaller core geography where we are better poised to grow and efficiently serve our customers.

Press Release

The sale also supports continued professional growth for our local employees in these areas."

The completion of the transaction is also subject to the satisfaction or waiver of various conditions, including the receipt of all required regulatory approvals and other customary closing conditions. The estimated closing will take place by or before August 2026.

About American Water

American Water (NYSE: AWK) is the largest regulated water and wastewater utility company in the United States. With a history dating back to 1886, We Keep Life Flowing® by providing safe, clean, reliable and affordable drinking water and wastewater services to more than 14 million people with regulated operations in 14 states and on 18 military installations. American Water's 6,700 talented professionals leverage their significant expertise and the company's national size and scale to achieve excellent outcomes for the benefit of customers, employees, investors and other stakeholders.

For more information, visit amwater.com and join American Water on LinkedIn, Facebook, X and Instagram.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this press release are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to, among other things, the completion of the proposed acquisition; the ability to satisfy closing and other conditions related to the proposed transaction, including obtaining regulatory approvals; anticipated capital investments; and the ability to achieve certain benefits, synergies and goals relating to the transaction and the operations to be acquired. These statements are based on the current expectations of management of American Water. There are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements, including with respect to (1) obtaining all required regulatory and other approvals and the ability to satisfy the conditions to closing related to such approvals in the purchase agreement; (2) the final amount of the purchase price to be

Press Release

AMERICAN WATER

paid in the acquisition; (3) satisfying other conditions to the closing of the acquisition; (4) the occurrence, in whole or in part, of the plans, benefits and synergies expected or predicted to occur as a result of the acquisition; (5) unexpected costs, liabilities or delays associated with the acquisition or the integration of the operations to be acquired; (6) regulatory, legislative, local or municipal actions affecting the water and wastewater industries, which could adversely affect American Water; and (7) other economic, business and other factors. Forward-looking statements are not guarantees or assurances of future performance or results, and American Water does not undertake any duty to update any forward-looking statement. The foregoing factors should not be considered to be exclusive.

AWK-IR

Investor Contact:

Aaron Musgrave
Vice President, Investor Relations
(856) 955-4029
aaron.musgrave@amwater.com

Media Contact:

Maureen Duffy
Executive Vice President, Communications and External Affairs
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APPENDIX G

STATEMENT OF MERGER FORM BY AND BETWEEN PENNSYLVANIA-AMERICAN WATER COMPANY, AMERICAN WATER WORKS COMPANY, INC. AND COMMUNITY UTILITIES PENNSYLVANIA INC.

PENNSYLVANIA DEPARTMENT OF STATE
BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS

☐ **Return document by mail to:** Name Address City State Zip Code ☐ **Return document by email to:** _____	Statement of Merger DSCB:15-335 (7/1/2015) 335

Read all instructions prior to completing.

Fee: $70 plus $40 for *each* association that is a party to the merger
The minimum amount to be submitted with this filing is $150

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. § 335 (relating to Statement of merger), the undersigned, desiring to effect a merger, hereby states that:

A. For the surviving association:

1. The name of the surviving association is: Pennsylvania - American Water Company

2. The jurisdiction of formation of the surviving association: Pennsylvania

3. The type of association of the surviving association is (check only one):

- ☒ Business Corporation
- ☐ Nonprofit Corporation
- ☐ Limited Liability Company
- ☐ Limited Partnership
- ☐ Limited Liability (General) Partnership
- ☐ Limited Liability Limited Partnership
- ☐ Business Trust
- ☐ Professional Association
- ☐ Other _____

4. The surviving association is a (check only one box, provide address and follow instructions for attachments):

☒ Domestic (Pennsylvania) filing entity already in existence on Department of State records
If applicable, attach to this Statement any amendment to its public organic record approved as part of the plan of merger.

☐ NEW domestic (Pennsylvania) filing entity (includes limited liability limited partnership)
Attach to this Statement the public organic record of the new entity.

☐ Foreign filing association or foreign limited liability partnership already registered with the Department.
If applicable, attach to this Statement any amendment to or transfer of its foreign registration approved as part of the plan of merger.

☐ Foreign filing association or foreign limited liability partnership simultaneously seeking registration with the Department of State
Attach to this Statement a completed form DSCB:15-412 (Foreign Registration Statement) with applicable fee and attachments.

Its current registered office address. *Complete part (a) **OR** (b) – not both:*

(a) _____
Number and street City State Zip County

(b) c/o: C T Corporation System Dauphin
Name of Commercial Registered Office Provider County

☐ NEW domestic (Pennsylvania) limited liability partnership or electing partnership
Attach completed DSCB:15-8201 (Statement of Registration) or DSCB:15-8701A (Statement of Election)

☐ Domestic association that is not a domestic filing association
Attach to this Statement tax clearance certificates.

The address, including street and number, if any, of its principal office:

_____
Number and street City State Zip County

☐ Foreign association that is not, and will not, be registered with the Department of State
Attach to this Statement tax clearance certificates.

The address, including street and number, if any, of its registered or similar office, if any, required to be maintained by the law of its jurisdiction of formation; or if it is not required to maintain a registered or similar office, its principal office:

_____
Number and street City State Zip

DSCB:15-335–3

B. For the merging association(s) that are not surviving the merger:

1. The name of the merging association is: Community Utilities of Pennsylvania Inc.

2. The jurisdiction of formation of the merging association: Pennsylvania

3. The type of association is (check only one):

☒ Business Corporation	☐ Limited Partnership	☐ Business Trust
☐ Nonprofit Corporation	☐ Limited Liability (General) Partnership	☐ Professional Association
☐ Limited Liability Company	☐ Limited Liability Limited Partnership	☐ Other _____

4. Check and complete one of the following addresses.

☐	**If the merging association is a domestic filing association, domestic limited liability partnership or registered foreign association**, the current registered office address as on file with the Department of State. *Complete part (a) **OR** (b) – not both:* (a) _____ Number and street City State Zip County (b) c/o: Capitol Corporate Services, Inc. Dauphin Name of Commercial Registered Office Provider County
☐	**If the merging association is a domestic association that is *not* a domestic filing association or limited liability partnership**, the address, including street and number, if any, of its principal office: _____ Number and street City State Zip County
☐	**If the merging association is a nonregistered foreign association**, the address, including street and number, if any, of its registered or similar office, if any, required to be maintained by the law of its jurisdiction of formation; or if it is not required to maintain a registered or similar office, its principal office address: _____ Number and street City State Zip

Use Statement of Merger – Addendum (DSCB:15-335AD)
for additional merging parties that are not surviving the merger.

DSCB:15-335–4

C. Effective date of statement of merger (check, and if appropriate complete, one of the following):

☒ This Statement of Merger shall be effective upon filing in the Department of State.

☐ This Statement of Merger shall be effective on: _____ at _____.
Date (MM/DD/YYYY) Hour (if any)

D. Approval of merger by merging associations (check all applicable statement(s)):

☒ For domestic entities – The merger was approved in accordance with 15 Pa.C.S. Chapter 3, Subchapter C (relating to merger).

☐ For foreign associations – The merger was approved in accordance with the laws of the jurisdiction of formation.

☐ For domestic associations that are not domestic entities – The merger was approved by the interest holders of the merging association in the manner required by its organic law.

E. Attachments (see Instructions for required and optional attachments).

IN TESTIMONY WHEREOF, the undersigned merging associations have caused this Statement of Merger to be signed by duly authorized officers thereof this _____ day of _____, 20 _____.

Community Utilities of Pennsylvania Inc.	Pennsylvania - American Water Company
Name of Merging Association	Name of Merging Association
_____	_____
Signature	Signature
_____	_____
Title	Title

EXHIBIT G PAWC Exhibit MS-2

PENNSYLVANIA DEPARTMENT OF STATE
BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS

Docketing Statement – Changes DSCB:15-134B (rev. 7/2015)	134B

BUREAU USE ONLY:
Revenue _____ Labor & Industry _____ Other _____

Part I. Complete for each filing:
Current name of entity or association *(survivor or new entity):*
Pennsylvania - American Water Company

Entity number, if known: 336369 Formation/foreign registration date in PA: 07/15/1904

State of formation: Pennsylvania Effective date, if any: _____

Part II. Check appropriate transaction:

____ Amendment (complete Section A)
__X__ Merger (complete Section B)
____ Conversion (complete Sections A and D)
____ Revival (complete Section F)
____ Dissolution before Commencement of Business (complete Section H)
____ Correction (complete Section A)
____ Division (complete Section C)
____ Abandonment (complete Section E)
____ Domestication (complete Section G)

Section A – Amendment or Correction - *Complete fields which pertain to changes:*

Name _____

Registered Office: _____
Number and street City State Zip County

Purpose _____

Stock (aggregate number of shares authorized): _____ Effective Date: _____

Term of Existence: _____ Other: _____

Filing type to be amended or corrected: _____

Section B – Merger - *Complete Section A with any changes to the association surviving the merger, if any*
Merging entities not surviving the merger are: *(attach sheet for additional merging entities)*

Community Utilities of Pennsylvania Inc.
Name

11/07/2013 Pennsylvania
Effective Date Incorporation/foreign registration date in PA State of Jurisdiction

Name

Effective Date Incorporation/ foreign registration date in PA State of Jurisdiction

DSCB:15-134B-2

Section C – Division - *Complete Section A with any changes to the association surviving the division, if any*

Check only one: ____ Entity named in Part I survives ___ Entity named in Part I does not survive.

Newly created entity(s) from the division are: *(attach sheet for additional new entities)*

_____
Name Entity Number

_____
Name Entity Number

Section D – Conversion

Type of converting association (check only one):
___ Business Corporation
___ Nonprofit Corporation
___ General Partnership
___ Limited Partnership
___ Limited Liability (General) Partnership
___ Limited Liability Limited Partnership
___ Limited Liability Company
___ Professional Association
___ Business Trust/Common Law Trust/Statutory Trust
___ Other _____

Jurisdiction _____

Type of converted association (check only one):
___ Business Corporation
___ Nonprofit Corporation
___ General Partnership
___ Limited Partnership
___ Limited Liability (General) Partnership
___ Limited Liability Limited Partnership
___ Limited Liability Company
___ Professional Association
___ Business Trust/Common Law Trust/Statutory Trust
___ Other _____

Jurisdiction _____

Section E – Abandonment

_____ filed in the Department of State on _____
Type of filing Date of filing

Identify all entities involved *(attach sheet for additional entities)*

_____
Name Entity Number

_____
Name Entity Number

Section F – Revival - *complete Section A with any changes to revived association*

___ Entity named in Part I hereby revives its charter or articles which were forfeited by Proclamation or expired.

Section G – Domestication

Domesticating jurisdiction _____

Domesticated jurisdiction _____
Check if applicable
___ Domesticated entity is a nonregistered foreign association

Section H – Dissolution before Commencement of Business

___ Entity named in Part I hereby dissolves prior to the commencement of business.

APPENDIX H

UNAUDITED BALANCE SHEET OF COMMUNITY UTILITIES PENNSYLVANIA INC.

YEAR END DECEMBER 31, 2024

Appendix H

Community Utilities of Pennsylvania Inc.
Balance Sheet
December 31, 2024
(Dollars in thousands)

	Community Utilities of Pennsylvania Inc. December 31, 2024 (Unaudited)
Assets	
Cash and cash equivalents	$ -
Other current assets	(1,833)
Total property plant and equipment	34,238
Regulatory assets & other L/T Assets	829
Total Assets	33,234
Capitalization and liabilities	
Short Term Debt - Intercompany	21,619
Accounts payable	$ 2,047
Other current liabilities	(27)
Regulatory & Other Long Term Liabilities	1,271
Stockholder's equity	5,476
Contributions in aid of construction	2,848
Total Capitalization and liabilities	33,234

APPENDIX I

AUDITED BALANCE SHEET OF PENNSYLVANIA-AMERICAN WATER COMPANY

YEAR END DECEMBER 31, 2024

Appendix I

Pennsylvania-American Water Company
Balance Sheet
December 31, 2024
(Dollars in thousands)

	PA American Water December 31, 2024 (Audited)
Assets	
Cash and cash equivalents	$ 3,064
Other current assets	183,691
Total property plant and equipment	7,357,402
Regulatory assets & other L/T Assets	337,043
Total Assets	$ 7,881,200
Capitalization and liabilites	
Short Term Debt - Intercompany	$ 64,566
Current Portion of Long-term Debt	49,784
Other current liabilities	241,840
Total Long-term Debt	2,576,056
Regulatory & Other Long Term Liabilities	1,350,755
Stockholder's equity	3,352,376
Contributions in aid of construction	245,823
Total Capitalization and liabilites	$ 7,881,200

APPENDIX J

UNAUDITED INCOME STATEMENT OF COMMUNITY UTILITIES PENNSYLVANIA INC.

YEAR END DECEMBER 31, 2024

Community Utilities of Pennsylvania Inc. **Appendix J**
Statement of Revenues and Expenses
for the 12 Months Ended December 31, 2024
(Dollars in thousands)

	Community Utilities of Pennsylvania Inc. 12 Months Ended December 31, 2024 (Unaudited)
Operating Revenues	$ 7,015
Operating Expenses	
Operation and Maintenance	5,029
Depreciation and Amortization	792
General Taxes and Other	158
Total Operating Expenses	5,979
Operating Income	1,036
Other Income/(Expenses)	
Other Income/(Expense), Net	67
Interest Expense, Net	(745)
Total Other Expenses	(678)
Income Before Income Taxes	358
Provision for Income Taxes	71
Net Income	$ 287

APPENDIX K

AUDITED INCOME STATEMENT OF PENNSYLVANIA-AMERICAN WATER COMPANY

YEAR END DECEMBER 31, 2024

Pennsylvania-American Water Company **Appendix K**
Income Statement
for the 12 Months Ended December 31, 2024
(Dollars in thousands)

	PA American Water 12 Months Ended December 31, 2024 (Audited)
Operating Revenues	$ 1,039,142
Operating Expenses	
Operation and Maintenance	295,064
Depreciation and Amortization	226,638
General Taxes and Other	19,081
Total Operating Expenses	540,783
Operating Income	498,359
Other Income/(Expenses)	
Other Income/(Expense), Net	14,445
Interest Expense, Net	(100,081)
Total Other Expenses	(85,636)
Income Before Income Taxes	412,723
Provision for Income Taxes	99,008
Net Income	$ 313,715

APPENDIX L

COMBINED *PRO FORMA* BALANCE SHEET OF PENNSYLVANIA-AMERICAN WATER COMPANY AND COMMUNITY UTILITIES OF PENNSYLVANIA INC.

Pennsylvania-American Water Company & Community Utilities of Pennsylvania Inc.
Pro-Forma Balance Sheet

Appendix L

(Dollars in thousands)

	PA American Water December 31, 2024 (Audited)	Community Utilities of Pennsylvania Inc. December 31, 2024 (Unaudited)	Combined Pro-Forma
Assets			
Cash and cash equivalents	$ 3,064	$ -	$ 3,064
Other current assets	183,691	(1,833)	181,858
Total property plant and equipment	7,357,402	34,238	7,391,640
Regulatory assets & other L/T Assets	337,043	829	337,872
Total Assets	$ 7,881,200	$ 33,234	$ 7,914,434
Capitalization and liabilites			
Short Term Debt	$ 64,566	$ 21,619	$ 86,185
Current Portion of Long-term Debt	49,784	-	49,784
Other current liabilities	241,840	2,020	243,860
Total Long-term Debt	2,576,056	-	2,576,056
Regulatory & Other Long Term Liabilities	1,350,755	1,271	1,352,026
Stockholder's equity	3,352,376	5,476	3,357,852
Contributions in aid of construction	245,823	2,848	248,671
Total Capitalization and liabilites	$ 7,881,200	$ 33,234	$ 7,914,434

APPENDIX M

COMBINED *PRO FORMA* INCOME STATEMENT OF PENNSYLVANIA-AMERICAN WATER COMPANY AND COMMUNITY UTILITIES OF PENNSYLVANIA INC.

Pennsylvania-American Water Company & Community Utilities of Pennsylvania Inc.
Pro-forma Income Statement

(Dollars in thousands)

	PA American Water 12 Months Ended December 31, 2024 (Audited)	Community Utilities of Pennsylvania Inc. 12 Months Ended December 31, 2024 (Unaudited)	Combined Pro-Forma
Operating Revenues	$ 1,039,142	$ 7,015	$ 1,046,157
Operating Expenses			
Operation and Maintenance	295,064	5,029	300,093
Depreciation and Amortization	226,638	792	227,430
General Taxes and Other	19,081	158	19,239
Total Operating Expenses	540,783	5,979	546,762
Operating Income	498,359	1,036	499,395
Other Income/(Expenses)			
Other Income/(Expense), Net	14,445	67	14,512
Interest Expense, Net	(100,081)	(745)	(100,826)
Total Other Expenses	(85,636)	(678)	(86,314)
Income Before Income Taxes	412,723	358	413,081
Provision for Income Taxes	99,008	71	99,079
Net Income	$ 313,715	$ 287	$ 314,002

APPENDIX N

EXTRACT OF RESOLUTIONS OF THE BOARD OF DIRECTORS OF AMERICAN WATER AND RESOLUTIONS OF THE BOARD OF DIRECTORS OF PAWC

EXTRACT OF RESOLUTIONS OF
THE BOARD OF DIRECTORS OF
AMERICAN WATER WORKS COMPANY, INC.

* * *

Attached as Exhibit A hereto is a true and correct copy of an extract of resolutions approved and adopted at a duly called regular meeting of the Board of Directors of American Water Works Company, Inc. (the "Board") held on February 19, 2025, which resolutions were approved by the Board at such meeting, and such resolutions have not been amended, modified, rescinded or superseded as of the date hereof.

Dated this 15th day of May 2025.

AMERICAN WATER WORKS COMPANY, INC.

By: _____

Justin B. Ettelson
Assistant Secretary

EXHIBIT A

EXTRACT OF RESOLUTIONS
ADOPTED BY
THE BOARD ON FEBRUARY 19, 2025

WHEREAS, Nexus Water Group ("Seller"), through its direct or indirect subsidiaries, owns and operates certain assets and systems in the states of Illinois, Indiana, Kentucky, Maryland, New Jersey, Pennsylvania, Tennessee and Virginia (collectively, the "Purchased Systems"), and Seller is seeking to sell all or substantially all of the Purchased Systems, either as state-by-state asset or stock sales or through the sale of all of the outstanding equity interests in a to-be-formed holding company that would own all or substantially all of the Purchased Systems (the "Proposed Acquisition"), as described in greater detail in the materials presented to the meeting; and

WHEREAS, American Water Works Company, Inc. (the "Company") has engaged in due diligence efforts and negotiations with representatives of Seller and is seeking from the Board of Directors of the Company (the "Board") authority (i) to submit a bid on behalf of the Company and/or one or more of the Company's utility subsidiaries, as deemed appropriate, necessary or desirable (individually, or collectively, "American Water"), to seek to acquire the Purchased Systems and enter into the Proposed Acquisition; (ii) if such bid is chosen by Seller as the winning bid, to negotiate and enter into, on behalf of American Water, a definitive purchase agreement (the "Purchase Agreement") with respect to the Proposed Acquisition and the Purchased Systems, and (iii) for American Water to execute and deliver the Purchase Agreement and any and all other appropriate contracts, agreements, instruments, certificates and documents (collectively, the "Transaction Documents"), in order to acquire the Purchased Systems from Seller (such delegations described in clauses (i) through (iii) above, individually or collectively, the "Delegated Authority"); and

WHEREAS, the aggregate purchase price in cash intended to be paid by American Water to acquire the Purchased Systems would not exceed $350 million, which is greater than the $200 million in maximum authority delegated to the Chief Executive Officer of the Company for regulated acquisitions under the Authorization and Limitation of Corporate Authority approved by the Board on July 31, 2024; and

WHEREAS, based on all of the foregoing, including the information presented to the meeting, the Company requests from the Board a delegation of authority to the Chief Executive Officer of the Company and the President of the Company (or the President's designee), and either of them, to exercise the Delegated Authority as described herein with respect to the Proposed Acquisition, the Purchased Systems and the Transaction Documents.

NOW, THEREFORE, BE IT:

RESOLVED, that the Board hereby delegates authority to the Chief Executive Officer of the Company and the President of the Company (or the President's

RESOLUTIONS OF THE BOARD OF DIRECTORS OF PAWC

PENNSYLVANIA-AMERICAN WATER

Unanimous Consent of Directors

The undersigned, being all the Directors of Pennsylvania-American Water Co., a Pennsylvania corporation ("PAWC" or the "Company"), do hereby approve, adopt and consent to the following resolutions and agree that said resolutions shall have the same force and effect as though duly adopted at a meeting of the Board of Directors duly called and held:

WHEREAS, that to effect an internal reorganization of Community Utilities of Pennsylvania, Inc. ("CUPA"), which owns and operates a regulated water and wastewater utility business in Pennsylvania, and which is a wholly owned subsidiary of American Water Works Company, Inc. ("American Water"), to permit CUPA to be merged with and into PAWC, is hereby authorized and approved;

RESOLVED, that the Statement of Merger, in the form attached hereto as Exhibit A, providing for the contribution of all of the outstanding shares of capital stock of CUPA by American Water to PAWC, without change in the capital structure or issuance of any shares of PAWC in exchange for said contribution, hereby is approved and that the proper officers of the Company be, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of the Company, and under its corporate seal or otherwise, to execute and deliver the Statement of Merger with such changes and modifications thereto as such officers shall, in their sole discretion, deem necessary or advisable, such execution and delivery to be conclusive evidence of such approval on behalf of the Company, and to perform all of its obligations thereunder;

RESOLVED, that the proper officers of the Company be, and each of them hereby are, authorized and directed to take any and all appropriate actions in furtherance of the forgoing resolutions; and

designee), and either of them, to exercise the Delegated Authority as described herein with respect to the Proposed Acquisition, the Purchased Systems and the Transaction Documents, for which the purchase price to be paid by American Water thereunder shall not exceed $350 million in cash; and further

RESOLVED, that the proper officers of the Company, or their designees, are hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as they may determine necessary or desirable to effect the purpose and intent of these resolutions; and further

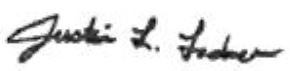
RESOLVED, that all prior acts, executions and deliveries taken by each officer of the Company or their designee in connection with the subject matter of the foregoing actions and resolutions be and hereby are approved, adopted, ratified and confirmed in all respects as the acts and deeds of the Company.

RESOLVED, that any and all prior actions taken by any officer of the Company in furtherance of any of the foregoing resolutions are hereby approved, adopted, ratified and confirmed.

[Remainder Intentionally Blank; Signature Page Follows]

Community Utilities Pennsylvania, Inc.
Acquisition of Water and Wastewater System Unanimous Consent
Page 3

All signatures need not appear on the same copy of this consent.



05.30.2025 10:10 AM

J. Ladner

05.30.2025 12:54 PM

B. Holbert

05.30.2025 12:46 PM

C. Chard

APPENDIX O

MINUTES OF NEXUS BOARD OF DIRECTORS AUTHORIZING THE EXECUTION OF THE STOCK PURCHASE AGREEMENT

ACTION BY WRITTEN CONSENT OF
THE SOLE MEMBER
OF
NEXUS REGULATED UTILITIES, LLC

May 19, 2025

The undersigned, Hydro Star Holdings Corporation ("HSHC"), being the sole member of Nexus Regulated Utilities, LLC, an Illinois limited liability company (the "Company"), pursuant to Section 15-1 of the Illinois Limited Liability Company Act ("ILLCA") and the Limited Liability Company Agreement of the Company (the "Operating Agreement"), as amended, restated, modified or supplemented from time to time and in effect as of the date hereof, hereby consents to, adopts and approves the following resolutions by this written consent (this "Consent"):

WHEREAS, the Company desires to enter into that certain Purchase and Sale Agreement (together with all schedules, exhibits thereto and ancillary agreements thereto, the "Purchase Agreement"), dated as of May 19, 2025, by and between the Company and American Water Works Company, Inc. ("Purchaser"), pursuant to which, among other things, the Company will sell to Purchaser and Purchaser will purchase from the Company all of the outstanding equity interests in the Acquired Subsidiaries (as defined in the Purchase Agreement);

WHEREAS, a copy of the Purchase Agreement has been previously presented to HSHC; and

WHEREAS, HSHC, in its capacity as the sole member of the Company, has determined that it is advisable, desirable and in the best interest of the Company to enter into the Purchase Agreement.

NOW, THEREFORE, BE IT:

RESOLVED, that (i) the execution and delivery of the Purchase Agreement by the Company, with such changes thereto as may be determined by the applicable Authorized Person (as defined below) (it being acknowledged that such execution shall be conclusive evidence of the due authorization thereof), (ii) the transactions contemplated thereby, and (iii) the performance of any and all of the Company's obligations thereunder are hereby approved, ratified and confirmed by HSHC in all respects;

RESOLVED, FURTHER, that the actions taken by this Consent shall have the same force and effect as if taken at a meeting of the members duly called and constituted pursuant to the ILLCA;

RESOLVED, FURTHER, that the officers, agents and/or representatives of the Company and of any person or persons designated and authorized to act on behalf the Company (each, an "Authorized Person", and collectively, the "Authorized Persons") be, and each hereby is, authorized, empowered and directed to prepare, negotiate, execute and deliver any and all agreements, instruments, consents, certificates, reports, schedules, statements, documents and information, including any amendments thereto, with respect to the transactions contemplated by the Purchase Agreement and the foregoing resolutions, to make any filings pursuant to federal and

state laws and to take all other actions that such Authorized Person deems necessary, advisable or appropriate in order to carry out the intent and effectuate the purpose of the foregoing resolutions and to permit the transactions contemplated by the Purchase Agreement and the foregoing resolutions to be lawfully consummated, such authorization to be conclusively evidenced by the taking of any such action or the execution and delivery of any such agreement, instrument, consent, certificate or other document by such Authorized Person; and

RESOLVED, FURTHER, that all actions heretofore taken by any Authorized Person of the Company in connection with the transactions contemplated by the foregoing resolutions or by the Purchase Agreement are hereby confirmed, ratified and approved in all respects.

IN WITNESS WHEREOF, the undersigned has executed this Consent as of the date first set forth above.

HYDRO STAR HOLDINGS CORPORATION

By:_____
Name: Joseph Park
Title: Assistant Secretary

APPENDIX P

DBRC AND DEP PERMITS FOR COMMUNITY UTILITIES OF PENNSYLVANIA INC.

PAWC Exhibit MS-2

APPENDIX P

PERMIT LIST FOR COMMUNITY UTILITIES OF PENNSYLVANIA INC.

BROAD RUN SEWER

Permit	Effective/Approved	Expires
NPDES Permit PA0043982	8/1/2024	7/31/2029

PENN ESTATES SEWER

Permit	Effective/Approved	Expires
DRBC Docket D-2003-036 CP-3	3/8/2023	7/31/2029
NPDES Permit PA0060283	2/1/2021	1/21/2026

PENN ESTATES WATER

Permit	Effective/Approved	Expires
DRBC Docket D-2003-036 CP-3	9/11/2019	4/30/2026
PWS Permit 2450065	2/9/2010	
PWS Permit 2450065	3/29/2011	
PWS Permit 4519508	1/6/2020	

APPENDIX P

PERMIT LIST FOR COMMUNITY UTILITIES OF PENNSYLVANIA INC.

TAMIMENT SEWER

Permit	Effective/Approved	Expires
DRBC Docket D-1975-093 CP-6	12/8/2021	4/30/2026
NPDES Permit PA0037290	5/1/2016	4/30/2021
WQM Permit 5200401	9/13/2000	
WQM Permit 5204405	12/17/2004	

TAMIMENT SEWER (contd)

Permit	Effective/Approved	Expires
WQM Permit 5204406	12/17/2004	

TAMIMENT WATER

Permit	Effective/Approved	Expires
DRBC Docket D-1989-033-CP-4	6/15/2016	6/15/2026
PWS Permit 2520070	11/2/2011	
PWS Permit 2520070	11/3/2011	
PWS Permit 2520070	1/23/2020	

APPENDIX P

PERMIT LIST FOR COMMUNITY UTILITIES OF PENNSYLVANIA INC.

WESTGATE WATER

Permit	Effective/Approved	Expires
Allocation Permit		
WA-48-1006A	4/9/2007	12/31/2031
Allocation Permit		
WA-48-1006A	2/12/2014	2/12/2039
PWS Permit 3480024	4/9/2007	
PWS Permit 3480024	10/16/2007	
PWS Permit 3480024	11/7/2018	

BROAD RUN SEWER WATER SYSTEM PERMITS

NPDES PERMIT PA0043982

3800-PM-BCW0013 Rev. 8/2021
Permit

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

AUTHORIZATION TO DISCHARGE UNDER THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM DISCHARGE REQUIREMENTS FOR NON-MUNICIPAL SEWAGE TREATMENT WORKS

NPDES PERMIT NO: PA0043982

In compliance with the provisions of the Clean Water Act, 33 U.S.C. Section 1251 *et seq.* ("the Act") and Pennsylvania's Clean Streams Law, as amended, 35 P.S. Section 691.1 *et seq.*,

Community Utilities of PA Inc.
570 Hallet Road
East Stroudsburg, PA 18301-7274

is authorized to discharge from a facility known as **Broad Run STP**, located at **1201 Sawmill Road, Downingtown, PA 19335**, **West Bradford Township, Chester County**, to **East Branch Brandywine Creek (WWF, MF)** in Watershed(s) **3-H** in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts A, B and C hereof.

THIS PERMIT SHALL BECOME EFFECTIVE ON AUGUST 1, 2024

THIS PERMIT SHALL EXPIRE AT MIDNIGHT ON JULY 31, 2029

The authority granted by this permit is subject to the following further qualifications:

1. If there is a conflict between the application, its supporting documents and/or amendments and the terms and conditions of this permit, the terms and conditions shall apply.

2. Failure to comply with the terms, conditions or effluent limitations of this permit is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application. (40 CFR 122.41(a))

3. A complete application for renewal of this permit, or notice of intent to cease discharging by the expiration date, must be submitted to DEP at least 180 days prior to the above expiration date (unless permission has been granted by DEP for submission at a later date), using the appropriate NPDES permit application form. (40 CFR 122.41(b), 122.21(d)(2))

   In the event that a timely and complete application for renewal has been submitted and DEP is unable, through no fault of the permittee, to reissue the permit before the above expiration date, the terms and conditions of this permit, including submission of the Discharge Monitoring Reports (DMRs), will be automatically continued and will remain fully effective and enforceable against the discharger until DEP takes final action on the pending permit application. (25 Pa. Code §§ 92a.7(b), (c))

4. This NPDES permit does not constitute authorization to construct or make modifications to wastewater treatment facilities necessary to meet the terms and conditions of this permit.

DATE PERMIT ISSUED July 11, 2024

ISSUED BY /s/
Thomas L. Magge
Environmental Program Manager
Southeast Regional Office

PART A - EFFLUENT LIMITATIONS, MONITORING, RECORDKEEPING AND REPORTING REQUIREMENTS

I. A. For Outfall 001 , **Latitude** 39º 58' 42.00" , **Longitude** 75º 41' 3.00" , **River Mile Index** 5.9800 , **Stream Code** 00299

Receiving Waters: East Branch Brandywine Creek (WWF, MF)

Type of Effluent: Sewage Effluent from Broad Run STP

1. The permittee is authorized to discharge during the period from **Permit Effective Date** through **Permit Expiration Date**.

2. Based on the anticipated wastewater characteristics and flows described in the permit application and its supporting documents and/or amendments, the following effluent limitations and monitoring requirements apply (see also Additional Requirements and Footnotes).

Parameter	Effluent Limitations						Monitoring Requirements	
	Mass Units (lbs/day) (1)		Concentrations (mg/L)				Minimum (2) Measurement Frequency	Required Sample Type
	Average Monthly	Average Weekly	Minimum	Average Monthly	Maximum	Instant. Maximum		
Flow (MGD)	Report	Report Daily Max	XXX	XXX	XXX	XXX	Continuous	Recorded
pH (S.U.)	XXX	XXX	6.0 Inst Min	XXX	XXX	9.0	1/day	Grab
Dissolved Oxygen	XXX	XXX	4.0 Daily Min	XXX	XXX	XXX	1/day	Grab
Total Residual Chlorine (TRC)	XXX	XXX	XXX	0.5	XXX	1.6	1/day	Grab
Carbonaceous Biochemical Oxygen Demand (CBOD5) Raw Sewage Influent	Report	XXX	XXX	Report	XXX	XXX	1/week	24-Hr Composite
Carbonaceous Biochemical Oxygen Demand (CBOD5)	73	XXX	XXX	22	XXX	44	1/week	24-Hr Composite
Biochemical Oxygen Demand (BOD5) Raw Sewage Influent	Report	XXX	XXX	Report	XXX	XXX	2/month	24-Hr Composite
Total Suspended Solids	100	XXX	XXX	30	XXX	60	1/week	24-Hr Composite
Total Suspended Solids Raw Sewage Influent	Report	XXX	XXX	Report	XXX	XXX	1/week	24-Hr Composite
Fecal Coliform (No./100 ml) *	XXX	XXX	XXX	200 Geo Mean	XXX	1000	1/week	Grab

Outfall 001 , Continued (from Permit Effective Date through Permit Expiration Date)

Parameter	Effluent Limitations						Monitoring Requirements	
	Mass Units (lbs/day) (1)		Concentrations (mg/L)				Minimum (2) Measurement Frequency	Required Sample Type
	Average Monthly	Average Weekly	Minimum	Average Monthly	Maximum	Instant. Maximum		
E. Coli (No./100 ml)	XXX	XXX	XXX	XXX	XXX	Report	1/quarter	Grab
Total Nitrogen	133	XXX	XXX	40.0	XXX	80	1/week	24-Hr Composite
Ammonia-Nitrogen Nov 1 - Apr 30	20	XXX	XXX	6.0	XXX	12	1/week	24-Hr Composite
Ammonia-Nitrogen May 1 - Oct 31	6.7	XXX	XXX	2.0	XXX	4	1/week	24-Hr Composite
Total Phosphorus Nov 1 - Mar 31	6.7	XXX	XXX	2.0	XXX	4	1/week	24-Hr Composite
Total Phosphorus Apr 1 - Oct 31	5.8	XXX	XXX	1.7	XXX	3.4	1/week	24-Hr Composite

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): at Outfall 001

* see part C of the permit: Other Requirements - G.

PART A - EFFLUENT LIMITATIONS, MONITORING, RECORDKEEPING AND REPORTING REQUIREMENTS (Continued)

Additional Requirements

1. The permittee may not discharge:

   a. Floating solids, scum, sheen or substances that result in observed deposits in the receiving water. (25 Pa Code § 92a.41(c))

   b. Oil and grease in amounts that cause a film or sheen upon or discoloration of the waters of this Commonwealth or adjoining shoreline, or that exceed 15 mg/l as a daily average or 30 mg/l at any time (or lesser amounts if specified in this permit). (25 Pa. Code § 92a.47(a)(7), § 95.2(2))

   c. Substances in concentration or amounts sufficient to be inimical or harmful to the water uses to be protected or to human, animal, plant or aquatic life. (25 Pa Code § 93.6(a))

   d. Foam or substances that produce an observed change in the color, taste, odor or turbidity of the receiving water, unless those conditions are otherwise controlled through effluent limitations or other requirements in this permit. For the purpose of determining compliance with this condition, DEP will compare conditions in the receiving water upstream of the discharge to conditions in the receiving water approximately 100 feet downstream of the discharge to determine if there is an observable change in the receiving water. (25 Pa Code § 92a.41(c))

2. If the permit requires the reporting of average weekly statistical results, the maximum weekly average concentration and maximum weekly average mass loading shall be reported, regardless of whether the results are obtained for the same or different weeks.

3. The permittee shall monitor the sewage effluent discharge(s) for the effluent parameters identified in the Part A limitations table(s) during all bypass events at the facility, using the sample types that are specified in the limitations table(s). Where the required sample type is “composite”, the permittee must commence sample collection within one hour of the start of the bypass, wherever possible. The results shall be reported on the Daily Effluent Monitoring supplemental form (3800-FM-BCW0435) and be incorporated into the calculations used to report self-monitoring data on Discharge Monitoring Reports (DMRs).

4. The monthly average percent removal of BOD5 or CBOD5 and TSS must be at least 85% for treatment facilities on a concentration basis except where 25 Pa. Code 92a.47(g) and (h) are applicable to facilities with combined sewer overflows (CSOs) or as otherwise specified in this permit. (25 Pa. Code § 92a.47(a)(3))

Footnotes

(1) When sampling to determine compliance with mass effluent limitations, the discharge flow at the time of sampling must be measured and recorded.

(2) This is the minimum number of sampling events required. Permittees are encouraged, and it may be advantageous in demonstrating compliance, to perform more than the minimum number of sampling events.

Supplemental Information

(1) The effluent limitations for Outfall 001 were determined using an effluent discharge rate of 0.4 MGD.

(2) Total Nitrogen is the sum of Total Kjeldahl-N (TKN) plus Nitrite-Nitrate as N (NO_2+NO_3-N), where TKN and NO_2+NO_3-N are measured in the same sample.

II. DEFINITIONS

At Outfall (XXX) means a sampling location in outfall line XXX below the last point at which wastes are added to outfall line (XXX), or where otherwise specified.

Average refers to the use of an arithmetic mean, unless otherwise specified in this permit. (40 CFR 122.41(l)(4)(iii))

Best Management Practices (BMPs) means schedules of activities, prohibitions of practices, maintenance procedures and other management practices to prevent or reduce the pollutant loading to surface waters of the Commonwealth. The term also includes treatment requirements, operating procedures and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage. The term includes activities, facilities, measures, planning or procedures used to minimize accelerated erosion and sedimentation and manage stormwater to protect, maintain, reclaim, and restore the quality of waters and the existing and designated uses of waters within this Commonwealth before, during and after earth disturbance activities. (25 Pa. Code § 92a.2)

Bypass means the intentional diversion of waste streams from any portion of a treatment facility. (40 CFR 122.41(m)(1)(i))

Calendar Week is defined as the seven consecutive days from Sunday through Saturday, unless the permittee has been given permission by DEP to provide weekly data as Monday through Friday based on showing excellent performance of the facility and a history of compliance. In cases when the week falls in two separate months, the month with the most days in that week shall be the month for reporting.

Clean Water Act means the Federal Water Pollution Control Act, as amended. (33 U.S.C.A. §§ 1251 to 1387).

Composite Sample (for all except GC/MS volatile organic analysis) means a combination of individual samples (at least eight for a 24-hour period or four for an 8-hour period) of at least 100 milliliters (mL) each obtained at spaced time intervals during the compositing period. The composite must be flow-proportional; either the volume of each individual sample is proportional to discharge flow rates, or the sampling interval is proportional to the flow rates over the time period used to produce the composite. (EPA Form 2C)

Composite Sample (for GC/MS volatile organic analysis) consists of at least four aliquots or grab samples collected during the sampling event (not necessarily flow proportioned). The samples must be combined in the laboratory immediately before analysis and then one analysis is performed. (EPA Form 2C)

Daily Average Temperature means the average of all temperature measurements made, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar day or during the operating day if flows are of a shorter duration.

Daily Discharge means the discharge of a pollutant measured during a calendar day or any 24-hour period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the "daily discharge" is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the "daily discharge" is calculated as the average measurement of the pollutant over the day. (25 Pa. Code § 92a.2, 40 CFR 122.2)

Daily Maximum Discharge Limitation means the highest allowable "daily discharge."

Discharge Monitoring Report (DMR) means the DEP or EPA supplied form(s) for the reporting of self-monitoring results by the permittee. (25 Pa. Code § 92a.2, 40 CFR 122.2)

Estimated Flow means any method of liquid volume measurement based on a technical evaluation of the sources contributing to the discharge including, but not limited to, pump capabilities, water meters and batch discharge volumes.

Geometric Mean means the average of a set of n sample results given by the nth root of their product.

Grab Sample means an individual sample of at least 100 mL collected at a randomly selected time over a period not to exceed 15 minutes. (EPA Form 2C)

Hazardous Substance means any substance designated under 40 CFR Part 116 pursuant to Section 311 of the Clean Water Act. (40 CFR 122.2)

Hauled-In Wastes means any waste that is introduced into a treatment facility through any method other than a direct connection to the sewage collection system. The term includes wastes transported to and disposed of within the treatment facility or other entry points within the collection system.

Immersion Stabilization (i-s) means a calibrated device is immersed in the wastewater until the reading is stabilized.

Instantaneous Maximum Effluent Limitation means the highest allowable discharge of a concentration or mass of a substance at any one time as measured by a grab sample. (25 Pa. Code § 92a.2)

Measured Flow means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.

Monthly Average Discharge Limitation means the highest allowable average of "daily discharges" over a calendar month, calculated as the sum of all "daily discharges" measured during a calendar month divided by the number of "daily discharges" measured during that month. (25 Pa. Code § 92a.2)

Municipal Waste means garbage, refuse, industrial lunchroom or office waste and other material, including solid, liquid, semisolid or contained gaseous material resulting from operation of residential, municipal, commercial or institutional establishments and from community activities; and sludge not meeting the definition of residual or hazardous waste under this section from a municipal, commercial or institutional water supply treatment plant, waste water treatment plant or air pollution control facility. (25 Pa. Code § 271.1)

Residual Waste means garbage, refuse, other discarded material or other waste, including solid, liquid, semisolid or contained gaseous materials resulting from industrial, mining and agricultural operations and sludge from an industrial, mining or agricultural water supply treatment facility, wastewater treatment facility or air pollution control facility, if it is not hazardous. The term does not include coal refuse as defined in the Coal Refuse Disposal Control Act. The term does not include treatment sludges from coal mine drainage treatment plants, disposal of which is being carried on under and in compliance with a valid permit issued under the Clean Streams Law. (25 Pa Code § 287.1)

Severe Property Damage means substantial physical damage to property, damage to the treatment facilities that causes them to become inoperable, or substantial and permanent loss of natural resources that can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production. (40 CFR 122.41(m)(1)(ii))

Stormwater means the runoff from precipitation, snow melt runoff, and surface runoff and drainage. (25 Pa. Code § 92a.2)

Stormwater Associated With Industrial Activity means the discharge from any conveyance that is used for collecting and conveying stormwater and that is directly related to manufacturing, processing, or raw materials storage areas at an industrial plant, and as defined at 40 CFR §122.26(b)(14)(i) - (ix) and (xi) and 25 Pa. Code § 92a.2.

Total Dissolved Solids means the total dissolved (filterable) solids as determined by use of the method specified in 40 CFR Part 136.

Toxic Pollutant means those pollutants, or combinations of pollutants, including disease-causing agents, which after discharge and upon exposure, ingestion, inhalation or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains may, on the basis of information available to DEP cause death, disease, behavioral abnormalities, cancer, genetic mutations, physiological malfunctions, including malfunctions in reproduction, or physical deformations in these organisms or their offspring. (25 Pa. Code § 92a.2)

III. SELF-MONITORING, REPORTING AND RECORDKEEPING

A. Representative Sampling

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity (40 CFR 122.41(j)(1)). Representative sampling includes the collection of samples, where possible, during periods of adverse weather, changes in treatment plant performance and changes in treatment plant loading. If possible, effluent samples must be collected where the effluent is well mixed near the center of the discharge conveyance and at the approximate mid-depth point, where the turbulence is at a maximum and the settlement of solids is minimized. (40 CFR 122.48, 25 Pa. Code § 92a.61)

2. Records Retention (40 CFR 122.41(j)(2))

   Except for records of monitoring information required by this permit related to the permittee's sludge use and disposal activities which shall be retained for a period of at least 5 years, all records of monitoring activities and results (including all original strip chart recordings for continuous monitoring instrumentation and calibration and maintenance records), copies of all reports required by this permit, and records of all data used to complete the application for this permit shall be retained by the permittee for 3 years from the date of the sample measurement, report or application. The 3-year period shall be extended as requested by DEP or the EPA Regional Administrator.

3. Recording of Results (40 CFR 122.41(j)(3))

   For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record the following information:

   a. The exact place, date and time of sampling or measurements.
   b. The person(s) who performed the sampling or measurements.
   c. The date(s) the analyses were performed.
   d. The person(s) who performed the analyses.
   e. The analytical techniques or methods used; and the associated detection level.
   f. The results of such analyses.

4. Test Procedures

   a. Facilities that test or analyze environmental samples used to demonstrate compliance with this permit shall be in compliance with laboratory accreditation requirements of Act 90 of 2002 (27 Pa. C.S. §§ 4101-4113) and 25 Pa. Code Chapter 252, relating to environmental laboratory accreditation.

   b. Test procedures (methods) for the analysis of pollutants or pollutant parameters shall be those approved under 40 CFR Part 136 or required under 40 CFR Chapter I, Subchapters N or O, unless the method is specified in this permit or has been otherwise approved in writing by DEP. (40 CFR 122.41(j)(4)), 122.44(i)(1)(iv))

   c. Test procedures (methods) for the analysis of pollutants or pollutant parameters shall be sufficiently sensitive. A method is sufficiently sensitive when 1) the method minimum level is at or below the level of the effluent limit established in the permit for the measured pollutant or pollutant parameter; or 2) the method has the lowest minimum level of the analytical methods approved under 40 CFR Part 136 or required under 40 CFR Chapter I, Subchapters N or O, for the measured pollutant or pollutant parameter; or 3) the method is specified in this permit or has been otherwise approved in writing by DEP for the measured pollutant or pollutant parameter. Permittees have the option of providing matrix or sample-specific minimum levels rather than the published levels. (40 CFR 122.44(i)(1)(iv))

5. Quality/Assurance/Control

In an effort to assure accurate self-monitoring analyses results:

a. The permittee, or its designated laboratory, shall participate in the periodic scheduled quality assurance inspections conducted by DEP and EPA. (40 CFR 122.41(e), 122.41(i)(3))

b. The permittee, or its designated laboratory, shall develop and implement a program to assure the quality and accurateness of the analyses performed to satisfy the requirements of this permit, in accordance with 40 CFR Part 136. (40 CFR 122.41(j)(4))

B. Reporting of Monitoring Results

1. The permittee shall effectively monitor the operation and efficiency of all wastewater treatment and control facilities, and the quantity and quality of the discharge(s) as specified in this permit. (25 Pa. Code §§ 92a.3(c), 92a.41(a), 92a.44, 92a.61(i) and 40 CFR §§ 122.41(e), 122.44(i)(1))

2. The permittee shall use DEP's electronic Discharge Monitoring Report (eDMR) system to report the results of compliance monitoring under this permit (see www.dep.pa.gov/edmr). Permittees that are not using the eDMR system as of the effective date of this permit shall submit the necessary registration and trading partner agreement forms to DEP's Bureau of Clean Water (BCW) within 30 days of the effective date of this permit and begin using the eDMR system when notified by DEP BCW to do so. (25 Pa. Code §§ 92a.3(c), 92a.41(a), 92a.61(g) and 40 CFR § 122.41(l)(4))

3. Submission of a physical (paper) copy of a Discharge Monitoring Report (DMR) is acceptable under the following circumstances:

   a. For a permittee that is not yet using the eDMR system, the permittee shall submit a physical copy of a DMR to the DEP regional office that issued the permit during the interim period between the submission of registration and trading partner agreement forms to DEP and DEP's notification to begin using the eDMR system.

   b. For any permittee, as a contingency a physical DMR may be mailed to the DEP regional office that issued the permit if there are technological malfunction(s) that prevent the successful submission of a DMR through the eDMR system. In such situations, the permittee shall submit the DMR through the eDMR system within 5 days following remedy of the malfunction(s).

4. DMRs must be completed in accordance with DEP's published DMR instructions (3800-FM-BCW0463). DMRs must be received by DEP no later than 28 days following the end of the monitoring period. DMRs are based on calendar reporting periods and must be received by DEP in accordance with the following schedule:

   - Monthly DMRs must be received within 28 days following the end of each calendar month.
   - Quarterly DMRs must be received within 28 days following the end of each calendar quarter, i.e., January 28, April 28, July 28, and October 28.
   - Semiannual DMRs must be received within 28 days following the end of each calendar semiannual period, i.e., January 28 and July 28.
   - Annual DMRs must be received by January 28, unless Part C of this permit requires otherwise.

5. The permittee shall complete all Supplemental Reporting forms (Supplemental DMRs) attached to this permit, or an approved equivalent, and submit the signed, completed forms as attachments to the DMR, through DEP's eDMR system. DEP's Supplemental Laboratory Accreditation Form (3800-FM-BCW0189) must be completed and submitted to DEP with the first DMR following issuance of this permit, and anytime thereafter when changes to laboratories or methods occur. (25 Pa. Code §§ 92a.3(c), 92a.41(a), 92a.61(g) and 40 CFR § 122.41(l)(4))

6. The completed DMR Form shall be signed and certified by either of the following applicable persons, as defined in 25 Pa. Code § 92a.22:

- For a corporation - by a principal executive officer of at least the level of vice president, or an authorized representative, if the representative is responsible for the overall operation of the facility from which the discharge described in the NPDES form originates.
- For a partnership or sole proprietorship - by a general partner or the proprietor, respectively.
- For a municipality, state, federal or other public agency - by a principal executive officer or ranking elected official.

If signed by a person other than the above and for co-permittees, written notification of delegation of DMR signatory authority must be submitted to DEP in advance of or along with the relevant DMR form. (40 CFR § 122.22(b))

7. If the permittee monitors any pollutant at monitoring points as designated by this permit, using analytical methods described in Part A III.A.4. herein, more frequently than the permit requires, the results of this monitoring shall be incorporated, as appropriate, into the calculations used to report self-monitoring data on the DMR. (40 CFR 122.41(l)(4)(ii))

C. Reporting Requirements

1. Planned Changes to Physical Facilities – The permittee shall give notice to DEP as soon as possible but no later than 30 days prior to planned physical alterations or additions to the permitted facility. A permit under 25 Pa. Code Chapter 91 may be required for these situations prior to implementing the planned changes. A permit application, or other written submission to DEP, can be used to satisfy the notification requirements of this section.

   Notice is required when:

   a. The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in 40 CFR 122.29(b). (40 CFR 122.41(l)(1)(i))

   b. The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are not subject to effluent limitations in this permit. (40 CFR 122.41(l)(1)(ii))

   c. The alteration or addition results in a significant change in the permittee's sludge use or disposal practices, and such alteration, addition, or change may justify the application of permit conditions that are different from or absent in the existing permit, including notification of additional use or disposal sites not reported during the permit application process or not reported pursuant to an approved land application plan. (40 CFR 122.41(l)(1)(iii))

   d. The planned change may result in noncompliance with permit requirements. (40 CFR 122.41(l)(2))

2. Planned Changes to Waste Stream – Under the authority of 25 Pa. Code § 92a.24(a), the permittee shall provide notice to DEP as soon as possible but no later than 45 days prior to any planned changes in the volume or pollutant concentration of its influent waste stream as a result of indirect discharges or hauled-in wastes, as specified in paragraphs 2.a. and 2.b., below. Notice shall be provided on the "Planned Changes to Waste Stream" Supplemental Report (3800-FM-BCW0482), available on DEP's website. The permittee shall provide information on the quality and quantity of waste introduced into the facility, and any anticipated impact of the change on the quantity or quality of effluent to be discharged from the facility. The Report shall be sent via Certified Mail or other means to confirm DEP's receipt of the notification. DEP will determine if the submission of a new application and receipt of a new or amended permit is required.

   a. Introduction of New Pollutants (25 Pa. Code § 92a.24(a))

      New pollutants are defined as parameters that meet all of the following criteria:

      (i) Were not detected in the facilities' influent waste stream as reported in the permit application; and

(ii) Have not been approved to be included in the permittee's influent waste stream by DEP in writing.

The permittee shall provide notification of the introduction of new pollutants in accordance with paragraph 2 above. The permittee may not authorize the introduction of new pollutants until the permittee receives DEP's written approval.

b. Increased Loading of Approved Pollutants (25 Pa. Code § 92a.24(a))

Approved pollutants are defined as parameters that meet one or more of the following criteria:

(i) Were detected in the facilities' influent waste stream as reported in the permittee's permit application; or

(ii) Have been approved to be included in the permittee's influent waste stream by DEP in writing; or

(iii) Have an effluent limitation or monitoring requirement in this permit.

The permittee shall provide notification of the introduction of increased influent loading (lbs/day) of approved pollutants in accordance with paragraph 2 above when (1) the cumulative increase in influent loading (lbs/day) exceeds 20% of the maximum loading reported in the permit application, or a loading previously approved by DEP, or (2) may cause an exceedance in the effluent of Effluent Limitation Guidelines (ELGs) or limitations in Part A of this permit, or (3) may cause interference or pass through at the facility (as defined at 40 CFR 403.3), or (4) may cause exceedances of the applicable water quality standards in the receiving stream. Unless specified otherwise in this permit, if DEP does not respond to the notification within 30 days of its receipt, the permittee may proceed with the increase in loading. The acceptance of increased loading of approved pollutants may not result in an exceedance of ELGs or effluent limitations and may not cause exceedances of the applicable water quality standards in the receiving stream.

3. Reporting Requirements for Hauled-In Wastes

a. Receipt of Residual Waste

(i) The permittee shall document the receipt of all hauled-in residual wastes (including but not limited to wastewater from oil and gas wells, food processing waste, and landfill leachate), as defined at 25 Pa. Code § 287.1, that are received for processing at the treatment facility. The permittee shall report hauled-in residual wastes on a monthly basis to DEP on the "Hauled In Residual Wastes" Supplemental Report (3800-FM-BCW0450) as an attachment to the DMR. If no residual wastes were received during a month, submission of the Supplemental Report is not required.

The following information is required by the Supplemental Report. The information used to develop the Report shall be retained by the permittee for five years from the date of receipt and must be made available to DEP or EPA upon request.

(1) The dates that residual wastes were received.

(2) The volume (gallons) of wastes received.

(3) The license plate number of the vehicle transporting the waste to the treatment facility.

(4) The permit number(s) of the well(s) where residual wastes were generated, if applicable.

(5) The name and address of the generator of the residual wastes.

(6) The type of wastewater.

The transporter of residual waste must maintain these and other records as part of the daily operational record (25 Pa. Code § 299.219). If the transporter is unable to provide this information or the permittee has not otherwise received the information from the generator, the residual wastes shall not be accepted by the permittee until such time as the permittee receives such information from the transporter or generator.

(ii) The following conditions apply to the characterization of residual wastes received by the permittee:

(1) If the generator is required to complete a chemical analysis of residual wastes in accordance with 25 Pa. Code § 287.51, the permittee must receive and maintain on file a chemical analysis of the residual wastes it receives. The chemical analysis must conform to the Bureau of Waste Management's Form 26R except as noted in paragraph (2), below. Each load of residual waste received must be covered by a chemical analysis if the generator is required to complete it.

(2) For wastewater generated from hydraulic fracturing operations ("frac wastewater") within the first 30 production days of a well site, the chemical analysis may be a general frac wastewater characterization approved by DEP. Thereafter, the chemical analysis must be waste-specific and be reported on the Form 26R.

b. Receipt of Municipal Waste

(i) The permittee shall document the receipt of all hauled-in municipal wastes (including but not limited to septage and liquid sewage sludge), as defined at 25 Pa. Code § 271.1, that are received for processing at the treatment facility. The permittee shall report hauled-in municipal wastes on a monthly basis to DEP on the "Hauled In Municipal Wastes" Supplemental Report (3800-FM-BCW0437) as an attachment to the DMR. If no municipal wastes were received during a month, submission of the Supplemental Report is not required.

The following information is required by the Supplemental Report:

(1) The dates that municipal wastes were received.

(2) The volume (gallons) of wastes received.

(3) The BOD_5 concentration (mg/l) and load (lbs) for the wastes received.

(4) The location(s) where wastes were disposed of within the treatment facility.

(ii) Sampling and analysis of hauled-in municipal wastes must be completed to characterize the organic strength of the wastes, unless composite sampling of influent wastewater is performed at a location downstream of the point of entry for the wastes.

4. Unanticipated Noncompliance or Potential Pollution Reporting

a. Immediate Reporting - The permittee shall immediately report any incident causing or threatening pollution in accordance with the requirements of 25 Pa. Code §§ 91.33 and 92a.41(b).

(i) If, because of an accident, other activity or incident a toxic substance or another substance which would endanger users downstream from the discharge, or would otherwise result in pollution or create a danger of pollution or would damage property, the permittee shall immediately notify DEP by telephone of the location and nature of the danger. Oral notification to the Department is required as soon as possible, but no later than 4 hours after the permittee becomes aware of the incident causing or threatening pollution.

(ii) If reasonably possible to do so, the permittee shall immediately notify downstream users of the waters of the Commonwealth to which the substance was discharged. Such notice shall include the location and nature of the danger.

(iii) The permittee shall immediately take or cause to be taken steps necessary to prevent injury to property and downstream users of the waters from pollution or a danger of pollution and, in addition, within 15 days from the incident, shall remove the residual substances contained thereon or therein from the ground and from the affected waters of this Commonwealth to the extent required by applicable law.

b. The permittee shall report any noncompliance which may endanger health or the environment in accordance with the requirements of 40 CFR 122.41(l)(6). These requirements include the following obligations:

(i) 24 Hour Reporting - The permittee shall orally report any noncompliance with this permit which may endanger health or the environment within 24 hours from the time the permittee becomes aware of the circumstances. The following shall be included as information which must be reported within 24 hours under this paragraph:

(1) Any unanticipated bypass which exceeds any effluent limitation in the permit;

(2) Any upset which exceeds any effluent limitation in the permit; and

(3) Violation of the maximum daily discharge limitation for any of the pollutants listed in the permit as being subject to the 24-hour reporting requirement. (40 CFR 122.44(g))

(ii) Written Report - A written submission shall also be provided within 5 days of the time the permittee becomes aware of any noncompliance which may endanger health or the environment. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance.

(iii) Waiver of Written Report - DEP may waive the written report on a case-by-case basis if the associated oral report has been received within 24 hours from the time the permittee becomes aware of the circumstances which may endanger health or the environment. Unless such a waiver is expressly granted by DEP, the permittee shall submit a written report in accordance with this paragraph. (40 CFR 122.41(l)(6)(iii))

5. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under paragraph C.4 of this section or specific requirements of compliance schedules, at the time DMRs are submitted, on the Non-Compliance Reporting Form (3800-FM-BCW0440). The reports shall contain the information listed in paragraph C.4.b.(ii) of this section. (40 CFR 122.41(l)(7))

D. Annual Fee (25 Pa. Code § 92a.62)

Permittees shall pay an annual fee in accordance with 25 Pa. Code § 92a.62. As of the effective date of this permit, the facility covered by the permit is classified in the **Minor Sewage Facility >=0.05 and <1 MGD** fee category, which has an annual fee of **$1,000.**

Invoices for annual fees will be mailed to permittees approximately three months prior to the due date. In the event that an invoice is not received, the permittee is nonetheless responsible for payment. Permittees may contact the DEP at 717-787-6744 with questions related to annual fees. The fee identified above is subject to change if DEP publishes changes to 25 Pa. Code § 92a.62.

Payment for annual fees shall be remitted to DEP at the address below or through DEP's electronic payment system (www.depgreenport.state.pa.us/NPDESpay) by the due date specified on the invoice. Checks, if used for payment, should be made payable to the Commonwealth of Pennsylvania.

PA Department of Environmental Protection
Bureau of Clean Water
Re: Chapter 92a Annual Fee
P.O. Box 8466
Harrisburg, PA 17105-8466

PART B

I. MANAGEMENT REQUIREMENTS

A. Compliance

1. The permittee shall comply with all conditions of this permit. If a compliance schedule has been established in this permit, the permittee shall achieve compliance with the terms and conditions of this permit within the time frames specified in this permit. (40 CFR 122.41(a)(1))

2. The permittee shall submit reports of compliance or noncompliance, or progress reports as applicable, for any interim and final requirements contained in this permit. Such reports shall be submitted no later than 14 days following the applicable schedule date or compliance deadline. (25 Pa. Code § 92a.51(c), 40 CFR 122.47(a)(4))

B. Permit Modification, Termination, or Revocation and Reissuance

1. This permit may be modified, terminated, or revoked and reissued during its term in accordance with Title 25 Pa. Code § 92a.72 and 40 CFR 122.41(f).

2. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition. (40 CFR 122.41(f))

3. In the absence of DEP action to modify or revoke and reissue this permit, the permittee shall comply with effluent standards or prohibitions established under Section 307(a) of the Clean Water Act for toxic pollutants within the time specified in the regulations that establish those standards or prohibitions. (40 CFR 122.41(a)(1))

C. Duty to Provide Information

1. The permittee shall furnish to DEP, within a reasonable time, any information which DEP may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. (40 CFR 122.41(h))

2. The permittee shall furnish to DEP, upon request, copies of records required to be kept by this permit. (40 CFR 122.41(h))

3. Other Information - Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to DEP, it shall promptly submit the correct and complete facts or information. (40 CFR 122.41(l)(8))

4. If the sewage treatment facility provides service in part or whole to a municipality, through a contract or agreement between the operator and municipality, an annual report shall be submitted to DEP by March 31 containing the following information, at a minimum:

   a. The information identified in 25 Pa. Code § 94.12.

   b. A “Solids Management Inventory” if specified in Part C of this permit.

   c. The total volume of hauled-in residual and municipal wastes received during the year, by source.

D. General Pretreatment Requirements

Where pollutants contributed by indirect dischargers result in interference or pass through, and a violation is likely to recur, the permittee shall develop and enforce specific limits for indirect dischargers and other users, as appropriate, that together with appropriate facility or operational changes, are necessary to ensure

renewed or continued compliance with this permit or sludge use or disposal practices. The permittee shall submit a copy of such limits to DEP when developed. (25 Pa. Code § 92a.47(d))

E. Proper Operation and Maintenance

1. The permittee shall employ operators certified in compliance with the Water and Wastewater Systems Operators Certification Act (63 P.S. §§ 1001-1015.1).

2. The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit. Proper operation and maintenance includes, but is not limited to, adequate laboratory controls including appropriate quality assurance procedures. This provision also includes the operation of backup or auxiliary facilities or similar systems that are installed by the permittee, only when necessary to achieve compliance with the terms and conditions of this permit. (40 CFR 122.41(e))

F. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge, sludge use or disposal in violation of this permit that has a reasonable likelihood of adversely affecting human health or the environment. (40 CFR 122.41(d))

G. Bypassing

1. Bypassing Not Exceeding Permit Limitations - The permittee may allow a bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions in paragraphs two, three and four of this section. (40 CFR 122.41(m)(2))

2. Other Bypassing - In all other situations, bypassing is prohibited and DEP may take enforcement action against the permittee for bypass unless:

a. A bypass is unavoidable to prevent loss of life, personal injury or "severe property damage." (40 CFR 122.41(m)(4)(i)(A))

b. There are no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance. (40 CFR 122.41(m)(4)(i)(B))

c. The permittee submitted the necessary notice required in G.4.a. and b. below. (40 CFR 122.41(m)(4)(i)(C))

3. DEP may approve an anticipated bypass, after considering its adverse effects, if DEP determines that it will meet the conditions listed in G.2. above. (40 CFR 122.41(m)(4)(ii))

4. Notice

a. Anticipated Bypass – If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible, at least 10 days before the bypass. (40 CFR 122.41(m)(3)(i))

b. Unanticipated Bypass – The permittee shall submit oral notice of any other unanticipated bypass within 24 hours, regardless of whether the bypass may endanger health or the environment or whether the bypass exceeds effluent limitations. The notice shall be in accordance with Part A III.C.4.b.

H. Sanitary Sewer Overflows (SSOs)

An SSO is an overflow of wastewater, or other untreated discharge from a separate sanitary sewer system (which is not a combined sewer system), which results from a flow in excess of the carrying capacity of the system or from some other cause prior to reaching the headworks of the sewage treatment facility. SSOs are not authorized under this permit. The permittee shall immediately report any SSO to DEP in accordance with Part A III.C.4 of this permit.

I. Termination of Permit Coverage (25 Pa. Code § 92a.74 and 40 CFR 122.64)

1. Notice of Termination (NOT) – If the permittee plans to cease operations or will otherwise no longer require coverage under this permit, the permittee shall submit DEP's NPDES Notice of Termination (NOT) for Permits Issued Under Chapter 92a (3800-BCW-0410), signed in accordance with Part A III.B.6 of this permit, at least 30 days prior to cessation of operations or the date by which coverage is no longer required.

2. Where the permittee plans to cease operations, NOTs must be accompanied with an operation closure plan that identifies how tankage and equipment will be decommissioned and how pollutants will be managed, as applicable.

3. The permittee shall submit the NOT to the DEP regional office with jurisdiction over the county in which the facility is located.

II. PENALTIES AND LIABILITY

A. Violations of Permit Conditions

Any person violating Sections 301, 302, 306, 307, 308, 318 or 405 of the Clean Water Act or any permit condition or limitation implementing such sections in a permit issued under Section 402 of the Act is subject to civil, administrative and/or criminal penalties as set forth in 40 CFR §122.41(a)(2).

Any person or municipality, who violates any provision of this permit; any rule, regulation or order of DEP; or any condition or limitation of any permit issued pursuant to the Clean Streams Law, is subject to criminal and/or civil penalties as set forth in Sections 602, 603 and 605 of the Clean Streams Law.

B. Falsifying Information

Any person who does any of the following:

- Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit, or

- Knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit (including monitoring reports or reports of compliance or noncompliance)

Shall, upon conviction, be punished by a fine and/or imprisonment as set forth in 18 Pa.C.S.A § 4904 and 40 CFR 122.41(j)(5) and (k)(2).

C. Liability

Nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance pursuant to Section 309 of the Clean Water Act or Sections 602, 603 or 605 of the Clean Streams Law.

Nothing in this permit shall be construed to preclude the institution of any legal action or to relieve the permittee from any responsibilities, liabilities or penalties to which the permittee is or may be subject to under the Clean Water Act and the Clean Streams Law.

D. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. (40 CFR 122.41(c))

III. OTHER RESPONSIBILITIES

A. Right of Entry

Pursuant to Sections 5(b) and 305 of Pennsylvania's Clean Streams Law, and Title 25 Pa. Code Chapter 92a and 40 CFR 122.41(i), the permittee shall allow authorized representatives of DEP and EPA, upon the presentation of credentials and other documents as may be required by law:

1. To enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit; (40 CFR 122.41(i)(1))

2. To have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit; (40 CFR 122.41(i)(2))

3. To inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices or operations regulated or required under this permit; and (40 CFR 122.41(i)(3))

4. To sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the Clean Water Act or the Clean Streams Law, any substances or parameters at any location. (40 CFR 122.41(i)(4))

B. Transfer of Permits

1. Transfers by modification. Except as provided in paragraph 2 of this section, a permit may be transferred by the permittee to a new owner or operator only if this permit has been modified or revoked and reissued, or a minor modification made to identify the new permittee and incorporate such other requirements as may be necessary under the Clean Water Act. (40 CFR 122.61(a))

2. Automatic transfers. As an alternative to transfers under paragraph 1 of this section, any NPDES permit may be automatically transferred to a new permittee if:

   a. The current permittee notifies DEP at least 30 days in advance of the proposed transfer date in paragraph 2.b. of this section; (40 CFR 122.61(b)(1))

   b. The notice includes the appropriate DEP transfer form signed by the existing and new permittees containing a specific date for transfer of permit responsibility, coverage and liability between them; and (40 CFR 122.61(b)(2))

   c. DEP does not notify the existing permittee and the proposed new permittee of its intent to modify or revoke and reissue this permit, the transfer is effective on the date specified in the agreement mentioned in paragraph 2.b. of this section. (40 CFR 122.61(b)(3))

   d. The new permittee is in compliance with existing DEP issued permits, regulations, orders and schedules of compliance, or has demonstrated that any noncompliance with the existing permits has been resolved by an appropriate compliance action or by the terms and conditions of the permit (including compliance schedules set forth in the permit), consistent with 25 Pa. Code § 92a.51 (relating to schedules of compliance) and other appropriate DEP regulations. (25 Pa. Code § 92a.71)

3. In the event DEP does not approve transfer of this permit, the new owner or operator must submit a new permit application.

C. Property Rights

The issuance of this permit does not convey any property rights of any sort, or any exclusive privilege. (40 CFR 122.41(g))

D. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit. (40 CFR 122.41(b))

E. Other Laws

The issuance of this permit does not authorize any injury to persons or property or invasion of other private rights, or any infringement of state or local law or regulations.

PART C

I. OTHER REQUIREMENTS

A. No storm water from pavements, area ways, roofs, foundation drains or other sources shall be directly admitted to the sanitary sewers associated with the herein approved discharge.

B. The approval herein given is specifically made contingent upon the permittee acquiring all necessary property rights by easement or otherwise, providing for the satisfactory construction, operation, maintenance or replacement of all sewers or sewerage structures associated with the herein approved discharge in, along, or across private property, with full rights of ingress, egress and regress.

C. Collected screenings, slurries, sludges, and other solids shall be handled and disposed of in compliance with 25 Pa. Code, Chapters 271, 273, 275, 283, and 285 (related to permits and requirements for landfilling, land application, incineration, and storage of sewage sludge), Federal Regulation 40 CFR 257, Pennsylvania Clean Streams Law, Pennsylvania Solid Waste Management Act of 1980, and the Federal Clean Water Act and its amendments. The permittee is responsible to obtain or assure that contracted agents have all necessary permits and approvals for the handling, storage, transport, and disposal of solid waste materials generated as a result of wastewater treatment.

D. If, after the issuance of this permit, DEP approves a municipal sewage facilities official plan or an amendment to an official plan under Act 537 (Pennsylvania Sewage Facilities Act, the Act of January 24, 1966, P.L. 1535 as amended) in which sewage from the herein approved facilities will be treated and disposed of at other planned facilities, the permittee shall, upon notification from the municipality or DEP, provide for the conveyance of its sewage to the planned facilities, abandon use and decommission the herein approved facilities including the proper disposal of solids, and notify DEP accordingly. The permittee shall adhere to schedules in the approved official plan, amendments to the plan, or other agreements between the permittee and municipality. This permit shall then, upon notice from DEP, terminate and become null and void and shall be relinquished to DEP.

E. The permittee shall optimize chlorine dosages used for disinfection or other purposes to minimize the concentration of Total Residual Chlorine (TRC) in the effluent, meet applicable effluent limitations, and reduce the possibility of adversely affecting the receiving waters. Optimization efforts may include an evaluation of wastewater characteristics, mixing characteristics, and contact times, adjustments to process controls, and maintenance of the disinfection facilities. If DEP determines that effluent TRC is causing adverse water quality impacts, DEP may reopen this permit to apply new or more stringent effluent limitations and/or require implementation of control measures or operational practices to eliminate such impacts.

   Where the permittee does not use chlorine for primary or backup disinfection but proposes the use of chlorine for cleaning or other purposes, the permittee shall notify DEP prior to initiating use of chlorine and monitor TRC concentrations in the effluent on each day in which chlorine is used. The results shall be submitted as an attachment to the DMR.

F. The permittee shall submit a Water Quality Management (WQM) permit application to DEP at least 90 days prior to the planned date for startup of construction activities associated with the upgrade of wastewater treatment facilities.

G. The seasonal effluent limitations for fecal coliform are based on Chapter 92a (§ 92a.47(4) & (5)) of DEP's regulations and Delaware River Basin Commission's (DRBC's) Water Quality Regulations at § 4.30.4.A. DEP's regulations govern the summer limits for fecal coliform while the winter limits are based on DRBC's regulations. The DRBC regulations state that during winter season from October through April, the instantaneous maximum concentration of fecal coliform organisms shall not be greater than 1,000 per 100 milliliters in more than 10 percent of the samples tested. For reporting purposes, a copy of the guidelines on the 10 percent rule is enclosed with the permit.

PENN ESTATES SEWER SYSTEM PERMITS

DELAWARE RIVER BASIN COMMISSION

Docket D-2003-036 CP-3

Discharge to a Tributary of Special Protection Waters Permit

DOCKET NO. D-1999-020 CP-5

DELAWARE RIVER BASIN COMMISSION

Discharge to a Tributary of Special Protection Waters

Community Utilities of Pennsylvania, Inc.
Penn Estates Wastewater Treatment Plant
Stroud Township, Monroe County, Pennsylvania

PROCEEDINGS

This docket is issued in response to an application submitted to the Delaware River Basin Commission (DRBC or Commission) on November 19, 2021 (Application), for renewal of the docket holder's existing Penn Estates wastewater treatment plant (WWTP) and its discharge. The Pennsylvania Department of Environmental Protection (PADEP) issued National Pollutant Discharge Elimination System (NPDES) Permit No. PA0060283 for this discharge.

The application was reviewed for continuation of the project in the Comprehensive Plan and approval under Section 3.8 of the *Delaware River Basin Compact*. The Monroe County Planning Commission has been notified of pending action. A public hearing on this project was held by the DRBC on November 9, 2022.

A. DESCRIPTION

1. Purpose. The purpose of this docket is to renew approval of the docket holder's existing 0.560 million gallons per day (mgd) WWTP and its discharge.

2. Location. The docket holder's Penn Estates WWTP is located at Hallet Road in Stroud Township, Monroe County, Pennsylvania. The WWTP will continue to discharge treated effluent to an unnamed tributary (UNT) to Broadhead Creek at River Mile 213.0 – 8.7 – 1.5 (Delaware River – Broadhead Creek – UNT to Broadhead Creek) and is located in the drainage area to the Middle Delaware Special Protection Waters (SPW).

The WWTP outfall is located in the Broadhead Creek Watershed as follows:

OUTFALL NO.	LATITUDE (N)	LONGITUDE (W)
001	41° 2' 38"	75° 14'0"

3. Area Served. The docket holder's WWTP will continue to serve the residential development of Penn Estates located in Monroe County, Pennsylvania. For the purpose of defining the Area Served, the Type of Discharge and Service Area sections of the docket holder's Application are incorporated herein by reference, to the extent consistent with all other conditions contained in Section C. DECISION of this docket.

4. **Design Criteria**. The docket holder's 0.560 mgd WWTP utilizes a biological treatment process with chlorination disinfection.

5. **Facilities**. The WWTP facilities consist of a vertical drum screen with soda ash addition for pH adjustment followed by 5 flow equalization tanks, with a combined volume of 203,000 gallons. Equalization (EQ) tank No. 1 is equipped with a grit chamber for solids removal. Wastewater flows from the equalization basins to 2 bioreactors with a combined volume of 572,500 gallons followed by 2 clarifiers, which have a combined volume of 130,000 gallons. Polyaluminum chloride is added to the clarifier influent for phosphorus removal. Clarifier effluent flows to 4 denitrification filters with a combined capacity of 620,000 gallons, and then to the chlorine contact tank for disinfection with sodium hypochlorite followed by de-chlorination with sodium bisulfite. The chlorine contact tank has an effective volume of 11,670 gallons and the de-chlorination/ post-aeration tank has a tank volume of 6,700 gallons. Sludge handling processes consist of returning sludge to the aeration basins or to the aerobic sludge digester, which has the capacity of 141,000 gallons,

The docket holder's WWTP discharges to waters classified as SPW and is required to have available standby power. The existing WWTP/IWTP has a generator installed capable of providing standby power.

The docket holder's WWTP is not staffed 24 hours per day and shall have a remote alarm system that continuously monitors plant operations in accordance with the Commission's SPW requirements. The existing WWTP has a remote alarm system installed that continuously monitors plant operations.

The docket holder has prepared and implemented an emergency management plan (EMP) for the existing WWTP in accordance with Commission SPW requirements.

The project facilities are not located in the 100-year floodplain.

Wasted sludge will continue to be hauled off-site for disposal.

6. **Water Withdrawals**. The potable water supply in the project service area is provided by the docket holder's groundwater withdrawal. The docket holder's water withdrawal is described in detail in Docket No. D-2003-036 CP-3, which was approved on September 11, 2019.

7. **NPDES Permit / DRBC Effluent Requirements**. NPDES Permit No. PA0060283 issued by the PADEP includes final effluent limitations for the project discharge to surface waters classified by the PADEP as supporting high quality water and cold-water fishes (HQ-CWF). EFFLUENT TABLES C-1 & C-2 included in Section C. DECISION Condition C.1. of this docket, contain effluent requirements for DRBC parameters that must be met as a condition of this approval. Effluent requirements for Outfall No. 001 are based on a discharge rate of 0.560 mgd.

8. Relationship to the Comprehensive Plan. The existing WWTP was added to the Comprehensive Plan by Docket No. D-1999-020 CP-3 on July 10, 2013. The WWTP approval was renewed by Docket Nos. D-1999-020 CP-4, on June 14, 2017. Issuance of this docket will renew and continue the WWTP and its discharge in the Comprehensive Plan.

B. FINDINGS

The docket holder applied to renew approval of their existing 0.560 mgd Penn Estates WWTP and its discharge.

1. Special Protection Waters

In 1992, the DRBC adopted SPW requirements, as part of the DRBC *Water Quality Regulations* (*WQR*), designed to protect existing water quality in applicable areas of the Delaware River Basin. One hundred twenty miles of the Delaware River from Hancock, New York downstream to the Delaware Water Gap has been classified by the DRBC as SPW. This stretch includes the sections of the river federally designated as "Wild and Scenic" in 1978 -- the Upper Delaware Scenic and Recreational River and the Delaware Water Gap National Recreation Area -- as well as an eight-mile reach between Milrift and Milford, Pennsylvania which is not federally designated. The SPW regulations apply to this 120-mile stretch of the river and its drainage area.

On July 16, 2008, the DRBC approved amendments to its *WQR* that provide increased protection for waters that the Commission classifies as SPW. The portion of the Delaware River and its tributaries within the boundary of the Lower Delaware River Management Plan Area was approved for SPW designation and clarity on definitions and terms were updated for the entire program.

The docket holder's WWTP discharges to the drainage area to the Middle Delaware SPW. The docket holder's WWTP discharge is required to comply with the SPW requirements, as outlined in Article 3.10.3A.2. of the WQR.

Article 3.10.3A.2.e.1). and 2). of the Commission's *WQR* states that projects subject to review under Section 3.8 of the Compact that are located in the drainage area of SPW must submit for approval a Non-Point Source Pollution Control Plan (NPSPCP) that controls the new or increased non-point source loads generated within the portion of the docket holder's service area which is also located within the drainage area of SPW. The service area of the docket holder is located in the drainage area to the SPW. Since this project does not entail additional construction and/or expansion of facilities and service area and there are no new or increased non-point source loads associated with this approval, the NPSPCP requirement is not applicable at this time. Accordingly, DECISION Conditions C.3 and C.4 have been included in this docket.

2. Other

At the WWTP discharge location, UNT to Broadhead Creek has an estimated seven-day low flow with a recurrence interval of ten years (Q_{7-10}) of less than 0.1 cubic feet per second (cfs) and therefore is classified by the Commission as an intermittent stream.

The nearest surface water intake of record for public water supply is located on Broadhead Creek approximately 3.1 River Miles downstream of the docket holder's WWTP and is operated by Broadhead Creek Regional Authority.

The project does not conflict with the Comprehensive Plan and is designed to prevent substantial adverse impact on the water resources related environment, while sustaining the current and future water uses and development of the water resources of the Basin.

The effluent limits in the NPDES Permit conform with Commission effluent quality requirements, where applicable.

The project is designed to produce a discharge that meets the effluent requirements as set forth in the Commission's *Water Quality Regulations* (*WQR)*.

C. DECISION

Effective on the approval date for Docket No. D-1999-020 CP-5 below, the project described in Docket No. D-1999-020 CP-4 is removed from the Comprehensive Plan to the extent that they are not included in Docket No. D-1999-020 CP-5. Docket No. D-1999-020 CP-4 is terminated and replaced by Docket No. D-1999-020 CP-5; and the project and the appurtenant facilities described in Section A "DESCRIPTION" of this docket shall be continued in the Comprehensive Plan. The project and appurtenant facilities as described in Section A of this docket are approved pursuant to Section 3.8 of the *Compact*, subject to the following conditions:

Monitoring and Reporting

1. The docket holder shall comply with the requirements contained in the EFFLUENT TABLES below. The docket holder shall submit the required monitoring results electronically to the DRBC Project Review Section via email **aemr@drbc.gov** on the **Annual Effluent Monitoring Report Form** located at this web address: https://www.nj.gov/drbc/programs/project/docket-app-info.html#3. The monitoring results shall be submitted annually, absent any observed limit violations, by January 31. If a DRBC effluent limit is violated, the docket holder shall submit the result(s) to the DRBC within 30 days of the violation(s) and provide a written explanation that states the action(s) the docket holder has taken to correct the violation(s) and protect against any future violations. The following average monthly effluent limits are among those listed in the NPDES Permit and meet or are more stringent than the effluent requirements of the DRBC.

EFFLUENT TABLE C-1: DRBC Parameters Included in NPDES Permit

OUTFALL 001 (Discharging to UNT to Broadhead Creek)		
PARAMETER	**LIMIT**	**MONITORING**
pH (Standard Units)	6 to 9 at all times	As required by NPDES Permit
Total Suspended Solids	10.0 mg/l	As required by NPDES Permit
Dissolved Oxygen	7.0 mg/l (minimum at all times)	As required by NPDES Permit
$CBOD_5$ (at 20° C)	10.0 mg/l	As required by NPDES Permit
Ammonia Nitrogen (5-1 to 10-31) (11-1 to 4-30)	1.5 mg/l 4.5 mg/l	As required by NPDES Permit
Fecal Coliform (5-1 to 9-30) (10-1 to 4-30)	200 colonies per 100 ml as a geo. avg. 2000 colonies per 100 ml as a geo. avg.	As required by NPDES Permit
Phosphorus	2.0 mg/l	As required by NPDES Permit
Total Dissolved Solids*	1,000 mg/l*	As required by NPDES Permit
Nitrate-Nitrite as N	13.0 mg/l	As required by NPDES Permit
Total Kjeldahl Nitrogen	Monitor & Report	As required by NPDES Permit
Total Nitrogen	Monitor & Report	As required by NPDES Permit

*See Condition C.6

The following monitoring requirements and average monthly effluent limits are for DRBC parameters not listed in the NPDES Permit.

EFFLUENT TABLE C-2: DRBC Parameters Not Included in NPDES Permit

OUTFALL 001 (Discharging to UNT to Broadhead Creek)		
PARAMETER	**LIMIT**	**MONITORING**
$CBOD_5$ (at 20° C)	Minimum 85% Removal	Monthly
$CBOD_5$ (at 20° C) Influent	Monitor & Report	Monthly

Other Conditions

2. Nothing in this docket constitutes a defense to any penalty action for past conduct of the docket holder or ongoing activity not authorized by this approval. In particular, renewal of this docket does not resolve violations – whether in the past or continuing – of provisions of the Delaware River Basin Compact ("Compact") or any rule, regulation, order or approval duly issued by the Commission or the Executive Director pursuant to the Compact. The Commission reserves its right to take appropriate enforcement action against the docket holder, including but not limited to recovery of financial penalties consistent with Section 14.17 of the Compact, for any and all such prior or continuing violations.

3. Prior to allowing connections from any new service areas or any new developments, the docket holder shall either submit and have approved by the Executive Director of the DRBC a NPSPCP in accordance with Section 3.10.3.A.2.e., or receive written confirmation from the Executive Director of the DRBC that the new service area complies with a DRBC-approved NPSPCP.

4. Prior to the docket holder initiating any substantial alterations or additions to the existing WWTP as defined in Section 3.10.3A2.a.16) of the Commission's WQR, an application must be submitted and approved by the Commission. Such an application shall be submitted prior to final design to ensure that the Commission can provide the docket holder with draft effluent limitations for SPW specific parameters as guidance for design as to not require duplication of work or cause a substantial expenditure of public funds without Commission approval. The docket holder is encouraged to contact the Commission staff during the planning stages to identify the potential effluent limitations required to meet the no measurable change parameters under SPW.

5. Except as otherwise authorized by this docket, if the docket holder seeks relief from any limitation based upon a DRBC water quality standard or minimum treatment requirement, the docket holder shall apply for approval from the Executive Director or for a docket revision in accordance with Section 3.8 of the *Compact* and the *Rules of Practice and Procedure*.

6. The docket holder may request of the Executive Director in writing the substitution of specific conductance for TDS. The request should include information that supports the effluent specific correlation between TDS and specific conductance. Upon review, the Executive Director may modify the docket to allow the substitution of specific conductance for TDS monitoring.

7. Section 2.3.10 of the Commission's *Rules of Practice and Procedure (RPP)* (18 C.F.R. 401.41), limiting the Commission's approval to three years in the absence of an expenditure of substantial funds by the project sponsor in reliance on the approval, is hereby waived for good cause shown in accordance with Section 2.9.3 (18 C.F.R. 401.123) of the same regulations. This approval shall expire on the expiration date set forth below unless prior thereto the docket holder has applied to the Commission to renew or extend this approval.

8. The docket holder is responsible for timely submittal to the DRBC of a docket renewal application on the appropriate application form including the appropriate docket application filing fee (see 18 CFR 401.43) at least 6 months in advance of the docket expiration date set forth below. The docket holder will be subject to late filed renewal surcharges in the event of untimely submittal of its renewal application, whether or not DRBC issues a reminder notice in advance of the deadline or the docket holder receives such notice. In the event that a timely and complete application for renewal has been submitted and the DRBC is unable, through no fault of the docket holder, to reissue the docket before the expiration date below, the terms and conditions of the current docket will remain fully effective and enforceable against the docket holder pending the grant or denial of the application for docket approval.

9. The docket holder is permitted to treat and discharge wastewater as set forth in the Area Served Section of this docket, which incorporates by reference the Type of Discharge and Service Area sections of the docket holder's Application to the extent consistent with all other conditions of this section.

10. In accordance with the Commission's regulations at 18 C.F.R. Part 440, the docket holder is prohibited from discharging wastewater from high volume hydraulic fracturing ("HVHF") or HVHF-related activities to waters or land within the Basin. The docket holder is further prohibited from discharging hydraulic fracturing wastewater, whether treated or untreated, from sources within or outside the Basin, without obtaining the Commission's prior review and express approval in the form of a revised docket. Violation of this or any condition of this docket approval may result in enforcement, including the risk of financial penalties, pursuant to Section 14.17 of the Delaware River Basin Compact and Section 2.7.8 (18 CFR 401.98) of the Commission's Rules of Practice and Procedure.

11. The facility and operational records shall be available at all times for inspection by the DRBC.

12. The facility shall be operated at all times to comply with the requirements of the Commission's WQR.

13. If at any time the receiving treatment plant proves unable to produce an effluent that is consistent with the requirements of this docket approval, no further connections shall be permitted until the deficiency is remedied.

14. Nothing herein shall be construed to exempt the docket holder from obtaining all necessary permits and/or approvals from other State, Federal or local government agencies having jurisdiction over this project.

15. The docket holder shall discharge wastewater in such a manner as to avoid injury or damage to fish or wildlife and shall avoid any injury to public or private property.

16. No sewer service connections shall be made to newly constructed premises with plumbing fixtures and fittings that do not comply with water conservation performance standards contained in Resolution No. 88-2 (Revision 2).

17. The issuance of this docket approval shall not create any private or proprietary rights in the waters of the Basin, and the Commission reserves the right to amend, suspend or rescind the docket for cause, to ensure proper control, use and management of the water resources of the Basin.

18. The docket holder shall be subject to applicable DRBC regulatory program fees, in accordance with duly adopted DRBC resolutions and/or regulations (see 18 CFR 401.43).

19. This approval is transferable by request to the DRBC Executive Director provided that the project purpose and area served approved by the Commission in this docket will not be materially altered because of the change in project ownership. The request shall be submitted on the appropriate form and be accompanied by the appropriate fee (see 18 CFR 401.43).

20. The docket holder shall request a name change of the entity to which this approval is issued if the name of the entity to which this approval is issued changes its name. The request for name change shall be submitted on the appropriate form and be accompanied by the appropriate fee (see 18 CFR 401.43).

21. The Executive Director may modify or suspend this approval or any condition thereof, or require mitigating measures pending additional review, if in the Executive Director's judgment such modification or suspension is required to protect the water resources of the Basin.

22. Any person who objects to a docket decision by the Commission may request a hearing in accordance with Article 6 of the Rules of Practice and Procedure. In accordance with Section 15.1(p) of the *Delaware River Basin Compact*, cases and controversies arising under the *Compact* are reviewable in the United States district courts.

BY THE COMMISSION

APPROVAL DATE: **March 8, 2023**

EXPIRATION DATE: **January 31, 2026**

NPDES Permit PA0060283

3800-PM-BCW0013 Rev. 8/2019
Permit

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

AUTHORIZATION TO DISCHARGE UNDER THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM DISCHARGE REQUIREMENTS FOR NON-MUNICIPAL SEWAGE TREATMENT WORKS

NPDES PERMIT NO: PA0060283

In compliance with the provisions of the Clean Water Act, 33 U.S.C. Section 1251 *et seq.* ("the Act") and Pennsylvania's Clean Streams Law, as amended, 35 P.S. Section 691.1 *et seq.*,

Community Utilities of Pennsylvania
570 Hallet Road
East Stroudsburg, PA 18301-7274

is authorized to discharge from a facility known as **Penn Estates**, located in **Stroud Township, Monroe County**, to **Unnamed Tributary of Brodhead Creek (HQ-CWF)** in Watershed(s) **1-E** in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts A, B and C hereof.

THIS PERMIT SHALL BECOME EFFECTIVE ON FEBRUARY 1, 2021

THIS PERMIT SHALL EXPIRE AT MIDNIGHT ON JANUARY 31, 2026

The authority granted by this permit is subject to the following further qualifications:

1. If there is a conflict between the application, its supporting documents and/or amendments and the terms and conditions of this permit, the terms and conditions shall apply.

2. Failure to comply with the terms, conditions or effluent limitations of this permit is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application. (40 CFR 122.41(a))

3. A complete application for renewal of this permit, or notice of intent to cease discharging by the expiration date, must be submitted to DEP at least 180 days prior to the above expiration date (unless permission has been granted by DEP for submission at a later date), using the appropriate NPDES permit application form. (40 CFR 122.41(b), 122.21(d)(2))

   In the event that a timely and complete application for renewal has been submitted and DEP is unable, through no fault of the permittee, to reissue the permit before the above expiration date, the terms and conditions of this permit, including submission of the Discharge Monitoring Reports (DMRs), will be automatically continued and will remain fully effective and enforceable against the discharger until DEP takes final action on the pending permit application. (25 Pa. Code §§ 92a.7(b), (c))

4. This NPDES permit does not constitute authorization to construct or make modifications to wastewater treatment facilities necessary to meet the terms and conditions of this permit.

DATE PERMIT ISSUED January 22, 2020

ISSUED BY *B R Patel*

Bharat Patel, P.E.
Environmental Program Manager
Northeast Regional Office

PART A - EFFLUENT LIMITATIONS, MONITORING, RECORDKEEPING AND REPORTING REQUIREMENTS

I. A. For Outfall 001 , **Latitude** 41º 2' 38.00" , **Longitude** 75º 14' 0.00" , **River Mile Index** 1.7 , **Stream Code** 4929

Receiving Waters: Unnamed Tributary of Brodhead Creek (HQ-CWF)

Type of Effluent: Sewage Effluent

1. The permittee is authorized to discharge during the period from **February 1, 2021** through **January 31, 2026**.

2. Based on the anticipated wastewater characteristics and flows described in the permit application and its supporting documents and/or amendments, the following effluent limitations and monitoring requirements apply (see also Additional Requirements and Footnotes).

Parameter	Effluent Limitations						Monitoring Requirements	
	Mass Units (lbs/day) (1)		Concentrations (mg/L)				Minimum (2) Measurement Frequency	Required Sample Type
	Average Monthly	Average Weekly	Minimum	Average Monthly	Daily Maximum	Instant. Maximum		
Flow (MGD)	Report	Report Daily Max	XXX	XXX	XXX	XXX	Continuous	Measured
pH (S.U.)	XXX	XXX	6.0 Inst Min	XXX	XXX	9.0	1/day	Grab
Dissolved Oxygen	XXX	XXX	7.0 Inst Min	XXX	XXX	XXX	1/day	Grab
Total Residual Chlorine (TRC)	XXX	XXX	XXX	0.02	XXX	0.02	1/day	Grab
Carbonaceous Biochemical Oxygen Demand (CBOD5)	46.7	XXX	XXX	10.0	Report	20	2/week	24-Hr Composite
Total Suspended Solids	46.7	XXX	XXX	10.0	Report	20	2/week	24-Hr Composite
Total Dissolved Solids	XXX	XXX	XXX	1000	Report	2000	1/quarter	24-Hr Composite
Fecal Coliform (No./100 ml) Oct 1 - Apr 30	XXX	XXX	XXX	2000 Geo Mean	XXX	10000	1/week	Grab
Fecal Coliform (No./100 ml) May 1 - Sep 30	XXX	XXX	XXX	200 Geo Mean	XXX	1000	1/week	Grab
Nitrate-Nitrite as N	60.7	XXX	XXX	13.0	Report	26	2/week	24-Hr Composite
Total Nitrogen	Report	XXX	XXX	Report	XXX	XXX	1/month	Calculation

Outfall 001 , Continued (from February 1, 2021 through January 31, 2026)

Parameter	Effluent Limitations						Monitoring Requirements	
	Mass Units (lbs/day) (1)		Concentrations (mg/L)				Minimum (2) Measurement Frequency	Required Sample Type
	Average Monthly	Average Weekly	Minimum	Average Monthly	Daily Maximum	Instant. Maximum		
Ammonia-Nitrogen Nov 1 - Apr 30	14.0	XXX	XXX	4.5	Report	9	2/week	24-Hr Composite
Ammonia-Nitrogen May 1 - Oct 31	4.67	XXX	XXX	1.5	Report	3	2/week	24-Hr Composite
Total Kjeldahl Nitrogen	Report	XXX	XXX	Report	XXX	XXX	1/month	24-Hr Composite
Total Phosphorus	9.3	XXX	XXX	2.0	Report	4	2/week	24-Hr Composite
Total Organic Carbon	XXX	XXX	XXX	Report	XXX	XXX	1/month	24-Hr Composite
Toxicity, Chronic - Ceriodaphnia Survival (TUc)	XXX	XXX	XXX	XXX	1.3	XXX	See Permit	24-Hr Composite
Toxicity, Chronic - Ceriodaphnia Reproduction (TUc)	XXX	XXX	XXX	XXX	1.3	XXX	See Permit	24-Hr Composite
Toxicity, Chronic - Pimephales Survival (TUc)	XXX	XXX	XXX	XXX	1.3	XXX	See Permit	24-Hr Composite
Toxicity, Chronic - Pimephales Growth (TUc)	XXX	XXX	XXX	XXX	1.3	XXX	See Permit	24-Hr Composite

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

at Outfall 001

PART A - EFFLUENT LIMITATIONS, MONITORING, RECORDKEEPING AND REPORTING REQUIREMENTS (Continued)

Additional Requirements

1. The permittee may not discharge:

   a. Floating solids, scum, sheen or substances that result in observed deposits in the receiving water. (25 Pa Code § 92a.41(c))

   b. Oil and grease in amounts that cause a film or sheen upon or discoloration of the waters of this Commonwealth or adjoining shoreline, or that exceed 15 mg/l as a daily average or 30 mg/l at any time (or lesser amounts if specified in this permit). (25 Pa. Code § 92a.47(a)(7), § 95.2(2))

   c. Substances in concentration or amounts sufficient to be inimical or harmful to the water uses to be protected or to human, animal, plant or aquatic life. (25 Pa Code § 93.6(a))

   d. Foam or substances that produce an observed change in the color, taste, odor or turbidity of the receiving water, unless those conditions are otherwise controlled through effluent limitations or other requirements in this permit. For the purpose of determining compliance with this condition, DEP will compare conditions in the receiving water upstream of the discharge to conditions in the receiving water approximately 100 feet downstream of the discharge to determine if there is an observable change in the receiving water. (25 Pa Code § 92a.41(c))

2. If the permit requires the reporting of average weekly statistical results, the maximum weekly average concentration and maximum weekly average mass loading shall be reported, regardless of whether the results are obtained for the same or different weeks.

3. The permittee shall monitor the sewage effluent discharge(s) for the effluent parameters identified in the Part A limitations table(s) during all bypass events at the facility, using the sample types that are specified in the limitations table(s). Where the required sample type is “composite”, the permittee must commence sample collection within one hour of the start of the bypass, wherever possible. The results shall be reported on the Daily Effluent Monitoring supplemental form (3800-FM-BCW0435) and be incorporated into the calculations used to report self-monitoring data on Discharge Monitoring Reports (DMRs).

Footnotes

(1) When sampling to determine compliance with mass effluent limitations, the discharge flow at the time of sampling must be measured and recorded.

(2) This is the minimum number of sampling events required. Permittees are encouraged, and it may be advantageous in demonstrating compliance, to perform more than the minimum number of sampling events.

Supplemental Information

(1) The effluent limitations for Outfall 001 were determined using an effluent discharge rate of 0.56 MGD.

(2) Total Nitrogen is the sum of Total Kjeldahl-N (TKN) plus Nitrite-Nitrate as N (NO_2+NO_3-N), where TKN and NO_2+NO_3-N are measured in the same sample.

II. DEFINITIONS

At Outfall (XXX) means a sampling location in outfall line XXX below the last point at which wastes are added to outfall line (XXX), or where otherwise specified.

Average refers to the use of an arithmetic mean, unless otherwise specified in this permit. (40 CFR 122.41(l)(4)(iii))

Best Management Practices (BMPs) means schedules of activities, prohibitions of practices, maintenance procedures and other management practices to prevent or reduce the pollutant loading to surface waters of the Commonwealth. The term also includes treatment requirements, operating procedures and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage. The term includes activities, facilities, measures, planning or procedures used to minimize accelerated erosion and sedimentation and manage stormwater to protect, maintain, reclaim, and restore the quality of waters and the existing and designated uses of waters within this Commonwealth before, during and after earth disturbance activities. (25 Pa. Code § 92a.2)

Bypass means the intentional diversion of waste streams from any portion of a treatment facility. (40 CFR 122.41(m)(1)(i))

Calendar Week is defined as the seven consecutive days from Sunday through Saturday, unless the permittee has been given permission by DEP to provide weekly data as Monday through Friday based on showing excellent performance of the facility and a history of compliance. In cases when the week falls in two separate months, the month with the most days in that week shall be the month for reporting.

Clean Water Act means the Federal Water Pollution Control Act, as amended. (33 U.S.C.A. §§ 1251 to 1387).

Composite Sample (for all except GC/MS volatile organic analysis) means a combination of individual samples (at least eight for a 24-hour period or four for an 8-hour period) of at least 100 milliliters (mL) each obtained at spaced time intervals during the compositing period. The composite must be flow-proportional; either the volume of each individual sample is proportional to discharge flow rates, or the sampling interval is proportional to the flow rates over the time period used to produce the composite. (EPA Form 2C)

Composite Sample (for GC/MS volatile organic analysis) consists of at least four aliquots or grab samples collected during the sampling event (not necessarily flow proportioned). The samples must be combined in the laboratory immediately before analysis and then one analysis is performed. (EPA Form 2C)

Daily Average Temperature means the average of all temperature measurements made, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar day or during the operating day if flows are of a shorter duration.

Daily Discharge means the discharge of a pollutant measured during a calendar day or any 24-hour period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the "daily discharge" is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the "daily discharge" is calculated as the average measurement of the pollutant over the day. (25 Pa. Code § 92a.2, 40 CFR 122.2)

Daily Maximum Discharge Limitation means the highest allowable "daily discharge."

Discharge Monitoring Report (DMR) means the DEP or EPA supplied form(s) for the reporting of self-monitoring results by the permittee. (25 Pa. Code § 92a.2, 40 CFR 122.2)

Estimated Flow means any method of liquid volume measurement based on a technical evaluation of the sources contributing to the discharge including, but not limited to, pump capabilities, water meters and batch discharge volumes.

Geometric Mean means the average of a set of n sample results given by the nth root of their product.

Grab Sample means an individual sample of at least 100 mL collected at a randomly selected time over a period not to exceed 15 minutes. (EPA Form 2C)

Hazardous Substance means any substance designated under 40 CFR Part 116 pursuant to Section 311 of the Clean Water Act. (40 CFR 122.2)

Hauled-In Wastes means any waste that is introduced into a treatment facility through any method other than a direct connection to the sewage collection system. The term includes wastes transported to and disposed of within the treatment facility or other entry points within the collection system.

Immersion Stabilization (i-s) means a calibrated device is immersed in the wastewater until the reading is stabilized.

Instantaneous Maximum Effluent Limitation means the highest allowable discharge of a concentration or mass of a substance at any one time as measured by a grab sample. (25 Pa. Code § 92a.2)

Measured Flow means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.

Monthly Average Discharge Limitation means the highest allowable average of "daily discharges" over a calendar month, calculated as the sum of all "daily discharges" measured during a calendar month divided by the number of "daily discharges" measured during that month. (25 Pa. Code § 92a.2)

Municipal Waste means garbage, refuse, industrial lunchroom or office waste and other material, including solid, liquid, semisolid or contained gaseous material resulting from operation of residential, municipal, commercial or institutional establishments and from community activities; and sludge not meeting the definition of residual or hazardous waste under this section from a municipal, commercial or institutional water supply treatment plant, waste water treatment plant or air pollution control facility. (25 Pa. Code § 271.1)

Residual Waste means garbage, refuse, other discarded material or other waste, including solid, liquid, semisolid or contained gaseous materials resulting from industrial, mining and agricultural operations and sludge from an industrial, mining or agricultural water supply treatment facility, wastewater treatment facility or air pollution control facility, if it is not hazardous. The term does not include coal refuse as defined in the Coal Refuse Disposal Control Act. The term does not include treatment sludges from coal mine drainage treatment plants, disposal of which is being carried on under and in compliance with a valid permit issued under the Clean Streams Law. (25 Pa Code § 287.1)

Severe Property Damage means substantial physical damage to property, damage to the treatment facilities that causes them to become inoperable, or substantial and permanent loss of natural resources that can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production. (40 CFR 122.41(m)(1)(ii))

Stormwater means the runoff from precipitation, snow melt runoff, and surface runoff and drainage. (25 Pa. Code § 92a.2)

Stormwater Associated With Industrial Activity means the discharge from any conveyance that is used for collecting and conveying stormwater and that is directly related to manufacturing, processing, or raw materials storage areas at an industrial plant, and as defined at 40 CFR §122.26(b)(14)(i) - (ix) and (xi) and 25 Pa. Code § 92a.2.

Total Dissolved Solids means the total dissolved (filterable) solids as determined by use of the method specified in 40 CFR Part 136.

Toxic Pollutant means those pollutants, or combinations of pollutants, including disease-causing agents, which after discharge and upon exposure, ingestion, inhalation or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains may, on the basis of information available to DEP cause death, disease, behavioral abnormalities, cancer, genetic mutations, physiological malfunctions, including

malfunctions in reproduction, or physical deformations in these organisms or their offspring. (25 Pa. Code § 92a.2)

III. SELF-MONITORING, REPORTING AND RECORDKEEPING

A. Representative Sampling

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity (40 CFR 122.41(j)(1)). Representative sampling includes the collection of samples, where possible, during periods of adverse weather, changes in treatment plant performance and changes in treatment plant loading. If possible, effluent samples must be collected where the effluent is well mixed near the center of the discharge conveyance and at the approximate mid-depth point, where the turbulence is at a maximum and the settlement of solids is minimized. (40 CFR 122.48, 25 Pa. Code § 92a.61)

2. Records Retention (40 CFR 122.41(j)(2))

   Except for records of monitoring information required by this permit related to the permittee's sludge use and disposal activities which shall be retained for a period of at least 5 years, all records of monitoring activities and results (including all original strip chart recordings for continuous monitoring instrumentation and calibration and maintenance records), copies of all reports required by this permit, and records of all data used to complete the application for this permit shall be retained by the permittee for 3 years from the date of the sample measurement, report or application. The 3-year period shall be extended as requested by DEP or the EPA Regional Administrator.

3. Recording of Results (40 CFR 122.41(j)(3))

   For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record the following information:

   a. The exact place, date and time of sampling or measurements.
   b. The person(s) who performed the sampling or measurements.
   c. The date(s) the analyses were performed.
   d. The person(s) who performed the analyses.
   e. The analytical techniques or methods used; and the associated detection level.
   f. The results of such analyses.

4. Test Procedures

   a. Facilities that test or analyze environmental samples used to demonstrate compliance with this permit shall be in compliance with laboratory accreditation requirements of Act 90 of 2002 (27 Pa. C.S. §§ 4101-4113) and 25 Pa. Code Chapter 252, relating to environmental laboratory accreditation.

   b. Test procedures (methods) for the analysis of pollutants or pollutant parameters shall be those approved under 40 CFR Part 136 or required under 40 CFR Chapter I, Subchapters N or O, unless the method is specified in this permit or has been otherwise approved in writing by DEP. (40 CFR 122.41(j)(4)), 122.44(i)(1)(iv))

   c. Test procedures (methods) for the analysis of pollutants or pollutant parameters shall be sufficiently sensitive. A method is sufficiently sensitive when 1) the method minimum level is at or below the level of the effluent limit established in the permit for the measured pollutant or pollutant parameter; or 2) the method has the lowest minimum level of the analytical methods approved under 40 CFR Part 136 or required under 40 CFR Chapter I, Subchapters N or O, for the measured pollutant or pollutant parameter; or 3) the method is specified in this permit or has been otherwise approved in writing by DEP for the measured pollutant or pollutant parameter. Permittees have the option of

providing matrix or sample-specific minimum levels rather than the published levels. (40 CFR 122.44(i)(1)(iv))

5. Quality/Assurance/Control

   In an effort to assure accurate self-monitoring analyses results:

   a. The permittee, or its designated laboratory, shall participate in the periodic scheduled quality assurance inspections conducted by DEP and EPA. (40 CFR 122.41(e), 122.41(i)(3))

   b. The permittee, or its designated laboratory, shall develop and implement a program to assure the quality and accurateness of the analyses performed to satisfy the requirements of this permit, in accordance with 40 CFR Part 136. (40 CFR 122.41(j)(4))

B. Reporting of Monitoring Results

1. The permittee shall effectively monitor the operation and efficiency of all wastewater treatment and control facilities, and the quantity and quality of the discharge(s) as specified in this permit. (25 Pa. Code §§ 92a.3(c), 92a.41(a), 92a.44, 92a.61(i) and 40 CFR §§ 122.41(e), 122.44(i)(1))

2. The permittee shall use DEP's electronic Discharge Monitoring Report (eDMR) system to report the results of compliance monitoring under this permit (see www.dep.pa.gov/edmr). Permittees that are not using the eDMR system as of the effective date of this permit shall submit the necessary registration and trading partner agreement forms to DEP's Bureau of Clean Water (BCW) within 30 days of the effective date of this permit and begin using the eDMR system when notified by DEP BCW to do so. (25 Pa. Code §§ 92a.3(c), 92a.41(a), 92a.61(g) and 40 CFR § 122.41(l)(4))

3. Submission of a physical (paper) copy of a Discharge Monitoring Report (DMR) is acceptable under the following circumstances:

   a. For a permittee that is not yet using the eDMR system, the permittee shall submit a physical copy of a DMR to the DEP regional office that issued the permit during the interim period between the submission of registration and trading partner agreement forms to DEP and DEP's notification to begin using the eDMR system.

   b. For any permittee, as a contingency a physical DMR may be mailed to the DEP regional office that issued the permit if there are technological malfunction(s) that prevent the successful submission of a DMR through the eDMR system. In such situations, the permittee shall submit the DMR through the eDMR system within 5 days following remedy of the malfunction(s).

4. DMRs must be completed in accordance with DEP's published DMR instructions (3800-FM-BCW0463). DMRs must be received by DEP no later than 28 days following the end of the monitoring period. DMRs are based on calendar reporting periods and must be received by DEP in accordance with the following schedule:

   - Monthly DMRs must be received within 28 days following the end of each calendar month.
   - Quarterly DMRs must be received within 28 days following the end of each calendar quarter, i.e., January 28, April 28, July 28, and October 28.
   - Semiannual DMRs must be received within 28 days following the end of each calendar semiannual period, i.e., January 28 and July 28.
   - Annual DMRs must be received by January 28, unless Part C of this permit requires otherwise.

5. The permittee shall complete all Supplemental Reporting forms (Supplemental DMRs) attached to this permit, or an approved equivalent, and submit the signed, completed forms as attachments to the DMR, through DEP's eDMR system. DEP's Supplemental Laboratory Accreditation Form (3800-FM-BCW0189) must be completed and submitted to DEP with the first DMR following issuance of this permit, and anytime thereafter when changes to laboratories or methods occur. (25 Pa. Code §§ 92a.3(c), 92a.41(a), 92a.61(g) and 40 CFR § 122.41(l)(4))

6. The completed DMR Form shall be signed and certified by either of the following applicable persons, as defined in 25 Pa. Code § 92a.22:

   - For a corporation - by a principal executive officer of at least the level of vice president, or an authorized representative, if the representative is responsible for the overall operation of the facility from which the discharge described in the NPDES form originates.
   - For a partnership or sole proprietorship - by a general partner or the proprietor, respectively.
   - For a municipality, state, federal or other public agency - by a principal executive officer or ranking elected official.

   If signed by a person other than the above and for co-permittees, written notification of delegation of DMR signatory authority must be submitted to DEP in advance of or along with the relevant DMR form. (40 CFR § 122.22(b))

7. If the permittee monitors any pollutant at monitoring points as designated by this permit, using analytical methods described in Part A III.A.4. herein, more frequently than the permit requires, the results of this monitoring shall be incorporated, as appropriate, into the calculations used to report self-monitoring data on the DMR. (40 CFR 122.41(l)(4)(ii))

C. Reporting Requirements

1. Planned Changes to Physical Facilities – The permittee shall give notice to DEP as soon as possible but no later than 30 days prior to planned physical alterations or additions to the permitted facility. A permit under 25 Pa. Code Chapter 91 may be required for these situations prior to implementing the planned changes. A permit application, or other written submission to DEP, can be used to satisfy the notification requirements of this section.

   Notice is required when:

   a. The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in 40 CFR 122.29(b). (40 CFR 122.41(l)(1)(i))

   b. The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are not subject to effluent limitations in this permit. (40 CFR 122.41(l)(1)(ii))

   c. The alteration or addition results in a significant change in the permittee's sludge use or disposal practices, and such alteration, addition, or change may justify the application of permit conditions that are different from or absent in the existing permit, including notification of additional use or disposal sites not reported during the permit application process or not reported pursuant to an approved land application plan. (40 CFR 122.41(l)(1)(iii))

   d. The planned change may result in noncompliance with permit requirements. (40 CFR 122.41(l)(2))

2. Planned Changes to Waste Stream – Under the authority of 25 Pa. Code § 92a.24(a), the permittee shall provide notice to DEP as soon as possible but no later than 45 days prior to any planned changes in the volume or pollutant concentration of its influent waste stream as a result of indirect discharges or hauled-in wastes, as specified in paragraphs 2.a. and 2.b., below. Notice shall be provided on the “Planned Changes to Waste Stream” Supplemental Report (3800-FM-BCW0482), available on DEP’s website. The permittee shall provide information on the quality and quantity of waste introduced into the facility, and any anticipated impact of the change on the quantity or quality of effluent to be discharged from the facility. The Report shall be sent via Certified Mail or other means to confirm DEP’s receipt of the notification. DEP will determine if the submission of a new application and receipt of a new or amended permit is required.

   a. Introduction of New Pollutants (25 Pa. Code § 92a.24(a))

New pollutants are defined as parameters that meet all of the following criteria:

(i) Were not detected in the facilities' influent waste stream as reported in the permit application; and

(ii) Have not been approved to be included in the permittee's influent waste stream by DEP in writing.

The permittee shall provide notification of the introduction of new pollutants in accordance with paragraph 2 above. The permittee may not authorize the introduction of new pollutants until the permittee receives DEP's written approval.

b. Increased Loading of Approved Pollutants (25 Pa. Code § 92a.24(a))

Approved pollutants are defined as parameters that meet one or more of the following criteria:

(i) Were detected in the facilities' influent waste stream as reported in the permittee's permit application; or

(ii) Have been approved to be included in the permittee's influent waste stream by DEP in writing; or

(iii) Have an effluent limitation or monitoring requirement in this permit.

The permittee shall provide notification of the introduction of increased influent loading (lbs/day) of approved pollutants in accordance with paragraph 2 above when (1) the cumulative increase in influent loading (lbs/day) exceeds 20% of the maximum loading reported in the permit application, or a loading previously approved by DEP, or (2) may cause an exceedance in the effluent of Effluent Limitation Guidelines (ELGs) or limitations in Part A of this permit, or (3) may cause interference or pass through at the facility (as defined at 40 CFR 403.3), or (4) may cause exceedances of the applicable water quality standards in the receiving stream. Unless specified otherwise in this permit, if DEP does not respond to the notification within 30 days of its receipt, the permittee may proceed with the increase in loading. The acceptance of increased loading of approved pollutants may not result in an exceedance of ELGs or effluent limitations and may not cause exceedances of the applicable water quality standards in the receiving stream.

3. Reporting Requirements for Hauled-In Wastes

a. Receipt of Residual Waste

(i) The permittee shall document the receipt of all hauled-in residual wastes (including but not limited to wastewater from oil and gas wells, food processing waste, and landfill leachate), as defined at 25 Pa. Code § 287.1, that are received for processing at the treatment facility. The permittee shall report hauled-in residual wastes on a monthly basis to DEP on the "Hauled In Residual Wastes" Supplemental Report (3800-FM-BCW0450) as an attachment to the DMR. If no residual wastes were received during a month, submission of the Supplemental Report is not required.

The following information is required by the Supplemental Report. The information used to develop the Report shall be retained by the permittee for five years from the date of receipt and must be made available to DEP or EPA upon request.

(1) The dates that residual wastes were received.

(2) The volume (gallons) of wastes received.

(3) The license plate number of the vehicle transporting the waste to the treatment facility.

(4) The permit number(s) of the well(s) where residual wastes were generated, if applicable.

(5) The name and address of the generator of the residual wastes.

(6) The type of wastewater.

The transporter of residual waste must maintain these and other records as part of the daily operational record (25 Pa. Code § 299.219). If the transporter is unable to provide this information or the permittee has not otherwise received the information from the generator, the residual wastes shall not be accepted by the permittee until such time as the permittee receives such information from the transporter or generator.

(ii) The following conditions apply to the characterization of residual wastes received by the permittee:

(1) If the generator is required to complete a chemical analysis of residual wastes in accordance with 25 Pa. Code § 287.51, the permittee must receive and maintain on file a chemical analysis of the residual wastes it receives. The chemical analysis must conform to the Bureau of Waste Management's Form 26R except as noted in paragraph (2), below. Each load of residual waste received must be covered by a chemical analysis if the generator is required to complete it.

(2) For wastewater generated from hydraulic fracturing operations ("frac wastewater") within the first 30 production days of a well site, the chemical analysis may be a general frac wastewater characterization approved by DEP. Thereafter, the chemical analysis must be waste-specific and be reported on the Form 26R.

b. Receipt of Municipal Waste

(i) The permittee shall document the receipt of all hauled-in municipal wastes (including but not limited to septage and liquid sewage sludge), as defined at 25 Pa. Code § 271.1, that are received for processing at the treatment facility. The permittee shall report hauled-in municipal wastes on a monthly basis to DEP on the "Hauled In Municipal Wastes" Supplemental Report (3800-FM-BCW0437) as an attachment to the DMR. If no municipal wastes were received during a month, submission of the Supplemental Report is not required.

The following information is required by the Supplemental Report:

(1) The dates that municipal wastes were received.

(2) The volume (gallons) of wastes received.

(3) The BOD_5 concentration (mg/l) and load (lbs) for the wastes received.

(4) The location(s) where wastes were disposed of within the treatment facility.

(ii) Sampling and analysis of hauled-in municipal wastes must be completed to characterize the organic strength of the wastes, unless composite sampling of influent wastewater is performed at a location downstream of the point of entry for the wastes.

4. Unanticipated Noncompliance or Potential Pollution Reporting

a. Immediate Reporting - The permittee shall immediately report any incident causing or threatening pollution in accordance with the requirements of 25 Pa. Code §§ 91.33 and 92a.41(b).

(i) If, because of an accident, other activity or incident a toxic substance or another substance which would endanger users downstream from the discharge, or would otherwise result in pollution or create a danger of pollution or would damage property, the permittee shall immediately notify DEP

by telephone of the location and nature of the danger. Oral notification to the Department is required as soon as possible, but no later than 4 hours after the permittee becomes aware of the incident causing or threatening pollution.

(ii) If reasonably possible to do so, the permittee shall immediately notify downstream users of the waters of the Commonwealth to which the substance was discharged. Such notice shall include the location and nature of the danger.

(iii) The permittee shall immediately take or cause to be taken steps necessary to prevent injury to property and downstream users of the waters from pollution or a danger of pollution and, in addition, within 15 days from the incident, shall remove the residual substances contained thereon or therein from the ground and from the affected waters of this Commonwealth to the extent required by applicable law.

b. The permittee shall report any noncompliance which may endanger health or the environment in accordance with the requirements of 40 CFR 122.41(l)(6). These requirements include the following obligations:

(i) 24 Hour Reporting - The permittee shall orally report any noncompliance with this permit which may endanger health or the environment within 24 hours from the time the permittee becomes aware of the circumstances. The following shall be included as information which must be reported within 24 hours under this paragraph:

(1) Any unanticipated bypass which exceeds any effluent limitation in the permit;

(2) Any upset which exceeds any effluent limitation in the permit; and

(3) Violation of the maximum daily discharge limitation for any of the pollutants listed in the permit as being subject to the 24-hour reporting requirement. (40 CFR 122.44(g))

(ii) Written Report - A written submission shall also be provided within 5 days of the time the permittee becomes aware of any noncompliance which may endanger health or the environment. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance.

(iii) Waiver of Written Report - DEP may waive the written report on a case-by-case basis if the associated oral report has been received within 24 hours from the time the permittee becomes aware of the circumstances which may endanger health or the environment. Unless such a waiver is expressly granted by DEP, the permittee shall submit a written report in accordance with this paragraph. (40 CFR 122.41(l)(6)(iii))

5. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under paragraph C.4 of this section or specific requirements of compliance schedules, at the time DMRs are submitted, on the Non-Compliance Reporting Form (3800-FM-BCW0440). The reports shall contain the information listed in paragraph C.4.b.(ii) of this section. (40 CFR 122.41(l)(7))

PART B

I. MANAGEMENT REQUIREMENTS

A. Compliance

1. The permittee shall comply with all conditions of this permit. If a compliance schedule has been established in this permit, the permittee shall achieve compliance with the terms and conditions of this permit within the time frames specified in this permit. (40 CFR 122.41(a)(1))

2. The permittee shall submit reports of compliance or noncompliance, or progress reports as applicable, for any interim and final requirements contained in this permit. Such reports shall be submitted no later than 14 days following the applicable schedule date or compliance deadline. (25 Pa. Code § 92a.51(c), 40 CFR 122.47(a)(4))

B. Permit Modification, Termination, or Revocation and Reissuance

1. This permit may be modified, terminated, or revoked and reissued during its term in accordance with Title 25 Pa. Code § 92a.72 and 40 CFR 122.41(f).

2. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition. (40 CFR 122.41(f))

3. In the absence of DEP action to modify or revoke and reissue this permit, the permittee shall comply with effluent standards or prohibitions established under Section 307(a) of the Clean Water Act for toxic pollutants within the time specified in the regulations that establish those standards or prohibitions. (40 CFR 122.41(a)(1))

C. Duty to Provide Information

1. The permittee shall furnish to DEP, within a reasonable time, any information which DEP may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. (40 CFR 122.41(h))

2. The permittee shall furnish to DEP, upon request, copies of records required to be kept by this permit. (40 CFR 122.41(h))

3. Other Information - Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to DEP, it shall promptly submit the correct and complete facts or information. (40 CFR 122.41(l)(8))

4. If the sewage treatment facility provides service in part or whole to a municipality, through a contract or agreement between the operator and municipality, an annual report shall be submitted to DEP by March 31 containing the following information, at a minimum:

   a. The information identified in 25 Pa. Code § 94.12.

   b. A “Solids Management Inventory” if specified in Part C of this permit.

   c. The total volume of hauled-in residual and municipal wastes received during the year, by source.

D. General Pretreatment Requirements

Where pollutants contributed by indirect dischargers result in interference or pass through, and a violation is likely to recur, the permittee shall develop and enforce specific limits for indirect dischargers and other users, as appropriate, that together with appropriate facility or operational changes, are necessary to ensure

renewed or continued compliance with this permit or sludge use or disposal practices. The permittee shall submit a copy of such limits to DEP when developed. (25 Pa. Code § 92a.47(d))

E. Proper Operation and Maintenance

1. The permittee shall employ operators certified in compliance with the Water and Wastewater Systems Operators Certification Act (63 P.S. §§ 1001-1015.1).

2. The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit. Proper operation and maintenance includes, but is not limited to, adequate laboratory controls including appropriate quality assurance procedures. This provision also includes the operation of backup or auxiliary facilities or similar systems that are installed by the permittee, only when necessary to achieve compliance with the terms and conditions of this permit. (40 CFR 122.41(e))

F. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge, sludge use or disposal in violation of this permit that has a reasonable likelihood of adversely affecting human health or the environment. (40 CFR 122.41(d))

G. Bypassing

1. Bypassing Not Exceeding Permit Limitations - The permittee may allow a bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions in paragraphs two, three and four of this section. (40 CFR 122.41(m)(2))

2. Other Bypassing - In all other situations, bypassing is prohibited and DEP may take enforcement action against the permittee for bypass unless:

a. A bypass is unavoidable to prevent loss of life, personal injury or "severe property damage." (40 CFR 122.41(m)(4)(i)(A))

b. There are no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance. (40 CFR 122.41(m)(4)(i)(B))

c. The permittee submitted the necessary notice required in G.4.a. and b. below. (40 CFR 122.41(m)(4)(i)(C))

3. DEP may approve an anticipated bypass, after considering its adverse effects, if DEP determines that it will meet the conditions listed in G.2. above. (40 CFR 122.41(m)(4)(ii))

4. Notice

a. Anticipated Bypass – If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible, at least 10 days before the bypass. (40 CFR 122.41(m)(3)(i))

b. Unanticipated Bypass – The permittee shall submit oral notice of any other unanticipated bypass within 24 hours, regardless of whether the bypass may endanger health or the environment or whether the bypass exceeds effluent limitations. The notice shall be in accordance with Part A III.C.4.b.

H. Sanitary Sewer Overflows (SSOs)

An SSO is an overflow of wastewater, or other untreated discharge from a separate sanitary sewer system (which is not a combined sewer system), which results from a flow in excess of the carrying capacity of the system or from some other cause prior to reaching the headworks of the sewage treatment facility. SSOs are not authorized under this permit. The permittee shall immediately report any SSO to DEP in accordance with Part A III.C.4 of this permit.

I. Termination of Permit Coverage (25 Pa. Code § 92a.74 and 40 CFR 122.64)

1. Notice of Termination (NOT) – If the permittee plans to cease operations or will otherwise no longer require coverage under this permit, the permittee shall submit DEP's NPDES Notice of Termination (NOT) for Permits Issued Under Chapter 92a (3800-BCW-0410), signed in accordance with Part A III.B.6 of this permit, at least 30 days prior to cessation of operations or the date by which coverage is no longer required.

2. Where the permittee plans to cease operations, NOTs must be accompanied with an operation closure plan that identifies how tankage and equipment will be decommissioned and how pollutants will be managed, as applicable.

3. The permittee shall submit the NOT to the DEP regional office with jurisdiction over the county in which the facility is located.

II. PENALTIES AND LIABILITY

A. Violations of Permit Conditions

Any person violating Sections 301, 302, 306, 307, 308, 318 or 405 of the Clean Water Act or any permit condition or limitation implementing such sections in a permit issued under Section 402 of the Act is subject to civil, administrative and/or criminal penalties as set forth in 40 CFR §122.41(a)(2).

Any person or municipality, who violates any provision of this permit; any rule, regulation or order of DEP; or any condition or limitation of any permit issued pursuant to the Clean Streams Law, is subject to criminal and/or civil penalties as set forth in Sections 602, 603 and 605 of the Clean Streams Law.

B. Falsifying Information

Any person who does any of the following:

- Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit, or

- Knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit (including monitoring reports or reports of compliance or noncompliance)

Shall, upon conviction, be punished by a fine and/or imprisonment as set forth in 18 Pa.C.S.A § 4904 and 40 CFR 122.41(j)(5) and (k)(2).

C. Liability

Nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance pursuant to Section 309 of the Clean Water Act or Sections 602, 603 or 605 of the Clean Streams Law.

Nothing in this permit shall be construed to preclude the institution of any legal action or to relieve the permittee from any responsibilities, liabilities or penalties to which the permittee is or may be subject to under the Clean Water Act and the Clean Streams Law.

D. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. (40 CFR 122.41(c))

III. OTHER RESPONSIBILITIES

A. Right of Entry

Pursuant to Sections 5(b) and 305 of Pennsylvania's Clean Streams Law, and Title 25 Pa. Code Chapter 92a and 40 CFR 122.41(i), the permittee shall allow authorized representatives of DEP and EPA, upon the presentation of credentials and other documents as may be required by law:

1. To enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit; (40 CFR 122.41(i)(1))

2. To have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit; (40 CFR 122.41(i)(2))

3. To inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices or operations regulated or required under this permit; and (40 CFR 122.41(i)(3))

4. To sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the Clean Water Act or the Clean Streams Law, any substances or parameters at any location. (40 CFR 122.41(i)(4))

B. Transfer of Permits

1. Transfers by modification. Except as provided in paragraph 2 of this section, a permit may be transferred by the permittee to a new owner or operator only if this permit has been modified or revoked and reissued, or a minor modification made to identify the new permittee and incorporate such other requirements as may be necessary under the Clean Water Act. (40 CFR 122.61(a))

2. Automatic transfers. As an alternative to transfers under paragraph 1 of this section, any NPDES permit may be automatically transferred to a new permittee if:

   a. The current permittee notifies DEP at least 30 days in advance of the proposed transfer date in paragraph 2.b. of this section; (40 CFR 122.61(b)(1))

   b. The notice includes the appropriate DEP transfer form signed by the existing and new permittees containing a specific date for transfer of permit responsibility, coverage and liability between them; and (40 CFR 122.61(b)(2))

   c. DEP does not notify the existing permittee and the proposed new permittee of its intent to modify or revoke and reissue this permit, the transfer is effective on the date specified in the agreement mentioned in paragraph 2.b. of this section. (40 CFR 122.61(b)(3))

   d. The new permittee is in compliance with existing DEP issued permits, regulations, orders and schedules of compliance, or has demonstrated that any noncompliance with the existing permits has been resolved by an appropriate compliance action or by the terms and conditions of the permit (including compliance schedules set forth in the permit), consistent with 25 Pa. Code § 92a.51 (relating to schedules of compliance) and other appropriate DEP regulations. (25 Pa. Code § 92a.71)

3. In the event DEP does not approve transfer of this permit, the new owner or operator must submit a new permit application.

C. Property Rights

The issuance of this permit does not convey any property rights of any sort, or any exclusive privilege. (40 CFR 122.41(g))

D. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit. (40 CFR 122.41(b))

E. Other Laws

The issuance of this permit does not authorize any injury to persons or property or invasion of other private rights, or any infringement of state or local law or regulations.

IV. ANNUAL FEE

Permittees shall pay an annual fee in accordance with 25 Pa. Code § 92a.62. Annual fee amounts are specified in the following schedule and are due on each anniversary of the effective date of the most recent new or reissued permit. All flows identified in the schedule are annual average design flows. (25 Pa. Code § 92a.62)

Small Flow Treatment Facility (SRSTP or SFTF)	$0
Minor Sewage Facility < 0.05 MGD (million gallons per day)	$250
Minor Sewage Facility ≥ 0.05 and < 1 MGD	$500
Minor Sewage Facility with CSO (Combined Sewer Overflow)	$750
Major Sewage Facility ≥ 1 and < 5 MGD	$1,250
Major Sewage Facility ≥ 5 MGD	$2,500
Major Sewage Facility with CSO	$5,000

As of the effective date of this permit, the facility covered by the permit is classified in the following fee category: **Minor Sewage Facility >=0.05 and <1 MGD**.

Invoices for annual fees will be mailed to permittees approximately three months prior to the due date. In the event that an invoice is not received, the permittee is nonetheless responsible for payment. Throughout a five year permit term, permittees will pay four annual fees followed by a permit renewal application fee in the last year of permit coverage. Permittees may contact the DEP at 717-787-6744 with questions related to annual fees. The fees identified above are subject to change in accordance with 25 Pa. Code § 92a.62(e).

Payment for annual fees shall be remitted to DEP at the address below by the anniversary date. Checks should be made payable to the Commonwealth of Pennsylvania.

PA Department of Environmental Protection
Bureau of Clean Water
Re: Chapter 92a Annual Fee
P.O. Box 8466
Harrisburg, PA 17105-8466

PART C

I. OTHER REQUIREMENTS

A. No storm water from pavements, area ways, roofs, foundation drains or other sources shall be directly admitted to the sanitary sewers associated with the herein approved discharge.

B. The approval herein given is specifically made contingent upon the permittee acquiring all necessary property rights by easement or otherwise, providing for the satisfactory construction, operation, maintenance or replacement of all sewers or sewerage structures associated with the herein approved discharge in, along, or across private property, with full rights of ingress, egress and regress.

C. Collected screenings, slurries, sludges, and other solids shall be handled and disposed of in compliance with 25 Pa. Code, Chapters 75, and in a manner equivalent to the requirements indicated in Chapters 271, 273, 275, 283, and 285 (related to permits and requirements for landfilling, land application, incineration, and storage of sewage sludge), Federal Regulation 40 CFR 257, Pennsylvania Clean Streams Law, Pennsylvania Solid Waste Management Act of 1980, and the Federal Clean Water Act and its amendments. The permittee is responsible to obtain or assure that contracted agents have all necessary permits and approvals for the handling, storage, transport, and disposal of solid waste materials generated as a result of wastewater treatment.

D. If, after the issuance of this permit, DEP approves a municipal sewage facilities official plan or an amendment to an official plan under Act 537 (Pennsylvania Sewage Facilities Act, the Act of January 24, 1966, P.L. 1535 as amended) in which sewage from the herein approved facilities will be treated and disposed of at other planned facilities, the permittee shall, upon notification from the municipality or DEP, provide for the conveyance of its sewage to the planned facilities, abandon use and decommission the herein approved facilities including the proper disposal of solids, and notify DEP accordingly. The permittee shall adhere to schedules in the approved official plan, amendments to the plan, or other agreements between the permittee and municipality. This permit shall then, upon notice from DEP, terminate and become null and void and shall be relinquished to DEP.

E. REOPENER: The regulated discharge is impacting the receiving stream's aquatic life. The Department reserves the right to impose more stringent limits or additional permit conditions in event that the stream impairment does not improve or worsens, or in event that additional monitoring/investigation identifies the exact cause of the stream impairment, or in event that the future Stream TMDL (Total Maximum Daily Load) analysis sets forth Waste Load Allocations (WLAs) for the WWTP or other requirements, or in event that WET Testing and/or other monitoring showing that additional action is required to address public nuisance or environmental harm.

II. SOLIDS MANAGEMENT

A. The permittee shall manage and properly dispose of sewage sludge and/or biosolids by performing sludge wasting that maintains an appropriate mass balance of solids within the treatment system. The wasting rate must be developed and implemented considering the specific treatment process type, system loadings, and seasonal variation while maintaining compliance with effluent limitations. Holding excess sludge within clarifiers or in the disinfection process is not permissible.

B. The permittee shall submit the Supplemental Reports entitled, "Supplemental Report – Sewage Sludge/Biosolids Production and Disposal" (Form No. 3800-FM-BCW0438) and "Supplemental Report – Influent & Process Control" (Form No. 3800-FM-BCW0436), as attachments to the DMR on a monthly basis. When applicable, the permittee shall submit the Supplemental Reports entitled, "Supplemental Report – Hauled In Municipal Wastes" (Form No. 3800-FM-BCW0437) and "Supplemental Report – Hauled In Residual Wastes" (Form No. 3800-FM-BCW0450), as attachments to the DMR.

III. WHOLE EFFLUENT TOXICITY (WET)

A. General Requirements

1. The permittee shall conduct Chronic WET tests as specified in this section. The permittee shall collect discharge samples and perform WET tests to generate chronic survival and reproduction data for the cladoceran, *Ceriodaphnia dubia* and chronic survival and growth data for the fathead minnow, *Pimephales promelas*.

2. Samples shall be collected at Outfall 001 in accordance with paragraph E.

3. The permittee shall perform testing using the following dilution series: 20%, 40%, 80%, 90%, and 100% effluent, with a control, where 80% is the facility-specific Target In-Stream Waste Concentration (TIWC).

4. The determination of whether a test endpoint passes or fails shall be made using DEP's WET Analysis Spreadsheet (available at www.dep.pa.gov/wett) by comparing replicate data for the control with replicate data for the TIWC dilution or any dilution greater than the TIWC.

5. The permittee shall submit only valid WET test results to DEP.

B. Test Frequency and Reporting

1. WET testing shall be conducted quarterly, beginning within 30 days of the February 1, 2021 and continuing until four tests have been completed. Tests shall be completed within calendar quarters, i.e., one test each during the periods of January 1 – March 31, April 1 – June 30, July 1 – September 30, and October 1 – December 31. A complete WET test report shall be submitted to the DEP regional office that issued the permit within 45 days of test completion. A complete WET test report submission shall include the information contained in paragraph H, below.

2. If no endpoint failures occur in the initial four quarterly tests, the permittee may reduce WET monitoring to annually during the period January 1 – December 31. This minimum WET monitoring frequency will remain in place until the permit is reissued, unless more frequent monitoring is triggered in accordance with paragraph B.5. The permittee must continue annual WET monitoring, at a minimum, during the permit renewal review period and during any period of administrative extension of this permit.

3. If a test failure is determined for any endpoint during quarterly or annual monitoring, the permittee shall initiate a re-test for the species with the failure, at a minimum, within 45 days of test completion. All endpoints for the species shall be evaluated in the re-test. The results of the re-test shall be submitted to the DEP regional office that issued the permit.

4. If a passing result is determined for all endpoints in a re-test, the permittee may resume quarterly or annual monitoring, as applicable.

5. If there is a failure for one or more endpoints in a re-test, the permittee shall initiate or continue quarterly WET testing for both species until there are four consecutive passing results for all endpoints. The results of all tests shall be submitted to the DEP regional office that issued the permit. In addition, the permittee shall initiate a Phase I Toxicity Reduction Evaluation (TRE) as specified in paragraph C, below.

6. The permittee must report the results of each test endpoint that has a WET limit in Part A of this permit on the Discharge Monitoring Report (DMR). Test results shall be reported on the DMR in terms of acute or chronic Toxicity Units (TUa or TUc), where TUa is used for acute tests and TUc is used for chronic tests. If DEP's WET Analysis Spreadsheet indicates a passing result for an endpoint, report the value obtained from the expression "1/TIWC", which is equivalent to the permit limit. If the Spreadsheet indicates a failure, report the value obtained from the expression "> 1/TIWC". If a dilution higher than the TIWC dilution is used for the comparison with the control, report the value obtained from the expression "1/dilution". For example, an acute test endpoint failure at a TIWC dilution of 50% would be reported as "> 2.0 TUa" (1/0.5).

7. The permittee shall attach a completed WET Analysis Spreadsheet for the latest four consecutive WET tests to the NPDES permit renewal application that is submitted to DEP at least 180 days prior to the January 31, 2026.

C. Phase I Toxicity Reduction Evaluation (TRE)

1. The Phase I TRE trigger is one WET endpoint failure followed by a re-test that confirms the failure for the same species. When the Phase I TRE process is triggered, quarterly WET testing shall be initiated for both species and continue until there are four consecutive passing results for all endpoints. The Phase I TRE may include a Toxicity Identification Evaluation (TIE) if the permittee cannot immediately identify the possible causes of the effluent toxicity and the possible sources of the causative agents.

2. The permittee shall, within one year following the Phase I TRE trigger, submit a Phase I TRE report to the DEP regional office that issued the permit. The Phase I TRE shall be conducted in accordance with EPA's guidance, "Toxicity Reduction Evaluation for Municipal Wastewater Treatment Plants" (EPA/833B-99/002), "Generalized Methodology for Conducting Industrial Toxicity Reduction Evaluations" (EPA/600/2-88/070), and other relevant EPA guidance, as applicable. If a TIE is conducted as part of the Phase I TRE, it shall conform to EPA's guidance, "Methods for Aquatic Toxicity Identification Evaluations Phase I" (EPA/600/6-91/003), "Phase II" (EPA/600/R-92/080), "Phase III" (EPA/600/R-92/081) and other relevant EPA guidance. The Phase I TRE report shall be submitted with the fourth quarterly WET test report that is completed following the Phase I TRE trigger. The TRE report shall include all activities undertaken to identify the cause(s) and source(s) of toxicity and any control efforts.

3. If all four quarterly WET tests produce passing results for all endpoints during the Phase I TRE process, performance of a Phase II TRE is not required, and annual WET testing in accordance with paragraph B.2 may be initiated or resume.

4. If the four WET tests produce at least one failing result during the Phase I TRE process, the permittee shall continue quarterly WET monitoring for both species and initiate a Phase II TRE in accordance with paragraph D. In this case, the Phase I TRE must include a schedule for completion of the Phase II TRE. The schedule must include interim milestones and a final completion date not to exceed two years from the initiation of the Phase II TRE. The permittee shall implement the Phase II TRE in accordance with the schedule unless DEP issues written approval to modify the schedule or cease performance of the Phase II TRE.

5. Re-tests during the TRE process are required for invalid tests but are optional and at the discretion of the permittee for valid tests. The results of all re-tests must be submitted to the DEP regional office that issued the permit along with the required elements in paragraph H.

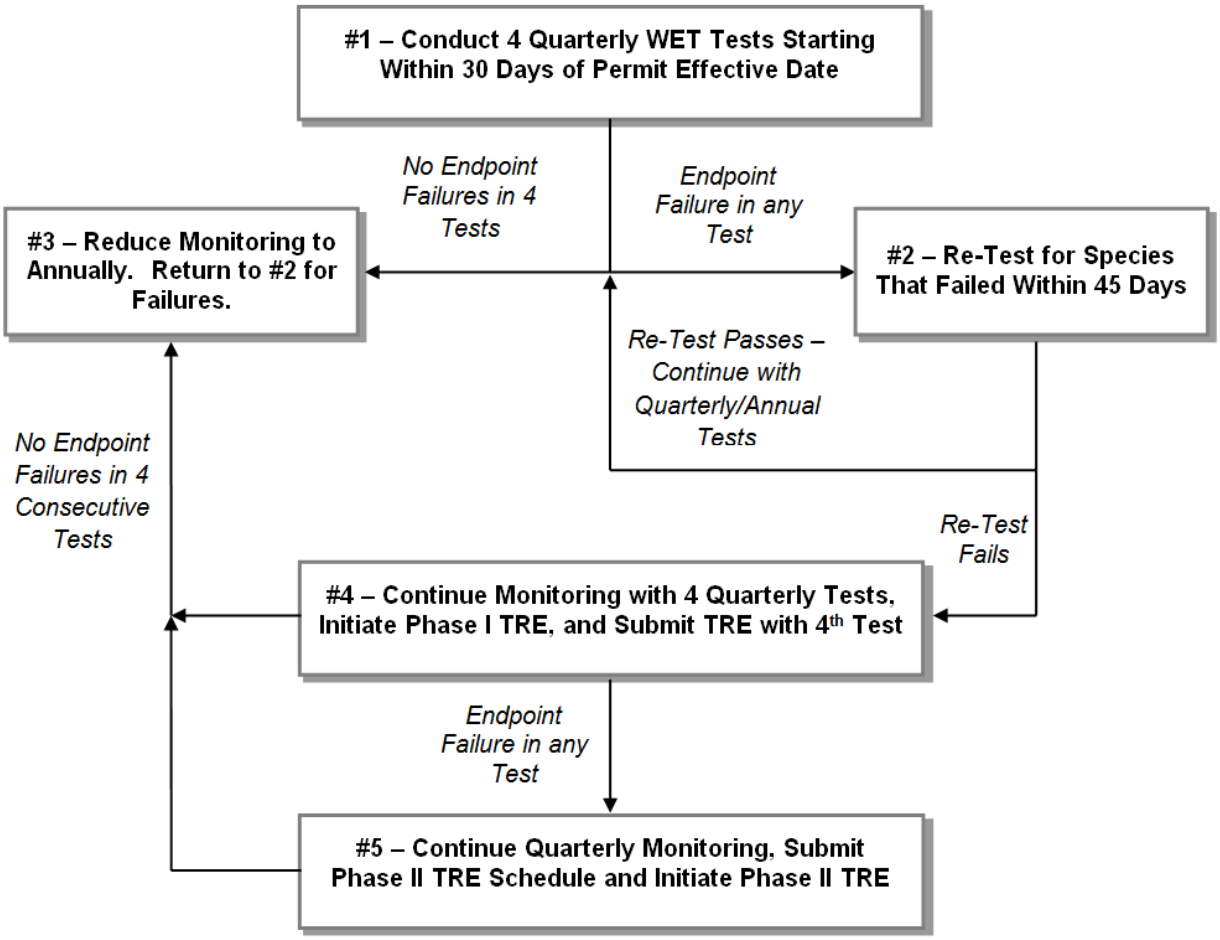
D. Phase II Toxicity Reduction Evaluation (TRE)

1. The Phase II TRE trigger is one WET endpoint failure during performance of the Phase I TRE. A Phase II TRE, if required, shall conform to EPA's guidance, "Toxicity Reduction Evaluation for Municipal Wastewater Treatment Plants" (EPA/833B-99/002), "Generalized Methodology for Conducting Industrial Toxicity Reduction Evaluations" (EPA/600/2-88/070), and other relevant EPA guidance, as applicable. A Phase II TRE evaluates the possible control options to reduce or eliminate the effluent toxicity and the implementation of controls.

2. Once initiated, the Phase II TRE must continue until the source(s) of toxicity are controlled as evidenced by four consecutive WET test passing results for all endpoints, and a final TRE report must be submitted on or before the date specified in the schedule, unless otherwise approved by DEP in writing.

3. If four consecutive quarterly WET tests produce passing results for all endpoints during the Phase II TRE process, annual WET testing in accordance with paragraph B.2 may be initiated or resume.

An overview of the process described in paragraphs B, C and D is presented below:



E. Sample Collection

For each acute testing event, a 24-hour flow-proportioned composite sample shall be collected. For each chronic testing event, three 24-hour flow-proportioned, composite samples shall be collected over a seven day exposure period. The samples must be collected at a frequency of not greater than every two hours and must be flow-proportioned. The samples must be collected at the permit compliance sampling location. Samples must be analyzed within 36 hours from the end of the compositing period and must be placed on ice and held at ≤ 6°C. Refer to the sample handling and preservation regulations set forth in 40 CFR 136, 25 Pa. Code Chapter 252, The NELAC Institute (TNI) Standard, and the appropriate EPA methods.

F. Test Conditions and Methods

Laboratories must be accredited by the DEP Laboratory Accreditation Program in order to perform and report WET tests for NPDES permit compliance. Laboratories must be either State or NELAP accredited.

1. Acute tests shall be completed in accordance with EPA's "Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms" (EPA-821-R-02-012, latest edition). Forty eight (48) hour static non-renewal tests shall be used.

2. Chronic tests shall be completed in accordance with EPA's "Short-term Methods for Estimating the Chronic Toxicity of Effluents and Receiving Waters to Freshwater Organisms" (EPA-821-R-02-013, latest edition). Seven (7) day tests shall be used with renewal every 24 hours.

3. The quality assurance and control (QA/QC) requirements and test acceptability standards specified in EPA's test methods and the requirements set forth in 25 Pa Code Chapter 252 or the TNI Standard must be followed

4. If the permittee or its accredited laboratory determines that QA/QC requirements and/or test acceptability standards have not been met, a re-test shall be initiated within 45 days. Original test data must be maintained by the laboratory and be submitted to DEP upon request. The justification for a re-test must be clearly documented and kept on file with the sample results.

G. Chemical Analyses

Chemical analyses must follow the requirements of the EPA methods and applicable State and/or Federal regulations.

1. Chemical analysis on effluent samples shall include pH, Conductivity, Total Alkalinity, Total Hardness, Total Residual Chlorine, Total Ammonia (Unionized Ammonia), Dissolved Oxygen and temperature. Chemical analyses as described in the EPA Methods (above) shall be performed for each sampling event, including each new batch of dilution water and each testing event.

2. In addition to the chemical analyses required above, those parameters listed in Part A of the NPDES permit for the outfall(s) tested shall be analyzed concurrently with the WET test by using the method(s) specified in the permit.

H. WET Report Elements

WET test reports that are submitted to DEP must include the requirements identified in 25 Pa. Code § 252.401(j)(1) – (15) or in the TNI Standard, or equivalent, as well as the following information:

1. A general test description, including the origin and age of test organisms, dates and results of reference toxicant tests, light and temperature regimes, and other documentation that QA and test acceptability criteria as specified in EPA's methods and DEP's QA Summaries have been met.

2. A description of sample collection procedures and sampling location.

3. Name(s) of individual(s) collecting and transporting samples, including sample renewals, and the date(s) and time(s) of sample collection.

4. All chemical and physical data including laboratory quantitation limits and observations made on the species. The hardness shall be reported for each test condition.

5. Copies of raw data sheets and/or bench sheets with data entries and signatures.

6. When effluents are dechlorinated, dechlorination procedures must be described and if applicable a thiosulfate control used in addition to the normal dilution water control. If the thiosulfate control results are significantly different from the normal control, as determined using DEP's WET Analysis Spreadsheet, the thiosulfate control shall be used in the spreadsheet for comparison with the TIWC condition. The WET report must specify which control was used to determine whether the test result is pass or fail.

7. A description of all observations or test conditions that may have affected the test outcome.

8. Control charts for the species tested regarding age, temperature test range, mortality data and all reference toxicant tests.

9. A completed WET test summary report (3800-FM-BCW0485).

10. A DEP WET Analysis Spreadsheet printout that provides control and TIWC replicate data and displays the outcome of the test (pass or fail) for each endpoint tested.

WETT reports shall be submitted to the DEP regional office that issued the permit and, for discharges to the Delaware River basin, the Delaware River Basin Commission (DRBC).

IV. TRC EFFLUENT LIMITATIONS BELOW QUANTITATION LIMITS

A. The calculated limits for Total Residual Chlorine (TRC) as specified in Part A of this permit are the limits necessary to comply with state water quality standards. These effluent limits are lower than the Quantitation Limit (QL), as defined in 25 Pa. Code § 252.1, of the most sensitive existing EPA-approved (40 CFR Part 136) test method or other DEP-approved method. If the sensitivity of the specified method improves or a more sensitive test method becomes available, DEP may modify the permit to require use of the more sensitive method.

B. TRC shall be analyzed using one of the following test methods below, or an approved equivalent, to achieve a QL of 0.02 mg/l or less:

- EPA 330.5 Spectrophotometric, DPD (SM 4500-Cl G, DPD Colorimetric Method)
- EPA 330.4 Titrimetric, DPD-FAS (SM 4500-Cl F, DPD Ferrous Titrimetric Method)

For the purpose of compliance, a statistical value reported on the DMR that is less than the QL (i.e., “non-detect”) will be considered to be in compliance.

C. The permittee may develop a site-specific alternate MDL pursuant to the procedure contained in 40 CFR Part 136 Appendix B. DEP should be contacted for guidance before initiating this procedure.

D. The permittee shall manage non-detect values and report statistical results to DEP in accordance with published DMR guidance (3800-BK-DEP3047 and 3800-FS-DEP4262). Where a mixed data set exists containing non-detect results and “detected” values (i.e., results greater than or equal to the QL), the QL shall be used for non-detect results to compute average statistical results.

PENN ESTATES WATER SYSTEM PERMITS

DELAWARE RIVER BASIN COMMISSION

Docket D-2003-036 CP-3

WITHDRAWAL PERMIT

DOCKET NO. D-2003-036 CP-3

DELAWARE RIVER BASIN COMMISSION

Located Within Drainage Area to Special Protection Waters

Community Utilities of Pennsylvania, Inc. - Penn Estates
Groundwater Withdrawal
Stroud Township, Monroe County, Pennsylvania

PROCEEDINGS

This docket is issued in response to an Application submitted to the Delaware River Basin Commission (DRBC or Commission) on October 17, 2018 for renewal of an allocation of groundwater and review of a groundwater water withdrawal project (Application). Pennsylvania Department of Environmental Protection (PADEP) issued its most recent Public Water Supply Permit for the operation of the facility on October 25, 2016 (Permit No. 2450065).

The Application was reviewed for continued inclusion in the Comprehensive Plan and for approval under Section 3.8 of the *Delaware River Basin Compact*. Monroe County Planning Commission has been notified of pending action on this docket. A public hearing on this project was held by the DRBC on August 14, 2019.

A. DESCRIPTION

1. Purpose. The purpose of this docket is to renew the approval of a combined groundwater withdrawal of up to 12.426 million gallons per month (mgm) from existing Wells 2, 3, 4, 5, 6, 7 and 8 for use in the docket holder's public water supply system.

2. Location. The project wells are completed in the Towamensing Member and Walcksville Member of the Catskill Formation and in the Trimmers Rock Formation and are located in the Lower Brodhead Creek and Lower Pocono Creek Watersheds in Stroud Township, Monroe County within the drainage area to the Middle Delaware, which the Commission has classified as Special Protection Waters. The unnamed tributary to Brodhead Creek located in the northern part of the project site and Wigwam Run, a tributary to Pocono Creek in the southern part of the project site are designated by the PADEP as High Quality Waters (HQ) supporting Cold Water Fishes (CWF) and migratory fishes (MF).

Specific location information has been withheld for security reasons.

3. **Area Served.** The project wells supply groundwater to the Penn Estates development as outlined on a map entitled "Location Map", dated October 12, 2018 submitted with the Application. For the purpose of defining Area Served, the Application is incorporated herein by reference consistent with conditions contained in the DECISION section of this docket.

4. **Design criteria.** The Penn Estates community is a second home and year-round residential development. The system currently serves approximately 1,719 residential service connections and 8 commercial connections. The existing average and maximum daily water demands are reported to be 0.360 million gallons per day (mgd) and 0.537 mgd, respectively. Monthly demands over the last five years averaged approximately 9.0 million gallons per month with a peak month of 11.6 million gallons. The docket holder does not anticipate any growth over the next 10-years and the requested continued allocation of 12.426 mgm is sufficient to meet the present and future demands of the project.

5. **Facilities.** The existing project wells have the following characteristics:

WELL NO.	DEPTH (FEET)	CASED DEPTH/ CASING DIAMETER	PUMP CAPACITY (GPM)	YEAR DRILLED
2	338	20' / 6"	65 gpm	1981
3	385	20' / 6"	60 gpm	1981
4	300	61' / 6"	45 gpm	1985
5	250	142' / 6"	85 gpm	1987
6	600	60' / 8"	16 gpm	1998
7	400	52' / 8"	100 gpm	2003
8	1,096	56' / 8"	50 gpm	2007

All water service connections are metered.

All wells are metered.

Prior to entering the distribution system, all water is treated by sodium hypochlorite for disinfection. Additionally, water from Well 6 is treated for iron and manganese sequestration.

The project wells are not located in flood hazard areas.

The water system is not presently interconnected with any other distribution system.

6. **Other.** Wastewater is conveyed to the Penn Estates Utilities, Inc. sewage treatment facility most recently approved by DRBC Docket No. D-1999-020 CP-4 on June 14, 2017. The PADEP issued its most recent NPDES Permit No. PA0060283 on August 27, 2012 for this treatment

facility. The treatment facility has adequate capacity to continue to receive wastewater from the proposed project.

7. Relationship to the Comprehensive Plan. The project was previously included in the Comprehensive Plan by Dockets Nos. D-77-109 CP, D-89-85 CP, D-98-47 CP, D-2003-36 CP and D-2003-036 CP-2 on January 25, 1978, January 12, 1990, September 30, 1999, September 1, 2004 and October 22, 2009, respectively. The project will continue to be included in the Commission's Comprehensive Plan upon approval of this docket.

B. FINDINGS

1. Special Protection Waters

In 1992, the DRBC adopted Special Protection Waters requirements, as part of the DRBC *Water Quality Regulations* (WQR), designed to protect existing high water quality in applicable areas of the Delaware River Basin. One hundred twenty miles of the Delaware River from Hancock, New York downstream to the Delaware Water Gap were classified by the DRBC as SPW. This stretch includes the sections of the river federally designated as "Wild and Scenic" in 1978 -- the Upper Delaware Scenic and Recreational River and the Delaware Water Gap National Recreation Area -- as well as an eight-mile reach between Milrift and Milford, Pennsylvania which is not federally designated. The SPW regulations apply to this 120-mile stretch of the river and its drainage area.

On July 16, 2008, the DRBC approved amendments to its *Water Quality Regulations* that provide increased protection for waters that the Commission classifies as Special Protection Waters. The portion of the Delaware River and its tributaries within the boundary of the Lower Delaware River Management Plan Area was approved for Special Protection Waters designation and clarity on definitions and terms were updated for the entire program.

Article 3.10.3A.2.e.1). and 2). of the *Water Quality Regulations, Administrative Manual - Part III,* states that projects subject to review under Section 3.8 of the Compact that are located in the drainage area of Special Protection Waters must submit for approval a Non-Point Source Pollution Control Plan that controls the new or increased non-point source loads generated within the portion of the docket holder's service area which is also located within the drainage area of Special Protection Waters. The wells providing water supply to the docket holder are located within the drainage area to the Special Protection Waters. Since no additional growth is anticipated, the project does not currently entail additional construction and expansion of facilities. As such, the non-point source pollution control plan requirement is not applicable at this time. Accordingly, Special Condition C.26. has been included in the Decision section of this docket.

2. Water Audits for Public Water Supply Systems Serving Greater than 100,000 gpd

Section 2.1.8 of the Water Code states that it is the policy of the Commission to establish a standardized water audit methodology for owners of water supply systems serving the public to

ensure accountability in the management of water resources. Voluntary Water Audits were encouraged for public water supply systems through December 31, 2011 (Section 2.1.8.B.). Effective January 1, 2012, the owners of each public water supply system are required to implement an annual calendar year water audit program conforming to IWA/AWWA Water Audit Methodology (AWWA Water Loss Control Committee (WLCC) Water Audit Software) and corresponding AWWA guidance (Section 2.1.8.C). Water audits shall be submitted annually to the Commission by March 31. The docket holder submitted their most recent Water Audit on March 29, 2019.

3. Other Findings

As described in Docket No. D-2003-036 CP-2, in order to maintain water levels in Well No. 8 above the critical water bearing zone, the docket holder has installed a data logger in the well and has integrated it with the supervisory control and data acquisition (SCADA). The system is programed to automatically shut the well pump off when the water level in Well 8 reaches 200 feet below top of casing. The SCADA controlled transducer set with the above mentioned parameters must remain active and operational in Well No. 8 at all times, unless otherwise directed by the Executive Director of the DRBC.

The DRBC estimates that the project withdrawals, used for the purpose of public water supply, result in a consumptive use of 10 percent of the total water use. The DRBC definition of consumptive use is defined in Article 5.5.1.D of the *Administrative Manual – Part III – Basin Regulations – Water Supply Charges*.

This project consists of an existing withdrawal of groundwater from Well Nos. 2, 3, 4, 5, 6, 7 and 8. The docket holder has requested monthly allocations and maximum rates for the existing wells based on previously approved allocations. The rates and allocations are provided in Decision Condition C.7. in the Decision Section of this docket. As the existing water withdrawals have already been realized by the local hydrologic system, there should be no significant impacts from continued withdrawals from the existing system wells.

Although the total combined withdrawals have not exceeded the approved total system allocation of 12.426 mgm, withdrawals at several of the individual wells have exceeded the approved monthly allocations from time to time. The docket holder indicated that they continue to focus on leak detection and have purchased additional equipment to identify leaks more quickly to reduce water withdrawals. Additionally, variable frequency drives have been installed at some of the wells to better control pumping rates and remain below the approved individual well allocations. Within 5 years of the approval date of this docket (September 11, 2024), the docket holder shall submit an update to the Commission describing and evaluating the effectiveness of its continued leak detection program. If individual well allocations continue to be exceeded in the future, the docket holder may need to apply to the Commission for an increase in individual well allocation.

The project is designed to conform to the requirements of the *Water Code* and *Water Quality Regulations* of the DRBC.

The project does not conflict with the Comprehensive Plan and is designed to prevent substantial adverse impact on the water resources related environment, while sustaining the current and future water uses and development of the water resources of the Basin.

C. DECISION

Effective on the approval date for Docket No. D-2003-036 CP-3 below, the project described in Docket No. D-2003-36 CP-2 is removed from the Comprehensive Plan to the extent that it is not included in Docket No. D-2003-036 CP-3; Docket No. D-2003-36 CP-2 is terminated and replaced by Docket No. D-2003-036 CP-3; and the project and the appurtenant facilities described in in Section A.4. (Design Criteria) and A.5. (Facilities) shall be continued in the Comprehensive Plan. The project and appurtenant facilities as described in in Section A.4. (Design Criteria) and A.5. (Facilities) are approved subject to the following conditions, pursuant to Section 3.8 of the *Compact*:

Monitoring and Reporting

1. The docket holder shall continue to report to the PADEP all surface and groundwater sources described in this docket in accordance with the Pennsylvania Regulations (Title 25 - Environmental Protection, [25 PA. CODE CH. 110], Water Resources Planning).

2. The project withdrawals shall be metered by means of an automatic continuous recording device, flow meter, or other method, and shall be measured to within 5 percent of actual flow. Meters or other methods of measurement shall be subject to approval and inspection by the PADEP as to the type, method, installation, maintenance, calibration, reading and accuracy. A record of daily withdrawals shall be maintained, and monthly totals shall be reported to the PADEP annually and shall be available at any time to the Commission if requested by the Executive Director.

3. In accordance with DRBC Resolutions No. 87-6 (Revised) and No. 2009-1, the docket holder shall continue to implement to the satisfaction of the PADEP, the systematic program to monitor and control leakage within the water supply system. The program shall at a minimum include: periodic surveys to monitor leakage, enumerate non-revenue water and determine the current status of system infrastructure; recommendations to monitor and control leakage; and a schedule for the implementation of such recommendations. The docket holder shall proceed expeditiously to correct leakages and unnecessary usage identified by the program.

4. In accordance with DRBC Resolution No. 2009-1 and Section 2.1.8 of the Water Code, the docket holder shall implement an annual calendar year water audit program conforming to IWA/AWWA Water Audit Methodology (AWWA Water Loss Control Committee (WLCC) Water Audit Software) and corresponding guidance. Water audits shall be submitted annually to the Commission by March 31.

5. The docket holder shall continue to implement its Water Conservation Plan as approved by PADEP and shall report to the PADEP on actions taken pursuant to this program and the impact of those actions as requested by the PADEP.

6. Within 5 years of the approval date of this docket (September 11, 2024), the docket holder shall submit an update to the Commission describing and evaluating the effectiveness of its continued leak detection program.

Other Conditions

7. During any month, the combined withdrawal from all well sources shall not exceed 12.426 million gallons. No well shall be pumped above the maximum rate and monthly allocation as indicated below:

WELL NO.	MAXIMUM RATE (GPM)	MONTHLY ALLOCATION (MGM)
2	40	1.116
3	43	0.837
4	35	1.550
5	60	2.480
6	56	2.480
7	90	4.030
8	38	1.697

8. Withdrawals from Well No. 8 shall be restricted by a pressure transducer integrated into a SCADA system. The SCADA system will shut the pump in Well No. 8 down when water levels as measured at the pressure transducer reach a maximum of 200 feet btoc. This will maintain water levels in the well above the most productive water bearing zone located at 200 feet btoc. The SCADA controlled transducer set with the above mentioned parameters will remain active and operational in Well No. 8 at all times, unless otherwise directed by the Executive Director of the DRBC.

9. The docket holder is responsible for timely submittal to the DRBC of a docket renewal application on the appropriate application form including the appropriate docket application filing fee (see 18 CFR 401.43) at least 6 months in advance of the docket expiration date set forth below. The docket holder will be subject to late filed renewal surcharges in the event of untimely submittal of its renewal application, whether or not DRBC issues a reminder notice in advance of the deadline or the docket holder receives such notice. In the event that a timely and complete application for renewal has been submitted and the DRBC is unable, through no fault of the docket holder, to reissue the docket before the expiration date below, the terms and conditions of the current docket will remain fully effective and enforceable against the docket holder pending the grant or denial of the application for docket approval.

10. The wells and operational records shall be available at all times for inspection by the DRBC.

11. The wells shall be operated at all times to comply with the requirements of the *Water Code* and *Water Quality Regulations* of the DRBC.

12. The wells shall be equipped, where possible, with readily accessible capped ports and minimum ½ inch inner diameter (ID) drop pipes as repairs or modifications are made at each existing well so that water levels may be measured under all conditions.

13. Each new water service connection shall include a water meter in accordance with the DRBC's Resolution No. 87-7 (Revised).

14. No water service connections shall be made to newly constructed premises with plumbing fixtures and fittings that do not comply with water conservation performance standards contained in Resolution No. 88-2 (Revision 2).

15. The docket holder shall implement to the satisfaction of the PADEP, a drought or other water supply emergency plan.

16. No new water service connections shall be made to premises connected to sewerage systems which are not in compliance with all applicable effluent limits contained in State permits and the *Water Quality Regulations* of the Commission.

17. Nothing herein shall be construed to exempt the docket holder from obtaining all necessary permits and/or approvals from other State, Federal or local government agencies having jurisdiction over this project.

18. The docket holder is permitted to provide the water approved in this docket to the areas included in Section A.3. Area Served of this docket. Any expansion beyond those included in Section A.3. Area Served is subject to DRBC review and approval in accordance with Section 3.8 of the *Compact*.

19. The docket holder shall be subject to applicable DRBC regulatory program fees, in accordance with duly adopted DRBC resolutions and/or regulations. (see 18 CFR 401.43).

20. This approval is transferable by request to the DRBC Executive Director provided that the project purpose and area served approved by the Commission in this docket will not be materially altered because of the change in project ownership. The request shall be submitted on the appropriate form and be accompanied by the appropriate fee (see 18 CFR 401.35).

21. The docket holder shall request a name change of the entity to which this approval is issued if the name of the entity to which this approval is issued changes its name. The request for name change shall be submitted on the appropriate form and be accompanied by the appropriate fee (see 18 CFR 401.35).

22. The issuance of this docket approval shall not create any private or proprietary rights in the water of the Basin, and the Commission reserves the rights to amend, alter or rescind any actions

taken hereunder in order to insure the proper control, use and management of the water resources of the Basin.

23. If the monitoring required herein or any other relevant data or information demonstrates that the operation of this project is interfering with or otherwise impairing existing uses of ground or surface water, or if the docket holder receives a complaint from an existing ground or surface water user within the zone of influence of the withdrawal alleging such interference or impairment, the permit holder shall immediately notify the Executive Director, and unless excused by the Executive Director, shall investigate the demonstrated or alleged impacts. For purposes of this condition, notification shall mean either (a) electronic transmittal of written notice to the Executive Director via email (using addresses posted on the DRBC website); or (b) written notice to the Executive Director and a telephone call to the Project Review Section at 609-883-9500, ext. 216. (Oral notification must always be accompanied by immediate written notification directed to the Executive Director.) In addition, the docket holder shall provide written notice to all potentially affected water users of the docket holder's responsibilities under this condition. **Any well or surface water supply that is impaired as a result of the docket holder's project withdrawal shall be repaired, replaced or mitigated at the docket holder's expense.** The scope of the options to consider for repair, replacement and/or mitigation shall not be limited solely to those that are owned, operated, or controlled by the project sponsor. An investigation report and/or mitigation plan prepared and certified by a licensed professional engineer and/or a licensed professional geologist shall be submitted to the Executive Director as soon as practicable following notice of the demonstrated or alleged impairment consistent with this paragraph. The Executive Director shall make the final determination regarding the scope and sufficiency of the investigation and the extent of any mitigation measures that may be required. Where ground and surface waters are rendered unavailable, unusable, or unsuitable for the pre-existing use, the Executive Director may direct the docket holder to take interim actions to mitigate such impacts, pending completion of the investigative report and any long-term repair, replacement or mitigation.

24. The Executive Director may modify or suspend this approval or any condition thereof, or require mitigating measures pending additional review, if in the Executive Director's judgment such modification or suspension is required to protect the water resources of the Basin.

25. For the duration of any drought emergency declared by either Pennsylvania or the Commission, water service or use by the docket holder pursuant to this approval shall be subject to the prohibition of those nonessential uses specified by the Governor of Pennsylvania, the Pennsylvania Emergency Management Council, PADEP, or the Commonwealth Drought Coordinator to the extent that they may be applicable, and to any other emergency resolutions or orders adopted hereafter by the Commission.

26. Prior to allowing connections from any new service areas or any new developments, the docket holder shall either submit and have approved by the Executive Director of the DRBC a Non-Point Source Pollution Control Plan (NPSPCP) in accordance with Section 3.10.3.A.2.e, or receive written confirmation from the Executive Director of the DRBC that the new service area is in compliance with a DRBC approved NPSPCP.

27. Renewal of this docket does not resolve violations, if any, by the docket holder that may have occurred prior to this renewal or that may be ongoing ("prior or ongoing violations") of provisions of the Delaware River Basin Compact ("Compact") or of any rule, regulation, order or approval duly issued by the Commission or the Executive Director pursuant to the Compact. The Commission reserves its right to take appropriate enforcement action against the docket holder, including but not limited to recovery of financial penalties consistent with Section 14.17 of the Compact, for any and all such prior or ongoing violations.

28. Any person who objects to a docket decision by the Commission may request a hearing in accordance with Article 6 of the *Rules of Practice and Procedure*. In accordance with Section 15.1(p) of the *Delaware River Basin Compact*, cases and controversies arising under the *Compact* are reviewable in the United States district courts.

BY THE COMMISSION

APPROVAL DATE: September 11, 2019

EXPIRATION DATE: September 11, 2029

PWS Permit 2450065

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

March 29, 2011

CERTIFIED MAIL NO. 7010 1870 0002 1755 7148

Penn Estates Utilities, Inc.
503 Hallet Road
East Stroudsburg, PA 18301

Re: Public Water Supply Operation Permit No. 2450065
4-Log Treatment for Viruses
EP-102, (Well No. 2)
(APS No. 730752)
Stroud & Pocono Townships, Monroe County

Dear Mr. Madison:

We are pleased to enclose Water Supply Permit No. 2450065 for the operation of the Penn Estates Utilities facility, Entry Point 102.

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 Hearing Board within 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 Rich Mieszkowski at 570-830-3103 or at the letterhead address.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Water Supply Management Program

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2450065

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Penn Estates Utilities, Inc. 503 Hallet Road East Stroudsburg, PA 18301	Municipality Stroud & Pocono Townships County Monroe

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW: 1. ☐ **CONSTRUCTION** 2. ☒ **OPERATION OF FACILITIES**
Approved Under Construction Permit No. NA

Source	Facilities		BVRB
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for Lead/Copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☒ Disinfection	☐ Vending Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☐ Distribution Facility	☐ Other _____	

KNOWN AS 4-Log Disinfection @ EP-102 (Penn Estates Well No. 2)

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: **1 & 2**.

PERMIT ISSUED

Date 3/29/11

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Penn Estates Utilities . Inc.
Stroud & Pocono Townships, Monroe County

Public Water Supply Permit No. 2450065

SPECIAL CONDITIONS

1. The instantaneous maximum flow through the well 2 facility, Entry Point 102, shall not exceed 35 gallons per minute.

2. A minimum chlorine residual of 0.65 mg/l shall be maintained at Entry Point 102, every day the well 2 facility is in use.

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

March 29, 2011

CERTIFIED MAIL NO. 7010 1870 0002 1755 7155

Penn Estates Utilities, Inc.
503 Hallet Road
East Stroudsburg, PA 18301

Re: Public Water Supply Operation Permit No. 2450065
4-Log Treatment for Viruses
EP-103, (Well No. 3)
(APS No. 730751)
Stroud & Pocono Townships, Monroe County

Dear Mr. Madison:

We are pleased to enclose Water Supply Permit No. 2450065 for the operation of the Penn Estates Utilities facility, Entry Point 103.

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 Hearing Board within 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 Rich Mieszkowski at 570-830-3103 or at the letterhead address.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Water Supply Management Program

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2450065

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Penn Estates Utilities, Inc. 503 Hallet Road East Stroudsburg, Pa 18301	Municipality Stroud & Pocono Townships County Monroe

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW: 1. ☐ CONSTRUCTION 2. ☒ OPERATION OF FACILITIES
Approved Under Construction Permit No. NA

Source		Facilities	BVRB
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for Lead/Copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☒ Disinfection	☐ Vending Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☐ Distribution Facility	☐ Other _____	

KNOWN AS 4-Log Disinfection @ EP-103 (Penn Estates Well No.3)

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: **1 & 2**.

PERMIT ISSUED

Date 3/29/11

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Penn Estates Utilities , Inc.
Stroud & Pocono Townships, Monroe County

Public Water Supply Permit No. 2450065

SPECIAL CONDITIONS

1. The instantaneous maximum flow through the well 3 facility, Entry Point 103, shall not exceed 25 gallons per minute.

2. A minimum chlorine residual of 0.40 mg/l shall be maintained at Entry Point 103, every day the well 3 facility is in use.

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

March 29, 2011

CERTIFIED MAIL NO. 7010 1870 0002 1755 7162

Penn Estates Utilities, Inc.
503 Hallet Road
East Stroudsburg, PA 18301

Re: Public Water Supply Operation Permit No. 2450065
4-Log Treatment for Viruses
EP-104, (Well No. 4)
(APS No. 730748)
Stroud & Pocono Townships, Monroe County

Dear Mr. Madison:

We are pleased to enclose Water Supply Permit No. 2450065 for the operation of the Penn Estates Utilities facility, Entry Point 104.

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 Hearing Board within 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 Rich Mieszkowski at 570-830-3103 or at the letterhead address.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Water Supply Management Program

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2450065

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Penn Estates Utilities, Inc. 503 Hallet Road East Stroudsburg, Pa 18301	Municipality Stroud & Pocono Townships County Monroe

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:
1. ☐ **CONSTRUCTION**
2. ☒ **OPERATION OF FACILITIES**
Approved Under Construction Permit No. NA

Source

- ☐ Well(s)
- ☐ Spring(s)
- ☐ Surface Water
- ☐ Finished Water

Facilities

- ☐ Impoundment
- ☐ Settling
- ☐ Filtration
- ☐ Iron and Manganese Treatment
- ☐ Softening
- ☐ Fluoridation
- ☐ Distribution Facility
- ☐ General Corrosion Control
- ☐ Corrosion Control for Lead/Copper
- ☒ Disinfection
- ☐ Pump Station(s)
- ☐ Transmission Lines
- ☐ Finished Water Storage
- ☐ Other _____

BVRB

- ☐ Bottled Water System
- ☐ Bulk Water Hauling System
- ☐ Vending Water System
- ☐ Retail Water Facility

KNOWN AS 4-Log Disinfection @ EP-104 (Penn Estates Well No.4)

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.

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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: **1 & 2**.

PERMIT ISSUED

Date 3/29/11

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Penn Estates Utilities , Inc.
Stroud & Pocono Townships, Monroe County

Public Water Supply Permit No. 2450065

SPECIAL CONDITIONS

1. The instantaneous maximum flow through the well 4 facility, Entry Point 104, shall not exceed 50 gallons per minute.

2. A minimum chlorine residual of 0.58 mg/l shall be maintained at Entry Point 104, every day the well 4 facility is in use.

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

March 29, 2011

CERTIFIED MAIL NO. 7010 1870 0002 1755 7179

Penn Estates Utilities, Inc.
503 Hallet Road
East Stroudsburg, PA 18301

Re: Public Water Supply Operation Permit No. 2450065
4-Log Treatment for Viruses
EP-105, (Well No. 5)
(APS No. 730747)
Stroud & Pocono Townships, Monroe County

Dear Mr. Madison:

We are pleased to enclose Water Supply Permit No. 2450065 for the operation of the Penn Estates Utilities facility, Entry Point 105.

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 Hearing Board within 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 Rich Mieszkowski at 570-830-3103 or at the letterhead address.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Water Supply Management Program

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2450065

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Penn Estates Utilities, Inc. 503 Hallet Road East Stroudsburg, Pa 18301	Municipality Stroud & Pocono Townships County Monroe

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:
1. ☐ **CONSTRUCTION**
2. ☒ **OPERATION OF FACILITIES**
Approved Under Construction Permit No. NA

Source	Facilities		BVRB
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for Lead/Copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☒ Disinfection	☐ Vending Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☐ Distribution Facility	☐ Other _____	

KNOWN AS 4-Log Disinfection @ EP-105 (Penn Estates Well No.5)

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.

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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: **1 & 2**.

PERMIT ISSUED

Date 3/29/11

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Penn Estates Utilities , Inc.

Stroud & Pocono Townships, Monroe County

Public Water Supply Permit No. 2450065

SPECIAL CONDITIONS

1. The instantaneous maximum flow through the well 5 facility, Entry Point 105, shall not exceed 76 gallons per minute.

2. A minimum chlorine residual of 0.42 mg/l shall be maintained at Entry Point 105, every day the well 5 facility is in use.

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

March 29, 2011

CERTIFIED MAIL NO. 7010 1870 0002 1755 7186

Penn Estates Utilities, Inc.
503 Hallet Road
East Stroudsburg, PA 18301

Re: Public Water Supply Operation Permit No. 2450065
4-Log Treatment for Viruses
EP-106, (Well No. 6)
(APS No. 730746)
Stroud & Pocono Townships, Monroe County

Dear Mr. Madison:

We are pleased to enclose Water Supply Permit No. 2450065 for the operation of the Penn Estates Utilities facility, Entry Point 106.

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 Hearing Board within 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 Rich Mieszkowski at 570-830-3103 or at the letterhead address.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Water Supply Management Program

PAWC Exhibit MS-2

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2450065

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Penn Estates Utilities, Inc. 503 Hallet Road East Stroudsburg, PA 18301	Municipality Stroud & Pocono Townships County Monroe

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW: 1. ☐ **CONSTRUCTION** 2. ☒ **OPERATION OF FACILITIES**
Approved Under Construction Permit No. NA

Source		**Facilities**	**BVRB**
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for Lead/Copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☒ Disinfection	☐ Vending Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☐ Distribution Facility	☐ Other _____	

KNOWN AS 4-Log Disinfection @ EP-106 (Penn Estates Well No.6)

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: **1 & 2**.

PERMIT ISSUED

Date 3/29/11

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Penn Estates Utilities , Inc.
Stroud & Pocono Townships, Monroe County

Public Water Supply Permit No. 2450065

SPECIAL CONDITIONS

1. The instantaneous maximum flow through the well 6 facility, Entry Point 106, shall not exceed 30 gallons per minute.

2. A minimum chlorine residual of 0.30 mg/l shall be maintained at Entry Point 106, every day the well 6 facility is in use.

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

March 29, 2011

CERTIFIED MAIL NO. 7010 1870 0002 1755 7193

Penn Estates Utilities, Inc.
503 Hallet Road
East Stroudsburg, PA 18301

Re: Public Water Supply Operation Permit No. 2450065
4-Log Treatment for Viruses
EP-107, (Well No. 7)
(APS No. 730744)
Stroud & Pocono Townships, Monroe County

Dear Mr. Madison:

We are pleased to enclose Water Supply Permit No. 2450065 for the operation of the Penn Estates Utilities facility, Entry Point 107.

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 Hearing Board within 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.

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If you have any questions concerning this matter, please contact Rich Mieszkowski at 570-830-3103 or at the letterhead address.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Water Supply Management Program

PAWC Exhibit MS-2

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2450065

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Penn Estates Utilities, Inc. 503 Hallet Road East Stroudsburg, Pa 18301	Municipality Stroud & Pocono Townships County Monroe

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:
1. ☐ **CONSTRUCTION**
2. ☒ **OPERATION OF FACILITIES**
Approved Under Construction Permit No. NA

Source

- ☐ Well(s)
- ☐ Spring(s)
- ☐ Surface Water
- ☐ Finished Water

Facilities

- ☐ Impoundment
- ☐ Settling
- ☐ Filtration
- ☐ Iron and Manganese Treatment
- ☐ Softening
- ☐ Fluoridation
- ☐ Distribution Facility
- ☐ General Corrosion Control
- ☐ Corrosion Control for Lead/Copper
- ☒ Disinfection
- ☐ Pump Station(s)
- ☐ Transmission Lines
- ☐ Finished Water Storage
- ☐ Other _____

BVRB

- ☐ Bottled Water System
- ☐ Bulk Water Hauling System
- ☐ Vending Water System
- ☐ Retail Water Facility

KNOWN AS 4-Log Disinfection @ EP-107 (Penn Estates Well No.7)

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.

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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: **1 & 2**.

PERMIT ISSUED

Date 3/29/11

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Penn Estates Utilities , Inc.
Stroud & Pocono Townships, Monroe County

Public Water Supply Permit No. 2450065

SPECIAL CONDITIONS

1. The instantaneous maximum flow through the well 7 facility, Entry Point 107, shall not exceed 90 gallons per minute.

2. A minimum chlorine residual of 0.50 mg/l shall be maintained at Entry Point 107, every day the well 7 facility is in use.

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

March 29, 2011

CERTIFIED MAIL NO. 7010 1870 0002 1755 7209

Penn Estates Utilities, Inc.
503 Hallet Road
East Stroudsburg, PA 18301

Re: Public Water Supply Operation Permit No. 2450065
4-Log Treatment for Viruses
EP-108, (Well No. 8)
(APS No. 730742)
Stroud & Pocono Townships, Monroe County

Dear Mr. Madison:

We are pleased to enclose Water Supply Permit No. 2450065 for the operation of the Penn Estates Utilities facility, Entry Point 108.

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 Hearing Board within 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.

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If you have any questions concerning this matter, please contact Rich Mieszkowski at 570-830-3103 or at the letterhead address.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Water Supply Management Program

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2450065

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Penn Estates Utilities, Inc. 503 Hallet Road East Stroudsburg, Pa 18301	Municipality Stroud & Pocono Townships County Monroe

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:
1. ☐ **CONSTRUCTION**
2. ☒ **OPERATION OF FACILITIES**
Approved Under Construction Permit No. NA

Source	Facilities	BVRB
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for Lead/Copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☒ Disinfection	☐ Vending Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☐ Distribution Facility	☐ Other _____	

KNOWN AS 4-Log Disinfection @ EP-108 (Penn Estates Well No.8)

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.

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THIS PERMIT IS SUBJECT TO THE ATTACHED SPECIAL CONDITIONS: **1 & 2**.

PERMIT ISSUED

Date 3/29/11

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Penn Estates Utilities , Inc.
Stroud & Pocono Townships, Monroe County

Public Water Supply Permit No. 2450065

SPECIAL CONDITIONS

1. The instantaneous maximum flow through the well 8 facility, Entry Point 108, shall not exceed 30 gallons per minute.

2. A minimum chlorine residual of 0.48 mg/l shall be maintained at Entry Point 108, every day the well 8 facility is in use.

PWS Permit 2450065

Pennsylvania Department of Environmental Protection

2 Public Square
Wilkes-Barre, PA 18711-0790
February 9, 2010

Northeast Regional Office

570-826-2511
Fax 570-830-3017

CERTIFIED MAIL NO. 7009 1680 0001 0015 8691

Penn Estates Utilities, Inc.
503 Hallet Road
East Stroudsburg, PA 18301

Attention: Mr. Chuck Madison

Re: Public Water Supply Permit No. 2450065
Penn Estates Utilities, Inc. Well #8
APS I.D. No. 653868
Stroud Township, Monroe County

Dear Mr. Madison:

Subject permit is enclosed.

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 Hearing Board within 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.

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Please study the permit carefully and direct any questions to Richard M. Mieszkowski at 570-830-3103.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Water Supply Management Program

Enclosure(s)

3800-FM-WSWM0043 Rev. 6/2001

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2450065

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Penn Estates Utilities, Inc. 503 Hallet Road East Stroudsburg, PA 18301	Municipality Stroud Township County Monroe

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:
1. ☐ CONSTRUCTION
2. ☒ OPERATION OF FACILITIES
Approved Under Construction Permit No. 4508504 issued 10/22/09

Source	Facilities		BVRB
☒ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for Lead/Copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☒ Disinfection	☐ Vending Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☐ Distribution Facility	☒ Other Contact Pipe Line	

KNOWN AS Well No. 8

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.

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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 **1-4**.

PERMIT ISSUED

Date 2/9/2010

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By Dino R. Agustini

Title Environmental Program Manager
Water Supply Management Program

Penn Estates Utilities, Inc.
Stroud Township, Monroe County

Public Water Supply Permit No. 2450065

SPECIAL CONDITIONS

1. The instantaneous pumping rate of Well No. 8 shall not exceed 30 GPM.

2. Water level monitoring (at 30 GPM) of Well No. 8, mandated by DRBC must continue with a downward adjustment of yield, any time the drawdown goes below 200 feet (the major water bearing zone). Final yield would depend on the result of on-going monitoring.

3. Penn Estates Utilities must resolve any future impact complaints (from private and public water source owners) that can be associated with the operation of Well No. 8.

4. During any 30-day period, the total withdrawal from Well No. 8 shall not exceed 1.642 million gallons, the withdrawal from Well No. 7 shall not exceed 3.9 million gallons, the withdrawal from Well No. 6 shall not exceed 2.4 million gallons, the withdrawal from Well No. 5 shall not exceed 2.40 million gallons, the withdrawal from Well No. 4 shall not exceed 1.50 million gallons, the withdrawal from Well No. 3 shall not exceed 0.81 million gallons, the withdrawal from Well No. 2 shall not exceed 1.08 million gallons, and the withdrawal from all wells shall not exceed 12.025 million gallons.

PWS Permit 4519508

PAWC Exhibit MS-2
RECEIVED
GHD Inc.
JAN 2 4 2020

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

January 6, 2020

Ms. Emily Long, Area Manager
Community Utilities of Pennsylvania, Inc.- Penn Estates
570 Hallet Road
East Stroudsburg, Pa 18301

Re: PWS Construction Permit No. 4519508
PWS ID No. 2450065
Community Utilities of Pennsylvania, Inc.- Penn Estates
Corrosion Control Treatment per the Lead and Copper Rule
(Well Nos. 2, 3, 4, 5, 6, 7 and 8)
APS No. 1005470 & AUTH No. 1295031
Stroud Township, Monroe County

Dear Ms. Long:

Subject permit is enclosed. Also enclosed is a Certificate of Construction/Modification Completion form, to be signed and returned to our office upon project completion along with a fee in the amount of $50.00 (made payable to the Commonwealth of Pa).

Contact us for an inspection prior to activation of these facilities.

Any person aggrieved by this action may appeal the action to the Environmental Hearing Board (Board) pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. § 7514, and the Administrative Agency Law, 2 Pa.C.S. Chapter 5A. The Board's address is:

Environmental Hearing Board
Rachel Carson State Office Building, Second Floor
400 Market Street
P.O. Box 8457
Harrisburg, PA 17105-8457

TDD users may contact the Environmental Hearing Board through the Pennsylvania Relay Service, 800-654-5984.

Appeals must be filed with the Board within 30 days of receipt of notice of this action unless the appropriate statute provides a different time. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

PAWC Exhibit MS-2

A Notice of Appeal form and the Board's rules of practice and procedure may be obtained online at http://ehb.courtapps.com or by contacting the Secretary to the Board at 717-787-3483. The Notice of Appeal form and the Board's rules are also available in braille and on audiotape from the Secretary to the Board.

IMPORTANT LEGAL RIGHTS ARE AT STAKE. 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 AT 717-787-3483 FOR MORE INFORMATION. YOU DO NOT NEED A LAWYER TO FILE A NOTICE OF APPEAL WITH THE BOARD.

IF YOU WANT TO CHALLENGE THIS ACTION, YOUR APPEAL MUST BE FILED WITH AND RECEIVED BY THE BOARD WITHIN 30 DAYS OF RECEIPT OF NOTICE OF THIS ACTION.

Please study the permit carefully and direct any questions to Deborah S. Wilkes of this office at the above address or telephone number.

Sincerely,

Brian T. Yagiello
Environmental Program Manager
Safe Drinking Water Program

Enclosure(s)

cc: Mr. Peter J. Lusardi, P.E./GHD, Inc.

PAWC Exhibit MS-2

bcc: File

BTY:DW:dw
WP: WILKES-254

Mr. Peter J. Lusardi, P.E.
GHD, Inc.
1240 North Mountain Rd.
Harrisburg, Pa 17113

Ms. Emily Long, Area Manager
Community Utilities of Pa, Inc. - Penn Estates
570 Hallet Road
East Stroudsburg, Pa 18301

PAWC Exhibit MS-2

3900-PM-BSDW0043 Rev. 7/2014

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF SAFE DRINKING WATER

PUBLIC WATER SUPPLY PERMIT

NO. 4519508

A. PERMITTEE:	B. PROJECT/PLANT LOCATION
Community Utilities of Pennsylvania, Inc. 570 Hallet Road East Stroudsburg, Pa 18301	Municipality Stroud Township County Monroe

C. THIS PERMIT APPROVES FOR: 1. ☒ CONSTRUCTION 2. ☐ OPERATION OF FACILITIES
AS INDICATED BELOW: Approved Under Construction Permit No. _____

Source	Facilities		BVRB
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☒ Corrosion Control for lead/copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☐ Disinfection	☐ Vended Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☐ Distribution Facility	☐ Other	

KNOWN AS Penn Estates – Blended Poly-orthophosphate Phosphate Addition (Well Nos. 2, 3, 4, 5, 6, 7 and 8)

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.

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THIS PERMIT IS SUBJECT TO THE ATTACHED SPECIAL CONDITIONS 1 & 2.

PERMIT ISSUED

Date January 6, 2020

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____

Signer's Name Brian T. Yagiello

Title Environmental Program Manager

Safe Drinking Water Program

Community Utilities of Pennsylvania, Inc. Public Water Supply Permit No. 4519508
Penn Estates
Stroud Township, Monroe County

SPECIAL CONDITIONS

1. This permit shall expire within two (2) years from the issuance date unless substantial work is initiated. The permit may be renewed by the Department if the water supplier makes a written request for renewal prior to the expiration date.

2. Upon completion of construction and in accordance with the approved plans and specifications, the public water supplier shall submit a Certificate of Construction to the Department. Said Certification shall state that the work was completed in accordance with the approved plans and specifications. It shall be signed by the professional engineer or other person responsible for the work. Certification shall include that adequate operation and maintenance information for the new facility is available on site for use by the public water systems personnel.

3900-FM-BSDW0062 Rev. 5/2019

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF SAFE DRINKING WATER

PAWC Exhibit MS-2

APS No. 1005470
ATTN: D. WILKES

CERTIFICATE OF CONSTRUCTION

Permittee: Citizens Utilities of Pennsylvania, Inc. - Penn Estates PWSID No.: 2450065

Public Water Supply Permit No. 4519508 Dated 1/06/2020 ☒ Construction or ☐ Construction/Operation

Professional Engineer or other person responsible for the work

Name: _____

Title: _____

Firm or Agency: _____

Address: _____

Telephone Number: _____ Email Address: _____

Certified Operator

Name: _____

Address: _____

Telephone Number: _____ Email Address: _____

DEP Client ID.: _____ Classes: _____ Subclasses: _____

Certification

I hereby certify that:

☒ The construction of new or modified public drinking water facilities approved under the permit listed above has been completed in accordance with the plans and specifications approved by DEP.

☒ Adequate operation and maintenance information for the new or modified facilities is available onsite for use by the public water system's personnel.

☒ The operator listed above has the proper certification as required by Title 25 Pa. Code Chapter 109, Section 109.704 and has been retained to operate the public water supply system.

☒ I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. See 18 Pa.C.S. § 4904 (relating to unsworn falsification).

_____

(Signature of Professional Engineer or other person responsible for the work) (Date)

This certification must be completed and returned to the Technical Services Section of the Safe Drinking Water Program within the DEP regional office that issued the public water supply permit.

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF SAFE DRINKING WATER

ENGINEERING INTERNAL REVIEW AND RECOMMENDATIONS

Name of Applicant:	eFACTS APS ID Number:	Application Number:
Community Utilities of Pennsylvania, Inc.- Penn Estates	1005470	4519508

Project Location:
Stroud Township, Monroe County

Brief Description of Project and Discussion (use additional sheets if necessary):

Introduction/Discussion

On November 5, 2019, the Department received Public Water Supply (PWS) permit application no. 4519508 from Community Utilities of Pennsylvania, Inc. for modifications to their existing Penn Estates PWS System (PWS ID No. 3130313) located in Stroud Township, Monroe County. Specifically, the application proposed the installation of corrosion control treatment (CCT) facilities per the Department's Lead and Copper Rule due to exceeding the action level for copper in the distribution system. The permit application proposed the installation of CCT treatment facilities as recommended in their CCT Feasibility Study which was approved by the Department on April 4, 2019. The CCT Feasibility Study recommended passivation via the addition of a blended poly-orthophosphate (SeaQuest® or equal) (and pH adjustment, if necessary) to reduce copper levels in the system. The pH adjustment is not proposed at this time and not included in the application submittal.

According to PADWIS, this PWS system (PWS ID No. 2450065) serves a population of 4,300 people via 1,725 service connections with an average daily usage of approximately 2,850 gallons per day.

RECOMMENDATION AND ACTION

Approve	Return	Deny	Signature	Date
☒	☐	☐	Deborah S. Wilkes Reviewer	1/06/2020
☒	☐	☐	Brian Busher, P.E. Environmental Engineer Manager	1/06/2020
☒	☐	☐	Brian T. Yagiello Environmental Program Manager	1/06/2020

Hydrogeology IR & R Attached? ☐ Yes ☐ No ☒ NA

This water system is a PWS community water system with the source of supply being seven (7) groundwater supply wells (Well Nos. 2, 3, 4, 5, 6, 7 and 8). According to the application, treatment consists of disinfection at all well stations prior the storage tanks plus additional sequestration via a Blended Phosphate (AquaMag) at Well No. 6. According to the application submittal, the distribution system consists of approximately 91% PVC piping, 3% steel, 0.1% ductile iron piping, 5% copper piping, and no known lead service lines. Most customers' plumbing is copper with a mixture of lead solder and lead-free solder in the distribution system.

Proposed Modifications

The applicant has proposed the use of a blended poly-orthophosphate (SeaQuest® or equal) (pH adjustment may be necessary, but it not included in this permit application) to reduce corrosion tendencies in the distribution system. Injection of the inhibitor is proposed at Well Nos. 2, 3, 4, 5, 6, 7 and 8. Note that Well No. 8 has higher levels of manganese than the other wells in the system (greater than 0.5 mg/l). The applicant is evaluating further/additional treatment options at this well site to address the manganese concern. The addition of the phosphate is proposed in this permit application for Well No. 8 and is for corrosion control purposes per the Lead and Copper Rule and not for manganese treatment due to the manganese exceedance. Manganese levels above the EPA Health Advisory Level necessitates physical removal. Note that Well No. 8 is not in service and will remain so until the manganese situation is resolved according to the application submittal.

The applicant has proposed to add a blended poly-orthophosphate product (SeaQuest® or equal) to enhance corrosion control of copper and lead (not required based upon action level sample results) in the system. SeaQuest® is categorized by NSF as a Blended Phosphate utilized for corrosion and scale control and sequestering at maximum use rate not to exceed 10 mg/l. All chemicals introduced into the PWS system shall be certified for conformance with NSF Standard 60. This method of corrosion control is based on the theory that the addition of phosphate to finished water will result in the formation of low-solubility lead-phosphate complexes on interior pipe surfaces and coats all pipes to make the water less aggressive. The protective layer acts as a barrier to corrosion, reducing dissolution of lead (and copper) into the water. Copper solubility is not significantly affected by phosphate inhibitors at reasonable dosages, however, their use may be considered based on a site-specific evaluation (as in this case) if calcium carbonate precipitation is a potential concern.

If necessary, the applicant has considered adjusting pH as a corrosion control strategy per the CCT Feasibility Study approval in the event the addition of the blended phosphate is insufficient based upon follow-up monitoring in the distribution system. A subsequent permit application would be required to be submitted for the addition of a pH adjustment chemical.

The applicant proposes to feed the proposed blended poly-orthophosphate product at Well Nos. 2, 3, 4, 5, 6, 7 and 8. It is proposed to be fed prior to disinfection which is accomplished via sodium hypochlorite addition. At Well No. 6, the proposed blended poly-orthophosphate product will replace the existing blended phosphate (AquaMag) used at this well site.

The chemical metering pumps and ancillary facilities proposed for the poly-orthophosphate product are LMI Roytronic Excel Series AD (AD 8X and AD 9X) units with a Pulsafeeder mixer and 40 gallon double walled solution tanks at each station. A common shelf

spare will be provided. The units are certified for conformance with NSF/ANSI Standard 61 per Chapter 109.606. All necessary appurtenances including calibration chambers and spill protection provisions shall be provided.

Administrative Issues

1. **Business Plan** – NA
2. **Coordination Matrix** – No coordination required.
3. **PA Bulletin Notice** – Published in Pa Bulletin on December 7, 2019. No comments were received.
4. **Acts 67/68** –NA
5. **SRBC/DRBC** – NA
6. **PNDI** – NA
7. **E&S Control Plan** – NA
8. **Hydro Review** – NA
9. **Fish Commission Review** – NA
10. **Historic/Museum Commission** – NA
11. **Allocation / Subsidiary / Service Area Changes** – NA
12. **PA Department of State** – Community Utilities of Pennsylvania, Inc. is a registered business entity in PA

Conclusion

Based on a review of the application submittal, it is recommended that approval be granted for the modifications as discussed above. Routine review and approval.

TAMIMENT SEWER PERMITS

DRBC DOCKET NO. D-1974-093 CP-6

Discharge to a Tributary of Special Protection Water

DOCKET NO. D-1975-093 CP-6

DELAWARE RIVER BASIN COMMISSION

Discharge to a Tributary of Special Protection Waters

Community Utilities of Pennsylvania, Inc.
Wastewater Treatment Plant
Lehman Township, Pike County, Pennsylvania

PROCEEDINGS

This docket is issued in response to an application submitted to the Delaware River Basin Commission (DRBC or Commission) on September 24, 2020 (Application), for renewal of the docket holder's existing wastewater treatment plant (WWTP) and its discharge. The Pennsylvania Department of Environmental Protection (PADEP) issued National Pollutant Discharge Elimination System (NPDES) Permit No. PA0037290 for this discharge.

The application was reviewed for continuation of the project in the Comprehensive Plan and approval under Section 3.8 of the *Delaware River Basin Compact*. The Pike County Planning Commission has been notified of pending action. A public hearing on this project was held by the DRBC on November 10, 2021.

A. DESCRIPTION

1. Purpose. The purpose of this docket is to renew approval of the docket holder's existing 0.25 million gallons per day (mgd) WWTP and its discharge.

2. Location. The docket holder's WWTP is located at Lake Drive in Lehman Township, Pike County, Pennsylvania at the Tamiment Resort and Country Club. When WWTP effluent is not spray applied to Tamiment Resort and Country Club grounds, it is discharged to an unnamed tributary to Little Bush Kill, which is tributary to Bush Kill, at River Mile 226.9 – 0.8 – 1.5 – 1.85 (Delaware River – Bush Kill - Little Bush Kill – UNT Little Bush Kill) via Outfall No. 100. Outfall No. 100 is located just downstream of a lake named First Pond (locally known as Pond Run Creek) which is downstream from two (2) other impoundments located directly in-line on the unnamed tributary to Little Bush Kill. Outfall No. 100 is approximately two (2) miles upstream of the boundary of the Delaware Water Gap National Recreation Area. The WWTP discharge is located in the drainage area to the section of the non-tidal Delaware River known as the Middle Delaware, which is classified as Special Protection Water (SPW).

Specific location information has been withheld for security reasons.

3. Area Served. The docket holder's WWTP will continue to serve Tamiment Resort and Country Club, as well as, the adjacent Mountain Laurel Center for the Performing Arts, in Lehman

Township, Pike County, Pennsylvania. For the purpose of defining the Area Served, Section B (Type of Discharge) and D (Service Area) of the docket holder's Application are incorporated herein by reference, to the extent consistent with all other conditions contained in the DECISION Section of this docket.

4. **Design Criteria**. The docket holder's 0.25 mgd WWTP utilizes an extended aeration treatment process with an anoxic zone and filtration. During suitable weather conditions, effluent from the WWTP is land discharged via a spray irrigation system. When conditions are unsuitable, effluent is discharged to an unnamed tributary to Little Bush Kill. The WWTP uses Chlorine as disinfection.

5. **Facilities**. The docket holder's WWTP facilities consist of a comminutor and bypass bar screen, two (2) equalization tanks, a flow splitter box, five (5) extended aeration tanks with anoxic zones, five (5) final clarifiers, a flash mixing unit for alum and soda ash addition, a flocculation tank, two (2) high rate effluent filtration beds, and a chlorine contact tank which includes a post aeration chamber. During suitable weather conditions, treated WWTP effluent is pumped to a six-foot deep, lined, aerated holding pond located between the 8th and 17th greens of the Tamiment Golf Course for irrigation use, as needed. When conditions are unsuitable for spray irrigation, treated WWTP effluent is discharged to an unnamed tributary of Little Bush Kill. Sludge handling is provided by a sludge holding tank.

A maximum spray irrigation application rate of 1.5 inches/acre/week on the approximate 110-acre golf course site was approved by PADEP in its Water Management Permit (Part II) No. 5200401 on September 13, 2000. The Part II permit also approves a groundwater and surface water monitoring program.

The docket holder's WWTP discharges to waters classified as SPW and is required to have available standby power. The existing WWTP has a generator installed capable of providing standby power.

The docket holder's WWTP is not staffed 24 hours per day and shall have a remote alarm system that continuously monitors plant operations in accordance with the Commission's SPW requirements. The existing WWTP has a diesel-powered permanent generator with automatic transfer switch installed that continuously monitors plant operations.

The docket holder has prepared and implemented an emergency management plan (EMP) for the existing WWTP in accordance with Commission SPW requirements.

The project facilities are not located in the 100-year floodplain.

Wasted sludge will continue to be handled in accordance with NPDES Permit No. PA0037290.

6. **Water Withdrawals**. The potable water supply in the project service area is provided by ground water wells owned and operated by the docket holder. The groundwater withdrawal is described in detail Docket No. D-1989-033 CP-4, which was approved by the DRBC on June 15, 2016.

7. NPDES Permit / DRBC Effluent Requirements. NPDES Permit No. PA0037290 issued by the PADEP includes final effluent limitations for the project discharge to surface waters classified by the PADEP as supporting high quality-cold water fishes (HQ-CWF). EFFLUENT TABLES C-1 & C-2 included in Section C. DECISION Condition C.1. of this docket, contain effluent requirements for DRBC parameters that must be met as a condition of this approval. Effluent requirements for Outfall No. 100 are based on a discharge rate of 0.25 mgd.

8. Relationship to the Comprehensive Plan. The WWTP was added to the Comprehensive Plan via Docket No. D-1975-093 CP-1 on July 23, 1975, which approved an upgrade and expansion to the WWTP; however, the upgrade and expansion project approved by D-1975-093 CP-1 was never constructed. Docket No. D-1975-093 CP (Rev) replaced Docket No. D-1975-093 CP-1 on April 20, 1983 and added the WWTP to the Comprehensive Plan. Docket Nos. D-1975-093 CP-3, D-1975-093 CP-4, and D-1975-093 CP-5 modified/renewed the WWTP on December 7, 2005, December 8, 2010, and March 16, 2016, respectively. Issuance of this docket will renew and continue the WWTP and its discharge in the Comprehensive Plan.

B. FINDINGS

The docket holder submitted an application to renew approval of their existing 0.25 mgd WWTP and its discharge.

1. Special Protection Waters

In 1992, the DRBC adopted SPW requirements, as part of the DRBC *Water Quality Regulations* (*WQR*), designed to protect existing water quality in applicable areas of the Delaware River Basin. One hundred twenty miles of the Delaware River from Hancock, New York downstream to the Delaware Water Gap has been classified by the DRBC as SPW. This stretch includes the sections of the river federally designated as "Wild and Scenic" in 1978 -- the Upper Delaware Scenic and Recreational River and the Delaware Water Gap National Recreation Area -- as well as an eight-mile reach between Milrift and Milford, Pennsylvania which is not federally designated. The SPW regulations apply to this 120-mile stretch of the river and its drainage area. (Upper/Middle SPW)

On July 16, 2008, the DRBC approved amendments to its *WQR* that provide increased protection for waters that the Commission classifies as SPW. The portion of the Delaware River and its tributaries within the boundary of the Lower Delaware River Management Plan Area was approved for SPW designation and clarity on definitions and terms were updated for the entire program. (Upper/Middle SPW)

The docket holder's WWTP discharges to the drainage area to the Middle Delaware SPW. The docket holder's WWTP discharge is required to comply with the SPW requirements, as outlined in Article 3.10.3A.2. of the WQR.

Article 3.10.3A.2.e.1). and 2). of the Commission's *WQR* states that projects subject to review under Section 3.8 of the Compact that are located in the drainage area of SPW must submit

for approval a Non-Point Source Pollution Control Plan (NPSPCP) that controls the new or increased non-point source loads generated within the portion of the docket holder's service area which is also located within the drainage area of SPW. The service area of the docket holder is located in the drainage area to the SPW. Since this project does not entail additional construction and/or expansion of facilities and service area and there are no new or increased non-point source loads associated with this approval, the NPSPCP requirement is not applicable at this time. Accordingly, Section C. DECISION Conditions C.3. has been included in this docket.

2. Other

At the WWTP discharge location, the unnamed tributary to Bush Kill has an estimated seven-day low flow with a recurrence interval of ten years ($Q_{7\text{-}10}$) of less than 0.1 cubic feet per second (cfs) and therefore is classified by the Commission as an intermittent stream.

The nearest surface water intake of record for public water supply downstream of the project discharge is owned and operated by the City of Easton, located on the Delaware River approximately 46 miles downstream of the project discharge.

The project does not conflict with the Comprehensive Plan and is designed to prevent substantial adverse impact on the water resources related environment, while sustaining the current and future water uses and development of the water resources of the Basin.

The effluent limits in the NPDES Permit conform with Commission effluent quality requirements, where applicable.

The project is designed to produce a discharge that meets the effluent requirements as set forth in the Commission's *Water Quality Regulations* (*WQR)*.

C. DECISION

Effective on the approval date for Docket No. D-1975-093 CP-6 below, the project described in Docket No. D-1975-093 CP-5 is removed from the Comprehensive Plan to the extent that it is not included in Docket No. D-1975-093 CP-6; Docket No. D-1975-093 CP-5 is terminated and replaced by Docket No. D-1975-093 CP-6; and the project and the appurtenant facilities described in Section A "DESCRIPTION" of this docket shall be continued in the Comprehensive Plan. The project and appurtenant facilities as described in Section A of this docket are approved pursuant to Section 3.8 of the *Compact*, subject to the following conditions:

Monitoring and Reporting

1. The docket holder shall comply with the requirements contained in the EFFLUENT TABLES below. The docket holder shall submit the required monitoring results electronically to the DRBC Project Review Section via email **aemr@drbc.gov** on the **Annual Effluent Monitoring Report Form** located at this web address: https://www.nj.gov/drbc/programs/project/docket-app-info.html#3. The monitoring results shall be submitted annually, absent any observed limit violations, by January 31. If a DRBC effluent limit is violated, the docket holder shall submit the result(s) to the DRBC within 30 days of the violation(s) and provide a written explanation that states the action(s) the docket holder has taken to correct the violation(s) and protect against any future violations. The following average monthly effluent limits are among those listed in the NPDES Permit and meet or are more stringent than the effluent requirements of the DRBC.

EFFLUENT TABLE C-1: DRBC Parameters Included in NPDES Permit

OUTFALL 100 (Discharges to UNT to Little Bush Kill)		
PARAMETER	**LIMIT**	**MONITORING**
pH (Standard Units)	6 to 9 at all times	As required by NPDES Permit
Total Suspended Solids	30 mg/l	As required by NPDES Permit
Dissolved Oxygen	7.0 mg/l (minimum at all times)	As required by NPDES Permit
$CBOD_5$ (at 20° C)	10 mg/l	As required by NPDES Permit
Ammonia Nitrogen (5-1 to 10-31) (11-1 to 4-30)	2.0 mg/l 6.0 mg/l	As required by NPDES Permit
Fecal Coliform (5-1 to 9-30) (10-1 to 4-30)	200 colonies per 100 ml as a geo. avg. 2000 colonies per 100 ml as a geo. avg.	As required by NPDES Permit
Phosphorus	1.0 mg/l	As required by NPDES Permit
Total Dissolved Solids*	1,000 mg/l	As required by NPDES Permit
$CBOD_5$ (at 20° C) Influent	Monitor & Report	As required by NPDES Permit
Nitrate as N or Nitrate + Nitrite as N	10.0 mg/l	As required by NPDES Permit
Total Nitrogen or Total Kjeldahl Nitrogen	Monitor & Report	As required by NPDES Permit

* See Section C. DECISION Condition C.6

The following monitoring requirements and average monthly effluent limits are for DRBC parameters not listed in the NPDES Permit.

EFFLUENT TABLE C-2: DRBC Parameters Not Included in NPDES Permit

OUTFALL 100 (Discharges to UNT to Little Bush Kill)		
PARAMETER	**LIMIT**	**MONITORING**
$CBOD_5$ (at 20° C)	85 % Minimum Removal	Monthly

2. Prior to project construction, the docket holder shall submit and have approved by the Executive Director of the DRBC, a NPSPCP in accordance with Article 3.10.3A.2.e. of the Commission's WQR.

Other Conditions

3. Prior to allowing connections from any new service areas or any new developments, the docket holder shall either submit and have approved by the Executive Director of the DRBC a NPSPCP in accordance with Section 3.10.3.A.2.e, or receive written confirmation from the Executive Director of the DRBC that the new service area is in compliance with a DRBC-approved NPSPCP.

4. Prior to the docket holder initiating any substantial alterations or additions to the existing WWTP as defined in Section 3.10.3A2.a.16) of the Commission's WQR, an application must be submitted and approved by the Commission. Such an application shall be submitted prior to final design to ensure that the Commission can provide the docket holder with draft effluent limitations for SPW specific parameters as guidance for design as to not require duplication of work or cause a substantial expenditure of public funds without Commission approval. The docket holder is encouraged to contact the Commission staff during the planning stages to identify the potential effluent limitations required to meet the no measurable change parameters under SPW.

5. Except as otherwise authorized by this docket, if the docket holder seeks relief from any limitation based upon a DRBC water quality standard or minimum treatment requirement, the docket holder shall apply for approval from the Executive Director or for a docket revision in accordance with Section 3.8 of the *Compact* and the *Rules of Practice and Procedure*.

6. The docket holder may request of the Executive Director in writing the substitution of specific conductance for TDS. The request should include information that supports the effluent specific correlation between TDS and specific conductance. Upon review, the Executive Director may modify the docket to allow the substitution of specific conductance for TDS monitoring.

7. The docket holder is responsible for timely submittal to the DRBC of a docket renewal application on the appropriate application form including the appropriate docket application filing fee (see 18 CFR 401.43) at least 6 months in advance of the docket expiration date set forth below. The docket holder will be subject to late filed renewal surcharges in the event of untimely submittal of its renewal application, whether or not DRBC issues a reminder notice in advance of the deadline or the docket holder receives such notice. In the event that a timely and complete application for renewal has been submitted and the DRBC is unable, through no fault of the docket holder, to reissue the docket before the expiration date below, the terms and conditions of the current docket will remain fully effective and enforceable against the docket holder pending the grant or denial of the application for docket approval.

8. The docket holder is permitted to treat and discharge wastewater as set forth in the Area Served Section of this docket, which incorporates by reference Sections B (Type of Discharge) and D (Service Area) of the docket holder's Application to the extent consistent with all other conditions of this DECISION Section.

9. The docket holder is prohibited from treating/pre-treating any hydraulic fracturing wastewater from sources in or out of the Basin at this time. Should the docket holder wish to treat/pre-treat hydraulic fracturing wastewater in the future, the docket holder will need to first apply to the Commission to renew this docket and be issued a revised docket allowing such treatment and an expanded service area. Failure to obtain this approval prior to treatment/pre-treatment will result in action by the Commission.

10. The facility and operational records shall be available at all times for inspection by the DRBC.

11. The facility shall be operated at all times to comply with the requirements of the Commission's WQR.

12. If at any time the receiving treatment plant proves unable to produce an effluent that is consistent with the requirements of this docket approval, no further connections shall be permitted until the deficiency is remedied.

13. Nothing herein shall be construed to exempt the docket holder from obtaining all necessary permits and/or approvals from other State, Federal or local government agencies having jurisdiction over this project.

14. The docket holder shall discharge wastewater in such a manner as to avoid injury or damage to fish or wildlife and shall avoid any injury to public or private property.

15. No sewer service connections shall be made to newly constructed premises with plumbing fixtures and fittings that do not comply with water conservation performance standards contained in Resolution No. 88-2 (Revision 2).

16. The issuance of this docket approval shall not create any private or proprietary rights in the waters of the Basin, and the Commission reserves the right to amend, suspend or rescind the docket for cause, in order to ensure proper control, use and management of the water resources of the Basin.

17. The docket holder shall be subject to applicable DRBC regulatory program fees, in accordance with duly adopted DRBC resolutions and/or regulations (see 18 CFR 401.43).

18. This approval is transferable by request to the DRBC Executive Director provided that the project purpose and area served approved by the Commission in this docket will not be materially altered because of the change in project ownership. The request shall be submitted on the appropriate form and be accompanied by the appropriate fee (see 18 CFR 401.43).

19. The docket holder shall request a name change of the entity to which this approval is issued if the name of the entity to which this approval is issued changes its name. The request for name change shall be submitted on the appropriate form and be accompanied by the appropriate fee (see 18 CFR 401.43).

20. The Executive Director may modify or suspend this approval or any condition thereof, or require mitigating measures pending additional review, if in the Executive Director's judgment such modification or suspension is required to protect the water resources of the Basin.

21. Any person who objects to a docket decision by the Commission may request a hearing in accordance with Article 6 of the Rules of Practice and Procedure. In accordance with Section 15.1(p) of the *Delaware River Basin Compact*, cases and controversies arising under the *Compact* are reviewable in the United States district courts.

BY THE COMMISSION

APPROVAL DATE: **December 8, 2021**

EXPIRATION DATE: **April 30, 2026**

NPDES Permit PA0037290

3800-PM-BPNPSM0013 Rev. 10/2014
Permit

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF POINT AND NON-POINT SOURCE MANAGEMENT

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

AUTHORIZATION TO DISCHARGE UNDER THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM DISCHARGE REQUIREMENTS FOR NON-MUNICIPAL SEWAGE TREATMENT WORKS

NPDES PERMIT NO: PA0037290

In compliance with the provisions of the Clean Water Act, 33 U.S.C. Section 1251 *et seq.* ("the Act") and Pennsylvania's Clean Streams Law, as amended, 35 P.S. Section 691.1 *et seq.*,

PA Utility Co. Inc.
Tamiment Resort
234 The Glen
Tamiment, PA 18371-9715

is authorized to discharge from a facility known as **Tamiment Resort (a.k.a. The Glen)**, located in **Lehman Township, Pike County**, to **Unnamed Tributary to Little Bush Kill** in Watershed(s) **1-D** in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts A, B and C hereof.

THIS PERMIT SHALL BECOME EFFECTIVE ON **MAY 1, 2016**

THIS PERMIT SHALL EXPIRE AT MIDNIGHT ON **APRIL 30, 2021**

The authority granted by this permit is subject to the following further qualifications:

1. If there is a conflict between the application, its supporting documents and/or amendments and the terms and conditions of this permit, the terms and conditions shall apply.

2. Failure to comply with the terms, conditions or effluent limitations of this permit is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application. (40 CFR 122.41(a))

3. A complete application for renewal of this permit, or notice of intent to cease discharging by the expiration date, must be submitted to DEP at least 180 days prior to the above expiration date (unless permission has been granted by DEP for submission at a later date), using the appropriate NPDES permit application form. (40 CFR 122.41(b), 122.21(d)(2))

   In the event that a timely and complete application for renewal has been submitted and DEP is unable, through no fault of the permittee, to reissue the permit before the above expiration date, the terms and conditions of this permit, including submission of the Discharge Monitoring Reports (DMRs), will be automatically continued and will remain fully effective and enforceable against the discharger until DEP takes final action on the pending permit application. (25 Pa. Code §§ 92a.7(b), (c))

4. This NPDES permit does not constitute authorization to construct or make modifications to wastewater treatment facilities necessary to meet the terms and conditions of this permit.

DATE PERMIT ISSUED April 25, 2016 **ISSUED BY** /s/

Bharat Patel P.E.
Clean Water Program Manager
Northeast Regional Office

PART A - EFFLUENT LIMITATIONS, MONITORING, RECORDKEEPING AND REPORTING REQUIREMENTS

I. A. For Outfall 001 , **Latitude** 41° 7' 52.00" , **Longitude** 75° 1' 35.00" , **River Mile Index** 1.78 , **Stream Code** 05057
Receiving Waters: Unnamed Tributary to Little Bush Kill
Type of Effluent: Treated Sewage

1. The permittee is authorized to discharge during the period from May 1, 2016 through April 30, 2021.

2. Based on the anticipated wastewater characteristics and flows described in the permit application and its supporting documents and/or amendments, the following effluent limitations and monitoring requirements apply (see also Additional Requirements and Footnotes).

Parameter	Effluent Limitations						Monitoring Requirements	
	Mass Units (lbs/day) (1)		Concentrations (mg/L)				Minimum (2) Measurement Frequency	Required Sample Type
	Average Monthly	Annual Average	Minimum	Average Monthly	Average Quarterly	Instant. Maximum		
Flow (MGD)	Report	Report Daily Max	XXX	XXX	XXX	XXX	Continuous	Measured
pH (S.U.)	XXX	XXX	6.0	XXX	XXX	9.0	1/day	Grab
Dissolved Oxygen	XXX	XXX	7.0	XXX	XXX	XXX	1/day	Grab
Total Residual Chlorine	XXX	XXX	XXX	0.6	XXX	1.5	1/day	Grab
CBOD5	21.0	XXX	XXX	10.0	XXX	20.0	1/week	8-Hr Composite
Influent CBOD5	XXX	XXX	XXX	Report	XXX	XXX	1/week	8-Hr Composite
Total Suspended Solids	63.0	Report Wkly Avg	XXX	30.0	XXX	60.0	1/week	8-Hr Composite
Fecal Coliform (CFU/100 ml) May 1 - Sep 30	XXX	XXX	XXX	200 Geo Mean	XXX	1,000	2/week	Grab
Fecal Coliform (CFU/100 ml) Oct 1 - Apr 30	XXX	XXX	XXX	2,000 Geo Mean	XXX	10,000	2/week	Grab

Outfall 001, Continued (from May 1, 2016 through April 30, 2021)

Parameter	Effluent Limitations						Monitoring Requirements	
	Mass Units (lbs/day) (1)		Concentrations (mg/L)				Minimum (2) Measurement Frequency	Required Sample Type
	Average Monthly	Annual Average	Minimum	Average Monthly	Average Quarterly	Instant. Maximum		
Nitrate-Nitrite as N	21.0	XXX	XXX	10.0	XXX	20.0	1/week	8-Hr Composite
Ammonia-Nitrogen May 1 - Oct 31	4.2	XXX	XXX	2.0	XXX	4.0	1/week	8-Hr Composite
Ammonia-Nitrogen Nov 1 - Apr 30	12.6	XXX	XXX	6.0	XXX	12.0	1/week	8-Hr Composite
Total Kjeldahl Nitrogen	XXX	XXX	XXX	Report	XXX	XXX	1/month	8-Hr Composite
Total Phosphorus	2.1	XXX	XXX	1.0	XXX	2.0	1/week	8-Hr Composite
Total Dissolved Solids	XXX	XXX	XXX	XXX	1,000	XXX	1/quarter	8-Hr Composite
Total Phosphorus	Report Avg Qrtly	Report	XXX	Report Annl Avg	Report	XXX	1/quarter	Calculation
Total Nitrogen	Report Avg Qrtly	Report	XXX	Report Annl Avg	Report	XXX	1/quarter	Calculation

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

at Outfall 001

PART A - EFFLUENT LIMITATIONS, MONITORING, RECORDKEEPING AND REPORTING REQUIREMENTS (Continued)

Additional Requirements

1. The permittee may not discharge:

   a. Floating solids, scum, sheen or substances that result in observed deposits in the receiving water. (25 Pa Code § 92a.41(c))

   b. Oil and grease in amounts that cause a film or sheen upon or discoloration of the waters of this Commonwealth or adjoining shoreline, or that exceed 15 mg/l as a daily average or 30 mg/l at any time (or lesser amounts if specified in this permit). (25 Pa. Code § 92a.47(a)(7), § 95.2(2))

   c. Substances in concentration or amounts sufficient to be inimical or harmful to the water uses to be protected or to human, animal, plant or aquatic life. (25 Pa Code § 93.6(a))

   d. Foam or substances that produce an observed change in the color, taste, odor or turbidity of the receiving water, unless those conditions are otherwise controlled through effluent limitations or other requirements in this permit. (25 Pa Code § 92a.41(c))

2. If the permit requires the reporting of average weekly statistical results, the maximum weekly average concentration and maximum weekly average mass loading shall be reported, regardless of whether the results are obtained for the same or different weeks.

3. The permittee shall monitor the sewage effluent discharge(s) for the effluent parameters identified in the Part A limitations table(s) during all bypass events at the facility, using the sample types that are specified in the limitations table(s). Where the required sample type is “composite”, the permittee must commence sample collection within one hour of the start of the bypass, wherever possible. The results shall be reported on the Daily Effluent Monitoring supplemental form (3800-FM-BPNPSM0435) and be incorporated into the calculations used to report self-monitoring data on Discharge Monitoring Reports (DMRs).

Footnotes

(1) When sampling to determine compliance with mass effluent limitations, the discharge flow at the time of sampling must be measured and recorded.

(2) This is the minimum number of sampling events required. Permittees are encouraged, and it may be advantageous in demonstrating compliance, to perform more than the minimum number of sampling events.

Supplemental Information

(1) The effluent limitations for Outfall 001 were determined using an effluent discharge rate of 0.25 MGD.

(2) Total Nitrogen is the sum of Total Kjeldahl-N (TKN) plus Nitrite-Nitrate as N (NO_2+NO_3-N), where TKN and NO_2+NO_3-N are measured in the same sample.

II. DEFINITIONS

At Outfall (XXX) means a sampling location in outfall line XXX below the last point at which wastes are added to outfall line (XXX), or where otherwise specified.

Average refers to the use of an arithmetic mean, unless otherwise specified in this permit. (40 CFR 122.41(l)(4)(iii))

Best Management Practices (BMPs) means schedules of activities, prohibitions of practices, maintenance procedures and other management practices to prevent or reduce the pollutant loading to surface waters of the Commonwealth. The term also includes treatment requirements, operating procedures and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage. The term includes activities, facilities, measures, planning or procedures used to minimize accelerated erosion and sedimentation and manage stormwater to protect, maintain, reclaim, and restore the quality of waters and the existing and designated uses of waters within this Commonwealth before, during and after earth disturbance activities. (25 Pa. Code § 92a.2)

Bypass means the intentional diversion of waste streams from any portion of a treatment facility. (40 CFR 122.41(m)(1)(i))

Calendar Week is defined as the seven consecutive days from Sunday through Saturday, unless the permittee has been given permission by DEP to provide weekly data as Monday through Friday based on showing excellent performance of the facility and a history of compliance. In cases when the week falls in two separate months, the month with the most days in that week shall be the month for reporting.

Clean Water Act means the Federal Water Pollution Control Act, as amended. (33 U.S.C.A. §§ 1251 to 1387).

Composite Sample (for all except GC/MS volatile organic analysis) means a combination of individual samples (at least eight for a 24-hour period or four for an 8-hour period) of at least 100 milliliters (mL) each obtained at spaced time intervals during the compositing period. The composite must be flow-proportional; either the volume of each individual sample is proportional to discharge flow rates, or the sampling interval is proportional to the flow rates over the time period used to produce the composite. (EPA Form 2C)

Composite Sample (for GC/MS volatile organic analysis) consists of at least four aliquots or grab samples collected during the sampling event (not necessarily flow proportioned). The samples must be combined in the laboratory immediately before analysis and then one analysis is performed. (EPA Form 2C)

Daily Average Temperature means the average of all temperature measurements made, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar day or during the operating day if flows are of a shorter duration.

Daily Discharge means the discharge of a pollutant measured during a calendar day or any 24-hour period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the "daily discharge" is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the "daily discharge" is calculated as the average measurement of the pollutant over the day. (25 Pa. Code § 92a.2, 40 CFR 122.2)

Daily Maximum Discharge Limitation means the highest allowable "daily discharge."

Discharge Monitoring Report (DMR) means the DEP or EPA supplied form(s) for the reporting of self-monitoring results by the permittee. (25 Pa. Code § 92a.2, 40 CFR 122.2)

Estimated Flow means any method of liquid volume measurement based on a technical evaluation of the sources contributing to the discharge including, but not limited to, pump capabilities, water meters and batch discharge volumes.

Geometric Mean means the average of a set of n sample results given by the nth root of their product.

Grab Sample means an individual sample of at least 100 mL collected at a randomly selected time over a period not to exceed 15 minutes. (EPA Form 2C)

Hazardous Substance means any substance designated under 40 CFR Part 116 pursuant to Section 311 of the Clean Water Act. (40 CFR 122.2)

Hauled-In Wastes means any waste that is introduced into a treatment facility through any method other than a direct connection to the sewage collection system. The term includes wastes transported to and disposed of within the treatment facility or other entry points within the collection system.

Immersion Stabilization (i-s) means a calibrated device is immersed in the wastewater until the reading is stabilized.

Instantaneous Maximum Effluent Limitation means the highest allowable discharge of a concentration or mass of a substance at any one time as measured by a grab sample. (25 Pa. Code § 92a.2)

Measured Flow means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.

Monthly Average Discharge Limitation means the highest allowable average of "daily discharges" over a calendar month, calculated as the sum of all "daily discharges" measured during a calendar month divided by the number of "daily discharges" measured during that month. (25 Pa. Code § 92a.2)

Municipal Waste means garbage, refuse, industrial lunchroom or office waste and other material, including solid, liquid, semisolid or contained gaseous material resulting from operation of residential, municipal, commercial or institutional establishments and from community activities; and sludge not meeting the definition of residual or hazardous waste under this section from a municipal, commercial or institutional water supply treatment plant, waste water treatment plant or air pollution control facility. (25 Pa. Code § 271.1)

Residual Waste means garbage, refuse, other discarded material or other waste, including solid, liquid, semisolid or contained gaseous materials resulting from industrial, mining and agricultural operations and sludge from an industrial, mining or agricultural water supply treatment facility, wastewater treatment facility or air pollution control facility, if it is not hazardous. The term does not include coal refuse as defined in the Coal Refuse Disposal Control Act. The term does not include treatment sludges from coal mine drainage treatment plants, disposal of which is being carried on under and in compliance with a valid permit issued under the Clean Streams Law. (25 Pa Code § 287.1)

Severe Property Damage means substantial physical damage to property, damage to the treatment facilities that causes them to become inoperable, or substantial and permanent loss of natural resources that can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production. (40 CFR 122.41(m)(1)(ii))

Stormwater means the runoff from precipitation, snow melt runoff, and surface runoff and drainage. (25 Pa. Code § 92a.2)

Stormwater Associated With Industrial Activity means the discharge from any conveyance that is used for collecting and conveying stormwater and that is directly related to manufacturing, processing, or raw materials storage areas at an industrial plant, and as defined at 40 CFR §122.26(b)(14)(i) - (ix) and (xi) and 25 Pa. Code § 92a.2.

Total Dissolved Solids means the total dissolved (filterable) solids as determined by use of the method specified in 40 CFR Part 136.

Toxic Pollutant means those pollutants, or combinations of pollutants, including disease-causing agents, which after discharge and upon exposure, ingestion, inhalation or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains may, on the basis of information available to DEP cause death, disease, behavioral abnormalities, cancer, genetic mutations, physiological malfunctions,

including malfunctions in reproduction, or physical deformations in these organisms or their offspring. (25 Pa. Code § 92a.2)

III. SELF-MONITORING, REPORTING AND RECORDKEEPING

A. Representative Sampling

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity (40 CFR 122.41(j)(1)). Representative sampling includes the collection of samples, where possible, during periods of adverse weather, changes in treatment plant performance and changes in treatment plant loading. If possible, effluent samples must be collected where the effluent is well mixed near the center of the discharge conveyance and at the approximate mid-depth point, where the turbulence is at a maximum and the settlement of solids is minimized. (40 CFR 122.48, 25 Pa. Code § 92a.61)

2. Records Retention (40 CFR 122.41(j)(2))

   Except for records of monitoring information required by this permit related to the permittee's sludge use and disposal activities which shall be retained for a period of at least 5 years, all records of monitoring activities and results (including all original strip chart recordings for continuous monitoring instrumentation and calibration and maintenance records), copies of all reports required by this permit, and records of all data used to complete the application for this permit shall be retained by the permittee for 3 years from the date of the sample measurement, report or application. The 3-year period shall be extended as requested by DEP or the EPA Regional Administrator.

3. Recording of Results (40 CFR 122.41(j)(3))

   For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record the following information:

   a. The exact place, date and time of sampling or measurements.
   b. The person(s) who performed the sampling or measurements.
   c. The date(s) the analyses were performed.
   d. The person(s) who performed the analyses.
   e. The analytical techniques or methods used; and the associated detection level.
   f. The results of such analyses.

4. Test Procedures

   a. Facilities that test or analyze environmental samples used to demonstrate compliance with this permit shall be in compliance with laboratory accreditation requirements of Act 90 of 2002 (27 Pa. C.S. §§ 4101-4113) and 25 Pa. Code Chapter 252, relating to environmental laboratory accreditation.

   b. Test procedures (methods) for the analysis of pollutants or pollutant parameters shall be those approved under 40 CFR Part 136 or required under 40 CFR Chapter I, Subchapters N or O, unless the method is specified in this permit or has been otherwise approved in writing by DEP. (40 CFR 122.41(j)(4)), 122.44(i)(1)(iv))

   c. Test procedures (methods) for the analysis of pollutants or pollutant parameters shall be sufficiently sensitive. A method is sufficiently sensitive when 1) the method minimum level is at or below the level of the effluent limit established in the permit for the measured pollutant or pollutant parameter; or 2) the method has the lowest minimum level of the analytical methods approved under 40 CFR Part 136 or required under 40 CFR Chapter I, Subchapters N or O, for the measured pollutant or pollutant parameter; or 3) the method is specified in this permit or has been otherwise approved in writing by DEP for the measured pollutant or pollutant parameter.

Permittees have the option of providing matrix or sample-specific minimum levels rather than the published levels. (40 CFR 122.44(i)(1)(iv))

5. Quality/Assurance/Control

   In an effort to assure accurate self-monitoring analyses results:

   a. The permittee, or its designated laboratory, shall participate in the periodic scheduled quality assurance inspections conducted by DEP and EPA. (40 CFR 122.41(e), 122.41(i)(3))

   b. The permittee, or its designated laboratory, shall develop and implement a program to assure the quality and accurateness of the analyses performed to satisfy the requirements of this permit, in accordance with 40 CFR Part 136. (40 CFR 122.41(j)(4))

B. Reporting of Monitoring Results

1. The permittee shall effectively monitor the operation and efficiency of all wastewater treatment and control facilities, and the quantity and quality of the discharge(s) as specified in this permit. (40 CFR 122.41(e), 122.44(i)(1))

2. Discharge Monitoring Reports (DMRs) must be completed in accordance with DEP's published DMR Instructions (3800-FM-BPNPSM0463). DMRs are based on calendar reporting periods unless Part C of this permit requires otherwise. DMR(s) must be received by the agency(ies) specified in paragraph 3 below in accordance with the following schedule:

   - Monthly DMRs must be received within 28 days following the end of each calendar month.

   - Quarterly DMRs must be received within 28 days following the end of each calendar quarter, i.e., January 28, April 28, July 28, and October 28.

   - Semiannual DMRs must be received within 28 days following the end of each calendar semiannual period, i.e., January 28 and July 28.

   - Annual DMRs must be received by January 28, unless Part C of this permit requires otherwise.

3. The permittee shall complete all Supplemental Reporting forms (Supplemental DMRs) provided by DEP in this permit (or an approved equivalent), and submit the signed, completed forms as an attachment to the DMR(s). If the permittee elects to use DEP's electronic DMR (eDMR) system, one electronic submission may be made for DMRs and Supplemental DMRs. If paper forms are used, the completed forms shall be mailed to:

   Department of Environmental Protection
   Clean Water Program
   2 Public Square
   Wilkes-Barre, PA 18701-1915

4. If the permittee elects to begin using DEP's eDMR system to submit DMRs required by the permit, the permittee shall, to assure continuity of business operations, continue using the eDMR system to submit all DMRs and Supplemental Reports required by the permit, unless the following steps are completed to discontinue use of eDMR:

   a. The permittee shall submit written notification to the regional office that issued the permit that it intends to discontinue use of eDMR. The notification shall be signed by a principal executive officer or authorized agent of the permittee.

   b. The permittee shall continue using eDMR until the permittee receives written notification from DEP's Central Office that the facility has been removed from the eDMR system, and electronic report submissions are no longer expected.

5. The completed DMR Form shall be signed and certified by either of the following applicable persons, as defined in 25 Pa. Code § 92a.22:

   - For a corporation - by a principal executive officer of at least the level of vice president, or an authorized representative, if the representative is responsible for the overall operation of the facility from which the discharge described in the NPDES form originates.
   - For a partnership or sole proprietorship - by a general partner or the proprietor, respectively.
   - For a municipality, state, federal or other public agency - by a principal executive officer or ranking elected official.

   If signed by a person other than the above, written notification of delegation of DMR signatory authority must be submitted to DEP in advance of or along with the relevant DMR form. (40 CFR 122.22(b))

6. If the permittee monitors any pollutant at monitoring points as designated by this permit, using analytical methods described in Part A III.A.4. herein, more frequently than the permit requires, the results of this monitoring shall be incorporated, as appropriate, into the calculations used to report self-monitoring data on the DMR. (40 CFR 122.41(l)(4)(ii))

C. Reporting Requirements

1. Planned Changes to Physical Facilities – The permittee shall give notice to DEP as soon as possible but no later than 30 days prior to planned physical alterations or additions to the permitted facility. A permit under 25 Pa. Code Chapter 91 may be required for these situations prior to implementing the planned changes. A permit application, or other written submission to DEP, can be used to satisfy the notification requirements of this section.

   Notice is required when:

   a. The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in 40 CFR 122.29(b). (40 CFR 122.41(l)(1)(i))

   b. The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are not subject to effluent limitations in this permit. (40 CFR 122.41(l)(1)(ii))

   c. The alteration or addition results in a significant change in the permittee's sludge use or disposal practices, and such alteration, addition, or change may justify the application of permit conditions that are different from or absent in the existing permit, including notification of additional use or disposal sites not reported during the permit application process or not reported pursuant to an approved land application plan. (40 CFR 122.41(l)(1)(iii))

   d. The planned change may result in noncompliance with permit requirements. (40 CFR 122.41(l)(2))

2. Planned Changes to Waste Stream – Under the authority of 25 Pa. Code § 92a.24(a), the permittee shall provide notice to DEP as soon as possible but no later than 45 days prior to any planned changes in the volume or pollutant concentration of its influent waste stream as a result of indirect discharges or hauled-in wastes, as specified in paragraphs 2.a. and 2.b., below. Notice shall be provided on the “Planned Changes to Waste Stream” Supplemental Report (3800-FM-BPNPSM0482), available on DEP’s website. The permittee shall provide information on the quality and quantity of waste introduced into the facility, and any anticipated impact of the change on the quantity or quality of effluent to be discharged from the facility. The Report shall be sent via Certified Mail or other means to confirm DEP’s receipt of the notification. DEP will determine if the submission of a new application and receipt of a new or amended permit is required.

   a. Introduction of New Pollutants (25 Pa. Code § 92a.24(a))

      New pollutants are defined as parameters that meet all of the following criteria:

(i) Were not detected in the facilities' influent waste stream as reported in the permit application; and

(ii) Have not been approved to be included in the permittee's influent waste stream by DEP in writing.

The permittee shall provide notification of the introduction of new pollutants in accordance with paragraph 2 above. The permittee may not authorize the introduction of new pollutants until the permittee receives DEP's written approval.

b. Increased Loading of Approved Pollutants (25 Pa. Code § 92a.24(a))

Approved pollutants are defined as parameters that meet one or more of the following criteria:

(i) Were detected in the facilities' influent waste stream as reported in the permittee's permit application; or

(ii) Have been approved to be included in the permittee's influent waste stream by DEP in writing; or

(iii) Have an effluent limitation or monitoring requirement in this permit.

The permittee shall provide notification of the introduction of increased influent loading (lbs/day) of approved pollutants in accordance with paragraph 2 above when (1) the cumulative increase in influent loading (lbs/day) exceeds 20% of the maximum loading reported in the permit application, or a loading previously approved by DEP, or (2) may cause an exceedance in the effluent of Effluent Limitation Guidelines (ELGs) or limitations in Part A of this permit, or (3) may cause interference or pass through at the facility, or (4) may cause exceedances of the applicable water quality standards in the receiving stream. Unless specified otherwise in this permit, if DEP does not respond to the notification within 30 days of its receipt, the permittee may proceed with the increase in loading. The acceptance of increased loading of approved pollutants may not result in an exceedance of ELGs or effluent limitations and may not cause exceedances of the applicable water quality standards in the receiving stream.

3. Reporting Requirements for Hauled-In Wastes

a. Receipt of Residual Waste

(i) The permittee shall document the receipt of all hauled-in residual wastes (including but not limited to wastewater from oil and gas wells, food processing waste, and landfill leachate), as defined at 25 Pa. Code § 287.1, that are received for processing at the treatment facility. The permittee shall report hauled-in residual wastes on a monthly basis to DEP on the "Hauled In Residual Wastes" Supplemental Report (3800-FM-BPNPSM0450) as an attachment to the DMR. If no residual wastes were received during a month, submission of the Supplemental Report is not required.

The following information is required by the Supplemental Report. The information used to develop the Report shall be retained by the permittee for five years from the date of receipt and must be made available to DEP or EPA upon request.

(1) The dates that residual wastes were received.

(2) The volume (gallons) of wastes received.

(3) The license plate number of the vehicle transporting the waste to the treatment facility.

(4) The permit number(s) of the well(s) where residual wastes were generated, if applicable.

(5) The name and address of the generator of the residual wastes.

(6) The type of wastewater.

The transporter of residual waste must maintain these and other records as part of the daily operational record (25 Pa. Code § 299.219). If the transporter is unable to provide this information or the permittee has not otherwise received the information from the generator, the residual wastes shall not be accepted by the permittee until such time as the permittee receives such information from the transporter or generator.

(ii) The following conditions apply to the characterization of residual wastes received by the permittee:

(1) If the generator is required to complete a chemical analysis of residual wastes in accordance with 25 Pa. Code § 287.51, the permittee must receive and maintain on file a chemical analysis of the residual wastes it receives. The chemical analysis must conform to the Bureau of Waste Management's Form 26R except as noted in paragraph (2), below. Each load of residual waste received must be covered by a chemical analysis if the generator is required to complete it.

(2) For wastewater generated from hydraulic fracturing operations ("frac wastewater") within the first 30 production days of a well site, the chemical analysis may be a general frac wastewater characterization approved by DEP. Thereafter, the chemical analysis must be waste-specific and be reported on the Form 26R.

b. Receipt of Municipal Waste

(i) The permittee shall document the receipt of all hauled-in municipal wastes (including but not limited to septage and liquid sewage sludge), as defined at 25 Pa. Code § 271.1, that are received for processing at the treatment facility. The permittee shall report hauled-in municipal wastes on a monthly basis to DEP on the "Hauled In Municipal Wastes" Supplemental Report (3800-FM-BPNPSM0437) as an attachment to the DMR. If no municipal wastes were received during a month, submission of the Supplemental Report is not required.

The following information is required by the Supplemental Report:

(1) The dates that municipal wastes were received.

(2) The volume (gallons) of wastes received.

(3) The BOD_5 concentration (mg/l) and load (lbs) for the wastes received.

(4) The location(s) where wastes were disposed of within the treatment facility.

(ii) Sampling and analysis of hauled-in municipal wastes must be completed to characterize the organic strength of the wastes, unless composite sampling of influent wastewater is performed at a location downstream of the point of entry for the wastes.

4. Unanticipated Noncompliance or Potential Pollution Reporting

a. Immediate Reporting - The permittee shall immediately report any incident causing or threatening pollution in accordance with the requirements of 25 Pa. Code §§ 91.33 and 92a.41(b).

(i) If, because of an accident, other activity or incident a toxic substance or another substance which would endanger users downstream from the discharge, or would otherwise result in pollution or create a danger of pollution or would damage property, the permittee shall immediately notify DEP by telephone of the location and nature of the danger. Oral notification to the Department is

required as soon as possible, but no later than 4 hours after the permittee becomes aware of the incident causing or threatening pollution.

(ii) If reasonably possible to do so, the permittee shall immediately notify downstream users of the waters of the Commonwealth to which the substance was discharged. Such notice shall include the location and nature of the danger.

(iii) The permittee shall immediately take or cause to be taken steps necessary to prevent injury to property and downstream users of the waters from pollution or a danger of pollution and, in addition, within 15 days from the incident, shall remove the residual substances contained thereon or therein from the ground and from the affected waters of this Commonwealth to the extent required by applicable law.

b. The permittee shall report any noncompliance which may endanger health or the environment in accordance with the requirements of 40 CFR 122.41(l)(6). These requirements include the following obligations:

(i) 24 Hour Reporting - The permittee shall orally report any noncompliance with this permit which may endanger health or the environment within 24 hours from the time the permittee becomes aware of the circumstances. The following shall be included as information which must be reported within 24 hours under this paragraph:

(1) Any unanticipated bypass which exceeds any effluent limitation in the permit;

(2) Any upset which exceeds any effluent limitation in the permit; and

(3) Violation of the maximum daily discharge limitation for any of the pollutants listed in the permit as being subject to the 24-hour reporting requirement. (40 CFR 122.44(g))

(ii) Written Report - A written submission shall also be provided within 5 days of the time the permittee becomes aware of any noncompliance which may endanger health or the environment. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance.

(iii) Waiver of Written Report - DEP may waive the written report on a case-by-case basis if the associated oral report has been received within 24 hours from the time the permittee becomes aware of the circumstances which may endanger health or the environment. Unless such a waiver is expressly granted by DEP, the permittee shall submit a written report in accordance with this paragraph. (40 CFR 122.41(l)(6)(iii))

5. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under paragraph C.4 of this section or specific requirements of compliance schedules, at the time DMRs are submitted, on the Non-Compliance Reporting Form (3800-FM-BPNPSM0440). The reports shall contain the information listed in paragraph C.4.b.(ii) of this section. (40 CFR 122.41(l)(7))

PART B

I. MANAGEMENT REQUIREMENTS

A. Compliance

1. The permittee shall comply with all conditions of this permit. If a compliance schedule has been established in this permit, the permittee shall achieve compliance with the terms and conditions of this permit within the time frames specified in this permit. (40 CFR 122.41(a)(1))

2. The permittee shall submit reports of compliance or noncompliance, or progress reports as applicable, for any interim and final requirements contained in this permit. Such reports shall be submitted no later than 14 days following the applicable schedule date or compliance deadline. (25 Pa. Code § 92a.51(c), 40 CFR 122.47(a)(4))

B. Permit Modification, Termination, or Revocation and Reissuance

1. This permit may be modified, terminated, or revoked and reissued during its term in accordance with Title 25 Pa. Code § 92a.72 and 40 CFR 122.41(f).

2. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition. (40 CFR 122.41(f))

3. In the absence of DEP action to modify or revoke and reissue this permit, the permittee shall comply with effluent standards or prohibitions established under Section 307(a) of the Clean Water Act for toxic pollutants within the time specified in the regulations that establish those standards or prohibitions. (40 CFR 122.41(a)(1))

C. Duty to Provide Information

1. The permittee shall furnish to DEP, within a reasonable time, any information which DEP may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. (40 CFR 122.41(h))

2. The permittee shall furnish to DEP, upon request, copies of records required to be kept by this permit. (40 CFR 122.41(h))

3. Other Information - Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to DEP, it shall promptly submit the correct and complete facts or information. (40 CFR 122.41(l)(8))

4. If the sewage treatment facility provides service in part or whole to a municipality, through a contract or agreement between the operator and municipality, an annual report shall be submitted to DEP by March 31 containing the following information, at a minimum:

   a. The information identified in 25 Pa. Code § 94.12.

   b. A “Solids Management Inventory” if specified in Part C of this permit.

   c. The total volume of hauled-in residual and municipal wastes received during the year, by source.

D. General Pretreatment Requirements

Where pollutants contributed by indirect dischargers result in interference or pass through, and a violation is likely to recur, the permittee shall develop and enforce specific limits for indirect dischargers and other users, as appropriate, that together with appropriate facility or operational changes, are necessary to

ensure renewed or continued compliance with this permit or sludge use or disposal practices. The permittee shall submit a copy of such limits to DEP when developed. (25 Pa. Code § 92a.47(d))

E. Proper Operation and Maintenance

1. The permittee shall employ operators certified in compliance with the Water and Wastewater Systems Operators Certification Act (63 P.S. §§ 1001-1015.1).

2. The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit. Proper operation and maintenance includes, but is not limited to, adequate laboratory controls including appropriate quality assurance procedures. This provision also includes the operation of backup or auxiliary facilities or similar systems that are installed by the permittee, only when necessary to achieve compliance with the terms and conditions of this permit. (40 CFR 122.41(e))

F. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge, sludge use or disposal in violation of this permit that has a reasonable likelihood of adversely affecting human health or the environment. (40 CFR 122.41(d))

G. Bypassing

1. Bypassing Not Exceeding Permit Limitations - The permittee may allow a bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions in paragraphs two, three and four of this section. (40 CFR 122.41(m)(2))

2. Other Bypassing - In all other situations, bypassing is prohibited and DEP may take enforcement action against the permittee for bypass unless:

   a. A bypass is unavoidable to prevent loss of life, personal injury or "severe property damage." (40 CFR 122.41(m)(4)(i)(A))

   b. There are no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance. (40 CFR 122.41(m)(4)(i)(B))

   c. The permittee submitted the necessary notice required in G.4.a. and b. below. (40 CFR 122.41(m)(4)(i)(C))

3. DEP may approve an anticipated bypass, after considering its adverse effects, if DEP determines that it will meet the conditions listed in G.2. above. (40 CFR 122.41(m)(4)(ii))

4. Notice

   a. Anticipated Bypass – If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible, at least 10 days before the bypass. (40 CFR 122.41(m)(3)(i))

   b. Unanticipated Bypass – The permittee shall submit oral notice of any other unanticipated bypass within 24 hours, regardless of whether the bypass may endanger health or the environment or whether the bypass exceeds effluent limitations. The notice shall be in accordance with Part A III.C.4.b.

H. Sanitary Sewer Overflows (SSOs)

An SSO is an overflow of wastewater, or other untreated discharge from a separate sanitary sewer system (which is not a combined sewer system), which results from a flow in excess of the carrying capacity of the system or from some other cause prior to reaching the headworks of the sewage treatment facility. SSOs are not authorized under this permit. The permittee shall immediately report any SSO to DEP in accordance with Part A III.C.4 of this permit.

II. PENALTIES AND LIABILITY

A. Violations of Permit Conditions

Any person violating Sections 301, 302, 306, 307, 308, 318 or 405 of the Clean Water Act or any permit condition or limitation implementing such sections in a permit issued under Section 402 of the Act is subject to civil, administrative and/or criminal penalties as set forth in 40 CFR §122.41(a)(2).

Any person or municipality, who violates any provision of this permit; any rule, regulation or order of DEP; or any condition or limitation of any permit issued pursuant to the Clean Streams Law, is subject to criminal and/or civil penalties as set forth in Sections 602, 603 and 605 of the Clean Streams Law.

B. Falsifying Information

Any person who does any of the following:

- Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit, or

- Knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit (including monitoring reports or reports of compliance or noncompliance)

Shall, upon conviction, be punished by a fine and/or imprisonment as set forth in 18 Pa.C.S.A § 4904 and 40 CFR 122.41(j)(5) and (k)(2).

C. Liability

Nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance pursuant to Section 309 of the Clean Water Act or Sections 602, 603 or 605 of the Clean Streams Law.

Nothing in this permit shall be construed to preclude the institution of any legal action or to relieve the permittee from any responsibilities, liabilities or penalties to which the permittee is or may be subject to under the Clean Water Act and the Clean Streams Law.

D. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. (40 CFR 122.41(c))

III. OTHER RESPONSIBILITIES

A. Right of Entry

Pursuant to Sections 5(b) and 305 of Pennsylvania's Clean Streams Law, and Title 25 Pa. Code Chapter 92a and 40 CFR 122.41(i), the permittee shall allow authorized representatives of DEP and EPA, upon the presentation of credentials and other documents as may be required by law:

1. To enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit; (40 CFR 122.41(i)(1))

2. To have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit; (40 CFR 122.41(i)(2))

3. To inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices or operations regulated or required under this permit; and (40 CFR 122.41(i)(3))

4. To sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the Clean Water Act or the Clean Streams Law, any substances or parameters at any location. (40 CFR 122.41(i)(4))

B. Transfer of Permits

1. Transfers by modification. Except as provided in paragraph 2 of this section, a permit may be transferred by the permittee to a new owner or operator only if this permit has been modified or revoked and reissued, or a minor modification made to identify the new permittee and incorporate such other requirements as may be necessary under the Clean Water Act. (40 CFR 122.61(a))

2. Automatic transfers. As an alternative to transfers under paragraph 1 of this section, any NPDES permit may be automatically transferred to a new permittee if:

   a. The current permittee notifies DEP at least 30 days in advance of the proposed transfer date in paragraph 2.b. of this section; (40 CFR 122.61(b)(1))

   b. The notice includes the appropriate DEP transfer form signed by the existing and new permittees containing a specific date for transfer of permit responsibility, coverage and liability between them; and (40 CFR 122.61(b)(2))

   c. DEP does not notify the existing permittee and the proposed new permittee of its intent to modify or revoke and reissue this permit, the transfer is effective on the date specified in the agreement mentioned in paragraph 2.b. of this section. (40 CFR 122.61(b)(3))

   d. The new permittee is in compliance with existing DEP issued permits, regulations, orders and schedules of compliance, or has demonstrated that any noncompliance with the existing permits has been resolved by an appropriate compliance action or by the terms and conditions of the permit (including compliance schedules set forth in the permit), consistent with 25 Pa. Code § 92a.51 (relating to schedules of compliance) and other appropriate DEP regulations. (25 Pa. Code § 92a.71)

3. In the event DEP does not approve transfer of this permit, the new owner or operator must submit a new permit application.

C. Property Rights

The issuance of this permit does not convey any property rights of any sort, or any exclusive privilege. (40 CFR 122.41(g))

D. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit. (40 CFR 122.41(b))

E. Other Laws

The issuance of this permit does not authorize any injury to persons or property or invasion of other private rights, or any infringement of state or local law or regulations.

IV. ANNUAL FEE

Permittees shall pay an annual fee in accordance with 25 Pa. Code § 92a.62. Annual fee amounts are specified in the following schedule and are due on each anniversary of the effective date of the most recent new or reissued permit. All flows identified in the schedule are annual average design flows. (25 Pa. Code § 92a.62)

Small Flow Treatment Facility (SRSTP or SFTF)	$0
Minor Sewage Facility < 0.05 MGD (million gallons per day)	$250
Minor Sewage Facility ≥ 0.05 and < 1 MGD	$500
Minor Sewage Facility with CSO (Combined Sewer Overflow)	$750
Major Sewage Facility ≥ 1 and < 5 MGD	$1,250
Major Sewage Facility ≥ 5 MGD	$2,500
Major Sewage Facility with CSO	$5,000

As of the effective date of this permit, the facility covered by the permit is classified in the following fee category: **Minor Sewage Facility >=0.05 and <1 MGD**.

Invoices for annual fees will be mailed to permittees approximately three months prior to the due date. In the event that an invoice is not received, the permittee is nonetheless responsible for payment. Throughout a five year permit term, permittees will pay four annual fees followed by a permit renewal application fee in the last year of permit coverage. Permittees may contact the DEP at 717-787-6744 with questions related to annual fees. The fees identified above are subject to change in accordance with 25 Pa. Code § 92a.62(e).

Payment for annual fees shall be remitted to DEP at the address below by the anniversary date. Checks should be made payable to the Commonwealth of Pennsylvania.

PA Department of Environmental Protection
Bureau of Point and Non-Point Source Management
Re: Chapter 92a Annual Fee
P.O. Box 8466
Harrisburg, PA 17105-8466

PART C

I. OTHER REQUIREMENTS

A. No storm water from pavements, area ways, roofs, foundation drains or other sources shall be directly admitted to the sanitary sewers associated with the herein approved discharge.

B. The approval herein given is specifically made contingent upon the permittee acquiring all necessary property rights by easement or otherwise, providing for the satisfactory construction, operation, maintenance or replacement of all sewers or sewerage structures associated with the herein approved discharge in, along, or across private property, with full rights of ingress, egress and regress.

C. Collected screenings, slurries, sludges, and other solids shall be handled and disposed of in compliance with 25 Pa. Code, Chapters 75, and in a manner equivalent to the requirements indicated in Chapters 271, 273, 275, 283, and 285 (related to permits and requirements for landfilling, land application, incineration, and storage of sewage sludge), Federal Regulation 40 CFR 257, Pennsylvania Clean Streams Law, Pennsylvania Solid Waste Management Act of 1980, and the Federal Clean Water Act and its amendments. The permittee is responsible to obtain or assure that contracted agents have all necessary permits and approvals for the handling, storage, transport, and disposal of solid waste materials generated as a result of wastewater treatment.

D. If, after the issuance of this permit, DEP approves a municipal sewage facilities official plan or an amendment to an official plan under Act 537 (Pennsylvania Sewage Facilities Act, the Act of January 24, 1966, P.L. 1535 as amended) in which sewage from the herein approved facilities will be treated and disposed of at other planned facilities, the permittee shall, upon notification from the municipality or DEP, provide for the conveyance of its sewage to the planned facilities, abandon use and decommission the herein approved facilities including the proper disposal of solids, and notify DEP accordingly. The permittee shall adhere to schedules in the approved official plan, amendments to the plan, or other agreements between the permittee and municipality. This permit shall then, upon notice from DEP, terminate and become null and void and shall be relinquished to DEP.

E. The Permittee has entered into a September 2005 Stipulation And Agreement of Settlement ("the Settlement Agreement") with the Estate of Charles Peters et al, and the Department of Environmental Protection filed at EHB Docket No. 2005-023-K which imposes additional terms and conditions on the parties to that Settlement Agreement. The parties may amend the Settlement Agreement without amending this Permit.

F. Prior to expansion of the treatment facility above the existing 0.25 MGD capacity, the spray irrigation system Phase I as constructed and operated under WQM Part II Permit No. 5200401 shall be utilized to the maximum extent feasible within the conditions of the Part II Permit. In addition, the permittee shall keep a daily spray irrigation report listing the total amount of effluent discharged from the treatment facility, the amount of effluent discharged to the stream, the amount of effluent discharged to the spray holding pond, the amount of effluent spray irrigated, the daily rainfall, the daily average temperature and total nitrogen content based on a 24-hour composite taken once per week. The daily log shall be submitted monthly with the Discharge Monitoring Report or eDMR.

WQM Permit 5200401

DP/6 PAWC Exhibit MS-2

Pennsylvania Department of Environmental Protection

2 Public Square
Wilkes-Barre, PA 18711-0790
September 13, 2000

Northeast Regional Office

570-826-2511
Fax 570-830-3016

Jae Kim, Vice President
Tamiment Development, Inc.
Tamiment Resort
Tamiment, PA 18371

Re: Sewage
Tamiment Development, Inc.
WQM Part II Permit No. 5200401
Lehman Township, Pike County

Dear Jae Kim:

Your permit is enclosed.

You must comply with all Standard and Special Conditions attached to this Permit. Construction must be done in accordance to the permit application and all supporting documentation. Please review the permit conditions and the supporting documentation submitted with your application before starting construction.

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, PO 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 Hearing Board within 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 have any questions, please call William Ulicny, Sanitary Engineer, at 570-830-3086.

Sincerely,

Kate Crowley

Kate Crowley
Program Manager
Water Management Program

Enclosures

cc: Mr. Thomas J. Reilly, Jr., P.E./Reilly Associates

ER-BWQ-15-Rev. 11/85

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER QUALITY MANAGEMENT

PAWC Exhibit MS-2

WATER QUALITY MANAGEMENT PERMIT NO. 5200401

A. PERMITTEE: (Name and Address)	B. PROJECT LOCATION
Tamiment Development, Inc. Tamiment Resort Tamiment, PA 18371	Municipality: Lehman Township County: Pike
C. TYPE OF FACILITY (For industrial wastes; type of establishment	D. NAME OF PLANT, AREA SERVED, OUTFALL NO., ETC.
Spray Irrigation System	Tamiment Golf Course

E. THIS PERMIT APPROVES:

1. Plans For Construction Of: a. [X] Pump Stations: Sewers and Appurtenances b. [ ] Sewage Treatment Facilities c. [ ] Industrial Wastes Treatment Facilities d. [ ] Injection Well e. [ ] Outfall & Headwall f. [ ] Stream Crossing g. [X] Impoundment

2. The Discharge Of: a. [ ] Treated b. [ ] Untreated c. [ ] Sewage d. [ ] Industrial Wastes

3. Discharge To: a. [ ] Surface Water b. [X] Ground Water
Unnamed Tributary to Little Bushkill Creek
Name of Stream to which discharged or drainage area in which groundwater discharge takes place or impoundment is located.

4. Preparedness, Prevention, Contingency (PPC) Plan [ ]

5. An Erosion and Sedimentation Control Plan
Project Area is _____ Acres [ ]

F. THIS APPROVAL IS SUBJECT TO THE FOLLOWING CONDITIONS:

1. ALL CONSTRUCTION, OPERATIONS, PROCEDURES AND DISCHARGE SHALL BE IN ACCORDANCE WITH APPLICATION NO. 5200401 DATED February 15, 2000 ITS SUPPORTING DOCUMENTATION, AND AMENDMENTS DATED None. SUCH APPLICATION, ITS SUPPORTING DOCUMENTATION AND AMENDMENTS ARE HEREBY MADE A PART OF THIS PERMIT.

2. CONDITIONS NUMBERED 1,2,6,9,11,14,16,21, and 22 OF THE sewerage STANDARD CONDITIONS DATED September 2, 1983 AND CONDITIONS NUMBERED N/A OF THE EROSION CONTROL STANDARD CONDITIONS DATED N/A WHICH CONDITIONS ARE ATTACHED AND MADE PART OF THIS PERMIT.

3. SPECIAL CONDITIONS DESIGNATED 1,2,3,4,5,6, and 7 WHICH ARE ATTACHED AND ARE MADE A PART OF THIS PERMIT.

G. THE AUTHORITY GRANTED BY THIS PERMIT IS SUBJECT TO THE FOLLOWING FURTHER QUALIFICATIONS:

1. IF THERE IS A CONFLICT BETWEEN THE APPLICATION ON ITS SUPPORTING DOCUMENTS AND AMENDMENTS AND THE STANDARD OR SPECIAL CONDITIONS, THE STANDARD OR SPECIAL CONDITIONS SHALL APPLY.

2. FAILURE TO COMPLY WITH THE RULES AND REGULATIONS OF THE DEPARTMENT OR WITH THE TERMS OR CONDITIONS OF THIS PERMIT SHALL VOID THE AUTHORITY GIVEN TO THE PERMITTEE BY THE ISSUANCE OF THE PERMIT.

3. THIS PERMIT IS ISSUED PURSUANT TO THE CLEAN STREAMS LAW, ACT OF JUNE 22, 1937, P.L. 1987 AS AMENDED 35 P.S. §691.1 ET SEQ. AND/OR THE DAM SAFETY AND ENCROACHMENTS ACT OF NOVEMBER 26, 1978, P.L. 1375, AS AMENDED, 32 P.S. §693.1 ET SEQ. ISSUANCE OF THIS PERMIT SHALL NOT RELIEVE THE PERMITTEE OF ANY RESPONSIBILITY UNDER ANY OTHER LAW.

PERMIT ISSUED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DATE September 13, 2000

BY: Kate Crowley
KATE CROWLEY

TITLE Program Manager
Water Management Program

SPECIAL CONDITIONS

This permit is also subject to the following special conditions:

1. Spray irrigation may occur on the golf course as required by accepted golf course management practices to maintain turf quality. Spray irrigation should not occur at a rate exceeding 1.5 inches/acre/week.

2. Soil fertilization and liming requirements for the greens and fairways shall be determined by soil tests conducted semi-annually (spring and fall). The fertilization requirements should be adjusted to account for the nutrient loading provided by the irrigation water. A copy of the soils testing data and records of supplementary fertilization shall be submitted to the Department with the Discharge Monitoring Report.

3. The permittee shall keep records of the spray field operation, including the date of wastewater application, the amount of effluent spray irrigated, rainfall amounts and the total nitrogen content of the effluent (as determined by analyzing an 8-hour composite sample taken once per week during the spray season). Copies of these records shall be submitted monthly with the Discharge Monitoring Report.

4. Phase I consisting of spray irrigation on the greens, tees and fairways. Phase II consists of spray irrigation on the roughs and wooded areas not planned for development adjoining the golf course. A permit application for Phase II shall be submitted when the 30-day average flow meets or exceeds 250,000 gpd.

5. The outlet of the storage lagoon underdrain system shall be inspected monthly to determine if a discharge is occurring. If present, the discharge should be sampled and an analysis for fecal coliform, nitrate nitrogen, BOD and chloride completed. The results of the inspection and any sample analysis shall be submitted with the Discharge Monitoring Report.

6. Twelve (12) lysimeters shall be installed throughout the golf course to monitor the performance of the spray irrigation system. The lysimeters will be sampled in 4 groups consisting of 3 lysimeters, each. The samples from each group will be composited and analyzed for pH, total nitrogen, and total phosphorous. The samples will be collected twice a year in June and October.

7. Surface water monitoring shall consist of quarterly sampling (April, June, October, December) for Monitoring Points 1, 2, 7 and 8 and during the spray season, one storm event shall be sampled at Monitoring Points 1, 2, 3, 4, 5, 6, 7, and 8. For each surface water monitoring point, a pH, temperature, and flow shall be recorded and a sample will be collected, if possible, and analyzed for total nitrogen, conductivity, chloride, fecal coliform, BOD and phosphate.

   Certified chemical analysis reports of the water samples collected from each monitoring point shall be submitted to the Department.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
WATER MANAGEMENT PROGRAM

PAWC Exhibit MS-2

For Dept. Use Only

Internal Review and Recommendations

Name of Applicant	Tamiment Development, Inc.	Project Location	Lehman Township Pike County	Application Number	5200401

BRIEF DESCRIPTION OF PROJECT AND DISCUSSION (Use Additional Sheets If Necessary)

The applicant is requesting a Part II permit for the construction and operation of a spray irrigation system at the Tamiment Golf Course, located in Lehman Township, Pike County. The system will discharge treated effluent from the existing tertiary treatment plant to the fairways greens and tees at this site.

The design and pending construction of the spray system are required in the planning approval relative to expansion of the plant to 1.15 mgd, and the November 6, 1992 Environmental Hearing Board Order that amended Special Condition No. 6, contained in the September 10, 1990 NPDES permit.

The existing treatment plant is designed to treat 250,000 gpd using extended aeration package treatment units. The plant also contains one flash mix unit with alum and soda ash addition, one flocculation tank, and two rapid sand filtration beds. Effluent is chlorinated prior to discharge.

Treated effluent will be discharged to a 1.5 mg storage lagoon. The lagoon construction will be include a 45 mil reinforced polyethylene liner, and an underdrain system which will discharge to a new irrigation pump station. The pump station will house (2) Flowtronex variable frequency drive pumps which will deliver 1000 gpm at 100 psi at the station discharge.

CURRENT ESTIMATE OF COMPLETION DATE OF PROJECT (Industrial Wastes Only)

RECOMMENDATION AND ACTION

Approve Issue By Region	Approve Issue by Central Office	Refuse	Signature	Date
☒	☐	☐	William Ulicny REVIEWING ENGINEER	9/13/00
☒	☐	☐	Paul M. Swerdon CHIEF, PERMITS SECTION	9/13/00
☒	☐	☐	KATE CROWLEY PROGRAM MANAGER	9/13/00
	☐	☐	DIVISION FACILITIES ENGINEER	
	☐	☐	DIVISION CHIEF	

WP: R4-6058.doc

PAWC Exhibit MS-2

The spray system is designed for a maximum capacity of 431,500 gpd, which will be utilized following expansion of the plant. The treatment plant is currently discharging effluent into an unnamed tributary to Little Bushkill Creek at rates ranging from 75,000-120,000 gpd.

This application was reviewed and approved by both the regional hydrogeologist and regional soils scientist. Application rates and monitoring requirements relative to the spray system are detailed in the Special Conditions Section of the permit. The Special Conditions also outline key issues to be addressed when application for upgrade are reviewed by this office.

The NPDES permit for the tertiary treatment plant, PA-0037290 expired on September 9, 1995 and has not been reissued to date.

Public Notice for this application was published on March 4, 2000. No comments were received.

WQM Permit 5204405

PAWC Exhibit MS-2

Pennsylvania Department of Environmental Protection

2 Public Square
Wilkes-Barre, PA 18711-0790
December 17, 2004

Northeast Regional Office

570-826-2511
Fax 570-830-3016

Pennsylvania Utility Company
234 The Glen
Tamiment, PA 18371

Attention: Mr. Soung Hong

Re: Sewage
Pennsylvania Utility Company
(The Glen)
WQM Part II Permit No. 5204405
Formerly Wesland Development Co.
APS ID No. ~~528363~~ 541075
Lehman Township, Pike County

Dear Mr. Hong:

Your Water Quality Management permit is enclosed.

This permit approves the consolidation and transfer of sewage facilities permits from Wesland Development Company.

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 Hearing Board within 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, please call Joseph Scolere at 570-826-2511.

Sincerely,

Kate Crowley
Program Manager
Water Management Program

Enclosures

bcc: Wastewater Management
Operation & Compliance Section, 11th Floor RCSOB, ATTENTION: Michael Thomas
Permits Chief
File

KC:JVS:lms
WP #: 5204405
H: 7/26/04
T(D): 7/27/04
T(F): 7/28/04; R(F): 7/29/04, 8/6/2004-kab

ATTN MR SOUNG HONG
PENNSYLVANIA UTILITY CO
234 THE GLEN
TAMIMENT PA 18371

3800-PM-WSWM0015 Rev. 6/2004
Permit

PAWC Exhibit MS-2

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

WATER QUALITY MANAGEMENT PERMIT

PERMIT NO. 5204405

APS ID. 528363

AUTH. ID. 559805

A. PERMITTEE (Name and Address): CLIENT ID#: 225562

PA Utility Company
234 The Glen
Tamiment, PA 18371

B. PROJECT/FACILITY (Name):
The Glen (formerly Wesland Development Co.)

C. LOCATION (Municipality, County):
Lehman Township, Pike County

SITE ID#: 636358

D. This permit approves the consolidation and transfer of sewerage facilities permits. The following formerly Wesland Development Company Water Quality Management Permits are included in the transfer:

5286402-T1:	Pump station, sewers and appurtenances of Tamiment Sewer Co. for The Glen at Tamiment and Eagle Point and Eagle Village
5286402-T2:	Pump station, sewers and appurtenances of Wesland Development, Inc. for the Glen at Tamiment and Eagle Point and Eagle Village
5287403-T1:	Pump station, sewers and appurtenances for Glen II Section of Tamiment Resort Complex
5287404-T1:	Sewers and appurtenances for Eagle Village Phase IV at Tamiment
5288401-T1:	Sewers and appurtenances for The Cottages, Phase I at Tamiment
5288402-T1:	Sewers and appurtenances for the Glen at Tamiment, Phase II, Section III
5288404-T1:	Sewers and appurtenances for the Glen at Tamiment, Phase III
5289405-T1:	Pressure Sewers, grinder pumps and appurtenances for The Glen at Tamiment, Phase IV
5289408-TI:	Sewers and appurtenances for The Glen at Tamiment, Phase IV, Section II
5283401-T1:	Sewage Treatment Plant at Tamiment Resort and Country Club
5200401-T1	Spray Irrigation system for Tamiment Golf Course

Pump Stations: N/A *(See Individual Permits)*

Design Capacity: N/A GPM

Industrial Wastewater/Sewage Treatment Facility:

Annual Average Flow: N/A MGD

Design Hydraulic Capacity: N/A MGD

E. APPROVAL GRANTED BY THIS PERMIT IS SUBJECT TO THE FOLLOWING:

1. **Transfers:** Water Quality Management Permit No. as listed above and conditions, supporting documentation and addendums are also made part of this transfer.

2. Permit Conditions Relating to Sewerage are attached and made part of this permit.

F. THE AUTHORITY GRANTED BY THIS PERMIT IS SUBJECT TO THE FOLLOWING FURTHER QUALIFICATIONS:

1. If there is a conflict between the application or its supporting documents and amendments and the attached conditions, the attached conditions shall apply.

2. Failure to comply with the rules and regulations of DEP or with the terms or conditions of this permit shall void the authority given to the permittee by the issuance of this permit.

3. This permit is issued pursuant to the Clean Streams Law Act of June 22, 1937, P.L. 1987, as amended 35 P.S. §691.1 *et seq.* Issuance of this permit shall not relieve the permittee of any responsibility under any other law.

PERMIT ISSUED:

December 17, 2004

BY: Kate Crowley

Kate Crowley
TITLE: Water Management Program Manager

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PAWC Exhibit MS-2

PERMIT CONDITIONS RELATING TO SEWERAGE

For use in Water Quality Management Permits

(Place a √ in the box that applies)

General

☒ 1. Consistent with the Department of Environmental Protection's (DEP) technical guidance document *Conducting Technical Reviews of Water Quality Management Permit Wastewater Treatment Facilities*, DEP ID: 362-2000-007 available on DEP's website at www.dep.state.pa.us, DEP did not conduct a detailed technical review of this application. DEP considers the registered Professional Engineer whose seal is affixed to the design documents to be fully responsible for the adequacy of all aspects of the facility design.

☐ 2. The permittee shall adopt and enforce an ordinance requiring the abandonment of privies, cesspools or similar receptacles for human waste and onlot sewage disposal systems on the premises of occupied structures accessible to public sewers. All such structures must be connected to the public sewers.

☒ 3. The outfall sewer or drain shall be extended to the low water mark of the receiving body of water. Where necessary to ensure proper mixing and waste assimilation, an outfall sewer or drain may be extended with appurtenances below the low water mark and into the bed of a navigable stream provided that the permittee has secured an easement, right-of-way, license or lease from DEP in accordance with Section 15 of the Dam Safety and Encroachments Act, the Act of November 26, 1978, P.L. 1375, as amended.

☒ 4. The approval is specifically made contingent on the permittee acquiring all necessary property rights, by easement or otherwise, providing for the satisfactory construction, operation, maintenance and replacement of all sewers or sewerage structures in, along, or across private property with full rights of ingress, egress and regress.

☒ 5. When construction of the approved sewerage facilities is completed and before they are placed in operation, the permittee shall notify DEP in writing so that a DEP representative may inspect the facilities.

☒ 6. If, at any time, the sewerage facilities covered by this permit create a public nuisance, including but not limited to, causing malodors or causing environmental harm to waters of the Commonwealth, DEP may require the permittee to adopt appropriate remedial measures to abate the nuisance or harm.

☒ 7. This permit authorizes the construction and operation of the proposed sewerage facilities until such time as facilities for conveyance and treatment at a more suitable location are installed and capable of receiving and treating the permittee's sewage. Such facilities must be in accordance with the applicable municipal official plan adopted pursuant to Section 5 of the Pennsylvania Sewage Facilities Act, the Act of January 24, 1966, P.L. 1535 as amended. When such municipal sewerage facilities become available, the permittee shall provide for the conveyance of the sewage to these sewerage facilities, abandon the use of these approved facilities and notify DEP accordingly. This permit shall then, upon notice from DEP, terminate and become null and void, and shall be relinquished to DEP.

☒ 8. This permit does not relieve the permittee of its obligations to comply with all federal, interstate, state or local laws, ordinances and regulations applicable to the sewerage facilities.

☒ 9. This permit does not give any real or personal property rights or grant any exclusive privileges, nor shall it be construed to grant or confirm any right, easement or interest in, on, to, or over any lands which belong to the Commonwealth.

☒ 10. The authority granted by this permit is subject to all effluent requirements, monitoring requirements, and other conditions as set forth in NPDES Permit No. **PA-0037290** and all subsequent amendments and renewals. No discharge is authorized from these facilities unless approved by an NPDES Permit.

Construction

☒ 11. The facilities shall be constructed under the supervision of a Pennsylvania registered Professional Engineer in accordance with the approved reports, plans and specifications. Any deviations from approved plans or specifications so revised should, therefore, be submitted well in advance of any construction work, which will be affected by such changes to the permit sufficient time for review and approval. Structural revisions or other minor changes not affecting capacities, flows or operations will be permitted during construction without approval. Upon request, "as-built drawings" clearly showing such alterations shall be filed with DEP at the completion of the work.

PAWC Exhibit MS-2

☐ 12. A Pennsylvania registered Professional Engineer shall certify that construction of the permitted facilities was completed in accordance with the Part II application and design plans submitted to DEP, using the enclosed "Sewage and Industrial Wastewater Facilities Construction Certification." It is the permittee's responsibility to ensure that a Professional Engineer is on-site to provide the necessary oversight and/or inspections to certify the facilities. The facilities may not be placed into operation until the Professional Engineer completes the certification. The certification must be submitted to DEP within 30 days following startup of the facilities, along with as-built drawings, photographs (if available), and a description of any DEP-approved deviations from the application and design plans.

☒ 13. Manhole inverts shall be formed to facilitate the flow of the sewage and to prevent the stranding of sewage solids. The whole manhole structure shall be built to prevent undue infiltration, entrance of street wash or grit and provide safe access to facilitate manhole maintenance activities.

☒ 14. The local Waterways Conservation Officer of the Pennsylvania Fish and Boat Commission (FBC) shall be notified when the construction of any stream crossing and/or outfall is started and completed. A written permit must be secured from the FBC if the use of explosives in any waterways is required and the permittee shall notify the local Waterways Conservation Officer when explosives are to be used.

Operation and Maintenance

☒ 15. The permittee shall maintain facility operation and maintenance (O&M) manuals at the facility and ensure proper O&M of the permitted facility. The permittee shall file the O&M manuals with DEP upon request.

☒ 16. The sewers shall have adequate foundation support as soil conditions require. Trenches shall be back-filled to ensure that sewers will have proper structural stability, with minimum settling and adequate protection against breakage. Concrete used in connection with these sewers shall be protected from damage by water, freezing, drying or other harmful conditions until cured.

☒ 17. Stormwater from roofs, foundation drains, basement drains or other sources shall not be admitted directly to the sanitary sewers.

☒ 18. The approved sewers shall be maintained in good condition, kept free of deposits by flushing or other cleaning methods and repaired when necessary.

☒ 19. The sewerage facilities shall be properly maintained so that the facility will perform as designed.

☒ 20. The attention of the permittee is called to the highly explosive nature of certain gases generated by the digestion of sewage solids when these gases are mixed in proper proportions with air and to the highly toxic character of certain gases arising from such digestion or from sewage in poorly ventilated compartments or sewers. Therefore, at all places throughout the sewerage facilities where hazard of fire, explosion or danger from toxic gases may occur, the permittee shall post conspicuous permanent and legible warnings. The permittee shall instruct all employees concerning the aforesaid hazards, first aid and emergency methods of meeting such hazards and shall make all necessary equipment and material accessible.

☒ 21. An operator certified in accordance with the Water and Wastewater Systems Operator Certification Act of February 21, 2002, 63 P.S. §§ 1001, *et seq.* shall operate the sewage treatment plant.

☒ 22. The permittee shall properly control any industrial waste discharged into its sewerage system by regulating the rate and quality of such discharge, requiring necessary pretreatment and excluding industrial waste, if necessary, to protect the integrity or operation of the permittee's sewerage system.

☒ 23. There shall be no physical connection between a public water supply system and a sewer or appurtenance to it which would permit the passage of any sewage or polluted water into the potable water supply. No water pipe shall pass through or come in contact with any part of a sewer manhole.

☐ 24. All connections to the approved sanitary sewers must be in accordance with the corrective action plan as contained in the approved Chapter 94 Municipal Wasteload Management Annual Report.

☒ 25. Collected screenings, slurries, sludge and other solids shall be handled and disposed of in compliance with 25 Pa. Code, Chapters 271, 273, 275, 283 and 285 (related to permits and requirements for land filling, land application, incineration and storage of sewage sludge), Federal Regulations 40 CFR 257 and the Federal Clean Water Act and its amendments.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
WATER MANAGEMENT PROGRAM

PAWC Exhibit MS-2

For Dept. Use Only

Internal Review and Recommendations

Name of Applicant	PA Utility Company (The Glen)	Project Location	Lehman Township Pike County	Application Number	5204405

BRIEF DESCRIPTION OF PROJECT AND DISCUSSION (Use Additional Sheets If Necessary)

PA Utility Co. is requesting the transfer of the following Water Quality Management (Part II) permits from Wesland Development Co.

5286402-T1:	Pump station, sewers and appurtenances of Tamiment Sewer Co. for The Glen at Tamiment and Eagle Point and Eagle Village
5286402-T2:	Pump station, sewers and appurtenances of Wesland Development, Inc. for the Glen at Tamiment and Eagle Point and Eagle Village
5287403-T1:	Pump station, sewers and appurtenances for Glen II Section of Tamiment Resort Complex
5287404-T1:	Sewers and appurtenances for Eagle Village Phase IV at Tamiment
5288401-T1:	Sewers and appurtenances for The Cottages, Phase I at Tamiment
5288402-T1:	Sewers and appurtenances for the Glen at Tamiment, Phase II, Section III
5288404-T1:	Sewers and appurtenances for the Glen at Tamiment, Phase III
5289405-T1:	Pressure Sewers, grinder pumps and appurtenances for The Glen at Tamiment, Phase IV
5289408-T1:	Sewers and appurtenances for The Glen at Tamiment, Phase IV, Section II
5283401-T1:	Sewage Treatment Plant at Tamiment Resort and Country Club
5200401-T1	Spray Irrigation system for Tamiment Golf Course

Routine review and approval.

CURRENT ESTIMATE OF COMPLETION DATE OF PROJECT (Industrial Wastes Only)

RECOMMENDATION AND ACTION

Approve Issue By Region	Approve Issue by Central Office	Refuse	Signature	Date
☒	☐	☐	Joseph Scolere WATER MANAGEMENT PROGRAM	12/17/04
☒	☐	☐	DINO R. AGUSTINI, P.E. CHIEF, PERMITS SECTION	12/17/04
☒	☐	☐	KATE CROWLEY PROGRAM MANAGER Kate Crowley	12/17/04

WQM Permit 5204406

PAWC Exhibit MS-2

Pennsylvania Department of Environmental Protection

2 Public Square
Wilkes-Barre, PA 18711-0790
December 17, 2004

Northeast Regional Office

570-826-2511
Fax 570-830-3016

Pennsylvania Utility Company, Inc.
Tamiment Resort
Bushkill Falls Road
Bushkill, PA 18371

Attention: Ms. Jan Springman, General Manager

Re: Sewage
Pennsylvania Utility Company, Inc.
Tamiment Resort
WQM Part II Permit No. 5204406
APS ID No. 531393
Planning Code No. 2529060524
Lehman Township, Pike County

Dear Ms. Springman:

Your Water Quality Management permit is enclosed.

You must comply with all Standard and Special Conditions attached to this Permit. Construction must be done in accordance with the permit application and all supporting documentation. Please review the permit conditions and the supporting documentation submitted with your application before starting construction.

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 Hearing Board within 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, please call William Ulicny, at 570-826-2511.

Sincerely,

Kate Crowley

Kate Crowley
Program Manager
Water Management Program

Enclosures

cc: Mr. Joseph Durkin, P.E.

PAWC Exhibit MS-2

3800-PM-WSWM0015 Rev. 6/2004
Permit

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PERMIT NO. 5204406
AMENDMENT NO. _____
APS ID. 531393
AUTH. ID. 563851

WATER QUALITY MANAGEMENT PERMIT

A. PERMITTEE (Name and Address): CLIENT ID#: **212640** Pennsylvania Utility Company, Inc. Tamiment Resort Bushkill Falls Road Bushkill, PA 18371	B. PROJECT/FACILITY (Name): **LaBar Pump Station**
C. LOCATION (Municipality, County): **Lehman Township, Pike County**	SITE ID#: **551458**

D. This permit approves the construction of sewerage facilities consisting of:

1. **Pump Station**

Pump Stations: 1 Design Capacity: 545 GPM	Manure Storage: Volume: _____ MG Freeboard: _____ inches	Industrial Wastewater/Sewage Treatment Facility: Annual Average Flow: _____ MGD Design Hydraulic Capacity: _____ MGD Design Organic Capacity: _____ lb/day

E. APPROVAL GRANTED BY THIS PERMIT IS SUBJECT TO THE FOLLOWING:

1. **New Permits:** All construction, operations and procedures shall be in accordance with the Water Quality Management Permit application dated July 26, 2004, its supporting documentation and addendums dated N/A, which are hereby made a part of this permit.

2. Permit Conditions Relating to sewage are attached and made part of this permit.

F. THE AUTHORITY GRANTED BY THIS PERMIT IS SUBJECT TO THE FOLLOWING FURTHER QUALIFICATIONS:

1. If there is a conflict between the application or its supporting documents and amendments and the attached conditions, the attached conditions shall apply.

2. Failure to comply with the rules and regulations of DEP or with the terms or conditions of this permit shall void the authority given to the permittee by the issuance of this permit.

3. This permit is issued pursuant to the Clean Streams Law Act of June 22, 1937, P.L. 1987, as amended 35 P.S. §691.1 *et seq.* Issuance of this permit shall not relieve the permittee of any responsibility under any other law.

PERMIT ISSUED:

December 17, 2004

BY: Kate Crowley

Kate Crowley
TITLE: Water Management Program Manager

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PERMIT CONDITIONS RELATING TO SEWERAGE

For use in Water Quality Management Permits

(Place a √ in the box that applies)

General

☒ 1. Consistent with the Department of Environmental Protection's (DEP) technical guidance document *Conducting Technical Reviews of Water Quality Management Permit Wastewater Treatment Facilities*, DEP ID: 362-2000-007 available on DEP's website at www.dep.state.pa.us, DEP did not conduct a detailed technical review of this application. DEP considers the registered Professional Engineer whose seal is affixed to the design documents to be fully responsible for the adequacy of all aspects of the facility design.

☐ 2. The permittee shall adopt and enforce an ordinance requiring the abandonment of privies, cesspools or similar receptacles for human waste and onlot sewage disposal systems on the premises of occupied structures accessible to public sewers. All such structures must be connected to the public sewers.

☐ 3. The outfall sewer or drain shall be extended to the low water mark of the receiving body of water. Where necessary to ensure proper mixing and waste assimilation, an outfall sewer or drain may be extended with appurtenances below the low water mark and into the bed of a navigable stream provided that the permittee has secured an easement, right-of-way, license or lease from DEP in accordance with Section 15 of the Dam Safety and Encroachments Act, the Act of November 26, 1978, P.L. 1375, as amended.

☒ 4. The approval is specifically made contingent on the permittee acquiring all necessary property rights, by easement or otherwise, providing for the satisfactory construction, operation, maintenance and replacement of all sewers or sewerage structures in, along, or across private property with full rights of ingress, egress and regress.

☐ 5. When construction of the approved sewerage facilities is completed and before they are placed in operation, the permittee shall notify DEP in writing so that a DEP representative may inspect the facilities.

☒ 6. If, at any time, the sewerage facilities covered by this permit create a public nuisance, including but not limited to, causing malodors or causing environmental harm to waters of the Commonwealth, DEP may require the permittee to adopt appropriate remedial measures to abate the nuisance or harm.

☒ 7. This permit authorizes the construction and operation of the proposed sewerage facilities until such time as facilities for conveyance and treatment at a more suitable location are installed and capable of receiving and treating the permittee's sewage. Such facilities must be in accordance with the applicable municipal official plan adopted pursuant to Section 5 of the Pennsylvania Sewage Facilities Act, the Act of January 24, 1966, P.L. 1535 as amended. When such municipal sewerage facilities become available, the permittee shall provide for the conveyance of the sewage to these sewerage facilities, abandon the use of these approved facilities and notify DEP accordingly. This permit shall then, upon notice from DEP, terminate and become null and void, and shall be relinquished to DEP.

☒ 8. This permit does not relieve the permittee of its obligations to comply with all federal, interstate, state or local laws, ordinances and regulations applicable to the sewerage facilities.

☒ 9. This permit does not give any real or personal property rights or grant any exclusive privileges, nor shall it be construed to grant or confirm any right, easement or interest in, on, to, or over any lands which belong to the Commonwealth.

☒ 10. The authority granted by this permit is subject to all effluent requirements, monitoring requirements, and other conditions as set forth in NPDES Permit No. **PA-0037290** and all subsequent amendments and renewals. No discharge is authorized from these facilities unless approved by an NPDES Permit.

Construction

☐ 11. The facilities shall be constructed under the supervision of a Pennsylvania registered Professional Engineer in accordance with the approved reports, plans and specifications. Any deviations from approved plans or specifications so revised should, therefore, be submitted well in advance of any construction work, which will be affected by such changes to the permit sufficient time for review and approval. Structural revisions or other minor changes not affecting capacities, flows or operations will be permitted during construction without approval. Upon request, "as-built drawings" clearly showing such alterations shall be filed with DEP at the completion of the work.

☐ 12. A Pennsylvania registered Professional Engineer shall certify that construction of the permitted facilities was completed in accordance with the Part II application and design plans submitted to DEP, using the enclosed "Sewage and Industrial Wastewater Facilities Construction Certification." It is the permittee's responsibility to ensure that a Professional Engineer is on-site to provide the necessary oversight and/or inspections to certify the facilities. The facilities may not be placed into operation until the Professional Engineer completes the certification. The certification must be submitted to DEP within 30 days following startup of the facilities, along with as-built drawings, photographs (if available), and a description of any DEP-approved deviations from the application and design plans.

☐ 13. Manhole inverts shall be formed to facilitate the flow of the sewage and to prevent the stranding of sewage solids. The whole manhole structure shall be built to prevent undue infiltration, entrance of street wash or grit and provide safe access to facilitate manhole maintenance activities.

☐ 14. The local Waterways Conservation Officer of the Pennsylvania Fish and Boat Commission (FBC) shall be notified when the construction of any stream crossing and/or outfall is started and completed. A written permit must be secured from the FBC if the use of explosives in any waterways is required and the permittee shall notify the local Waterways Conservation Officer when explosives are to be used.

Operation and Maintenance

☒ 15. The permittee shall maintain facility operation and maintenance (O&M) manuals at the facility and ensure proper O&M of the permitted facility. The permittee shall file the O&M manuals with DEP upon request.

☒ 16. The sewers shall have adequate foundation support as soil conditions require. Trenches shall be back-filled to ensure that sewers will have proper structural stability, with minimum settling and adequate protection against breakage. Concrete used in connection with these sewers shall be protected from damage by water, freezing, drying or other harmful conditions until cured.

☒ 17. Stormwater from roofs, foundation drains, basement drains or other sources shall not be admitted directly to the sanitary sewers.

☒ 18. The approved sewers shall be maintained in good condition, kept free of deposits by flushing or other cleaning methods and repaired when necessary.

☒ 19. The sewerage facilities shall be properly maintained so that the facility will perform as designed.

☒ 20. The attention of the permittee is called to the highly explosive nature of certain gases generated by the digestion of sewage solids when these gases are mixed in proper proportions with air and to the highly toxic character of certain gases arising from such digestion or from sewage in poorly ventilated compartments or sewers. Therefore, at all places throughout the sewerage facilities where hazard of fire, explosion or danger from toxic gases may occur, the permittee shall post conspicuous permanent and legible warnings. The permittee shall instruct all employees concerning the aforesaid hazards, first aid and emergency methods of meeting such hazards and shall make all necessary equipment and material accessible.

☐ 21. An operator certified in accordance with the Water and Wastewater Systems Operator Certification Act of February 21, 2002, 63 P.S. §§ 1001, *et seq.* shall operate the sewage treatment plant.

☐ 22. The permittee shall properly control any industrial waste discharged into its sewerage system by regulating the rate and quality of such discharge, requiring necessary pretreatment and excluding industrial waste, if necessary, to protect the integrity or operation of the permittee's sewerage system.

☒ 23. There shall be no physical connection between a public water supply system and a sewer or appurtenance to it which would permit the passage of any sewage or polluted water into the potable water supply. No water pipe shall pass through or come in contact with any part of a sewer manhole.

☐ 24. All connections to the approved sanitary sewers must be in accordance with the corrective action plan as contained in the approved Chapter 94 Municipal Wasteload Management Annual Report.

☒ 25. Collected screenings, slurries, sludge and other solids shall be handled and disposed of in compliance with 25 Pa. Code, Chapters 271, 273, 275, 283 and 285 (related to permits and requirements for land filling, land application, incineration and storage of sewage sludge), Federal Regulations 40 CFR 257 and the Federal Clean Water Act and its amendments.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
WATER MANAGEMENT PROGRAM

PAWC Exhibit MS-2

For Dept. Use Only

Internal Review and Recommendations

Name of Applicant	Pennsylvania Utility Company, Inc.-Tamiment Resort	Project Location	Lehman Township Pike County	Application Number	5204406

BRIEF DESCRIPTION OF PROJECT AND DISCUSSION (Use Additional Sheets If Necessary)

The applicant is requesting a Part II permit for the construction of a pumping station, to replace an existing pump station to serve the Tamiment Resort/Eagle Village/Eagle Point/The Glenn at Tamiment Development project located in Lehman Township, Pike County. The replacement is necessary because the existing station will not be able to accommodate flows that will be generated when future development is complete. The 556 – acre site will house both residential and resort/commercial structures. Flows from this pumping station will be conveyed to the Pennsylvania Utility Company Inc. Wastewater Treatment Plant, and discharged in accordance with NPDES permit Number PA – 0037290.

The pumping station will be located on the southeastern side of Second Pond, adjacent to the existing pump station. The pumping station will include a wet well with a separate dry valve chamber, and an above ground control panel, all of which are located out of the 100-year flood plain. The wet well will house a duplex submersible pump system with each pump capable of delivering design flows at such time when the development is complete. The ITT FLYGT NP 3127/438 Series pumps are rated at 10 HP, and will provide 545 gpm against 43 feet of TDH. The variable frequency drive (VFD) units will be able to provide sufficient flows ranging from the current existing flows through flows required at various future stages of development. The effective well capacity is 2,992 gallons and the detention time is 26 minutes. A guide rail system with self-sealing connection elbows will be in place for removal/replacement of the submersible pumps. The system will have an alarm system with high level, low level and temperature signals connected to the autodialer telephone service. An onsite generator will be in place to supply emergency power.

CURRENT ESTIMATE OF COMPLETION DATE OF PROJECT (Industrial Wastes Only)

RECOMMENDATION AND ACTION

Approve Issue By Region	Approve Issue by Central Office	Refuse	Signature	Date
☒	☐	☐	William Ulicny PROJECT REVIEWER	12/17/04
☒	☐	☐	DINO R. AGUSTINI, P.E. CHIEF, PERMITS SECTION	12/17/04
☒	☐	☐	KATE CROWLEY PROGRAM MANAGER	12/17/04

The construction will also include installation of a new manhole for connection to the existing gravity inlet line, approximately 10 feet of 8" gravity sewer pipe, and approximately 20 feet of new force main which will connect to the existing force main. The existing pump station will remain in operation until the new one has been completed and all operations tests have been successfully performed after which it will be converted into an emergency overflow/holding tank.

Planning approval was granted by DEP in a letter dated December 13, 1989. The original planning approval was reviewed by this office during this application process and deemed to be acceptable. Public Notice was published on September 11, 2004. No comments were received.

Recommend Review and Approval

TAMIMENT WATER PERMITS

Delaware River Basin Commission

Docket D-1989-033-CP-4

Groundwater Withdrawal

DOCKET NO. D-1989-033 CP-4

DELAWARE RIVER BASIN COMMISSION

Special Protection Waters

Pennsylvania Utility Company
Groundwater Withdrawal
Lehman Township, Pike County, Pennsylvania

PROCEEDINGS

This docket is issued in response to an Application submitted by Robert C. Ferri Environmental Management on behalf of Pennsylvania Utility Company (PAUC) to the Delaware River Basin Commission (DRBC or Commission) on December 7, 2015 (Application), for a renewal and approval of an existing allocation of groundwater and review of a groundwater withdrawal project. This docket was previously approved by the Commission on February 28, 2007. The project wells were reviewed under the Pennsylvania Safe Drinking Water Act for public water supply permits and approved by the Pennsylvania Department of Environmental Protection (PADEP) on April 7, 2004 (PADEP Permit No. 2520070).

The Application was reviewed for continuation in the Comprehensive Plan and for approval under Section 3.8 of the *Delaware River Basin Compact*. The Pike County Planning Commission has been notified of pending action on this docket. A public hearing on this project was held by the DRBC on May 11, 2016.

A. DESCRIPTION

1. Purpose. The purpose of this project is to renew the approval of up to 21.01 million gallons per month (mgm) of water to the docket holder's public water supply distribution system from existing Wells 1, 2 and 3. PAUC is not requesting an increase in groundwater withdrawal allocation.

2. Location. The project wells are located in the Little Bushkill Watershed, within the drainage area to the Middle Delaware Special Protection Waters, in Lehman Township, Pike County, Pennsylvania. The Little Bushkill near the project site is designated by the PADEP as Exceptional Value (EV) and Migratory Fishes (MF). The project wells are completed in the Towamensing Member of the Catskill Formation.

Specific location information has been withheld for security reasons.

3. Area Served. The docket holder's water distribution system serves the PAUC service area in Lehman Township, Pike County, Pennsylvania as shown on a map entitled "Location Map", submitted with the Application. The service area includes private residences and resort

facilities in the areas locally referred to as the Glen at Tamiment, the Tamiment Resort and Conference Center property and adjacent properties including timeshare residences located in Eagle Point, Eagle Village and the Rizzo property. PAUC also provides water via a bulk service connection to the Mountain Laurel Center for Performing Arts. There are also approximately 2,500 undeveloped acres within the docket holder's service area that has a proposed mix of residential and commercial properties.

For the purpose of defining Area Served, the Application is incorporated herein by reference consistent with conditions contained in the DECISION section of this docket.

4. Physical features.

a. Design criteria. PAUC system supplies water to an estimated population of 1,700 via 507 connections. The average and maximum groundwater demand for this project are 0.111 million gallons per day (mgd) and 0.326 mgd, respectively. The docket holder projects to serve a population of 5,250 via 1,500 connections within the next ten years. The projected average and maximum demand is estimated to be 0.332 mgd and 0.979 mgd, respectively. The allocation of 21.01 mgm should be sufficient to meet the future demands of the PAUC system.

b. Facilities. The existing project wells have the following characteristics:

WELL NO.	DEPTH (FEET)	CASED DEPTH/ CASING DIAMETER	PUMP CAPACITY (GPM)	YEAR DRILLED
1	460	Unknown/ 8"	116	1945
2	500	108'/ 8"	140	1972
3	420	50'/ 8"	230	1988

All wells and water service connections are metered.

Prior to entering the distribution system, all groundwater is treated with chlorine for disinfection, pH adjustment and corrosion.

The project wellheads are located above the 100-year flood elevation.

The water system is presently not interconnected with any other distribution system.

c. Other. Wastewater is conveyed to the PAUC sewage treatment facility most recently approved by DRBC Docket No. D-1975-093 CP-5 on March 16, 2016. The PADEP

issued its most recent NPDES Permit No. PA0037290 on January 28, 2011 for this treatment facility. The treatment facility has adequate capacity to receive wastewater from this project.

d. **Cost**. There is no associated cost with this project.

e. **Relationship to the Comprehensive Plan**. PAUC Wells 1 and 2 were included in the Comprehensive Plan via DRBC Docket No. D-1988-020 CP issued on May 25, 1988. PAUC Well 3 was included in the Comprehensive Plan via DRBC Docket No. D-1989-033 CP issued on October 25, 1989. Dockets Nos. D-1989-033 CP-2 and D-1989-033 CP-3 continued the approval of the PAUC wells and were issued on July 20, 2005 and February 28, 2007, respectively. Issuance of this docket will continue the groundwater withdrawal project in the Comprehensive Plan.

B. FINDINGS

Special Protection Waters

In 1992, the DRBC adopted Special Protection Waters requirements, as part of the DRBC *Water Quality Regulations (WQR)*, designed to protect existing high water quality in applicable areas of the Delaware River Basin. One hundred twenty miles of the Delaware River from Hancock, New York downstream to the Delaware Water Gap were classified by the DRBC as SPW. This stretch includes the sections of the river federally designated as "Wild and Scenic" in 1978 -- the Upper Delaware Scenic and Recreational River and the Delaware Water Gap National Recreation Area -- as well as an eight-mile reach between Milrift and Milford, Pennsylvania which is not federally designated. The SPW regulations apply to this 120-mile stretch of the river and its drainage area.

On July 16, 2008, the DRBC approved amendments to its *Water Quality Regulations* that provide increased protection for waters that the Commission classifies as Special Protection Waters. The portion of the Delaware River and its tributaries within the boundary of the Lower Delaware River Management Plan Area was approved for Special Protection Waters designation and clarity on definitions and terms were updated for the entire program.

Article 3.10.3A.2.e.1). and 2). of the Water Quality Regulations, Administrative Manual - Part III, states that projects subject to review under Section 3.8 of the Compact that are located in the drainage area of Special Protection Waters must submit for approval a Non-Point Source Pollution Control Plan that controls the new or increased non-point source loads generated within the portion of the docket holder's service area which is also located within the drainage area of Special Protection Waters. The wells providing water supply to the PAUC are located within in the drainage area to the Special Protection Waters. Since this project does not entail additional construction and expansion of facilities or service areas and there aren't any new or increased non-point source loads associated with this approval, the non-point source pollution control plan requirement is not applicable at this time. Accordingly, Special Condition II.v has been included in the Decision section of this docket.

Water Audits for Public Water Supply Systems Serving Greater than 100,000 gpd

Section 2.1.8 of the Water Code states that it is the policy of the Commission to establish a standardized water audit methodology for owners of water supply systems serving the public to ensure accountability in the management of water resources. Voluntary Water Audits were encouraged for public water supply systems through December 31, 2011 (Section 2.1.8.B.). Effective January 1, 2012, the owners of each public water supply system are required to implement an annual calendar year water audit program conforming to IWA/AWWA Water Audit Methodology (AWWA Water Loss Control Committee (WLCC) Water Audit Software) and corresponding AWWA guidance (Section 2.1.8.C). Water audits shall be submitted annually to the Commission by March 31. PAUC submitted their most recent Water Audit on February 23, 2015.

The project is designed to conform to the requirements of the *Water Code* and *Water Quality Regulations* of the DRBC.

The docket holder estimates that the project withdrawals, used for the purpose of public water supply, result in a consumptive use of 10 percent of the total water use. The DRBC definition of consumptive use is defined in Article 5.5.1.D of the *Administrative Manual – Part III – Basin Regulations – Water Supply Charges*.

The project does not conflict with the Comprehensive Plan and is designed to prevent substantial adverse impact on the water resources related environment, while sustaining the current and future water uses and development of the water resources of the Basin.

C. DECISION

I. Effective on the approval date for Docket No. D-1989-033 CP-4 below:

a. The project described in Docket No. D-1989-033 CP-3 is removed from the Comprehensive Plan to the extent that it is not included in Docket No. D-1989-033 CP-4; and

b. Docket No. D-1989-033 CP-3 is rescinded and replaced by Docket No. D-1989-033 CP-4.

c. The project and the appurtenant facilities described in the Section entitled "Physical features" above shall be added to the Comprehensive Plan.

II. The project as described in the Section entitled "Physical features" above is approved pursuant to Section 3.8 of the *Compact*, subject to the following conditions:

a. Docket approval is subject to all conditions, requirements, and limitations imposed by the PADEP, and such conditions, requirements, and limitations are incorporated herein, unless they are less stringent than the Commission's. Within 60 days (August 15, 2016), the docket holder shall provide written confirmation to the Commission that it has registered with and will report to PADEP all surface and groundwater sources described in this docket in

accordance with the Pennsylvania Regulations (Title 25 - Environmental Protection, [25 PA. CODE CH. 110], Water Resources Planning).

b. The wells and operational records shall be available at all times for inspection by the DRBC.

c. The wells shall be operated at all times to comply with the requirements of the *Water Code* and *Water Quality Regulations* of the DRBC.

d. During any month, the combined withdrawal from all well sources shall not exceed 21.01 mgm. No well shall be pumped above the maximum instantaneous rate and monthly allocation as indicated below:

WELL NO.	MAXIMUM INSTANTANEOUS RATE (GPM)	MONTHY ALLOCATION (MGM)
1	116	5.01
2	140	6.06
3	230	9.94

e. The wells shall be equipped with a readily accessible capped port and drop pipe so that water levels may be measured under all conditions.

f. The project withdrawals shall be metered with an automatic continuous recording device that measures to within 5 percent of actual flow. An exception to the 5 percent performance standard, but no greater than 10 percent, may be granted if maintenance of the 5 percent performance is not technically feasible or economically practicable. A record of daily withdrawals shall be maintained, and monthly totals shall be reported to the PADEP annually and shall be available at any time to the Commission if requested by the Executive Director.

g. Each new water service connection shall include a water meter in accordance with the DRBC's Resolution No. 87-7 (Revised).

h. In accordance with DRBC Resolutions No. 87-6 (Revised) and No. 2009-1, the docket holder shall continue to implement to the satisfaction of the PADEP, the systematic program to monitor and control leakage within the water supply system. The program shall at a minimum include: periodic surveys to monitor leakage, enumerate non-revenue water and determine the current status of system infrastructure; recommendations to monitor and control leakage; and a schedule for the implementation of such recommendations. The docket holder shall proceed expeditiously to correct leakages and unnecessary usage identified by the program.

i. In accordance with DRBC Resolution No. 2009-1 and Section 2.1.8 of the Water Code, the docket holder shall implement an annual calendar year water audit program conforming to IWA/AWWA Water Audit Methodology (AWWA Water Loss Control Committee (WLCC) Water Audit Software) and corresponding guidance. Water audits shall be submitted annually to the Commission by March 31.

j. The docket holder shall implement to the satisfaction of the PADEP, the continuous program to encourage water conservation in all types of use within the facilities served by this docket approval. The docket holder will report to the PADEP on the actions taken pursuant to this program and the impact of those actions as requested by the PADEP.

k. No water service connections shall be made to newly constructed premises with plumbing fixtures and fittings that do not comply with water conservation performance standards contained in Resolution No. 88-2 (Revision 2).

l. The docket holder shall implement its Water Conservation Plan as approved by PADEP, and shall report to the PADEP on actions taken pursuant to this program and the impact of those actions as requested by the PADEP.

m. The docket holder shall implement to the satisfaction of the PADEP, a drought or other water supply emergency plan.

n. No new water service connections shall be made to premises connected to sewerage systems which are not in compliance with all applicable effluent limits contained in State permits and the *Water Quality Regulations* of the Commission.

o. Nothing herein shall be construed to exempt the docket holder from obtaining all necessary permits and/or approvals from other State, Federal or local government agencies having jurisdiction over this project.

p. The docket holder is permitted to provide the water approved in this docket to the areas included in Section A.3. Area Served of this docket. Any expansion beyond those included in Section A.3. Area Served is subject to DRBC review and approval in accordance with Section 3.8 of the *Compact*.

q. Unless an extension is requested and approved by the Commission in advance, in accordance with paragraph 11 of the Commission's Project Review Fee schedule (Resolution No. 2009-2), the docket holder is responsible for timely submittal of a docket renewal application on the appropriate DRBC application form at least 12 months in advance of the docket expiration date set forth below. The docket holder will be subject to late charges in the event of untimely submittal of its renewal application, whether or not DRBC issues a reminder notice in advance of the deadline or the docket holder receives such notice. In the event that a timely and complete application for renewal has been submitted and the DRBC is unable, through no fault of the docket holder, to reissue the docket before the expiration date below (or the later date established by an extension that has been timely requested and approved), the terms and conditions of the current docket will remain fully effective and

enforceable against the docket holder pending the grant or denial of the application for docket approval.

r. The issuance of this docket approval shall not create any private or proprietary rights in the water of the Basin, and the Commission reserves the rights to amend, alter or rescind any actions taken hereunder in order to insure the proper control, use and management of the water resources of the Basin.

s. If the monitoring required herein or any other relevant data or information demonstrates that the operation of this project is interfering with or otherwise impairing existing uses of ground or surface water, or if the permit holder receives a complaint from an existing ground or surface water user within the zone of influence of the withdrawal alleging such interference or impairment, the permit holder shall immediately notify the Executive Director, and unless excused by the Executive Director, shall investigate the demonstrated or alleged impacts. For purposes of this condition, notification shall mean either (a) electronic transmittal of written notice to the Executive Director via email (using addresses posted on the DRBC website); or (b) written notice to the Executive Director and a telephone call to the Project Review Section at 609-883-9500, ext. 216. (Oral notification must always be accompanied by immediate written notification directed to the Executive Director.) In addition, the permit holder shall provide written notice to all potentially affected water users of the permit holder's responsibilities under this condition. **Any well or surface water supply that is impaired as a result of the permit holder's project withdrawal shall be repaired, replaced or mitigated at the permit holder's expense.** The scope of the options to consider for repair, replacement and/or mitigation shall not be limited solely to those that are owned, operated, or controlled by the project sponsor. An investigation report and/or mitigation plan prepared and certified by a licensed professional engineer and/or a licensed professional geologist shall be submitted to the Executive Director as soon as practicable following notice of the demonstrated or alleged impairment consistent with this paragraph. The Executive Director shall make the final determination regarding the scope and sufficiency of the investigation and the extent of any mitigation measures that may be required. Where ground and surface waters are rendered unavailable, unusable, or unsuitable for the pre-existing use, the Executive Director may direct the permit holder to take interim actions to mitigate such impacts, pending completion of the investigative report and any long-term repair, replacement or mitigation.

t. The Executive Director may modify or suspend this approval or any condition thereof, or require mitigating measures pending additional review, if in the Executive Director's judgment such modification or suspension is required to protect the water resources of the Basin.

u. For the duration of any drought emergency declared by either Pennsylvania or the Commission, water service or use by the docket holder pursuant to this approval shall be subject to the prohibition of those nonessential uses specified by the Governor of Pennsylvania, the Pennsylvania Emergency Management Council, PADEP, or the Commonwealth Drought Coordinator to the extent that they may be applicable, and to any other emergency resolutions or orders adopted hereafter by the Commission.

v. Prior to allowing connections from any new service areas or any new developments, the docket holder shall either submit and have approved by the Executive Director of the DRBC a Non-Point Source Pollution Control Plan (NPSPCP) in accordance with Section 3.10.3.A.2.e, or receive written confirmation from the Executive Director of the DRBC that the new service area is in compliance with a DRBC approved NPSPCP.

w. Any person who objects to a docket decision by the Commission may request a hearing in accordance with Article 6 of the *Rules of Practice and Procedure.* In accordance with Section 15.1(p) of the *Delaware River Basin Compact,* cases and controversies arising under the *Compact* are reviewable in the United States district courts.

BY THE COMMISSION

APPROVAL DATE: June 15, 2016

EXPIRATION DATE: June 15, 2026

PWS Permit 2520070

(issued 11/2/2011)

4-Log PADWIS
PAWC Exhibit MS-2 11-16-2011
PF

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

November 2, 2011

CERTIFIED MAIL NO. 7010 1870 0002 1756 2319

Mr. Jan Springman, Manager
Pennsylvania Utility Company
234 The Glen
Tamiment, PA 18371

RECEIVED
NOV 10 2011
PA D.E.P.
Pocono District Office

Re: Public Water Supply Operation Permit No. 2520070
4-Log Treatment for Viruses
EP-103, (Tamiment Resort Well No. 3)
(APS No. 764086)
Lehman Township, Pike County

Dear Mr. Springman:

We are pleased to enclose Water Supply Permit No. 2520070 for the operation of the Tamiment Resort Well No. 3 facility, Entry Point 103.

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 Hearing Board within 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.

PAWC Exhibit MS-2

If you have any questions concerning this matter, please contact Dale Whitner at 570-826-2533 or at the letterhead address.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Water Supply Management Program

PAWC Exhibit MS-2

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2520070

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Pennsylvania Utility Company 234 The Glen Tamiment, PA 18371	Municipality Lehman Township County Pike

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:
1. ☐ CONSTRUCTION
2. ☒ OPERATION OF FACILITIES
Approved Under Construction Permit No. NA

Source	Facilities	BVRB
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for Lead/Copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☒ Disinfection	☐ Vending Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☐ Distribution Facility	☐ Other _____	

KNOWN AS Tamiment Resort 4-Log Disinfection @ EP-103 (Well No. 3)

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: **1 & 2**.

PERMIT ISSUED

Date November 2, 2011

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Pennsylvania Utility Company
(Tamiment Resort)
Lehman Township, Pike County

Public Water Supply Permit No. 2520070

SPECIAL CONDITIONS

1. The instantaneous maximum flow through the Tamiment Resort Well No. 3 facility, Entry Point 103, shall not exceed 300 gallons per minute.

2. A minimum chlorine residual of 0.40 mg/l shall be maintained at Entry Point 103, every day the Tamiment Resort Well No. 3 facility is in use.

3800-FM-WSWM0405 10/2004

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

ENGINEERING INTERNAL REVIEW AND RECOMMENDATIONS

Name of Applicant:	eFACTS APS ID Number:	PWS ID Number:
Pennsylvania Utility Company	764086	2520070

Project Location:

Lehman Township, Pike County

Brief Description of Project and Discussion (use additional sheets if necessary):

On September 17, 2010, the Department received a PWS application for issuance of an operation permit for 4-log treatment at Tamiment Resorts Entry Point 103 (Well No. 3). A permit was subsequently issued on October, 2011 for Well No. 3, but misidentified the well discharge rate and chlorine contact segments.

On October 31, 2011 the Department received a PWS application for issuance of an operation permit for 4-log treatment at Tamiment Resort Entry Point 103 (Well No. 3) with corrected information. Discharge from the well is disinfected prior to being conveyed 30 LF via 4-in. diameter line and then 473 LF via 18-in. diameter line to EP-103. Adequate treatment for 4-log inactivation of viruses has been demonstrated through the conveyance lines at 300 GPM with a chlorine residual of 0.40 mg/l at 10.0 degrees C. Grab samples will be collected at 8:00 AM using a Hach, Colorimeter II chlorine analyzer. A second unit will be provided as a backup.

RECOMMENDATION AND ACTION

Approve	Return	Deny	Signature	Date
☒	☐	☐	Dale F. Whitner Reviewer	November 2, 2011
☒	☐	☐	Richard J. Stepanski, P.E. Environmental Engineer Manager	November 2, 2011
☒	☐	☐	Dino R. Agustini Environmental Program Manager	November 2, 2011

Hydrogeology IR & R Attached? ☐ Yes ☐ No ☒ NA

PWS Permit 2520070 (issued 11/3/2011)

4-log PADWIS
PAWC Exhibit MS-2
11-15-2011
(PE)

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

November 3, 2011

CERTIFIED MAIL NO. 7008 1140 0004 4708 3623

Jan Springman, Manager
Pennsylvania Utility Company
234 The Glen
Tamiment, PA 18371

Re: Public Water Supply Operation Permit No. 2520070
4-Log Treatment for Viruses
EP-101, (Tamiment Resort Well Nos.1 & 2)
(APS No. 764179)
Lehman Township, Pike County

RECEIVED
NOV 10 2011
PA D.E.P.
Pocono District Office

Dear Mr. Springman:

We are pleased to enclose Water Supply Permit No. 2520070 for the operation of Tamiment Resort Well Nos. 1 & 2, Entry Point No. 101. The permit is being reissued to correct the flow rate identified in the initial issuance of this permit and to incorporate Well No. 2.

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 Hearing Board within 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 Dale Whitner at 570-826-2533 or at the letterhead address.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Water Supply Management Program

PAWC Exhibit MS-2

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2520070

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Pennsylvania Utility Company 234 The Glen Tamiment, PA 18371	Municipality Lehman Township County Pike

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:
1. ☐ **CONSTRUCTION**
2. ☒ **OPERATION OF FACILITIES**
Approved Under Construction Permit No. NA

Source	**Facilities**	**BVRB**
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for Lead/Copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☒ Disinfection	☐ Vending Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☐ Distribution Facility	☐ Other _____	

KNOWN AS **Tamiment Resort 4-Log Disinfection @ EP-101 (Well Nos. 1 & 2)**

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: **1 & 2**.

PERMIT ISSUED

Date November 3, 2011

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Pennsylvania Utility Company
(Tamiment Resort)
Lehman Township, Pike County

Public Water Supply Permit No. 2520070

SPECIAL CONDITIONS

1. The instantaneous maximum flow through Tamiment Resort Entry Point 101 facility shall not exceed 4177 gallons per minute.

2. A minimum chlorine residual of 0.40 mg/l shall be maintained every day the Tamiment Resort Entry Point 101 facility is utilized.

3. Well Nos. 1 & 2 are limited to maximum pumping rates of 116 GPM & 140 GPM respectively, unless otherwise approved by the Department.

3800-FM-WSWM0405 10/2004

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

ENGINEERING INTERNAL REVIEW AND RECOMMENDATIONS

Name of Applicant:	eFACTS APS ID Number:	PWS ID Number:
Pennsylvania Utility Company	764179	2520070

Project Location:

Lehman Township, Pike County

Brief Description of Project and Discussion (use additional sheets if necessary):

On September 17, 2010, the Department received a PWS application for issuance of an operation permit for 4-log treatment at Tamiment Resorts Entry Point 101 (Well Nos. 1 & 2). A permit was subsequently issued on January 6, 2011for Well No. 1, but misidentified the well discharge rate.

On August 24, 2011, the Department received a submittal utilizing the correct flow rate for Well No. 1 and addressing outstanding comments from an August 16, 2011 email regarding Well No. 2. Discharge from the wells (Well No. 1 @ 116 GPM, Well No. 2 @ 140 GPM) is disinfected prior to being conveyed 125 LF via separate 4-in. diameter lines to a 125,000 gallon storage tank, operated to maintain a minimum volume of at least 94,000 gallons. Gravity flow (peak plus fire flow) is conveyed 125 LF via an 8-in. diameter line to Entry Point 101, where a grab sample is to be collected. Adequate treatment for 4-log treatment of viruses has been demonstrated through the conveyance lines and tank with a chlorine residual of 0.40 mg/l at 10.0 degrees C. Chlorine residual will be monitored with a Hach Colorimeter II. A second unit is available for backup.

RECOMMENDATION AND ACTION

Approve	Return	Deny	Signature	Date
☒	☐	☐	Dale F. Whitner Reviewer	November 3, 2011
☒	☐	☐	Richard J. Stepanski, P.E. Environmental Engineer Manager	November 3, 2011
☒	☐	☐	Dino R. Agustini Environmental Program Manager	November 3, 2011

Hydrogeology IR & R Attached? ☐ Yes ☐ No ☒ NA

PAWC Exhibit MS-2

3900-PM-BSDW0043 Rev. 7/2014

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF SAFE DRINKING WATER

PUBLIC WATER SUPPLY PERMIT

NO. 2520070

A. PERMITTEE: (Name and Address)

Community Utilities of Pennsylvania, Inc.
262 Tamiment Road
Tamiment, PA 18371

B. PROJECT/PLANT LOCATION

Address Permit Transfer - Tamiment Resort public water supply system

Municipality Lehman Township

County Pike

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:

1. ☐ CONSTRUCTION
2. ☒ OPERATION OF FACILITIES

Approved Under Construction Permit No. n/a

Source	Facilities		BVRB
☒ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☒ Corrosion Control for lead/copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☒ Disinfection	☐ Vended Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☒ Finished Water Storage	
	☒ Distribution Facility	☒ Other chlorine contact segments	

KNOWN AS Tamiment Resort public water supply system. Permit is being transferred from Pennsylvania Utility Company to Community Utilities of Pennsylvania, Inc.

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.

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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 1 – 3.

PERMIT ISSUED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Date January 23, 2020

By

Signer's Name Brian T. Yagiello

Title Environmental Program Manager

Safe Drinking Water Program

SPECIAL CONDITIONS

1. This Operation Permit includes all previously permitted facilities that remain operational in PWS ID No. 2520070, including those authorized by permits listed below:

Permit No.	Issuance Date	Permit Type	Facility Description
5286505	11/7/1986	Construction	Distribution system
5289408MA	1/28/1989	Construction	Corrosion Control
5289505	8/9/1989	Construction	Well No. 3 and 0.350 MG standpipe
5289505	5/24/1990	Operation	Well No. 3 and 0.350 MG standpipe
2520070	4/7/2004	Operation	Permit Transfer (Well Nos. 1, 2 and 3)
2520070	1/19/2010	Operation	Corrosion Control
2520070	10/15/2010	Operation	4-Log Treatment of Viruses (Well No. 3)
2520070	1/6/2011	Operation	4-Log Treatment of Viruses (Well No. 1)
2520070	11/2/2011	Operation	4-Log Treatment of Viruses (Well No. 3)
2520070	11/3/2011	Operation	4-Log Treatment of Viruses (Well Nos. 1 &2)

2. The instantaneous maximum flow through Tamiment Resort Entry Point 101 facility shall not exceed 4,177 gallons per minute (GPM).

   A minimum chlorine residual of 0.80 mg/L shall be maintained every day the Tamiment Resort Entry Point 101 facility is utilized.

   Well Nos. 1 and 2 are limited to maximum pumping rates of 116 GPM and 140 GPM respectively, unless otherwise approved by the Department.

   A minimum water volume of 94,000 gallons shall be maintained in the 125,000 gallon storage tank.

3. The instantaneous maximum flow through Tamiment Resort Well No. 3 facility, Entry Point 103, shall not exceed 300 GPM.

   A minimum chlorine residual of 0.40 mg/L shall be maintained at Entry Point 103 every day the Tamiment Resort Well No. 3 facility is in use.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF SAFE DRINKING WATER

ENGINEERING INTERNAL REVIEW AND RECOMMENDATIONS

Name of Applicant:	eFACTS APS ID Number:	Application Number:
Community Utilities of Pennsylvania, Inc.	1008812	2520070

Project Location:

Lehman Township, Pike County

Brief Description of Project and Discussion (use additional sheets if necessary):

On January 6, 2020, the Department received a permit application requesting the transfer of PWS Operation Permit No. 2520070 from Pennsylvania Utility Company to Community Utilities of Pennsylvania, Inc. Ten (10) permits for the existing facilities are listed in the permit under the Special Conditions section and relevant conditions from the previously issued permits are included in this transferred permit.

As part of the Permit Transfer, the special condition pertaining to chlorine residual at Entry Point 101 has been revised based on information and input from our Pocono District Office. Utilizing the Department's spreadsheet for Demonstration of 4-Log Treatment of Viruses, the chlorine residual for Entry Point 101 has been determined to be 0.80 mg/L, instead of the previously documented chlorine residual of 0.40 mg/L.

Issuance of the permit transfer is recommended.

RECOMMENDATION AND ACTION

Approve	Return	Deny	Signature	Date
☒	☐	☐	Philip J. Amico, P.E., P.L.S. Reviewer	January 23, 2020
☒	☐	☐	Brian F. Busher, P.E. Environmental Engineer Manager	January 23, 2020
☒	☐	☐	Brian T. Yagiello Environmental Program Manager	January 23, 2020

Hydrogeology IR & R Attached? ☐ **Yes** ☒ **No**

PAWC Exhibit MS-2

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2520070

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Pennsylvania Utility Company 234 The Glen Tamiment, PA 18371	Municipality Lehman Township County Pike

C. THIS PERMIT APPROVES FOR: 1. ☐ CONSTRUCTION 2. ☒ OPERATION OF FACILITIES
AS INDICATED BELOW: Approved Under Construction Permit No. NA

Source		Facilities	BVRB
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for Lead/Copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☒ Disinfection	☐ Vending Water System
☐ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☐ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☐ Distribution Facility	☐ Other _____	

KNOWN AS **Tamiment Resort 4-Log Disinfection @ EP-101 (Well Nos. 1 & 2)**

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: 1 & 2.

PERMIT ISSUED

Date November 3, 2011

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Pennsylvania Utility Company
(Tamiment Resort)
Lehman Township, Pike County

Public Water Supply Permit No. 2520070

SPECIAL CONDITIONS

1. The instantaneous maximum flow through Tamiment Resort Entry Point 101 facility shall not exceed 4177 gallons per minute.

2. A minimum chlorine residual of 0.40 mg/l shall be maintained every day the Tamiment Resort Entry Point 101 facility is utilized.

3. Well Nos. 1 & 2 are limited to maximum pumping rates of 116 GPM & 140 GPM respectively, unless otherwise approved by the Department.

3800-FM-WSWM0405 10/2004

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

ENGINEERING INTERNAL REVIEW AND RECOMMENDATIONS

Name of Applicant:	eFACTS APS ID Number:	PWS ID Number:
Pennsylvania Utility Company	764179	2520070

Project Location:

Lehman Township, Pike County

Brief Description of Project and Discussion (use additional sheets if necessary):

On September 17, 2010, the Department received a PWS application for issuance of an operation permit for 4-log treatment at Tamiment Resorts Entry Point 101 (Well Nos. 1 & 2). A permit was subsequently issued on January 6, 2011for Well No. 1, but misidentified the well discharge rate.

On August 24, 2011, the Department received a submittal utilizing the correct flow rate for Well No. 1 and addressing outstanding comments from an August 16, 2011 email regarding Well No. 2. Discharge from the wells (Well No. 1 @ 116 GPM, Well No. 2 @ 140 GPM) is disinfected prior to being conveyed 125 LF via separate 4-in. diameter lines to a 125,000 gallon storage tank, operated to maintain a minimum volume of at least 94,000 gallons. Gravity flow (peak plus fire flow) is conveyed 125 LF via an 8-in. diameter line to Entry Point 101, where a grab sample is to be collected. Adequate treatment for 4-log treatment of viruses has been demonstrated through the conveyance lines and tank with a chlorine residual of 0.40 mg/l at 10.0 degrees C. Chlorine residual will be monitored with a Hach Colorimeter II. A second unit is available for backup.

RECOMMENDATION AND ACTION

Approve	Return	Deny	Signature	Date
☒	☐	☐	Dale F. Whitner Reviewer	November 3, 2011
☒	☐	☐	Richard J. Stepanski, P.E. Environmental Engineer Manager	November 3, 2011
☒	☐	☐	Dino R. Agustini Environmental Program Manager	November 3, 2011

Hydrogeology IR & R Attached? ☐ Yes ☐ No ☒NA

3800-FM-WSWM0043 Rev. 6/2001

DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 2520070

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Pennsylvania Utility Company 234 The Glen Tamiment, PA 18371	Municipality Lehman Township County Pike

C. THIS PERMIT APPROVES FOR: 1. ☐ CONSTRUCTION 2. ☒ OPERATION OF FACILITIES
AS INDICATED BELOW: Approved Under Construction Permit No. NA

Source

- ☐ Well(s)
- ☐ Spring(s)
- ☐ Surface Water
- ☐ Finished Water

Facilities

- ☐ Impoundment
- ☐ Settling
- ☐ Filtration
- ☐ Iron and Manganese Treatment
- ☐ Softening
- ☐ Fluoridation
- ☐ Distribution Facility
- ☐ General Corrosion Control
- ☐ Corrosion Control for Lead/Copper
- ☒ Disinfection
- ☐ Pump Station(s)
- ☐ Transmission Lines
- ☐ Finished Water Storage
- ☐ Other _____

BVRB

- ☐ Bottled Water System
- ☐ Bulk Water Hauling System
- ☐ Vending Water System
- ☐ Retail Water Facility

KNOWN AS Tamiment Resort 4-Log Disinfection @ EP-103 (Well No. 3)

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: **1 & 2**.

PERMIT ISSUED

Date November 2, 2011

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Environmental Program Manager
Water Supply Management Program

Pennsylvania Utility Company
(Tamiment Resort)
Lehman Township, Pike County

Public Water Supply Permit No. 2520070

SPECIAL CONDITIONS

1. The instantaneous maximum flow through the Tamiment Resort Well No. 3 facility, Entry Point 103, shall not exceed 300 gallons per minute.

2. A minimum chlorine residual of 0.40 mg/l shall be maintained at Entry Point 103, every day the Tamiment Resort Well No. 3 facility is in use.

3800-FM-WSWM0405 10/2004

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

ENGINEERING INTERNAL REVIEW AND RECOMMENDATIONS

Name of Applicant:	eFACTS APS ID Number:	PWS ID Number:
Pennsylvania Utility Company	764086	2520070

Project Location:

Lehman Township, Pike County

Brief Description of Project and Discussion (use additional sheets if necessary):

On September 17, 2010, the Department received a PWS application for issuance of an operation permit for 4-log treatment at Tamiment Resorts Entry Point 103 (Well No. 3). A permit was subsequently issued on October, 2011 for Well No. 3, but misidentified the well discharge rate and chlorine contact segments.

On October 31, 2011 the Department received a PWS application for issuance of an operation permit for 4-log treatment at Tamiment Resort Entry Point 103 (Well No. 3) with corrected information. Discharge from the well is disinfected prior to being conveyed 30 LF via 4-in. diameter line and then 473 LF via 18-in. diameter line to EP-103. Adequate treatment for 4-log inactivation of viruses has been demonstrated through the conveyance lines at 300 GPM with a chlorine residual of 0.40 mg/l at 10.0 degrees C. Grab samples will be collected at 8:00 AM using a Hach, Colorimeter II chlorine analyzer. A second unit will be provided as a backup.

RECOMMENDATION AND ACTION

Approve	Return	Deny	Signature	Date
☒	☐	☐	Dale F. Whitner Reviewer	November 2, 2011
☒	☐	☐	Richard J. Stepanski, P.E. Environmental Engineer Manager	November 2, 2011
☒	☐	☐	Dino R. Agustini Environmental Program Manager	November 2, 2011

Hydrogeology IR & R Attached? ☐ Yes ☐ No ☒ NA

WESTGATE WATER PERMITS

Allocation permit WA-48-1006A

(issued 4/9/2007, expires 12/31/2031)

Pennsylvania Department of Environmental Protection

2 Public Square
Wilkes-Barre, PA 18711-0790
April 9, 2007

Northeast Regional Office

570-826-2511
Fax 570-830-3016

Utilities, Inc., Westgate
Hanover Township, Northampton County

Permit No. WA 48-1006

WATER ALLOCATION PERMIT

"The Pennsylvania Department of Environmental Protection (the Department), renamed by the Act of June 28, 1995, No. 18, P.L. 89, 71 P.S. §1340.101 et. seq., known as the Conservation and Natural Resources Act, and continuing to exercise the powers and duties established by the Act of December 3, 1970, No. 275, P.L. 834, 71 P.S. §510-1 et. seq., as amended, known as The Administrative Code, as successor to the Water and Power Resources Board, under and by virtue of the authority vested in and imposed upon it by the Act of June 24, 1939, No. 365, P.L. 842, 32 P.S. §631 et seq., known as the Water Rights Act, hereby grants leave to Utilities, Inc., Westgate, with its principal offices located in East Stroudsburg, Monroe County, Pennsylvania, to acquire and use for public water supply purposes, subject to such existing rights and uses as may now be lawful, water rights in the following designated waters of the Commonwealth: waters of the Commonwealth, the right to purchase up to 200,000 gpd, based on a 30-day average from the City of Bethlehem/Bethlehem Authority.

This permit does not give any property rights, either in real estate or material, nor any exclusive privileges, nor shall it be construed to grant or confer any right, title, easement or interest in, to or over any land belonging to the Commonwealth of Pennsylvania; neither does it authorize any injury to private property nor invasion of private rights, nor any infringement of Federal, State or Local laws or regulations; nor does it obviate the necessity of obtaining Federal assent when necessary.

"This permit is issued in response to an application filed with the Department on the 17th and 30th day of November 2006, and with the understanding that the proposed sources of water supply shall be developed as set forth in said application and in accompanying and supplemental data filed with and made a part thereof, subject, however to the provisions of the Water Rights Act, and the following conditions, regulations and restrictions."

Condition 1:

> What this permit does not cover: This permit does not give any property rights, either in real estate or material, nor any exclusive privileges, nor shall it be construed to grant or confer any right, title, easement or interest in, to or over any land belonging to the Commonwealth of Pennsylvania; neither does it authorize any injury to private property nor invasion of private rights, nor any infringement of federal, state or local laws and regulations; nor does it obviate the necessity of obtaining federal assent when necessary;

Condition 2:

. Duration of Permit: The duration of this permit shall be until December 31, 2031, provided, however, that should the permittee fail to take and use within a period of four (4) years the water or water rights for which this permit is issued, or cease for any period of seven consecutive years to take and use the water hereby allocated, or should the permittee or the City of Bethlehem/Bethlehem Authority terminate or fail to renew the purchase agreement, then this permit shall cease and be null and void; unless upon application by the permittee an extension of such period is granted by the Department of Environmental Protection's Northeast Regional Office;

Condition 3:

. Proof of Acquisition: The permittee shall, within twelve (12) months after the date of this permit, file with the Department of Environmental Protection's Northeast Regional Office proof of the method and extent of its acquisition;

Condition 4:

. Public Water Supply Permit Requirement: The permittee shall obtain a Public Water Supply Construction Permit from the Department of Environmental Protection's Northeast Regional Office to construct the works necessary for the development of the supply of water allocated under this permit. Failure to secure the required permit shall cause this permit to be null and void; unless upon application by the permittee an extension of such period is granted by the Department of Environmental Protection's Northeast Regional Office;

Condition 5:

. Measuring Device and Reporting Requirement: The permittee shall install or have installed accurate measuring and recording instruments or devices to determine the amount of water purchased from the City of Bethlehem/Bethlehem Authority. Records of daily flow readings shall be submitted to the Department of Environmental Protection, Bureau of Watershed Management, Division of Water Use Planning, P. O. Box 8555, Harrisburg, PA 17105-8555. These daily readings shall be tabulated monthly, and an original field record shall be available at all times for inspection by representatives of the Department. The reporting procedure is as follows: by the 8th of each month, on forms approved by the Department, these records showing the daily purchases by the permittee during the previous month shall be submitted. If electronic submittals are instituted, then only the electronic submittals will be required;

Condition 6:

. Emergency Response to Maintenance Plan: The permittee shall within two years of the date of issuance of this permit, provide the Department with an Emergency Response and Maintenance Plan. The purpose of this Plan is to ensure that the necessary plans to respond to emergencies, such as line breaks, vandalism incidents, or terroristic threats, are in place, and that preventative maintenance in system upgrades are addressed to ensure that service interruptions are minimized. Water conservation measures shall be included as part of this Plan;

Condition 7:

. Drought Contingency Plan: The permittee shall respond to drought conditions as outlined within the City of Bethlehem/Bethlehem Authority's Drought Contingency Plan. The permittee shall impose water use restrictions upon customers in accordance with and at such times as actions are required of customers served by the City of Bethlehem/Bethlehem Authority;

Condition 8:

. Water Conservation: The permittee shall adopt and implement the City of Bethlehem/Bethlehem Authority's conservation program for all types of use within the area served by this permit. This program shall include, but is not limited to:

. The installation of water meters for all customers;

. An ongoing program for installing meters at all new customer connections;

. An ongoing program for regularly testing and repairing or replacing all meters;

. An ongoing leakage/loss control program;

. A water conservation education program;

. A program for reducing customer demand for water by requiring the installation of water-saving plumbing devices in all new accounts or promoting the adoption of water conservation ordinances by the City of Bethlehem/Bethlehem Authority;

The permittee's water conservation program shall comply with the water conservation policies of the Delaware River Basin Commission and the recommendations of the Department's Northeast Regional Office;

Condition 9:

. Annual Permit Compliance Report: The permittee shall submit a permit compliance report to the Department of Environmental Protection, Bureau of Watershed Management, Division of Water Use Planning, P. O. Box 8555, Harrisburg, PA 17105-8555, on forms provided by the Department, annually, on or before the anniversary date of this permit, unless otherwise specified;

Condition 10:

. Prohibition on Supplying Water to Other Public Water Suppliers: The permittee shall not supply any new or additional quantity of water to any public water supply agency until that agency shall have first obtained from the Department of Environmental Protection's Northeast Regional Office a subsidiary water allocation permit for the specific purchase quantity;

Condition 11:

. Reduction of Unaccounted-for Usage: The permittee shall continue to review and revise, as necessary, its leak detection program to maintain its unaccounted-for water use at 20 percent or less.

Condition 12:

. Renewal Requirement: Within one (1) year, but no less than 180 days, prior to the expiration date specified in Condition No. 2, the permittee shall submit to the Department a complete and acceptable application for a new permit, if permittee desires to continue to acquire the water rights granted by this permit beyond the expiration date. Upon the Department's acceptance of such application for review, the expiration date of this permit shall be extended during the review period until issuance or denial of said new permit.

Condition 13:

. Permit Modification: This permit is subject to review and possible modification of said rights, conditions, or restrictions at a later date or dates, as provided in Section 7 of the Act of June 24, 1939, P.L. 842 (No. 365).

DATE: April 9, 2007

DEPARTMENT OF ENVIRONMENTAL PROTECTION

William J. Manner
Environmental Program Manager
Watershed Management Program

ATTEST:

Carl J. DeLuca
Chief, Assessment & Planning Section
Watershed Management Program

VII RECOMMENDATIONS

The application submitted by Utilities, Inc., Westgate has been carefully reviewed and considered. It is recommended that the Utilities, Inc., Westgate be granted a permit for the right to purchase up to 200,000 gpd, based on a 30-day average, from the City of Bethlehem/Bethlehem Authority.

It is also recommended that the allocation permit contain the following special conditions:

Condition 1:

- What this permit does not cover: This permit does not give any property rights, either in real estate or material, nor any exclusive privileges, nor shall it be construed to grant or confer any right, title, easement or interest in, to or over any land belonging to the Commonwealth of Pennsylvania; neither does it authorize any injury to private property nor invasion of private rights, nor any infringement of federal, state or local laws and regulations; nor does it obviate the necessity of obtaining federal assent when necessary;

Condition 2:

- Duration of Permit: The duration of this permit shall be until December 31, 2031, provided, however, that should the permittee fail to take and use within a period of four (4) years the water or water rights for which this permit is issued, or cease for any period of seven consecutive years to take and use the water hereby allocated, or should the permittee or the City of Bethlehem/Bethlehem Authority terminate or fail to renew the purchase agreement, then this permit shall cease and be null and void; unless upon application by the permittee an extension of such period is granted by the Department of Environmental Protection's Northeast Regional Office;

Condition 3:

- Proof of Acquisition: The permittee shall, within twelve (12) months after the date of this permit, file with the Department of Environmental Protection's Northeast Regional Office proof of the method and extent of its acquisition;

Condition 4:

- Public Water Supply Permit Requirement: The permittee shall obtain a Public Water Supply Construction Permit from the Department of Environmental Protection's Northeast Regional Office to construct the works necessary for the development of the supply of water allocated under this permit. Failure to secure the required permit shall cause this permit to be null and void; unless upon application by the permittee an extension of such period is granted by the Department of Environmental Protection's Northeast Regional Office;

Condition 5:

- Measuring Device and Reporting Requirement: The permittee shall install or have installed accurate measuring and recording instruments or devices to determine the amount of water purchased from the City of Bethlehem/Bethlehem Authority. Records of daily flow readings shall be submitted to the Department of Environmental Protection, Bureau of Watershed Management, Division of Water Use Planning, P. O. Box 8555, Harrisburg, PA 17105-8555. These daily readings shall be tabulated monthly, and an original field record shall be available at all times for inspection by representatives of the Department. The reporting procedure is as follows: by the 8th of each month, on forms approved by the Department, these records showing the daily purchases by the permittee during the previous month shall be submitted. If electronic submittals are instituted, then only the electronic submittals will be required;

Condition 6:

- Emergency Response to Maintenance Plan: The permittee shall within two years of the date of issuance of this permit, provide the Department with an Emergency Response and Maintenance Plan. The purpose of this Plan is to ensure that the necessary plans to respond to emergencies, such as line breaks, vandalism incidents, or terroristic threats, are in place, and that preventative maintenance in system upgrades are addressed to ensure that service interruptions are minimized. Water conservation measures shall be included as part of this Plan;

Condition 7:

- Drought Contingency Plan: The permittee shall respond to drought conditions as outlined within the City of Bethlehem/Bethlehem Authority's Drought Contingency Plan. The permittee shall impose water use restrictions upon customers in accordance with and at such times as actions are required of customers served by the City of Bethlehem/Bethlehem Authority;

Condition 8:

- Water Conservation: The permittee shall adopt and implement the City of Bethlehem/Bethlehem Authority's conservation program for all types of use within the area served by this permit. This program shall include, but is not limited to:

  - The installation of water meters for all customers;
  - An ongoing program for installing meters at all new customer connections;
  - An ongoing program for regularly testing and repairing or replacing all meters;
  - An ongoing leakage/loss control program;
  - A water conservation education program;

. A program for reducing customer demand for water by requiring the installation of water-saving plumbing devices in all new accounts or promoting the adoption of water conservation ordinances by the City of Bethlehem/Bethlehem Authority;

The permittee's water conservation program shall comply with the water conservation policies of the Delaware River Basin Commission and the recommendations of the Department's Northeast Regional Office;

Condition 9:

. Annual Permit Compliance Report: The permittee shall submit a permit compliance report to the Department of Environmental Protection, Bureau of Watershed Management, Division of Water Use Planning, P. O. Box 8555, Harrisburg, PA 17105-8555, on forms provided by the Department, annually, on or before the anniversary date of this permit, unless otherwise specified;

Condition 10:

. Prohibition on Supplying Water to Other Public Water Suppliers: The permittee shall not supply any new or additional quantity of water to any public water supply agency until that agency shall have first obtained from the Department of Environmental Protection's Northeast Regional Office a subsidiary water allocation permit for the specific purchase quantity;

Condition 11:

. Reduction of Unaccounted-for Usage: The permittee shall continue to review and revise, as necessary, its leak detection program to maintain its unaccounted-for water use at 20 percent or less.

Condition 12:

. Renewal Requirement: Within one (1) year, but no less than 180 days, prior to the expiration date specified in Condition No. 2, the permittee shall submit to the Department a complete and acceptable application for a new permit, if permittee desires to continue to acquire the water rights granted by this permit beyond the expiration date. Upon the Department's acceptance of such application for review, the expiration date of this permit shall be extended during the review period until issuance or denial of said new permit.

Condition 13:

. Permit Modification: This permit is subject to review and possible modification of said rights, conditions, or restrictions at a later date or dates, as provided in Section 7 of the Act of June 24, 1939, P.L. 842 (No. 365).

This report was prepared by:

Frank A. Luongo
Sanitary Engineer III
Watershed Management Program

This report was reviewed and respectfully submitted by:

Carl DeLuca
Chief, Assessment & Planning Section
Watershed Management Program

The foregoing recommendation is concurred in:

William J. Manner
Environmental Program Manager
Watershed Management Program

Date: April 9, 2007

FAL:sp
WP: D3-5170.doc
D&T(D)P: 4/10/07
R(F): 4/11/07

Allocation Permit WA-48-1006A

(issued 2/12/2014, expires 2/12/2039)

3900-PM-BSDW0040 Rev.

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF SAFE DRINKING WATER

DEP USE ONLY
DATE RECEIVED

APPLICATION FOR TRANSFER OF A PUBLIC WATER SUPPLY PERMIT

Applicant

1. Date: 6/28/2016
2. Name and Address of Present Permittee: Utilities, Inc. - Westgate, 503 Hallet Rd, East Stroudsburg PA 18301
3. Facility Name and Address: Utilities, Inc. - Westgate, 1403 Statten Ave, Bethlehem PA 18017
4. Permit No.: WA48-1006A
5. Date Issued: 2/12/2014
6. Municipality: Hanover Township
7. County: Northampton
8. Does transfer of permit involve change in ownership? ☒ Yes ☐ No
   If no, have you complied with the Fictitious Name Act? ☐ Yes ☐ No
9. The original permit is: ☒ Attached ☐ Cannot be produced
10. Signature of Present Permittee:
11. Title: Vice President of Operations
12. Date: 7/15/2016
13. If Corporation, Affix Seal Here — SEAL

Affidavit

Commonwealth of Pennsylvania

14. County of Northampton
15. I, Justin Kersey, being duly sworn according to law depose and say that I (am the applicant) (am an officer or official of the applicant) (have the authority to make this application for the applicant) named above as the present permittee, that said permittee relinquishes all right, title and interest in said permit, and that the information included in the foregoing application is true to the best of my knowledge and belief.
16. Signature:
17. Title: Vice President of Operations

3900-PM-BSDW0040 Rev. 7/2013

Sworn and Subscribed to before me

18. This 15th day of July 2016

Lawanda Nacole Valrie
(Notary Public)

LAWANDA NACOLE VALRIE
Official Seal
Notary Public - State of Illinois
My Commission Expires Apr 12, 2020
SEAL

Statement of Acceptance of Permit

19. Name and Address of New Permittee: Community Utilities of Pennsylvania Inc., PO Box 379, Dunkirk MD 20754

Phone: 410-286-5533

20. Type of Permittee

- ☐ Private Individual
- ☐ Partnership
- ☒ Corporation
- ☐ Association
- ☐ Other

I/we hereby accept the permit referred herein to and agree to be bound by all terms of said permit.

21. Facility New Name (if applicable): Community Utilities of Pennsylvania, Inc. - Westgate

22. Signature:

23. Title: Vice President of Operations

24. Date: 7/15/2016

25. If Corporation, Affix Seal Here

SEAL

Affidavit

Commonwealth of Pennsylvania

26. County of Northampton

3900-PM-BSDW0040 Rev. 7/2013

27. I, Justin Kersey being duly sworn according to the law depose and say that I (am the new permittee) (am an officer or official for the new permittee) (have the authority to accept this permit for the new permittee) named above, and that the information included in the foregoing statement is true to the best of my knowledge and belief.

28. Signature: _____

29. Title: Vice President of Operations

Sworn and Subscribed to before me

30. This 15th day of July 2016

LaWanda Nacole Valrie
(Notary Public)

LAWANDA NACOLE VALRIE
Official Seal
Notary Public - State of Illinois
My Commission Expires Apr 12, 2020
SEAL

TO BE COMPLETED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION

Are the facilities essentially the same as originally approved?	☐ Yes	☐ No
Is either party in violation of any act, rule, regulation or order of DEP or any permit condition?	☐ Yes	☐ No
Is change in ownership or tenancy involved?	☐ Yes	☐ No
If not, is proof of compliance with Fictitious Name Act or Fictitious Corporate Name Act Attached?	☐ Yes	☐ No

Recommendation

☐ Approve ☐ Refuse ☐ Approve ☐ Refuse

(Signature of Regional Manager) (Date) (Signature of Regional Manager) (Date)

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

February 12, 2014

CERTIFIED MAIL: 7012 3460 0003 0865 9200

Mr. Chuck Madison, Area Manager
Utilities, Inc., Westgate
570 Hallet Road
East Stroudsburg, PA 18301

Re: DEP File No. WA 48-1006A
Utilities, Inc., Westgate
Hanover Township, Northampton County

Dear Mr. Madison:

The water allocation application filed by Utilities, Inc., Westgate has been approved. Water Allocation Permit WA 48-1006A grants Utilities, Inc., Westgate the right to purchase up to 450,000 gpd, based on a daily average in a peak month, from the City of Bethlehem/Bethlehem Authority. The permit is enclosed.

Condition 3 requires that Utilities, Inc., Westgate operate and maintain accurate measuring and recording instruments or devices to determine the amount of water purchased from the City of Bethlehem/Bethlehem Authority from two interconnections located on Blair Road and Bridle Path Road and submit monthly reports of the daily purchases to the Department.

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 Hearing Board within 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 regarding the permit conditions, you may contact Deborah S. Wilkes at the letterhead address.

Sincerely,

Dino R. Agustini
Environmental Program Manager
Safe Drinking Water Program

cc: Ms. Marlene Martin/F.X. Browne, Inc.

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NORTHEAST REGIONAL OFFICE

February 12, 2014

Utilities, Inc., Westgate
Hanover Township, Northampton County

Permit No. WA 48-1006A

WATER ALLOCATION PERMIT

"The Pennsylvania Department of Environmental Protection (the Department), renamed by the Act of June 28, 1995, No. 18, P.L. 89, 71 P.S. §1340.101 et. seq., known as the Conservation and Natural Resources Act, and continuing to exercise the powers and duties established by the Act of December 3, 1970, No. 275, P.L. 834, 71 P.S. §510-1 et. seq., as amended, known as The Administrative Code, as successor to the Water and Power Resources Board, under and by virtue of the authority vested in and imposed upon it by the Act of June 24, 1939, No. 365, P.L. 842, 32 P.S. §631 et seq., known as the Water Rights Act, hereby grants leave to Utilities, Inc., Westgate, with its principal offices located in East Stroudsburg, Monroe County, Pennsylvania, to acquire and use for public water supply purposes, subject to such existing rights and uses as may now be lawful, water rights in the following designated waters of the Commonwealth: waters of the Commonwealth, the right to purchase up to 450,000 gpd, based on a daily average in a peak month from the City of Bethlehem/Bethlehem Authority.

This permit does not give any property rights, either in real estate or material, nor any exclusive privileges, nor shall it be construed to grant or confer any right, title, easement or interest in, to or over any land belonging to the Commonwealth of Pennsylvania; neither does it authorize any injury to private property nor invasion of private rights, nor any infringement of Federal, State or Local laws or regulations; nor does it obviate the necessity of obtaining Federal assent when necessary.

"This permit is issued in response to an application filed with the Department on the 6th day of November 2007, and with the understanding that the proposed sources of water supply shall be developed as set forth in said application and in accompanying and supplemental data filed with and made a part thereof, subject, however to the provisions of the Water Rights Act, and the following conditions, regulations and restrictions."

Condition 1:

. What this permit does not cover: This permit does not give any property rights, either in real estate or material, nor any exclusive privileges, nor shall it be construed to grant or confer any right, title, easement or interest in, to or over any land belonging to the Commonwealth of Pennsylvania; neither does it authorize any injury to private property nor invasion of private rights, nor any infringement of federal, state or local laws and regulations; nor does it obviate the necessity of obtaining federal assent when necessary;

Printed on Recycled Paper

Condition 2:

. Duration of Permit: The duration of this permit shall be until February 12, 2039, provided, however, that should the permittee fail to take and use within a period of four (4) years the water or water rights for which this permit is issued, or cease for any period of seven consecutive years to take and use the water hereby allocated, or should the permittee or the City of Bethlehem/Bethlehem Authority terminate or fail to renew the purchase agreement, then this permit shall cease and be null and void; unless upon application by the permittee an extension of such period is granted by the Department of Environmental Protection's Northeast Regional Office;

Condition 3:

. Measuring Device and Reporting Requirement: The permittee shall install or have installed accurate measuring and recording instruments or devices to determine the amount of water purchased from the City of Bethlehem/Bethlehem Authority from each interconnection (Blair Road interconnection and Bridle Path Road interconnection). Records of monthly meter readings shall be submitted to the Department of Environmental Protection, Bureau of Safe Drinking Water, Division of Planning and Conservation, P. O. Box 8467, Harrisburg, PA 17105-8467. These monthly readings shall be tabulated and divided by the number of days in each month, and an original field record shall be available at all times for inspection by representatives of the Department. The reporting procedure is as follows: by the 8th of each month, on forms approved by the Department, these records showing the monthly purchases by the permittee during the previous month shall be submitted. If electronic submittals are instituted, then only the electronic submittals will be required;

Condition 4:

. Emergency Response to Maintenance Plan: The permittee shall within two years of the date of issuance of this permit, provide the Department with an Emergency Response and Maintenance Plan. The purpose of this Plan is to ensure that the necessary plans to respond to emergencies, such as line breaks, vandalism incidents, or terroristic threats, are in place, and that preventative maintenance in system upgrades are addressed to ensure that service interruptions are minimized. Water conservation measures shall be included as part of this Plan;

Condition 5:

. Drought Contingency Plan: The permittee shall respond to drought conditions as outlined within the City of Bethlehem/Bethlehem Authority's Drought Contingency Plan. The permittee shall impose water use restrictions upon customers in accordance with and at such times as actions are required of customers served by the City of Bethlehem/Bethlehem Authority;

Condition 6:

Water Conservation: The permittee shall adopt and implement the City of Bethlehem/Bethlehem Authority's conservation program for all types of use within the area served by this permit. This program shall include, but is not limited to:

- The installation of water meters for all customers;
- An ongoing program for installing meters at all new customer connections;
- An ongoing program for regularly testing and repairing or replacing all meters;
- An ongoing leakage/loss control program;
- A water conservation education program;
- A program for reducing customer demand for water by requiring the installation of water-saving plumbing devices in all new accounts or promoting the adoption of water conservation ordinances by the City of Bethlehem/Bethlehem Authority;

The permittee's water conservation program shall comply with the water conservation policies of the Delaware River Basin Commission and the recommendations of the Department's Northeast Regional Office;

Condition 7:

Annual Permit Compliance Report: The permittee shall submit a permit compliance report to the Department of Environmental Protection, Bureau of Safe Drinking Water, Division of Planning and Conservation, P. O. Box 8467, Harrisburg, PA 17105-8467, on forms provided by the Department, annually, on or before the anniversary date of this permit, unless otherwise specified;

Condition 8:

Prohibition on Supplying Water to Other Public Water Suppliers: The permittee shall not supply any new or additional quantity of water to any public water supply agency until that agency shall have first obtained from the Department of Environmental Protection's Northeast Regional Office a subsidiary water allocation permit for the specific purchase quantity, except that a subsidiary water allocation permit shall not be required for the delivery of water via an interconnection with another water supply agency under emergency conditions;

Condition 9:

- Reduction of Unaccounted-for Usage: The permittee shall continue to review and revise, as necessary, its leak detection program to maintain its unaccounted-for water use at 20 percent or less.

Condition 10:

- Renewal Requirement: Within one (1) year, but no less than 180 days, prior to the expiration date specified in Condition No. 2, the permittee shall submit to the Department a complete and acceptable application for a new permit, if permittee desires to continue to acquire the water rights granted by this permit beyond the expiration date. Upon the Department's acceptance of such application for review, the expiration date of this permit shall be extended during the review period until issuance or denial of said new permit.

Condition 11:

- Permit Modification: This permit is subject to review and possible modification of said rights, conditions, or restrictions at a later date or dates, as provided in Section 7 of the Act of June 24, 1939, P.L. 842 (No. 365).

DATE: February 12, 2014

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Dino R. Agustini
Environmental Program Manager
Safe Drinking Water Program

ATTEST:

Richard J. Stepanski, PE
Environmental Engineer Manager
Safe Drinking Water Program

REPORT ON THE APPLICATION
FOR A WATER ALLOCATION BY

UTILITIES INC., WESTGATE

I. INTRODUCTION/DISCUSSION

On November 6, 2007, the Department of Environmental Protection (Department) accepted an application from Utilities Inc., Westgate, a private utility, with its principal offices located in East Stroudsburg, Monroe County, Pennsylvania (Pa), for a subsidiary water allocation permit for the right to withdraw up to 450,000 gallons per day, based on a daily average in a peak month, from two taking points (Blair Road interconnection and Bridle Path Road interconnection) from the City of Bethlehem/Bethlehem Authority.

The applicant has an existing subsidiary water allocation permit WA 48-1006 dated April 9, 2007 for the right to purchase 200,000 gpd based on a 30-day average, from the City of Bethlehem/Bethlehem Authority. The additional water allocation is being requested to supply a proposed age restricted community consisting of 204 residential connections, as well as a proposed swimming pool, club house and irrigation system. The quantity requested is based on metered daily use from existing users. It is expected to be adequate for the next 25 years.

A copy of the signed Addendum to the Water Service Agreement between the City of Bethlehem and Utilities, Inc., Westgate dated June 6, 2012 was provided to the Department on February 4, 2012. It indicates a resale allocation quantity not to exceed 450,000 gpd averaged over three consecutive monthly billing periods, normal daily usage until the year 2031. The agreement has a maximum transfer amount of 450,000 gpd based on a three month average. This is not recognized as valid for a water allocation amount. As such, the quantity of allocation will reflect a peak month 30-day average.

Two taking points, interconnections with the City of Bethlehem/Bethlehem Authority, are identified as the Blair Road interconnection (0403917.808 latitude/0752350.534 longitude) and the Bridle Path Road interconnection (0403900.984 latitude/0752252.521 longitude) in Hanover Township, Northampton County, Pa. The identification of the two taking points (as a modification to Section C, page 1 of the Application for Water Allocation) was confirmed in telephone conversations with the reviewer and Chuck Madison, Area Manager, Utilities, Inc., Westgate and Marlene Martin, F.X. Browne, Inc. on February 6, 2014. The Blair Road meter pit is located in the 1000 block of Blair Road in front of 1010 Blair Road. The Bridle Path meter pit is located in the 300 block of Bridle Path Road at the driveway for Monocacy Manor 395 Bridle Path Road. The Blair Road interconnection was considered by Bethlehem (in its water allocation application documents) to be an emergency interconnection but it is normally open and is in regular use for water service. This interconnection (known as Interconnection No. 2 in permit documents) was approved by the Department under PWS Operations Permit No. 3480024 issued October 16, 2007 to Utilities, Inc., Westgate based on an inspection conduction on same date. Construction Permit No. 4804501MA was issued on August 7, 2007.

The use of all groundwater well sources has been discontinued since the original allocation was approved as per the agreement reached between the applicant, the PUC, and the Consumer Advocate. This was confirmed by the reviewer with the Bethlehem District Office, Safe Drinking Water Program.

The City of Bethlehem/Bethlehem Authority's water allocation permit WA 48-339C grants the right to withdraw up to 30.322 MGD, peak day, from Wild Creek Reservoir and up to 12.0 MGD, when available, average annual, from Tunkhannock Creek supply with a pass-by from Tunkhannock Creek of 4.0 MGD as measured at the point of taking and a conservation release for Wild Creek at a minimum of 2.5 MGD. The Bethlehem WTP's design capacity is 28.6 MGD based on a filtration rate of 4 gpm/ft^2 with one filter out of service. The average annual use as reported by the City of Bethlehem on its Annual Water Supply Reports averaged 14.86 MGD for 2008-2012, including bulk sales, with peak demand reaching as high as 20.69 MGD. Therefore, it can be assumed that Bethlehem can adequately supply the requested amount.

The wastewater from the service area will discharged to the City of Bethlehem's water and sewer system.

II. PUBLIC NOTICE

Notice of the Utilities Inc., Westgate application was published in the February 2, 2008 Pennsylvania Bulletin in accordance with the Act of February 17, 1984 (P.L. 74, No. 14), 71, P.S. §510-5. No comments were received. Utilities Inc., Westgate provided proof of notification of this application to Hanover Township and Northampton County via certified mail as required.

III. COMMENTS FROM OTHER AGENCIES

The Department requested comments from the Delaware River Basin Commission (DRBC), DEP Bureau of Watershed Conservation, Division of Water Planning and Allocation (Central Office on January 22, 2008) and the City of Bethlehem/Bethlehem Authority.

On February 5, 2014, comments were received from the City of Bethlehem to clarify Section J of the application submittal that the permitted capacity for the Bethlehem WTP is set by DEP for a peak filtration rate that is limited to 28.6 MGD with nine filters in service. Plant re-rating can occur with the submission of a permit application and subsequent approval by the Department if it can demonstrate that a flow above 4.0 gpm/ft^2 (pilot testing) will produce the same quality of water without extensive run times and headloss. No response is necessary for this factual statement. Locations of the meter pits and a signed copy of the Addendum to Water Service Agreement from the City of Bethlehem and Utilities, Inc., Westgate dated June 6, 2012 were also provided. As stated by Jeff Andrews, Superintendent, Water Supply and Treatment, in a telephone conversation with the reviewer on February 4, 2014, and in an e-mail correspondence dated February 11, 2014, the City of Bethlehem, as the public water supplier, has no objections to issuance of the subsidiary water allocations permit in accordance with the Department's Technical Guidance Document 392-2130-002.

No comments were forthcoming from the DRBC as indicted by David Kovach, Supervisor, Project Review Section, DRBC in a telephone conversation with the reviewer on February 6, 2014.

No comments were received pursuant to a file review conducted by the reviewer from DEP Central Office.

IV. DETERMINATIONS BEFORE GRANTING PERMIT

Section 7 of the Water Rights Act of June 24, 1939 outlines duties of the Commonwealth to investigate water allocation requests, consider conflicts of interest, and to give approval. Approval of the requested allocation shall be given when it is determined that the:

A. Proposed new source of supply will not conflict with the water rights held by any other public water supply agency.

B. Water and water rights proposed are reasonably necessary for the present purposes and future needs of the public water supplier making application.

C. Taking of said water or exercise of water rights will not interfere with navigation.

D. Taking of said water or exercise of water rights will not jeopardize public safety.

E. Taking of said water or exercise of water rights will not cause additional injury to the Commonwealth.

In cases of apparent conflicts of interest, the Commonwealth investigations shall consider the extent of conservation development and use of existing sources of water to the best advantage.

The Department has reviewed the proposed allocation and considered all the issues requiring evaluation under Section 7 of the Water Rights Act. A summary of the findings and conclusions regarding the issues follows:

A. The Department finds that there are no conflicts with the water rights of other public water supply agencies.

B. Water and water rights proposed are reasonably necessary for the present purposes and future needs of the public water supply agency.

C. The Department finds that granting the allocation will have no adverse effect on navigation.

D. The Department finds that granting the allocation will not jeopardize public safety.

E. The Department finds that granting the allocation will have no adverse effect on the environment.

F. Utilities Inc., Westgate shall abide by the approved operating plan and water conservation plan (permit Condition #6) under this water allocation permit. Utilities, Inc., Westgate will continue efforts to reduce unaccounted-for-water to 20% or less in accordance with permit Condition #9.

Article I, Section 27 of the Pennsylvania Constitution, as adopted in 1971 states:

The people have a right to clean air, pure water, and to the preservation of the natural scenic, historic, and aesthetic values of the environment. Pennsylvania's public natural resources are the common property of all the people, including generations yet to come. As trustee of these resources, the Commonwealth shall conserve and maintain them for the benefit of all of the people.

The amendment does not require the passage of implementing statues or promulgation of regulations because it is self-executing and establishes rights which it is DEP's duty to protect Commonwealth v. national Battlefield Tower Inc., 8 Pa. Cmwlth, 231, 302A2d886 (1973). In protecting these rights, DEP is required to measure its actions concerning issuance of a permit by the three point test announced in Payne et al. v. Kassab et al., 11 Pa. Cmwlth. 14,312A.2d86 (1973), affirmed, 468 Pa. 266,361A2d.263 (1976). This test is:

1. Was there compliance with all applicable statutes and regulations relevant to the protection of the Commonwealth's public natural resources?

2. Does the record demonstrate a reasonable effort to reduce environmental incursion to a minimum?

3. Does the environmental harm which will result from the challenged decision or action so clearly outweigh the benefits to be derived there from that to proceed further would be an abuse of discretion?

The Department has made the following findings under the three point test from Payne et al. v. Kassab et al.

1. Compliance with all applicable statutes and regulations:
   Compliance with all applicable statutes and regulations has been accomplished.

2. Reasonable effort to reduce environmental incursion:
   Reasonable effort to reduce environmental incursion has been undertaken.

3. Environmental harm outweighs benefit:
   The benefits of clean, safe filtered water for the term of this permit have been accomplished.

V. RECOMMENDATIONS

The application submitted by Utilities, Inc., Westgate has been carefully reviewed and considered by the Department. It is recommended that Utilities, Inc., Westgate be granted a permit for the right to purchase up to 450,000 gpd, based on a daily average in a peak month, from the City of Bethlehem/Bethlehem Authority, from two existing interconnections located on Blair Road and Bridle Path Road.

Deborah S. Wilkes — February 12, 2014
Deborah S. Wilkes — Date
Technical Services Section
Safe Drinking Water Program

The foregoing recommendation is concurred in:

Richard Stepanski, P.E. — February 12, 2014
Richard Stepanski, P.E. — Date
Environmental Engineer Manager
Safe Drinking Water Program

Dino R. Agustini — February 12, 2014
Dino R. Agustini — Date
Environmental Program Manager
Safe Drinking Water Program

PWS Permit 3480024

3800-FM-WSWM0043 Rev. 6/2001

PAWC Exhibit MS-2

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PUBLIC WATER SUPPLY PERMIT

NO. 3480024

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Utilities, Inc. Westgate 503 Hallet Road East Stroudsburg, PA 18301	Municipality Hanover Township County Northampton

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:

1. ☐ CONSTRUCTION

2. ☒ OPERATION OF FACILITIES
Approved Under Construction Permit No. 4806505

Source

- ☐ Well(s)
- ☐ Spring(s)
- ☐ Surface Water
- ☒ Finished Water

- ☐ Impoundment
- ☐ Settling
- ☐ Filtration
- ☐ Iron and Manganese Treatment
- ☐ Softening
- ☐ Fluoridation
- ☐ Distribution Facility

Facilities

- ☐ General Corrosion Control
- ☐ Corrosion Control for Lead/Copper
- ☐ Disinfection
- ☐ Pump Station(s)
- ☐ Transmission Lines
- ☐ Finished Water Storage
- ☒ Other Interconnection to the City of Bethlehem water supply

BVRB

- ☐ Bottled Water System
- ☐ Bulk Water Hauling System
- ☐ Vending Water System
- ☐ Retail Water Facility

KNOWN AS Westgate/Bethlehem Interconnect

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 CONDITION 1.

PERMIT ISSUED

Date April 9, 2007

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By _____
Dino R. Agustini
Title Program Manager
Water Supply Management Program

Utilities, Inc. Westgate
Hanover Township, Northampton County

Public Water Supply Permit No. 3480024

SPECIAL CONDITIONS

1. The existing wells serving Utilities, Inc. Westgate shall be physically disconnected from the water system within thirty days of the date of this permit.

3800-FM-WSWM0043 Rev. 6/2001

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF WATER SUPPLY AND WASTEWATER MANAGEMENT

PAWC Exhibit MS-2

PUBLIC WATER SUPPLY PERMIT

NO. 3480024

A. PERMITTEE (Name and Address)	B. PROJECT/PLANT LOCATION
Utilities, Inc. Westgate 503 Hallet Road East Stroudsburg, PA 18301	Municipality Hanover Township County Northampton

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:
1. ☐ **CONSTRUCTION**
2. ☒ **OPERATION OF FACILITIES**
Approved Under Construction Permit No. 4804501MA

Source	Facilities	BVRB
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for Lead/Copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☐ Disinfection	☐ Vending Water System
☒ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☒ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☒ Distribution Facility	☒ Other Inconnection/Valve Pit	

KNOWN AS Westgate/Bethlehem City Interconnection No. 2

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 **N/A**.

PERMIT ISSUED

Date October 16, 2007

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By Dino R. Agustini

Title Program Manager
Water Supply Management Program

PWS Permit 3480024 (issued on 11/7/2018)

PAWC Exhibit MS-2

3900-PM-BSDW0043 Rev. 7/2014

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF SAFE DRINKING WATER

PUBLIC WATER SUPPLY PERMIT

NO. 3480024

A. PERMITTEE: (Name and Address)	B. PROJECT/PLANT LOCATION
Community Utilities of Pennsylvania, Inc. P.O. Box 379 Dunkirk, MD 20754	Address 1403 Statten Avenue, Bethlehem, PA 18017 Municipality Hanover Township County Northampton

C. THIS PERMIT APPROVES FOR: AS INDICATED BELOW:

1. ☐ CONSTRUCTION
2. ☒ OPERATION OF FACILITIES
   Approved Under Construction Permit No. N/A

Source	Facilities		BVRB
☐ Well(s)	☐ Impoundment	☐ General Corrosion Control	☐ Bottled Water System
☐ Spring(s)	☐ Settling	☐ Corrosion Control for lead/copper	☐ Bulk Water Hauling System
☐ Surface Water	☐ Filtration	☐ Disinfection	☐ Vended Water System
☒ Finished Water	☐ Iron and Manganese Treatment	☐ Pump Station(s)	☐ Retail Water Facility
	☐ Softening	☒ Transmission Lines	
	☐ Fluoridation	☐ Finished Water Storage	
	☒ Distribution Facility	☒ Other Interconnections	

KNOWN AS Community Utilities of Pennsylvania, Inc. – Westgate: Westgate/Bethlehem Interconnect and Westgate/Bethlehem City Interconnection No. 2

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.

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THIS PERMIT IS SUBJECT TO THE ATTACHED SPECIAL CONDITIONS 1.

PERMIT ISSUED

Date November 7, 2018

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By

Signer's Name Brian T. Yagiello

Title Environmental Program Manager
Safe Drinking Water Program

Community Utilities of Pennsylvania, Inc.
Hanover Township, Northampton County

Public Water Supply Permit No. 3480024

SPECIAL CONDITIONS

1. This Operation Permit includes facilities that remain operational, and were previously authorized under the following permits:

   A. Permit No. 3480024 issued to Utilities, Inc. Westgate on April 9, 2007. This permit required the physical disconnection of the existing wells serving Utilities, Inc. Westgate within 30 days of issuance and included facilities constructed under the following permit:

      Permit No. 4806505 issued on April 9, 2007 for Westgate/Bethlehem Interconnect (Interconnection to the City of Bethlehem water supply).

   B. Permit No. 3480024 issued to Utilities, Inc. Westgate on October 16, 2007. This permit included facilities constructed under the following permit:

      Permit No. 4804501MA issued on August 7, 2007 for Westgate/Bethlehem City Interconnection #2 (Interconnection/Valve Pit).

APPENDIX Q

REVENUES AND EXPENSES

Appendix Q

Pennsylvania-American Water Company
Estimated Annual Revenues and Expenses of New Service Area
Year 1
(Dollars in thousands)

	Water	Sewer	Combined
Operating Revenues	$ 3,616	$ 4,916	$ 8,532
Operating Expenses			
Operation and Maintenance	1,620	2,315	3,935
Depreciation and Amortization	468	724	1,192
General Taxes and Other	31	41	72
Total Operating Expenses	2,119	3,080	5,199
Operating income	1,497	1,836	3,333
Other Income/(Expenses)			
Other Income/(Expense), Net	85	70	155
Interest Expense, Net	(490)	(662)	(1,152)
Total Other Expenses	(405)	(592)	(997)
Income Before Income Taxes	1,092	1,244	2,336
Provision for Income Taxes	262	298	560
Net Income	$ 830	$ 946	$ 1,776

Footnote: Revenues are estimated based on the settlement of CUPA's last base rate case at Docket Nos. R-2023-3042804 & R-2023-3042805 and the number of customers shown in the 2024 Annual Reports filed with the Commission.

APPENDIX R

PRO FORMA WATER TARIFF SUPPLEMENT

PAWC Exhibit MS-2

Supplement No. XX to
Tariff Water-PA P.U.C. No. 5

PENNSYLVANIA-AMERICAN WATER COMPANY
(hereinafter referred to as the "Company")
D/B/A
Pennsylvania American Water

RATES, RULES AND REGULATIONS

GOVERNING THE DISTRIBUTION AND SALE OF

WATER SERVICE

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED ADJACENT THERETO IN:

ADAMS, ALLEGHENY, ARMSTRONG, BEAVER, BERKS, BUCKS,

BUTLER, CENTRE, CHESTER, CLARION, CLEARFIELD, CLINTON, COLUMBIA,

CUMBERLAND, DAUPHIN, FAYETTE, GREENE, INDIANA, JEFFERSON, LACKAWANNA,

LANCASTER, LAWRENCE, LEBANON, LUZERNE, MCKEAN, MONROE, MONTGOMERY,

NORTHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL, SUSQUEHANNA,

UNION, WARREN, WASHINGTON, WAYNE, WYOMING, AND YORK COUNTIES.

Issued: **Effective:**

Issued by:
Justin Ladner, President
Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

https://www.amwater.com/paaw/

NOTICE

This Tariff authorizes Pennsylvania American Water Company to furnish water services to the public in the service area formerly served by Community Utilities of Pennsylvania, Inc. in Stroud and Pocono Townships in Monroe County, a portion of Hanover Township in Northampton County, and portions of Lehman Township in Pike County, Pennsylvania. (Refer to pages 2, 4, 5, 10, 16.8, 29, 32, 35, 40, 40.1 and 47.)

LIST OF CHANGES

This Tariff supplement authorizes Pennsylvania American Water Company – Water Division to begin to offer or furnish water services to the public in the service area formerly served by Community Utilities of Pennsylvania, Inc (CUPA). in Stroud and Pocono Townships in Monroe County (formerly Penn Estates Utilities, Inc.), a portion of Hanover Township in Northampton County (formerly Utilities, Inc. – Westgate), and portions of Lehman Township in Pike County, Pennsylvania (formerly Pennsylvania Utility Company), as ordered by the Pennsylvania Public Utility Commission at Docket No. A-2025-XXXXXXX entered XXXXXX.

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(C) means Change

TERRITORIES SERVED

(By State Region and Company Water District)
(All territories are subject to Rate Zone 1 unless otherwise noted)

Northeastern Pennsylvania

Abington District
Lackawanna County
The Boroughs of Clarks Green, Clarks Summit and Dalton and the Townships of Waverly and Glenburn and adjacent territory in South Abington and Abington Townships
Wyoming County
A portion of the Township of Overfield

Bangor Water District
Northampton County
The Boroughs of Bangor and Roseto and the Townships of Plainfield, Upper Mt. Bethel and Washington and portions of the Township of Lower Mt. Bethel.

Blue Mountain Lake District
Monroe County
The Townships of Smithfield and Stroud and **portions of Stroud and Pocono (Rate Zone X)** **(C)**

Lehman Pike District (Rate Zone 1 and Rate Zone X) **(C)**
Pike County
Portions of the Townships of Delaware, Lehman and West Fall

Mid-Monroe District
Monroe County
Township of Middle Smithfield

Nazareth District
Monroe County
The Townships of Hamilton and Ross
Northampton County
The Boroughs of Nazareth, Pen Argyl, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Nazareth, Palmer, Plainfield, Upper Nazareth
Portions of Hanover Township (Rate Zone X) **(C)**

Poconos District
Lackawanna County
Portions of the Township of Jefferson
Monroe County
The Borough of Mount Pocono, the Township of Coolbaugh and the Village of Tobyhanna
Wayne County
Portions of the Township of Salem

SCHEDULE OF RATES

RATE ZONE X - METERED SERVICE (C)

APPLICABILITY

The rates under this schedule apply throughout the territories formerly served by Community Utilities of Pennsylvania Inc. (CUPA), unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page. CUPA consists of the service territory formerly known as Penn Estates Utilities, Inc., Utilities, Inc. - Westgate, and Pennsylvania Utility Company.

AVAILABILITY

The rates under this schedule are available to all Customers Classes.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For All Rate Classes

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	Service Charge per Month
5/8 inch	$18.18
1 inch	$30.43
1-1/2 inch	$50.90
2 inch	$75.45
6 inch	$207.55

Consumption Charges For All Customers

The following rates shall apply per 100 gallons

Residential
All Usage: $2.1120

Non-Residential, including Pool and Clubhouse customers
All Usage: $1.9790

Purchased Water Adjustment Clause

A Purchased Water Adjustment Clause of $0.00 per 100 gallons is applied to metered sales.

AVAILABILITY RATES

The flat rate availability charge for a lot upon which no structure has been erected will be $30.66 per month per lot if located within former Penn Estates and $18.11 if located within former Pennsylvania Utility Company service areas. These charges will be payable in arrears and will be billed quarterly, in the amounts of $91.98 and $54.33, respectively.

(C) means Change

SCHEDULE OF RATES

PRIVATE FIRE SERVICE –UNMETERED

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page

AVAILABILITY

The rates under this schedule are available to any existing unmetered private fire service customer who continues to utilize the service connection solely for fire prevention purposes in connection with the customer's fire sprinkler system, standpipe connection, or any other emergency or fire protection facilities.

RATE

Service Charge

The following shall apply based on the size of service line connection required to render adequate service, as determined by the Company:

Size of Connection with Main	Service Charge per Month
1 inch	$5.99
1-1/4 inch	$5.99
1-1/2 inch	$8.63
2 inch	$15.34
3 inch	$34.92
4 inch	$61.49
6 inch	$139.88
8 inch	$248.72
10 inch	$388.48
12 inch	$558.88

Qualified Private Fire Hydrants

Service under this classification is subject to regulations set forth in Section 2.11 "Qualified Private Fire Hydrants".

Qualified Private Fire Hydrants $26.89 per month

East Dunkard:
Qualified Private Fire Hydrants $0.00 per month

CUPA: **(C)**
Qualified Private Fire Hydrants $0.00 per month

(C) means Change

SCHEDULE OF RATES

PUBLIC FIRE SERVICE

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers with applications accepted by the Company under Section 8.5 of this tariff. Service under this classification is subject to regulations set forth in Section No. 8 "Public Fire Hydrants".

RATE

The annual charge for each public fire hydrant will be billed at 25% of the cost of service which is $274.32 per annum or $22.86 per month except as noted below:

Municipalities	Monthly Charge for Each Public Fire Hydrant
Moshannon Valley Area Bradford Township for hydrants contracted prior to February 18, 1988	$6.25

East Dunkard:

Public Fire Hydrants $0.00 per month

CUPA: **(C)**

Public Fire Hydrants

Former Penn Estates service area	**$0.00 per hydrant per month**
Former Utilities Inc. – Westgate service area	**$56.67 per hydrant per month**

(C) means Change

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

EXCEPT PUBLIC FIRE PROTECTION

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to all bills rendered with an ending read date on and after the Effective Date shown on the bottom of this page.
This charge applies to all Rate Zones except Rate Zone 4 – Farmington, Rate Zone 5 – East Dunkard**, and Rate Zone X - CUPA.** **(C)**

The above charge will be recomputed quarterly using the elements prescribed by the Commission as shown on pages 36, 37 and 38 of this tariff.

PURCHASED WATER ADJUSTMENT CLAUSE (C)

(Applicable to CUPA service area, formerly known as Utilities, Inc. – Westgate)

The Company may apply a Purchased Water Adjustment Clause ("PWAC") to its water rates set forth under Schedule of Rates, Rate Zone X, to reflect an increase or decrease in the rates charged by its wholesale water supplier, the City of Bethlehem ("City").

The PWAC will be calculated based on changes in the customer charges contained in Schedule G Meter Rates-Sales for Resale of the City's Tariff Water PA. P.U.C. No. 6. For purposes of calculating the PWAC, the amount collected or refunded will be the difference between the consumption charge rate per 1,000 gallons contained in the Company's Schedule of Rates and Charges and the customer charges contained in Schedule G of the City's tariff. The Company will revise the Tariff consumption charge in its base rate cases to mirror the customer charges in Schedule G of the City's tariff and set its PWAC to zero. Between rate cases, the Company will use the PWAC to reflect changes in the rates contained in Schedule G of the City's tariff. The Company will provide notice to its customers of changes in rates resulting from application of the PWAC.

The baseline items determined in the Company's most recent PWAC calculation:
(50,434,644 gallons X $4.498/1,000gallon) + ($17,486.52 fixed charges) = $244,341.55

Determination of Purchased Water Adjustment Charge

A PWAC may be implemented on the effective date of a change in the City's wholesale rates charged to the Company for purchased water but not on less than 45 days notice to the customer. The Company may, at its option, implement a PWAC to recover an increase in purchased water costs. However, if the rate change is a decrease, the Company must implement a credit PWAC to reflect the decrease.

The items used to calculate the PWAC are:

A. The projected cost of the volume of water purchased from the City in the prior 12 months at the City's revised rate per 1,000 gallons.

B. The actual cost for the volume of water purchased from the City for the prior 12 months at the City's prior rate per 1,000 gallons.

C. The total metered water sold for the prior 12 months measured per 1,000 gallons.

PURCHASED WATER ADJUSTMENT CLAUSE (CONTINUED) **(C)**

(Applicable to CUPA service area, formerly known as Utilities, Inc. – Westgate)

The PWAC, per thousand gallons, shall be computed to the nearest one-hundredth cent (0.01) in accordance with the formulae below:

$$PWAC = \frac{A - B}{C}$$

The PWAC will be charged for each thousand gallons of metered water sales supplied under the Schedule of Rates, Rate Zone X.

Safeguards

Annual Reconciliation

The Company will provide an annual reconciliation of PWAC revenues with the actual cost of purchased water from the City pursuant to Section 1307(e) of the Public Utility Code upon implementation of a PWAC. The revenue received under the PWAC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on July 1 of each year. If PWAC revenues exceed PWAC-eligible costs, such overcollections will be refunded with interest. Interest on the overcollections will be calculated at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. § 101, et seq.) and will be refunded in the same manner as an overcollection. For the purposes of calculating such over or under collection, the reconciliation period shall be the annual period ended March 31.

New Base Rates

The charge will be reset at zero as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the PWAC. Thereafter, only new purchased water adjustments, which have not previously been reflected in the Company's base rate, are eligible for PWAC recovery.

CAP

The PWAC shall not exceed seven and one-half percent (7.5%) of the amount billed to customers, exclusive of the amounts recovered under the State Tax Adjustment Surcharge.

RULES AND REGULATIONS

4. Service Pipes (cont'd)

4.6 Check Valve, Backflow Prevention Device and Service Pipe Strainers

A minimum of an approved American Society of Sanitary Engineering 1024 (ASSE 1024) dual check valve shall be installed on all service pipes for residential service. Residential accounts having a lawn irrigation system or fire sprinkler system will be required to install a reduced pressure zone backflow prevention device on the line which services this part of the customer's system. Reduced pressure zone devices are to be tested and/or repaired annually. On service pipes for commercial or industrial service, a backflow prevention device of a type approved by the Company shall be installed. The location of the double check valve or backflow prevention device shall be approved by the Company. Service pipes used for fire protection must in addition have an approved fire service pipe strainer. The double check valve and backflow prevention device shall be owned and maintained by the Customer. Non-residential Customers shall certify annually, in writing to the Company, that these devices have been maintained and are in working order. This is to include a test and /or repairs performed by an inspector who is a certified backflow prevention device tester. They are also subject to Company inspection at reasonable times. A backflow prevention device tester must be certified by an entity that performs training to test and repair Check valves and backflow prevention devices which meet or exceed American Society of Sanitary Engineering (ASSE), American Backflow Prevention Association (ABPA) or equivalent standards and provides certification that such training has been completed in accordance with these requirements.

4.7 Pressure Regulators

When the static pressure is 100 lbs. or more at the Customer's premise, the Customer shall be responsible for the installation and maintenance of a pressure regulator or valve, which shall be installed on the inlet side of the meter.

4.7.1 Booster Pumps (pertaining to customers in Rate Zone X- CUPA, formerly Pennsylvania Utility Company, Lehman Township, Pike County) **(C)**

In certain sections of the development, customers will be required to install booster pumps to maintain adequate pressures. In such circumstances where booster pumps are required, it shall be the customer's responsibility to purchase, install, operate, maintain, repair and replace the booster pump at each residential premises.

4.8 Water use Standards for Plumbing Fixtures

The Company may refuse to connect with any piping system or furnish water through one already connected in any new construction or renovation which does not comply with the Company's water use standards for plumbing fixtures.

4.9 Customer Responsibility for Service Pipe

The Customer shall have full responsibility for the installation, repair, replacement, and maintenance of all Service Pipes, including full responsibility for metered water usage attributable to a leak in the Service Pipe; The failure of a Customer to properly install and maintain a Service Pipe, including replacement, shall constitute grounds for the Company to initiate action to terminate service to the Customer and seek recovery for any damage to the Company's facilities caused by an improperly functioning Service Pipe.

Where an undetected, non-surfacing, underground leak is found in a Customer's Service Pipe, the Company shall credit the Customer with a one-time bill adjustment equal to forty percent (40%) of that portion of one month's consumption that exceeds the average monthly usage, based on the prior twelve month period, upon proper verification that the leak has been repaired. The Company may require documentation to establish, to the Company's satisfaction, the existence of such repaired leak at the Customer's premises. Such bill adjustment will be provided only to the extent the Customer has not received a bill adjustment for an undetected, non-surfacing, underground leak at the same premises in the past five (5) years.

(C) means Change

APPENDIX S

PRO FORMA WASTEWATER TARIFF SUPPLEMENT

Supplement No. XX to
Tariff Wastewater PA P.U.C. No. 16

PENNSYLVANIA-AMERICAN WATER COMPANYS
Wastewater Division
(hereinafter referred to as the "Company")
D/B/A
Pennsylvania American Water

RATES, RULES AND REGULATIONS

GOVERNING THE FURNISHINGS OF

WASTEWATER COLLECTION AND DISPOSAL SERVICE

IN CERTAIN MUNICIPALITES AND TERRITORIES LOCATED IN:

ADAMS COUNTY, ALLEGHENY COUNTY, BEAVER COUNTY, BERKS COUNTY,

BUTLER COUNTY, CHESTER COUNTY, CLARION COUNTY, CUMBERLAND COUNTY,

LACKAWANNA COUNTY, LANCASTER COUNTY, LUZERNE COUNTY, MCKEAN COUNTY,

MONROE COUNTY, MONTGOMERY COUNTY, NORTHUMBERLAND COUNTY,

PIKE COUNTY, WASHINGTON COUNTY AND YORK COUNTY

ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Issued: **Effective:**

Issued by:
Justin Ladner, President
Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

https://www.amwater.com/paaw/

NOTICE

This Tariff authorizes Pennsylvania American Water Company to furnish wastewater services to the public in the service area formerly served by Community Utilities of Pennsylvania, Inc. in Stroud and Pocono Townships in Monroe County, a portion of West Bradford Township in Chester County, and portions of Lehman Township in Pike County, Pennsylvania.
(Refer to pages 2, 4, 5, 8, 9, 11.9 and 18.1.)

LIST OF CHANGES

This Tariff supplement authorizes Pennsylvania American Water Company – Wastewater Division to begin to offer or furnish water services to the public in the service area formerly served by Community Utilities of Pennsylvania, Inc (CUPA). in Stroud and Pocono Townships in Monroe County (formerly Penn Estates Utilities, Inc.), a portion of West Bradford Township in Chester County (formerly Utilities, Inc. of Pennsylvania), and portions of Lehman Township in Pike County, Pennsylvania (formerly Pennsylvania Utility Company), as ordered by the Pennsylvania Public Utility Commission at Docket No. A-2025-XXXXXXX entered XXXXXX.

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(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

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(C) means Change

TERRITORIES SERVED

(By State Region and Company Wastewater System District)
(All territories are subject to Rate Zone 1 unless otherwise noted)

Central Pennsylvania

Fairview District
York County. Portions of Fairview and Newberry Townships.

Foster District – Rate Zone 1c
Luzerne County. Portions of Foster Township (and related points of bulk service interconnection).

Franklin District
Adams County. Portions of the Townships of Franklin, Hamiltonban and Highland.

McEwensville District
Northumberland County. McEwensville Borough.

New Cumberland District
Cumberland County. The Borough of New Cumberland.

Turbotville District
Northumberland County. Portions of The Borough of Turbotville.

York District – Rate Zone 1b
York County. The City of York and portions of West Manchester Township; and related points of bulk service interconnection. Portions of Manchester Township, West Manchester Township, and Spring Garden Township, limited to the administration of the Industrial Pretreatment Program.

Northeastern Pennsylvania

Northeast District – Lehman Pike, Blue Mountain Lakes, Clean Treatment, and Delaware
Monroe County. Portions of the Townships of Middle Smithfield, Smithfield, Stroud, **and Pocono (Rate Zone 1X)**. **(C)**
Pike County. Portions of Delaware and Lehman Townships **(Rate Zone 1X)**. **(C)**

Pocono District
Monroe County. A portion of Coolbaugh Township.

Scranton Sewer District – Rate Zone 2a
Lackawanna County. The City of Scranton and the Borough of Dunmore.

TERRITORIES SERVED (CONT'D)
(By State Region and Company Wastewater System District)
(All territories are subject to Rate Zone 1 unless otherwise noted)

Southeastern Pennsylvania

Coatesville District
Chester County. The City of Coatesville, the Borough of Parkesburg and portions of the Borough of South Coatesville and portions of the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln, West Sadsbury **and West Bradford (Rate Zone 1X).** **(C)**
Lancaster County. Portions of Sadsbury Township (Rate Zone 1e).

Exeter Sewer District
Berks County. Portions of the Townships of Exeter, Alsace and Lower Alsace (and related points of bulk service interconnection).

Royersford District – Rate Zone 1a
Montgomery County. Royersford Borough and portions of Upper Providence Township.

Upper Pottsgrove District
Montgomery County. Portions of Upper Pottsgrove Township.
Berks County. A portion of Douglass Township.

Western Pennsylvania

Butler District – Rate Zone 1d
Butler County. City of Butler, portions of the Borough of East Butler, and portions of the Townships of Butler, Center, Connoquenessing, Oakland and Summit.

Clarion District
Clarion County. Clarion Borough and portions of the Townships of Clarion and Monroe and Farmington (Rate Zone 1f).

Claysville District
Washington County. Claysville Borough and portions of the Townships of Donegal.

Kane District – Rate Zone 2
McKean County. Kane Borough and portions of Wetmore Township.

Koppel District
Beaver County. Koppel Borough.

McKeesport District – Rate Zone 2
Allegheny County. The City of McKeesport, the City of Duquesne, Port Vue Borough, the Borough of Dravosburg, and a portion of West Mifflin Borough (and related points of bulk service interconnection).

Paint-Elk District
Clarion County. Shippenville Borough and portions of the Townships of Elk and Paint.

SCHEDULE OF RATES

RATE ZONE 1X – METERED (C)

APPLICABILITY

The rates under this schedule apply throughout the territories formerly served by the Community Utilities of Pennsylvania, Inc. (CUPA), unless otherwise noted on the territories served page, for service rendered on and after the Effective Date shown at the bottom of this page. CUPA consists of the service territory formerly known as Penn Estates Utilities, Inc., Utilities, Inc, and Pennsylvania Utility Company.

AVAILABILITY

The rates under this schedule are available to customers in all classes.

METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC's discretion)

All metered customers shall be subject to a minimum charge per meter.

Residential

Service Charge per month:	$39.90
Usage Charge per 100 gallons	$1.8000

Non-Residential excluding Schools

Service Charge per month:	$39.90
Usage Charge per 100 gallons	$1.7820

School (in service territory formerly known as Utilities, Inc. of Pennsylvania)

Service Charge per month:	$771.45
Usage Charge per 100 gallons	$1.7820

AVAILABILITY RATES

$22.30 per month per lot if located within the former Penn Estates and Pennsylvania Utility Company service areas, and upon which no structure has been erected. This rate will continue to be billed quarterly in the amount of $66.90.

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of **0.16**% will apply to bills rendered on or after the Effective Date shown on the bottom of this page.

This charge applies to all Rate Zones except Rate Zone 1e – Sadsbury (Lancaster County), Rate Zone 1f – Farmington, and **Rate Zone 1X – CUPA.** **(C)**

The above charge will be recomputed quarterly using the elements prescribed by the Commission as shown on pages 18.2,18.3 and 18.4 of this tariff.

APPENDIX T

NOTICES OF VIOLATION RECEIVED BY COMMUNITY UTILITIES OF PENNSYLVANIA INC. AND CONSENT ORDER AND AGREEMENT

PENN ESTATES SEWER

Pennsylvania
Department of Environmental Protection

April 21, 2025

NOTICE OF VIOLATION

Delivered via e-mail

Community Utilities of Pennsylvania, Inc.
570 Hallet Road
East Stroudsburg, PA 18301

Attention: Emily Long

RE: Sewage
Penn Estates WWTP
NPDES Permit No. PA0060283
Stroud Township, Monroe County

Dear Emily Long,

The Department of Environmental Protection ("Department") conducted a review of the Consent Order and Agreement ("CO&A") dated October 22, 2020. After reviewing the CO&A it has come to the Department's attention that Community Utilities of Pennsylvania, Inc. ("Penn Estates") is in violation of NPDES Permit No. PA0060283 and is subject to stipulated penalties per Paragraph 5 of the CO&A.

Pursuant to Paragraph 5.b. of the CO&A, in the event Penn Estates violates any monitoring requirement or permit limit established in NPDES Permit, either instantaneous or Discharge Monitoring Report ("DMR") related, during the term of this CO&A, Penn Estates shall be in violation of this CO&A and shall pay a civil penalty in the amount of five hundred dollars ($500.00) for each violation.

Pursuant to Paragraph 5.c. of the CO&A, in the event Penn Estates experiences a sanitary sewer overflow ("SSOs") from any portion of its treatment and collection systems during the term of this CO&A, Penn Estates shall be in violation of this CO&A and shall pay a civil penalty in the amount of one thousand ($1,000.00) dollars for each violation.

A review of Penn Estates monthly DMRs indicated a pattern of effluent violations with respect to the limitations set forth in NPDES Permit No. PA0060283. Specifically, the violations are as follows:

Monitoring Period	Parameter	Permit Limit	Reported Value
May 2023	NH_3 *Imax*	3.0 mg/L	8.16 mg/L
June 2024	NH_3 *Mo. Avg.*	1.5 mg/L	1.53 mg/L
February 2025	TRC *Imax*	0.02 mg/L	0.089 mg/L

These exceedances result in a stipulated penalty of $1,500 per Paragraph 5.b. of the CO&A.

NPDES Permit No. PA0060283, Part A.I.A. establishes the minimum frequency at which monitoring is to be conducted. Review of Penn Estates Utilities' DMRs indicated that the following samples were not collected as required:

Monitoring Period	Parameter	Required Frequency	Reported Frequency
September 2023	Phosphorus	2/week	1/week

This failure to monitor results in a stipulated penalty of $2,000 per Paragraph 5.b. of the CO&A.

A review of Department records indicated a SSO occurred at Penn Estates Utilities WWTP. 25 Pa. Code § 92a.47(c) prohibits discharges from an SSO. Failure to prevent the occurrence of an SSO constitutes unlawful conduct under Section 611 of The Clean Streams Law, 35 P.S. § 691.611.

According to reports submitted by Penn Estates, the following SSO resulted in an unpermitted discharge of untreated sewage in violation of 25 Pa. Code § 92a.47(c).

Date of SSO
December 28, 2023

The December 28, 2023, SSO results in a stipulated penalty of $1,000 per Paragraph 5.c. of the CO&A.

Based upon the violations described above, to date Penn Estates is required to pay a total stipulated civil penalty amount of $4,500.00.

Pursuant to Paragraph 5.d. of the CO&A, stipulated civil penalty payments shall be payable monthly on or before the fifteenth (15th) day of each succeeding month and are due automatically and without notice. To date, the Department has not received Penn Estates' stipulated civil penalty payment for the violations listed above.

NPDES Permit No. PA0060283, Part C.VI.B. requires Penn Estates to conduct Chronic Whole Effluent Toxicity ("WET") testing annually, at a minimum, during the period January 1 – December 31. Annual WET tests must be completed at least 6 months apart and results must be submitted to the DEP regional office that issued the permit within 45 days of test completion. According to Department records, Penn Estates has not submitted WET test results for calendar year 2024 in violation of NPDES Permit No. PA0060283, Part C.VI.B.

NPDES Permit No. PA0060283, Part A.III.B.4. states, in relevant part, DMRs must be received no later than 28 days following the end of each monitoring period. Failure to do so constitutes unlawful conduct under Section 611 of The Clean Streams Law. The following DMR was received late:

Monitoring Period	Due Date	Date Received
October 2021	November 28, 2021	November 29, 2021

The Department requests that Penn Estates submit the stipulated civil penalty payment described above within 15 days of receipt of this letter. Please submit the payment in accordance with Paragraph 4. of the CO&A. Furthermore, as noted above, the items identified within this NOV which give rise to the stipulated civil penalty payment must be addressed. Civil penalties will continue to accrue each day the items remain outstanding.

Please be advised that failure to comply with the terms and conditions of your NPDES Permit is a violation of said Permit and the Clean Streams Law of Pennsylvania, Act of June 22, 1937, P.L. 1987, as amended, 35 P.S. Section 691.1 et seq. ("The Clean Streams Law") and subjects Penn Estates, to appropriate enforcement action including, but not limited to, civil penalty assessment.

The Department requests that Penn Estates respond in writing to this Notice within 15 days of its receipt. Said response should indicate the cause of the above-described non-compliance and the steps that will be or have been taken in order to ensure future compliance.

Please confirm receipt of this Notice by sending an email to pmusinski@pa.gov.

This Notice of Violation is neither an order nor any other final action of the Department. 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 correspondence, you may contact me at 570.826.2326.

Sincerely,

Patrick J. Musinski

Patrick J. Musinski
Monitoring & Compliance Manager
Clean Water Program

cc: Stroud Township

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DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	01/24/2024	11:00	11:10	ADMIN	3678400

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	/	**Email**	----
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	01/31/2026	**Next Submittal ---- DueDate**	----

Violations* Violation(s) Noted

1. **P.L. 1987, No. 394, Sec 201:** CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth Overflow of EQ Basins #3 and #5. Per the submitted SSO form, the overflow started on January 15, 2024 and ended on January 16, 2024. The cause reported in the SSO form is "High EQ levels from previous SSO, polymer system failure, filters backwashing due to sludge from clarifiers."

Person Interviewed ----	**Date** 01/24/2024	**Inspector** BRANDON SHIHINSKI	**Date** 01/24/2024
Signature admin inspection	**Phone Number** ----	**Signature** Brandon J Shihinski	**Phone Number** (570) 931-6043
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** brshihinsk@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

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PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				----	
Has the interviewed operator/person reviewed the facility's permit(s)?				----	

Comments

Overflow of EQ Basins #3 and #5. Per the submitted SSO form, the overflow started on January 15, 2024 and ended on January 16, 2024. The cause reported in the SSO form is "High EQ levels from previous SSO, polymer system failure, filters backwashing due to sludge from clarifiers."

Participants:
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SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	01/23/2024	08:40	08:42	ADMIN	3677604

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	/	**Email**	----
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	01/31/2026	**Next Submittal ---- DueDate**	----

Violations* Violation(s) Noted

1. **P.L. 1987, No. 394, Sec 201:** CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth Overflow of EQ Basin # 3 due to rain and snow melt. Per the submitted SSO form, the overflow started on January 10, 2024 and ended on January 11, 2024.

Person Interviewed ----	**Date** 01/23/2024	**Inspector** BRANDON SHIHINSKI	**Date** 01/23/2024
Signature admin inspection	**Phone Number** ----	**Signature** Brandon J Shihinski	**Phone Number** (570) 931-6043
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** brshihinsk@pa.gov	

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SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				----	
Has the interviewed operator/person reviewed the facility's permit(s)?				----	

Comments

Overflow of EQ Basin # 3 due to rain and snow melt. Per the submitted SSO form, the overflow started on January 10, 2024 and ended on January 11, 2024.

Participants:
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SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	01/23/2024	08:53	09:00	ADMIN	3677630

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	/	**Email**	----
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	01/31/2026	**Next Submittal ---- DueDate**	----

Violations* Violation(s) Noted

1. **P.L. 1987, No. 394, Sec 201:** CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth Overflow of EQ Basin #3 due to rain and snowmelt. Per the submitted SSO form, the overflow started on January 13, 2024 and ended on January 14, 2024.

Person Interviewed ----	**Date** 01/23/2024	**Inspector** BRANDON SHIHINSKI	**Date** 01/23/2024
Signature admin inspection	**Phone Number** ----	**Signature**	**Phone Number** (570) 931-6043
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** brshihinsk@pa.gov	

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SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				----	
Has the interviewed operator/person reviewed the facility's permit(s)?				----	

Comments

Overflow of EQ Basin #3 due to rain and snowmelt. Per the submitted SSO form, the overflow started on January 13, 2024 and ended on January 14, 2024.

Participants:
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SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	12/28/2023	11:25	11:30	ADMIN	3667332

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	/	**Email**	----
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	01/31/2026	**Next Submittal ---- DueDate**	----

Violations* Violation(s) Noted

1. **P.L. 1987, No. 394, Sec 201:** CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth Overflow of EQ basins #4 and #5 due to heavy rain.

Person Interviewed ----	**Date** 12/28/2023	**Inspector** BRANDON SHIHINSKI	**Date** 12/28/2023
Signature admin inspection	**Phone Number** ----	**Signature** Brandon J Shihinski	**Phone Number** (570) 931-6043
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** brshihinsk@pa.gov	

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SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				----	
Has the interviewed operator/person reviewed the facility's permit(s)?				----	

Comments
Overflow of EQ basins #4 and #5 due to heavy rain.
Participants: ----

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SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	12/18/2023	10:22	10:31	ADMIN	3666364

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	/	**Email**	----
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	01/31/2026	**Next Submittal ---- DueDate**	----

Violations* Violation(s) Noted

1. **P.L. 1987, No. 394, Sec 201:** CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth Overflow of the equalization tanks due to heavy rain.

Person Interviewed ----	**Date** 12/18/2023	**Inspector** BRANDON SHIHINSKI	**Date** 12/18/2023
Signature admin inspection	**Phone Number** ----	**Signature** Brandon J Shihinski	**Phone Number** (570) 931-6043
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** brshihinsk@pa.gov	

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SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				----	
Has the interviewed operator/person reviewed the facility's permit(s)?				----	

Comments
Overflow of the equalization tanks due to heavy rain.
Participants: ----

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SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	12/29/2022	00:50	05:00	ADMIN	3481244

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	Vincent Varuolo / (570) 517-9884	**Email**	Vincent.varuolo@uiwater.com
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	01/31/2026	**Next Submittal Renewal DueDate**	08/04/2025

Violations* Violation(s) Noted

1. **25 Pa. Code 92a.47(c):** NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO) SSO at E.Q. tank 3.

Person Interviewed N/A	**Date** 12/29/2022	**Inspector** DANIEL P ACKERS	**Date** 12/29/2022
Signature ---	**Phone Number** ----	**Signature**	**Phone Number** (570) 895-4050
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** dackers@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

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SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				N/O	
Has the interviewed operator/person reviewed the facility's permit(s)?				N/O	
Comments					
SSO at E.Q. tank 3.					
Participants: ----					

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SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	04/07/2022	07:41	07:47	ADMIN	3346321

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	Emily Long / (570) 213-1447	**Email**	Emily.long@uiwater.com
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	01/31/2026	**Next Submittal Renewal Due Date**	08/04/2025

Violations* Violation(s) Noted

1. **25 Pa. Code 92a.47(c):** NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO) SSO at the influent tanks of the treatment plant due to heavy rain.

Person Interviewed N/A	**Date** 04/07/2022	**Inspector** DANIEL P ACKERS	**Date** 04/07/2022
Signature **Report review.**	**Phone Number** ----	**Signature**	**Phone Number** (570) 895-4050
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** dackers@pa.gov	

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DEPARTMENT OF ENVIRONMENTAL PROTECTION
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PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				N/O	
Has the interviewed operator/person reviewed the facility's permit(s)?				N/O	

Comments
SSO at the influent tanks of the treatment plant due to heavy rain.
Participants: ----

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DEPARTMENT OF ENVIRONMENTAL PROTECTION
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PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	10/26/2021	07:48	07:55	ADMIN	3278855

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	Vincent Varuolo / (570) 570-9884	**Email**	Vincent.varuolo@uiwater.com
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	01/31/2026	**Next Submittal Renewal Due Date**	08/04/2025

Violations* Violation(s) Noted

1. **25 Pa. Code 92a.47(c):** NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO) SSO at the influent E.Q. tank.

Person Interviewed N/A	**Date** 10/26/2021	**Inspector** DANIEL P ACKERS	**Date** 10/26/2021
Signature **Report review .**	**Phone Number** ----	**Signature**	**Phone Number** (570) 895-4050
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** dackers@pa.gov	

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DEPARTMENT OF ENVIRONMENTAL PROTECTION
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SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	THOMAS PAUL H		**Client ID**	345891	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	03/31/2022
Is a Copy of the permit(s) on-site?				N/O	
Has the interviewed operator/person reviewed the facility's permit(s)?					N/O
Comments					
SSO at the influent E.Q. tank.					
Participants: ----					

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SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	09/01/2021	11:44	11:50	ADMIN	3262360

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	Vincent Varuolo / (570) 570-9884	**Email**	Vincent.varuolo@uiwater.com
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	01/31/2026	**Next Submittal Renewal Due Date**	08/04/2025

Violations* Violation(s) Noted

1. **25 Pa. Code 92a.47(c):** NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO) SSO at the influent E.Q. tanks at the treatment plant.

Person Interviewed N/A	**Date** 09/01/2021	**Inspector** DANIEL P ACKERS	**Date** 09/01/2021
Signature **Report review .**	**Phone Number** ----	**Signature**	**Phone Number** (570) 895-4050
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** dackers@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	REESE WILLIAM R JR		**Client ID**	335705	
Certificates	A,E-1,5,4	**Certification Status**	Active	**Expiration Date**	06/30/2023
Is a Copy of the permit(s) on-site?				N/O	
Has the interviewed operator/person reviewed the facility's permit(s)?				N/O	

Comments
SSO at the influent E.Q. tanks at the treatment plant.
Participants: ----

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	08/22/2021	13:47	13:50	ADMIN	3243928

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	Emily Long / (570) 424-9322	**Email**	Emily.long@uiwater.com
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	01/31/2026	**Next Submittal Renewal Due Date**	08/04/2025

Violations* Violation(s) Noted

1. **25 Pa. Code 92a.47(c):** NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO) SSO at the treatment plant caused by heavy rains.

Person Interviewed N/A	**Date** 08/22/2021	**Inspector** DANIEL P ACKERS	**Date** 08/22/2021
Signature **Report review**	**Phone Number** ----	**Signature**	**Phone Number** (570) 895-4050
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** dackers@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	----		**Client ID**	----	
Certificates	----	**Certification Status**	----	**Expiration Date**	--/--/----
Is a Copy of the permit(s) on-site?				N/O	
Has the interviewed operator/person reviewed the facility's permit(s)?				N/O	
Comments					
SSO at the EQ tanks at the treatment plant due to heavy rains.					
Participants: ----					

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

August 13, 2021

NOTICE OF VIOLATION

Delivered via email

Community Utilities of Pennsylvania, Inc.
570 Hallet Road
East Stroudsburg, Pa 18301

Attention: Ms. Emily Long, State Operations Manager

RE: Sewage
Penn Estates Utilities, Inc.
Consent Order and Agreement dated October 22, 2020
Penn Estates WWTP
NPDES Permit No. PA0060283
Stroud Township, Monroe County

Dear Ms. Long:

The Department of Environmental Protection ("Department") was provided access to information by Manko, Gold, Katcher and Fox, LLP, on behalf of Penn Estates Utilities, Inc. ("Penn Estates") on May 27, 2021. Said access was provided in response to a Notice of Violation from the Department to Penn Estates, dated May 26, 2021, which documented Penn Estates' failure to submit Reports and Plans to the Department by January 31, 2021, as required by the subject CO&A. The majority of the data contained extraneous information that do not address the required items in the CO&A.

The Department has reviewed the Reports and Plans and determined that the data does not meet the requirements of the CO&A, in particular, the Corrective Actions in Paragraph 3.b., Paragraph 3.c., and Paragraph 3.d.

Pursuant to Paragraph 5.a. of the CO&A, in the event Penn Estates fails to comply in a timely manner with Corrective Actions listed in Paragraph 3.a-f of the CO&A, Penn Estates shall be in violation of the CO&A and, in addition to other applicable remedies, shall pay a civil penalty in the amount of two hundred fifty ($250.00) dollars per day for each violation.

Paragraph 3.b. of the CO&A requires Penn Estates to submit a conditional assessment report ("Manhole Report") and phased manhole rehabilitation plan ("Manhole Plan") containing an implementation schedule on or before January 31, 2021 for Department review and acceptance.

The Manhole Report shall include an evaluation of 100% of the manholes contained in the collection system with the Manhole Plan addressing manholes from highest to lowest priority. The Department has reviewed the Manhole Report and Manhole Plan and has the following concerns:

- It appears the "phased manhole rehabilitation plan" is combined with a Gravity Report and Plan in a 36-Page document (GHD Sewer Rehab Analysis), including information for two other unrelated collection systems.
- No implementation schedule exists in the GHD Sewer Rehab Analysis.
- The PEU1 DEP COA Progress Report 1.15.20 indicates that "all listed manhole defects will be addressed by the end of 2024". This is vague and needs to be more specific.
- 100% of the manholes contained in the collection system were not evaluated.
  - The GHD Sewer Rehab Analysis, Page 3, Table 2-2 indicates 475/483 manholes were inspected, with no explanation as to why the remaining 8 manholes were not inspected.
- The Manhole Report was to address the manholes from highest to lowest priority, which it did not.
  - PEU1 DEP COA Progress Report 1.15.20 indicates that "the phased rehabilitation Manhole Plan and implementation schedule will prioritize defects from highest to lowest. Manholes with Manhole Assessment and Certification Program ("MACP") score of 5 and 4 will be addressed first." There is no Manhole Plan, only the GHD Sewer Rehab Analysis in which, MACP designations could not be found.
  - The Department's expectation is to receive a phased schedule with MACP manholes 5 and 4 addressed by a certain date and the remainder MACPs of 3, 2 and 1 addressed by 12/31/24.

Based upon the Department's review of the Manhole Report and the Manhole Plan described above, the Department has determined the Report and Plan are not complete, resulting in a stipulated penalty of $48,500.00 per Paragraph 5.a.

Paragraph 3.c. of the CO&A requires Penn Estates to submit a conditional assessment report ("Gravity Report") and phased gravity collection main rehabilitation plan ("Gravity Plan") containing an implementation schedule on or before January 31, 2021 for Department review and acceptance. The Gravity Report shall include an evaluation of 100% of the gravity collection system including inspection reports, mapping and condition rating with the Gravity Plan addressing defects from highest to lowest priority. The Department has reviewed the Gravity Report and Gravity Plan and has the following concerns:

- The Gravity Plan is combined with the Manhole Report and Plan in a 36-Page document (GHD Sewer Rehab Analysis), including information for two other unrelated collection systems.

- No implementation schedule exists in the GHD Sewer Rehab Analysis.
- PEU1 DEP COA Progress Report 1.15.20 indicates that "all listed gravity collection main defects will be addressed over a 10-year period". This is too vague and needs to be more specific.
- The Gravity Plan does not address the manholes from highest to lowest priority, as required.
  - PEU1 DEP COA Progress Report 1.15.20 indicates that "the phased rehabilitation Manhole Plan and implementation schedule will prioritize defects highest to lowest. Gravity collection main defects with Pipeline Assessment and Certification Program ("PACP") score of 5 and 4 will be addressed first." There is no Manhole Plan, only the GHD Sewer Rehab Analysis in which, PACP designations could not be found.
  - The Department's expectation is to receive a phased schedule with PACP scores 5 and 4 addressed by a certain date and the remainder PACPs of 3, 2, and 1 addressed by 12/31/30.

Based upon the Department's review of the Gravity Report and Gravity Plan described above, the Department has determined the Report and Plan are not complete, resulting in a stipulated penalty of $48,500.00 per Paragraph 5.a.

Paragraph 3.d. of the CO&A requires Penn Estates to submit a conditional assessment report ("Structure Report") and phased wastewater treatment plant structure rehabilitation plan ("Structure Plan") containing an implementation schedule on or before January 31, 2021 for Department review and acceptance. The Structure Report shall include an evaluation of all treatment units comprising the wastewater treatment plant with the Structure Plan addressing treatment units from highest to lowest risk of failure. The Department has reviewed the Structure Report and Structure Plan and has the following concerns:

- No implementation schedule could be found.
- PEU1 DEP COA Progress Report 1.15.20 indicates that "GHD will assess how to address the defects and create a phased schedule. The phased rehabilitation wastewater treatment plant Structure Plan and implementation schedule will be created by GHD by the end of 2021," which is in violation of Paragraph 3.d. of the CO&A.

Based upon the Department's review of the Structure Report and Structure Plan described above, the Department has determined the report is not complete, resulting in a stipulated penalty of $48,500.00 per paragraph 5.a.

The Department noted that there was a significant amount of extraneous data included in the documents provided to the Department which related to treatment facilities other than Penn Estates. The Department request that future submissions include information only pertaining to Penn Estates.

Please contact the Department within ten (10) days of receipt of this letter to advise how Penn Estates will address the violations described above.

Based upon the violations described, to date Penn Estates is required to pay a total stipulated civil penalty amount of $145,500.00 dollars.

Pursuant to Paragraphs 5.a. and 5.d. of the CO&A, stipulated penalty payments shall be payable monthly **on or before the fifteenth (15th) day of each succeeding month and are due automatically and without notice.** To date, the Department has not received Penn Estates' stipulated penalty payments for the violations described above.

The Department requests that Penn Estates submit the stipulated civil penalty payment described above within 15 days of receipt of this letter. Please submit the payment in accordance with Paragraph 4. of the CO&A. Furthermore, as noted above, the items identified within this NOV which give rise to the stipulated civil penalty payment must be addressed. Civil penalties will continue to accrue each day the items remain outstanding.

The Department requests that the information required in Paragraphs 3.b., 3.c., and 3.d. of the October 22, 2020 CO&A be submitted in a manner that corrects the above listed concerns and that only contains information pertaining to the Penn Estates treatment plant. To satisfy the public record requirements of the CO&A and NPDES Permit No. PA0060283, the Department requests that obligations under these documents requiring submission be satisfied with the submission of either hard copies via mail or courier, or submission of electronic documents via OnBase software. In addition, the Department requests submission of the Semi-Annual Progress Report, due January 15, 2021. If this document is submitted via OnBase, the Department requests that the electronic file be renamed to properly represent the timeframe of the report, i.e., 2021 not 2020.

Please confirm receipt of this Notice by sending an email to pmusinski@pa.gov.

This Notice of Violation is neither an order nor any other final action of the Department. 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 correspondence, you may contact me at 570.826.2326.

Sincerely,

Patrick J. Musinski
Monitoring and Compliance Manager
Clean Water Program

cc: Stroud Township

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	01/04/2021	13:28	13:33	ADMIN	3128292

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	PENN ESTATES UTILITIES INC
24-Hour Emergency Contact Person/Phone	Emily Long / (570) 213-1447	**Email**	Emily.long@uiwater.com
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	08/31/2017	**Next Submittal ---- Due Date**	----

Violations* Violation(s) Noted

1. **25 Pa. Code 92a.47(c):** NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO) Heavy rainfall caused an SSO at the EQ tanks at the treatment plant.

Person Interviewed Vincent Varuolo	**Date** 01/04/2021	**Inspector** DANIEL P ACKERS	**Date** 01/04/2021
Signature phone call	**Phone Number** (570) 517-9884	**Signature**	**Phone Number** (570) 895-4050
Title Operator		**Title** WTR QLTY SPCST	
Email Vincent.varuolo@uiwater.com		**Email** dackers@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301-7274				
Certified Operator	REESE WILLIAM R JR		**Client ID**	335705	
Certificates	A,E-1,5,4	**Certification Status**	Active	**Expiration Date**	06/30/2023
Is a Copy of the permit(s) on-site?				N/O	
Has the interviewed operator/person reviewed the facility's permit(s)?				N/O	

Comments
SSO at the EQ tanks at the treatment plant due to heavy rains that started on 12/24/20.
Participants: ----

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DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0060283	12/03/2020	09:52	09:58	ADMIN	3122685

Municipality	Stroud	**County**	Monroe
Facility Name	PENN ESTATES WWTP	**Permittee Name**	PENN ESTATES UTILITIES INC
24-Hour Emergency Contact Person/Phone	Emily Long / (570) 213-1447	**Email**	Emily.long@uiwater.com
Physical Location Address	503 HALLET RD, EAST STROUDSBURG, PA, 18301		
Permit Expiration Date	08/31/2017	**Next Submittal ---- Due Date**	----

Violations* Violation(s) Noted

1. **25 Pa. Code 92a.47(c):** NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO) Heavy rain fall caused an SSO at EQ basin 4 at the treatment plant.

Person Interviewed Vincent Varuolo	**Date** 12/03/2020	**Inspector** DANIEL P ACKERS	**Date** 12/03/2020
Signature phone call	**Phone Number** (570) 570-9884	**Signature**	**Phone Number** (570) 895-4050
Title Operator		**Title** WTR QLTY SPCST	
Email Vincent.varuolo@uiwater.com		**Email** dackers@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section			
Responsible Official	EMILY LONG	**Title**	AREA MGR
Business Phone	(570) 213-1447	**Email**	Emily.Long@corixgroup.com
Permittee Address	570 HALLET RD, EAST STROUDSBURG, PA, 18301		

Certified Operator	REESE WILLIAM R JR			**Client ID**	335705
Certificates	A,E-1,5,4	**Certification Status**	Active	**Expiration Date**	06/30/2023

Is a Copy of the permit(s) on-site?	----
Has the interviewed operator/person reviewed the facility's permit(s)?	----

Comments
SSO at the treatment plant due to heavy rains on 11/30/2020.
Participants: ----

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

NOTICE OF VIOLATION

November 3, 2020

PENN ESTATES UTILITIES INC
CHARLES MADISON
570 HALLET RD
EAST STROUDSBURG, PA 18301-7274

Dear Permittee:

On 6/1/2020, the Department of Environmental Protection (DEP) issued an invoice to you for payment of annual fees for the NPDES permit referenced below under the authority of 25 Pa. Code § 92a.62. Continued failure to pay this invoice constitutes a violation of the Clean Streams Law, 35 P.S. § 691.1 et seq. and the rules and regulations promulgated under this statute.

The details of this invoice are as follows:

Permittee Name:	PENN ESTATES UTILITIES INC
Facility Name:	PENN ESTATES WWTP
Permit No.:	PA0060283
Invoice No.:	1151281
Account No.:	379764
Amount Due:	$500.00
Due Date:	9/1/2020
County:	Monroe
Municipality:	Stroud Twp

A reminder letter was also sent to you on October 7, 2020. As of the date of this letter, the fee has not been paid. We remind you that failure to pay the fee in full constitutes a violation of 25 Pa. Code § 92a.62 and subjects the permittee named above to enforcement action under the Clean Streams Law. The Act provides for up to $10,000 per day in civil penalties, up to $10,000 per day in summary criminal penalties, and up to $25,000 in misdemeanor criminal penalties for each violation. Each day of continued violation constitutes a separate offense. Other actions, such as revocation of your permit and/or referral to the Office of the Attorney General, may be pursued. You should also be aware that this violation is a matter of public record and may be found on DEP's web site at www.dep.pa.gov, under the Tool eFACTS.

Please provide payment within 15 days from the date of this letter. Otherwise, DEP may use any and all enforcement procedures, penalties and remedies afforded under the Clean Streams Law to compel compliance. Checks should be made payable to the "Commonwealth of Pennsylvania."

Please include your permit number with all correspondence. Payment should be mailed to the following address:

PA Department of Environmental Protection
Bureau of Clean Water
Re: Chapter 92a Annual Fee
400 Market Street, P.O. Box 8466
Harrisburg, PA 17105-8466

You may also pay online with a credit card at www.depgreenport.state.pa.us/NPDESpay.

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

If you have any questions about this notice, or you have already submitted the payment, please contact me at ra-annualfee@state.pa.us or 717.783.7578.

Sincerely,

Tami Opila
Acting Group Manager
Bureau of Clean Water

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

In The Matter Of:

Penn Estates Utilities Inc. 570 Hallet Road East Stroudsburg, PA 18304	: : : : :	Violations of The Clean Streams Law and NPDES Permit No. PA0060283 Stroud Township, Monroe County

CONSENT ORDER AND AGREEMENT

This Consent Order and Agreement is entered into this 22nd day of October 2020, by and between the Commonwealth of Pennsylvania, Department of Environmental Protection ("Department") and Penn Estates Utilities Inc. ("Penn Estates").

The Department has found and determined the following:

A. The Department is the agency with the duty and authority to administer and enforce The Clean Streams Law, Act of June 22, 1937, P.L. 1987, as amended, 35 P.S. § 691.1 et seq. ("Clean Streams Law"); Section 1917-A of the Administrative Code of 1929, Act of April 9, 1929, P.L. 177, as amended, 71 P.S. § 510-17 ("Administrative Code") and the rules and regulations promulgated thereunder.

B. Penn Estates is a "person" as defined in Section 1 of The Clean Streams Law, 35 P.S. § 691.1. Penn Estates maintains a mailing address of 570 Hallet Road, East Stroudsburg, Pennsylvania 18304.

C. Penn Estates owns and operates the Penn Estates Wastewater Treatment Plant ("WWTP") located in Stroud Township, Monroe County, Pennsylvania.

D. On August 27, 2012, the Department reissued National Pollutant Discharge Elimination System Permit No. PA0060283 ("NPDES Permit") to Penn Estates, which authorized a discharge of treated sewage to Unnamed Tributary #04929 to Brodhead Creek in accordance with the effluent limitations, monitoring and reporting requirements, and other conditions set forth in the NPDES Permit. The effective date of the NPDES Permit was September 1, 2012.

E. Penn Estates is required by the NPDES Permit and Sections 201 and 202 of The Clean Streams Law, 35 P.S. §§ 691.201 and 691.202, to fully comply with the effluent limits set forth in the NPDES Permit.

F. The NPDES Permit requires that effluent discharged from Penn Estates meets identified concentration criteria for certain parameters on a routine basis. Penn Estates exceeded the NPDES Permit's effluent limitations as reported by Penn Estates' monthly Discharge Monitoring Reports ("DMRs"), as follows:

Monitoring Period	Parameter	Permit Limit	Reported Value
October 2016	$CBOD_5$ *Average Monthly*	10.0 mg/L	11.5 mg/L
May 2017	Total Residual Chlorine *Instantaneous Max*	0.01 mg/L	0.02 mg/L
June 2017	Total Residual Chlorine *Instantaneous Max*	0.01 mg/L	0.02 mg/L
July 2017	Total Residual Chlorine *Instantaneous Max*	0.01 mg/L	0.02 mg/L
July 2017	Total Phosphorus *Average Monthly*	2.0 mg/L	3.1 mg/L
August 2017	Total Residual Chlorine *Instantaneous Max*	0.01 mg/L	0.02 mg/L
September 2017	Dissolved Oxygen *Minimum*	7.0 mg/L	6.5 mg/L
December 2017	$CBOD_5$ *Average Monthly*	10.0 mg/L	10.7 mg/L
March 2018	NO_2+NO_3 *Average Monthly*	13.0 mg/L	<13.9 mg/L
April 2018	Total Suspended Solids *Average Monthly*	10.0 mg/L	<16.7 mg/L
April 2018	Total Suspended Solids *Average Monthly Loading*	46.7 lbs/day	<61.8 lbs/day
December 2018	NO_2+NO_3 *Average Monthly*	13.0 mg/L	15.2 mg/L

G. Section 92a.47(c) of the Department's Regulations, 25 Pa. Code § 92a.47(c), prohibits discharges from a Sanitary Sewer Overflow ("SSO"). Failure to prevent the occurrence of an SSO constitutes unlawful conduct under Section 611 of The Clean Streams Law, 35 P.S. § 691.611.

H. Penn Estates failed to prevent the occurrences of SSOs as reported by Penn Estates' written notifications submitted to the Department, as follows:

Date of Incident	Location	Volume (gallons)	Suspected Cause
December 16, 2017	314 Overlook Drive Manhole 120	150-200	Blockage of collection between Manhole 121-122
December 21, 2018	WWTP: Equalization ("EQ") Tank	200	Excessive Rainfall

I. Penn Estates' SSOs noted in Paragraph H, constitute violations of Section 92a.47(c) of the Department's Regulations, 25 Pa. Code § 92a.47(c), and Section 611 of The Clean Streams Law, 35 P.S. § 691.611.

J. Part A.III.C(1). of the NPDES Permit states, in relevant part, the permittee shall give notice to the Department as soon as possible of any planned physical alterations or additions to the permitted facility. A permit may be required for these situations prior to implementing the planned changes. A permit application, or other written submission to the Department, can be used to satisfy the notification requirements.

K. On December 24, 2018, the Department received Penn Estates' December 21, 2018 SSO report, which noted an installation of a second 10 HP pump in EQ tank 5 to replace an existing 7.5 HP pump. The Department was not notified of this change prior to the installation of the new pump.

L. Penn Estates' failure to notify the Department prior to planned physical alterations or additions to the WWTP constitutes a violation of Part A.III.C(1) of the NPDES Permit.

M. Parts A.I.A., A.I.B. and A.I.C. of the NPDES Permit requires that Penn Estates sample in accordance with the sample frequency set forth in the NPDES Permit. Failure to do so constitutes unlawful conduct under Section 611 of The Clean Streams Law, 35 P.S. § 691.611.

N. Penn Estates failed to sample in accordance with the required sample frequency as reported by Penn Estates' monthly DMRs, as follows:

Monitoring Period	Parameter	Required Frequency	Reported Frequency
December 2017	Total Organic Carbon	1/month	0/month
February 2019	pH	1/day	25/28 days
	Dissolved Oxygen	1/day	24/28 days
	Total Residual Chlorine	1/day	22/28 days
March 2019	Total Residual Chlorine	1/day	29/31 days

O. On April 10, 2019, the Department sent a Notice of Violation ("NOV") notifying Penn Estates of its effluent violations noted in Paragraph F, SSO violations noted in Paragraph I, and failure to notify the Department prior to the replacement of the 7.5 HP pump noted in Paragraph L. Said NOV requested a written response within 15 days of receipt indicating the cause of the noncompliance and corrective actions taken to ensure future compliance. In addition, the Department requested Penn Estates contact the Department to discuss a permit determination evaluation regarding the EQ tank pumps.

P. On May 6, 2019, a representative of Penn Estates contacted the Department to discuss a permit determination evaluation regarding the influent EQ tank pump, as requested in the Department's April 10, 2019 NOV.

Q. On May 15, 2019, a representative of Penn Estates sent an e-mail correspondence to the Department with information regarding the influent EQ tank pump.

R. On May 17, 2019, the Department sent an e-mail correspondence notifying Penn Estates that a Water Quality Management ("WQM") Part II Permit application would need to be submitted to address the changes made to the influent EQ pumps.

S. Penn Estates again failed to prevent the occurrences of SSOs as reported by Penn Estates' written notifications submitted to the Department, as follows:

Date of Incident	Location	Volume (gallons)	Suspected Cause
March 22, 2019	WWTP: EQ Tank and pipe	5,000	Hydraulic Overload
March 23, 2019	WWTP: EQ Tank	1,260	Hydraulic Overload
April 20, 2019	WWTP: EQ Tank	300,000	Hydraulic Overload
April 22, 2019	WWTP: EQ Tank	2,340	Hydraulic Overload
May 5, 2019	WWTP: EQ Tank	16,200	Hydraulic Overload
May 12, 2019	WWTP: EQ Tank	32,600	Hydraulic Overload
May 20, 2019	WWTP: EQ Tank	24,000	Hydraulic Overload

T. Penn Estates' SSOs noted in Paragraph S, constitute violations of Section 92a.47(c) of the Department's Regulations, 25 Pa. Code § 92a.47(c), and Section 611 of The Clean Streams Law, 25 P.S. § 691.611.

U. On June 7, 2019, Penn Estates sent a correspondence notifying the Department of a potential discharge pipe discovered by the operator following the March 22, 2019 SSO at the WWTP. The pipe was located on EQ basin 4 and was underground between EQ basin 4 and EQ basin 5. Attached to the correspondence was a site plan dated September 15, 1998, which showed the pipe labeled as an 8" Extended Aeration Effluent. Penn Estates noted that around April 11, 2019 said pipe was removed by an environmental contractor.

V. Penn Estates again exceeded the NPDES Permit's effluent limitations as reported by Penn Estates' monthly DMR, as follows:

Monitoring Period	Parameter	Permit Limit	Reported Value
June 2019	Total Residual Chlorine *Instantaneous Max*	0.01 mg/L	0.037 mg/L

W. On August 28, 2019, the Department received a WQM Part II Permit application from Penn Estates for the removal of the existing 7.5 HP transfer pump and its replacement with a 10 HP transfer pump in EQ Basin 4 noted in Paragraph K.

X. On September 11, 2019, the Department sent an NOV notifying Penn Estates of its SSOs, violations noted in Paragraph T, and an effluent violation noted in Paragraph V. Said NOV requested Penn Estates along with anyone else deemed necessary attend an enforcement conference at the Department's Northeast Regional Office on November 6, 2019.

Y. Penn Estates again exceeded the NPDES Permit's effluent limitations as reported by Penn Estates' monthly DMRs, as follows:

Monitoring Period	Parameter	Permit Limit	Reported Value
August 2019	Dissolved Oxygen *Instantaneous Max*	7.0 mg/L	6.77 mg/L
August 2019	Total Phosphorus *Average Monthly*	2.0 mg/L	2.5 mg/L
September 2019	Fecal Coliform *Instantaneous Max*	1,000/100 mL	2,700/100 mL
September 2019	NO_2+NO_3 *Average Monthly*	13.0 mg/L	16.44 mg/L

September 2019	Total Phosphorus *Average Monthly*	2.0 mg/L	2.49 mg/L
October 2019	NO_2+NO_3 *Average Monthly*	13.0 mg/L	16.0 mg/L

Z. On October 8, 2019, the Department issued WQM Permit 4598410 to Penn Estates for the replacement and upgrade to the EQ basin transfer pumps.

AA. Penn Estates' NPDES Permit requires that quarterly DMRs for the reporting of Total Dissolved Solids ("TDS") be properly completed and received by the Department within 28 days from the end of each monitoring period. Failure to do so constitutes unlawful conduct under Section 611 of The Clean Streams Law, 35 P.S. § 691.611.

BB. Penn Estates' failed to submit a quarterly DMR for the reporting of TDS in a timely manner. Specifically, the following DMR was received by the Department later than the requirements of the NPDES Permit:

Monitoring Period	**Due Date**	**Date Received**
July 2019 – September 2019	October 28, 2019	October 30, 2019

CC. On November 6, 2019, representatives of Penn Estates met with the Department to discuss the violations noted in Paragraphs F, I, L, N, T, V, Y, BB and GG, the discovered potential discharge pipe noted in Paragraph U, and Penn Estates' intended actions to return to compliance. The Department requested Penn Estates submit to the Department a schedule of compliance, a high flow management plan, a response to the 2019 effluent exceedances, a summary and report of the smoke testing, and if available, documentation regarding the discovered discharge pipe by February 28, 2020.

DD. On November 6, 2019, Penn Estates hand-delivered a written response to the Department's April 10, 2019 NOV. Said response acknowledged the effluent violations noted in Paragraph F and provided suspected causes and corrective actions taken. The response also acknowledged the SSOs described in Paragraph H. The response further noted at the time the 7.5 HP transfer pumps were replaced, Penn Estates did not realize the installation of the replacement pumps was a violation of Part A.III.C(1) of the NPDES Permit, described in Paragraph K.

EE. On February 3, 2020, the Department received from Penn Estates the following documents as requested during the November 6, 2019 enforcement conference:

- Schedule of Compliance;
- WWTP Yard Piping Memorandum;
- WWTP Yard Pipe Drawings;
- Smoke Testing Summary and Report;
- High Flow Management Plan and;
- 2019 Effluent Exceedance Memorandum.

FF. Penn Estates again failed to prevent the occurrences of SSOs as reported by Penn Estates' written notifications submitted to the Department, as follows:

Date of Incident	**Location**	**Volume (gallons)**	**Suspected Cause**
January 26, 2020	WWTP: EQ Tank	10,000	Hydraulic Overload

April 13, 2020	WWTP: EQ Tank	15,000	Hydraulic Overload
April 24, 2020	WWTP: EQ Tank	3,000	Hydraulic Overload
April 27, 2020	WWTP: EQ Tank	5,000	Hydraulic Overload
August 4, 2020	WWT: EQ Tank	7,000 gallons	Hurricane Isaias – Hydraulic Overload

GG. Penn Estates' SSOs noted in Paragraph FF, constitute violations of Section 92a.47(c) of the Department's Regulations, 25 Pa. Code § 92a.47(c), and Section 611 of The Clean Streams Law, 35 P.S. § 691.611.

HH. The violations described in Paragraphs F, I, L, N, T, V, Y, BB, and GG constitute unlawful conduct under Section 611 of The Clean Streams Law, 35 P.S. § 691.611; a statutory nuisance under Section 601 of The Clean Streams Law, 35 P.S. § 691.601; and subject Penn Estates to civil penalty liability under Section 605 of The Clean Streams Law, 35 P.S. § 691.605.

After full and complete negotiation of all matters set forth in this Consent Order and Agreement and upon mutual exchange of covenants contained herein, the parties desiring to avoid litigation and intending to be legally bound, it is hereby ORDERED by the Department and AGREED to by Penn Estates as follows:

1. Authority. This Consent Order and Agreement is an Order of the Department authorized and issued pursuant to Section 5 of The Clean Streams Law, 35 P.S. § 691.5, and Section 1917-A of the Administrative Code, 71 P.S. § 510-17.

2. Findings.

a. Penn Estates agrees that the findings in Paragraphs A through GG are true and correct and, in any matter or proceeding involving Penn Estates and the Department, Penn Estates shall not challenge the accuracy or validity of these findings.

b. The parties do not authorize any other persons to use the findings in this Consent Order and Agreement in any matter or proceeding.

3. Corrective Action.

a. Penn Estates will install and render operational a new facility generator of sufficient capacity and an automated transfer switch capable of maintaining waste water treatment plant operational capability if primary energy source is interrupted. As of the date of this Consent Order and Agreement, Penn Estates has completed this Corrective Action measure.

b. On, or before January 31, 2021, Penn Estates shall submit a conditional assessment report (Manhole Report) and phased manhole rehabilitation plan (Manhole Plan) containing an implementation schedule which will be submitted to the Department for review and acceptance, and which schedule is to be an additional term of this Consent Order and Agreement. The Manhole Report shall include an evaluation of 100% of the manholes contained in the collection system with the Manhole Plan addressing manholes from highest to lowest priority.

c. On, or before January 31, 2021, Penn Estates shall submit a conditional assessment report (Gravity Report) and phased gravity collection main rehabilitation plan (Gravity Plan) containing an implementation schedule which will be submitted to the Department for review and

acceptance, and which schedule is to be an additional term of this Consent Order and Agreement. The Gravity Report shall include an evaluation of 100% of the gravity collection system including inspection reports, mapping and condition rating with the Gravity Plan addressing defects from highest to lowest priority.

d. On, or before January 31, 2021, Penn Estates shall submit a conditional assessment report (Structure Report) and phased wastewater treatment plant structure rehabilitation plan (Structure Plan) containing an implementation schedule which will be submitted to the Department for review and acceptance, and which schedule is to be an additional term of this Consent Order and Agreement. The Structure Report shall include an evaluation of all treatment units comprising the wastewater treatment plant with the Structure Plan addressing treatment units from highest to lowest risk of failure.

e. On, or before December 31, 2021, Penn Estates shall install a wastewater treatment plant SCADA system, or similar, capable of monitoring and controlling operational data and functions such as, poly-aluminum chloride, chlorination, methanol, sodium bisulfate feed rates and/or concentrations, to ensure the plant effluent maintains compliance. As of the date of this Consent Order and Agreement, Penn Estates has installed the SCADA system at its WWTP, but rendering the SCADA system operational will require Penn Estates to obtain a permit for the installation of a new upgraded methanol pump and sodium bisulfate pump that is SCADA compatible. Penn Estates submitted an application for a permit for the new SCADA-compatible methanol pump and sodium bisulfate pump to the Department on June 29, 2020, and that permit application is under for review by the Department and awaiting approval.

f. Penn Estates shall submit written progress reports to the Department on a semi-annual basis that document its progress on the completion of the corrective actions in Paragraphs 3.a-e. The reports are due on or before the fifteenth (15th) day of the month following the end of each semi-annual calendar period, i.e., July 15 and January 15. The first progress report is due on or before January 15, 2021.

4. Civil Penalty Settlement. Upon signing this Consent Order and Agreement, Penn Estates shall pay a civil penalty of twenty-five thousand dollars ($25,000.00). This payment is in settlement of the Department's claim for civil penalties for the violations and dates set forth in Paragraphs F, I, L, N, T, V, Y, BB, and GG, above. The payment shall be made by corporate check or the like made payable to the "Commonwealth of Pennsylvania -Clean Water Fund" and sent to Patrick Musinski, Environmental Group Manager, Pennsylvania Department of Environmental Protection, Clean Water Program, 2 Public Square, Wilkes-Barre, PA 18701-1915.

5. Stipulated Civil Penalties.

a. In the event Penn Estates fails to comply in a timely manner with the Corrective Actions listed in Paragraph 3.a.-f. of this Consent Order and Agreement, Penn Estates shall be in violation of this Consent Order and Agreement and, in addition to other applicable remedies, shall pay a civil penalty in the amount of two hundred fifty dollars ($250.00) per day for each violation.

b. In the event Penn Estates violates any DMR related monitoring requirement or permit limit established in NPDES Permit, either instantaneous or DMR related, during the term of this Consent Order and Agreement, Penn Estates shall be in violation of this Consent Order and Agreement and shall pay a civil penalty in the amount of five hundred dollars ($500.00) for each violation.

c. In the event Penn Estates experiences an SSO from any portion of its treatment and conveyance systems (which is limited to treatment and conveyance systems owned and operated by Penn Estates and does not include any Customer Service Line) during the term of this Consent Order and Agreement, Penn Estates shall be in violation of this Consent Order and Agreement and shall pay a civil penalty in the amount of one thousand dollars ($1,000.00) for each violation.

d. Stipulated civil penalty payments shall be payable monthly on or before the fifteenth day of each succeeding month, and shall be forwarded as described in Paragraph 4 (Civil Penalty Settlement) above.

e. Any payment under this paragraph shall neither waive Penn Estates' duty to meet its obligations under this Consent Order and Agreement nor preclude the Department from commencing an action to compel Penn Estates' compliance with the terms and conditions of this Consent Order and Agreement. The payment resolves only Penn Estates' liability for civil penalties arising from the violations of this Consent Order and Agreement for which the payment is made.

f. Stipulated civil penalties shall be due automatically and without notice.

6. Additional Remedies.

a. In the event Penn Estates fails to comply with any provision of this Consent Order and Agreement, the Department may, in addition to the remedies prescribed herein, pursue any remedy available for a violation of an order of the Department, including an action to enforce this Consent Order and Agreement.

b. The remedies provided by this paragraph and Paragraph 5 (Stipulated Civil Penalties) are cumulative and the exercise of one does not preclude the exercise of any other. The failure of the Department to pursue any remedy shall not be deemed to be a waiver of that remedy. The payment of a stipulated civil penalty, however, shall preclude any further assessment of civil penalties for the violation for which the stipulated penalty is paid.

7. Reservation of Rights. The Department reserves the right to require additional measures to achieve compliance with applicable law. Penn Estates reserves the right to challenge any action which the Department may take to require those measures.

8. Liability of Operator. Penn Estates shall be liable for any violations of the Consent Order and Agreement, including those caused by, contributed to, or allowed by its officers, agents, employees, or contractors. Penn Estates also shall be liable for any violation of this Consent Order and Agreement caused by, contributed to, or allowed by its successors and assigns.

9. Transfer of Site.

a. The duties and obligations under this Consent Order and Agreement shall not be modified, diminished, terminated or otherwise altered by the transfer of any legal or equitable interest in the Site or any part thereof.

b. If Penn Estates intends to transfer any legal or equitable interest in the Site which is affected by this Consent Order and Agreement, Penn Estates shall serve a copy of this Consent Order and Agreement upon the prospective transferee of the legal and equitable interest at

least thirty (30) days prior to the contemplated transfer and shall simultaneously inform the Northeast Regional Office of the Department of such intent.

10. Correspondence with Department. All correspondence with the Department concerning this Consent Order and Agreement shall be addressed to:

Clean Water Program Manager
Clean Water Program
Department of Environmental Protection
2 Public Square
Wilkes-Barre, PA 18701-1915
Phone (570) 826-2511
Fax (570) 830-3016

11. Correspondence with Penn Estates. All correspondence with Penn Estates concerning this Consent Order and Agreement shall be addressed to:

Emily Long, Area Manager
Community Utilities, Inc.
570 Hallet Road
East Stroudsburg, PA 18301
Phone 570-424-9322

With copy to:

Diana A. Silva, Esq.
Manko, Gold, Katcher & Fox, LLP
401 City Ave, Suite 901
Bala Cynwyd, PA 19004
Phone 484-430-2347
Fax 484-430-5711
Email dianasilva2@gmail.com

Penn Estates shall notify the Department whenever there is a change in the contact person's name, title, or address. Service of any notice or any legal process for any purpose under this Consent Order and Agreement, including its enforcement, may be made by mailing a copy by first class mail to the above address.

12. Force Majeure. In the event that Penn Estates is prevented from complying in a timely manner with any time limit imposed in this Consent Order and Agreement solely because of a strike, fire, flood, act of God, or other circumstance beyond Penn Estates' control and which Penn Estate, by the exercise of reasonable diligence, is unable to prevent, then Penn Estates may petition the Department for an extension of time. Penn Estates shall be entitled to the benefits of this paragraph if it notifies the Department within five (5) business days by telephone and within ten (10) business days in writing of the date that it becomes aware or reasonably should have become aware of the event impeding performance.

13. Severability. The paragraphs of this Consent Order and Agreement shall be severable and should any part hereof be declared invalid or unenforceable, the remainder shall continue in full force and effect between the parties.

14. Entire Agreement. This Consent Order and Agreement shall constitute the entire integrated agreement of the parties. No prior or contemporaneous communications or prior drafts shall be relevant or admissible for purposes of determining the meaning or extent of any provisions herein in any litigation or any other proceeding.

15. Attorney Fees. The parties shall bear their respective attorney fees, expenses and other costs in the prosecution or defense of this matter or any related matters, arising prior to execution of this Consent Order and Agreement.

16. Modifications. No changes, additions, modifications, or amendments of this Consent Order and Agreement shall be effective unless they are set out in writing and signed by the parties hereto.

17. Titles. A title used at the beginning of any paragraph of this Consent Order and Agreement may be used to aid in the construction of that paragraph, but shall not be treated as controlling.

18. Termination. The obligations of this Consent Order and Agreement shall terminate when the Department determines in writing that Penn Estates has complied with the requirements of Paragraphs 3 and 4 above, and the Department determines that it is in the interest of public health, public safety, or the environment to terminate such obligations; such determination shall not be unreasonably withheld and shall be made within a reasonable time (not to exceed five (5) months) after Penn Estates completes the obligations in Paragraphs 3 and 4 above.

19. Execution of Agreement. This Consent Order and Agreement may be signed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. Facsimile signatures shall be valid and effective.

IN WITNESS WHEREOF, the parties hereto have caused this Consent Order and Agreement to be executed by their duly authorized representatives. The undersigned representatives of Penn Estates certify under penalty of law, as provided by 18 Pa. C.S. § 4904, that they are authorized to execute this Consent Order and Agreement on behalf of Penn Estates; that Penn Estates consents to the entry of this Consent Order and Agreement as a final ORDER of the Department; and that Penn Estates hereby knowingly waives its right to appeal this Consent Order and Agreement and to challenge its content or validity, which rights may be available under Section 4 of the Environmental Hearing Board Act, Act of July 13, 1988, P.L. 530, 35 P.S. § 7514; the Administrative Agency Law, 2 Pa. C.S. § 103(a) and Chapters 5A and 7A; or any other provisions of law. [Signature by Penn Estates' attorney certifies only that the agreement has been signed after consulting with counsel.]

FOR PENN ESTATES UTILITIES INC.:

Name: Steven M. Lubertozzi
Title: President, Community Utilities of Pennsylvania, Inc.

FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF ENVIRONMENTAL PROTECTION:

B R Patel 10/22/2020
Bharat Patel, P.E.
Clean Water Program Manager

Ann Conserette 10/22/20
Ann Conserette
Assistant Counsel

PAWC Exhibit MS-2

DEP TRANSMITTAL OF REVENUE DOC. #1401

Prepared by: Patrick Musinski	Date Prepared: November 19, 2020	
Checks and Description	Totals	SAP Revenue Code
Check(s)-NPDES		4415324 6007200007 3544260000
1 check(s) Clean Stream Law/Fines	$25,000.00	4425012 6007200001 3544260000
Check(s) –NPDES		4415063 6007200007 3544260000
Check(s) – Part II		4411238 9999999001 3544260000
Check(s) – Part II		4415325 6007200007 3544260000
Check(s) – Part II		4415323 6007200007 3544260000
Check(s) – MS4		4415321 6007200007 3544260000
check(s) - NPDES		4415327 6007200007 3544260000
Check(s) - NPDES		4415062 6007200006 3544260000
Check(s) – Sewage Planning		4415126 6007300000 3544260000
1 Checks total **TOTAL**	$25,000.00	

SUMMARIZE BY APPROPRIATION AND REVENUE CODES

	ACCOUNT CODE ACTIVITY								REVENUE CODE SUMMARY AMOUNT
REVENUE CODE	FUND	DEPT.	APP.	YR	LDG.	ORG	COST FUNCTION	AMOUNT	
(Total A must agree with Total B)								**TOTAL B**	

PAWC Exhibit MS-2

CLEAN WATER PROGRAM
COUNTY:
MUNIC.:

OCT 29 2020

FACILITY NAME:
PERMIT#
FILE TYPE:

CK NO. 1166338

Check No. - 1166338
Check Date - 10/27/2020

INVOICE	DATE	SUPPLIER	GROSS	DISCOUNT	NET AMOUNT
PA0060283	10/25/2020	COMMONWEALTH OF PENNSYLVANIA-CLE		.00	25,000.00
				.00	25,000.00

TOTAL

Payee: 17181 COMMONWEALTH OF PENNSYLVANIA-CLEAN WATER FUND

WATER SERVICE CORP.
DISBURSING ACCOUNT OF
UTILITIES INCORPORATED
500 W MONROE ST STE 3600
CHICAGO, IL 60661-3779

J.P. MORGAN CHASE BANK, N.A.
Columbus, Ohio

NOT VALID
AFTER 90 DAYS

NO 1166338

56-1544
441

VENDOR#	DATE	NET AMOUNT
17181	10/27/2020	$***25,000.00

PAY TWENTY-FIVE THOUSAND AND XX/100********** DOLLARS

Security features included. Details on back.

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

TO THE ORDER OF

COMMONWEALTH OF PENNSYLVANIA-CLEAN WATER FUND
PATRICK MUSINSKI
ENVIRONMENTAL GROUP MANAGER
2 PUBLIC SQUARE
Wilkes Barre, PA 18701
United States

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

September 11, 2019

SECOND NOTICE OF VIOLATION

CERTIFIED MAIL NO.: 7015 3010 0001 0025 0281

Community Utilities of Pennsylvania
570 Hallet Road
East Stroudsburg, PA 18301

Attn: Emily Long

Re: Sewage
Penn Estates WWTP
NPDES Permit No. PA0060283
Stroud Township, Monroe County

Dear Ms. Long:

On April 10, 2019 the Department of Environmental Protection (Department) sent Community Utilities of Pennsylvania a Notice of Violation (NOV) regarding reported effluent violations, unpermitted sanitary sewer overflows (SSOs) and failure to notify the Department of planned physical changes to the Penn Estates WWTP. A copy of the April 10, 2019 NOV is enclosed for your reference.

The Department requested a written response within 15 days of receipt of that NOV detailing the cause of the above-described non-compliance. The Department has yet to receive any written response to the April 10, 2019 NOV.

The Department also requested that Community Utilities of Pennsylvania submit a permit determination request regarding the change of pumps in the influent equalization tank. The Department notified Community Utilities of Pennsylvania, via email, on May 17, 2019 that a Water Quality Management (WQM) Part II Permit would be needed to address the changes made to the influent equalization pumps. The Department has yet to receive a WQM Part II Permit application, in violation of 25 Pa. Code § 91.21.

A review of Department's records has indicated notifications of repeated SSOs. According to reports submitted by Community Utilities of Pennsylvania, on the following dates the Penn Estates WWTP allowed unpermitted discharges from the influent equalization tank, its various piping or a combination thereof, in violation of the Clean Streams Law, 35 P.S.§§ 691.201 and 691.202, and 25 Pa Code § 92a.47(c).

Date of SSO	Reported Cause of SSO
March 22, 2019	Hydraulic overloading
March 23, 2019	Hydraulic overloading
April 20, 2019	Hydraulic overloading
April 22, 2019	Hydraulic overloading
May 5, 2019	Hydraulic overloading
May 12, 2019	Hydraulic overloading
May 20, 2019	Hydraulic overloading

NPDES Permit No. PA0060283 does not authorize the discharge of sanitary sewer overflows, therefore, the above described unpermitted discharges are violations of Sections 201 and 202 of the Clean Streams Law

A review of the Discharge Monitoring Reports (DMRs) for the Penn Estates WWTP has indicated an effluent violation with respect to the limitations set forth in NPDES Permit No. PA00600283. Specifically, the violation is as follows:

Monitoring Period	Parameter	Permit Limit	Reported Value
June 2019	Total Residual Chlorine	0.01 mg/L IMAX	0.037 mg/L

Please be advised that failure to comply with the terms and conditions of your NPDES Permit is a violation of said permit and Section 201 of the Clean Streams Law of Pennsylvania, Act of June 22, 1937, P.L. 1987 as amended, 35 P.S. Section 691.1 et seq. ("The Clean Streams Law"), and subjects Community Utilities of Pennsylvania to appropriate enforcement action including, but not limited to, civil penalty assessment.

In order to discuss these violations and their resolutions further, the Department has scheduled an enforcement conference for **Wednesday, November 6, 2019 at 10:00 a.m.** in the Department's Northeast Regional Office, 2 Public Square, Wilkes-Barre, Pa. **The Department requests that you personally attend this meeting along with anyone else you deem necessary.** Please come to this meeting prepared to discuss the cause of these violations, the steps that have been taken to correct them and a schedule of compliance. The Department requests that you contact Ms. Sandra Insalaco, Water Quality Specialist Supervisor, at 570.826.5489, **on or before October 2, 2019**, to inform the Department who will be attending the meeting in addition to yourself.

This Notice of Violation is neither an order nor any other final action of the Department. 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.

Should you have any questions concerning this correspondence, you may contact me at 570.895.4050.

Sincerely,

Daniel Paul Ackers
Water Quality Specialist
Water Management Program

Enclosure

cc: Stroud Township

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

April 10, 2019

NOTICE OF VIOLATION

CERTIFIED MAIL NO.: 7015 3010 0001 0024 9766

Community Utilities of Pennsylvania
Attn: Joseph Westfall
570 Hallet Road
East Stroudsburg, PA 18301

Re: Sewage
Penn Estates WWTP
NPDES Permit No. PA0060283
Stroud Township, Monroe County

Dear Mr. Westfall:

A review of monthly Discharge Monitoring Reports (DMRs) submitted for the Penn Estates WWTP has indicated effluent violations with respect to the limitations set forth in NPDES Permit No. PA0060283. Specifically, the violations are as follows:

Monitoring Period	Parameter	Permit Limit	Reported Value
August 2014	Total Phosphorus	2.0 mg/L Monthly Average	2.1 mg/L
September 2014	Fecal Coliform	1,000 CFU/100 ml IMAX	3,100 CFU/100 ml
March 2015	Total Suspended Solids	10.0 mg/L Monthly Average	11.6 mg/L
	$CBOD_5$	10.0 mg/L Monthly Average	11.5 mg/L
May 2015	$CBOD_5$	10.0 mg/L Monthly Average	11.0 mg/L
June 2017	Total Chlorine Residual	0.01 mg/L Monthly Average	0.02 mg/L
	Total Chlorine Residual	0.01 mg/L IMAX	0.02 mg/L
July 2017	Total Chlorine Residual	0.01 mg/L IMAX	0.02 mg/L
	Total Phosphorus	2.0 mg/L Monthly Average	3.1 mg/L
August 2017	Total Chlorine Residual	0.01 mg/L IMAX	0.02 mg/L
September 2017	Dissolved Oxygen	7.0 mg/L Minimum	6.5 mg/L
December 2017	$CBOD_5$	10.0 mg/L Monthly Average	10.7 mg/L
March 2018	Nitrate + Nitrite as N	13.0 mg/L Monthly Average	<13.9 mg/L
April 2018	Total Suspended Solids	10.0 mg/L Monthly Average	<16.7 mg/L
	Total Suspended Solids	46.7 lbs/day Monthly Average	<61.8 lbs/day
December 2018	Nitrate + Nitrite as N	13.0 mg/L Monthly Average	15.2 mg/L

PAWC Exhibit MS-2

Further review of Department of Environmental Protection (Department) records has indicated sewage overflows within the Penn Estates sewerage system. According to Sanitary Sewer Overflow (SSO) Reports submitted to the Department by Community Utilities of Pennsylvania, on December 16, 2017 and December 21, 2018, Penn Estates experienced unpermitted discharges of sewage, in violation of Sections 201 and 202 of the Clean Streams Law, 35 P.S.§§ 691.201 and 691.202, and 25 Pa Code § 92a.47(c).

The December 21, 2018 SSO report submitted to the Department noted that a second 10 HP pump was installed in equalization tank 5 to replace an existing 7.5 HP pump. The Department was not notified of this change prior to installation of the new pump, in violation of NPDES Permit No. PA0060283 Part A.III.C.1.

NPDES Permit No. PA0060283 Part A.III.C.1. states, in relevant part, the permittee shall give notice to the Department as soon as possible of any planned physical alterations to additions to the permitted facility. A permit may be required for these situations prior to implementing the planned changes. A permit application, or other written submission to the Department, can be used to satisfy the notification requirements.

Please be advised that failure to comply with the terms and conditions of your permit is a violation of your NPDES Permit and the Clean Streams Law of Pennsylvania, Act of June 22, 1937, P.L. 1987, as amended, 35 P.S. Section 691.1 et seq. ("The Clean Streams Law") and subjects Community Utilities of Pennsylvania to appropriate enforcement action including, but not limited to, civil penalty assessment.

The Department requests that you respond in writing to this Notice within 15 days of its receipt. Said response should indicate the cause of the above-described non-compliance and the steps that will, or have been taken, in order to ensure future compliance. The Department requests that Community Utilities of Pennsylvania contact Ms. Amy Bellanca, NPDES Permit Chief, in the Department's Northeast Regional Office at 570.862.2511 to discuss a permit determination evaluation in regard to the equalization tank pump.

This Notice of Violation is neither an order nor any other final action of the Department. 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 correspondence, you may contact me at 570.895.4050.

Sincerely,

Daniel Paul Ackers
Water Quality Specialist
Clean Water Program

cc: Stroud Township

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

BUREAU OF CLEAN WATER
WATER POLLUTION CONTROL FACILITY VIOLATIONS AND ENFORCEMENTS

PAWC Exhibit MS-2

5/20/2025 7:28:49 AM

Violation Date From: 1/1/2020 to 5/20/2025
Region: All
County: All
Municipality: All
Facility Type: NPDES Dischargers, Non-NPDES Dischargers, Chapter 102 NPDES
Inspection Category: PF
Facility Kind: SN - Sewage Non-Publicly Owned (Non-Muni)
Facility Status: All
Fee Category: NO FEE CATEGORY, BIOS - Biosolids, 24 - CAAP Individual Permit, 20 - CAFO Individual Permit, CH102 - Chapter 102 Individual NPDES Permit, 13 - IW Stormwater Individual Permit, 25 - Individual Pesticides Permit, JT91 - Joint Chapter 91 Permit, 22 - MS4 Individual Permit, 11 - Major IW Facility <250 MGD, 12 - Major IW Facility >=250 MGD, 6 - Major Sewage Facility >=1 and <5 MGD, 7 - Major Sewage Facility >=5 MGD, 8 - Major Sewage Facility with CSO, 10 - Minor IW Facility with ELG, 9 - Minor IW Facility without ELG, 3 - Minor Sewage Facility <0.05 MGD, 4 - Minor Sewage Facility >=0.05 and <1 MGD, 5 - Minor Sewage Facility with CSO, EQUIV - NPDES Equivalency, 27 - No Exposure Certification, 14 - PAG-03 Stormwater Assoc with IW, 16 - PAG-04 SFTF, 15 - PAG-04 SRSTP, 17 - PAG-05 Groundwater Remediation, 18 - PAG-06 CSOs, 19 - PAG-10 Hydrostatic Testing, 30 - PAG-11 Aquaculture Permit, 21 - PAG-12 CAFO Permit, 23 - PAG-13 MS4 General Permit, 26 - PAG-15 Pesticides Permit, TERM - Permit Terminated(Ch 102), TERM - Permit Terminated, 2 - SFTF Individual Permit, 1 - SRSTP Individual Permit, LAND - WQM Land Application
Violation Type: All
Permit: PA0060283
Open Violations Only: No
92A Violations Only: No
Single Event Violations Only: No
Circuit Rider System Only: No

Total Violations: 18

NOTE: There is an additional NOV dated 4/21/25 that is not yet showing in DEP's database. See"Penn Estates Sewer Violation copies 2020-present" for a copy of the NOV.

CLIENT ID	CLIENT	SITE ID	SITE NAME	PF ID	PERMIT	FACILITY	REGION	COUNTY	MUNICIPALITY	MAJOR/ MINOR	FACILITY KIND	PF STATUS	CIRCUIT RIDER SYSTEM	FEE CATEGORY	PROGRAM	INSPECTION ID	INSP CATEGORY	DATE INSPECTED	INSPECTION TYPE	AGENCY	INSPECTION RESULT DESCRIPTION	VIOLATION ID
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3678400	PF	1/24/2024	Administrative/ File Review	DEP	Violation(s) Noted	8172337
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3677604	PF	1/23/2024	Administrative/ File Review	DEP	Violation(s) Noted	8172112
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3677630	PF	1/23/2024	Administrative/ File Review	DEP	Violation(s) Noted	8172114
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3667332	PF	12/28/2023	Administrative/ File Review	DEP	Violation(s) Noted	8169964

BUREAU OF CLEAN WATER
WATER POLLUTION CONTROL FACILITY VIOLATIONS AND ENFORCEMENTS

5/20/2025 7:28:49 AM

VIOLATION DATE	VIOLATION TYPE	VIOLATION TYPE DESCRIPTION	RESOLVED DATE	# OF ENFORCEMENTS
01/24/2024	CSL201	CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth	03/04/2024	0
01/23/2024	CSL201	CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth	03/04/2024	0
01/23/2024	CSL201	CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth	03/04/2024	0
12/28/2023	CSL201	CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth	03/04/2024	0

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DEPARTMENT OF ENVIRONMENTAL PROTECTION

BUREAU OF CLEAN WATER
WATER POLLUTION CONTROL FACILITY VIOLATIONS AND ENFORCEMENTS

PAWC Exhibit MS-2

5/20/2025 7:28:49 AM

CLIENT ID	CLIENT	SITE ID	SITE NAME	PF ID	PERMIT	FACILITY	REGION	COUNTY	MUNICIPALITY	MAJOR/ MINOR	FACILITY KIND	PF STATUS	CIRCUIT RIDER SYSTEM	FEE CATEGORY	PROGRAM	INSPECTION ID	INSP CATEGORY	DATE INSPECTED	INSPECTION TYPE	AGENCY	INSPECTION RESULT DESCRIPTION	VIOLATION ID
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3666364	PF	12/18/2023	Administrative/ File Review	DEP	Violation(s) Noted	8169738
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3481244	PF	12/29/2022	Administrative/ File Review	DEP	Violation(s) Noted	980436
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3346321	PF	4/7/2022	Administrative/ File Review	DEP	Violation(s) Noted	951292
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3278855	PF	10/26/2021	Administrative/ File Review	DEP	Violation(s) Noted	935693
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3262360	PF	9/1/2021	Administrative/ File Review	DEP	Violation(s) Noted	932284
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3243928	PF	8/22/2021	Administrative/ File Review	DEP	Violation(s) Noted	929226
120797	COMM UTILITIES OF PENNSYLVANIA	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3302365	PF	8/13/2021	Administrative/ File Review	DEP	Violation(s) Noted	940801
45060	PENN ESTATES UTILITIES INC	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3128292	PF	1/4/2021	Administrative/ File Review	DEP	Violation(s) Noted	903541
45060	PENN ESTATES UTILITIES INC	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3122685	PF	12/3/2020	Administrative/ File Review	DEP	Violation(s) Noted	902444

BUREAU OF CLEAN WATER
WATER POLLUTION CONTROL FACILITY VIOLATIONS AND ENFORCEMENTS

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VIOLATION DATE	VIOLATION TYPE	VIOLATION TYPE DESCRIPTION	RESOLVED DATE	# OF ENFORCEMENTS
12/18/2023	CSL201	CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth	03/04/2024	0
12/29/2022	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)		0
04/07/2022	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)		0
10/26/2021	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)	11/05/2021	0
09/01/2021	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)	09/10/2021	0
08/22/2021	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)	08/27/2021	0
08/13/2021	CSL611A	CSL - Failure to comply with a DEP-issued enforcement order	01/03/2022	1
12/24/2020	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)	01/08/2021	0
11/30/2020	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)	01/08/2021	0

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BUREAU OF CLEAN WATER
WATER POLLUTION CONTROL FACILITY VIOLATIONS AND ENFORCEMENTS

PAWC Exhibit MS-2

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CLIENT ID	CLIENT	SITE ID	SITE NAME	PF ID	PERMIT	FACILITY	REGION	COUNTY	MUNICIPALITY	MAJOR/ MINOR	FACILITY KIND	PF STATUS	CIRCUIT RIDER SYSTEM	FEE CATEGORY	PROGRAM	INSPECTION ID	INSP CATEGORY	DATE INSPECTED	INSPECTION TYPE	AGENCY	INSPECTION RESULT DESCRIPTION	VIOLATION ID
45060	PENN ESTATES UTILITIES INC	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3102698	PF	11/3/2020	Administrative/ File Review	DEP	Violation(s) Noted	898736
45060	PENN ESTATES UTILITIES INC	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3025385	PF	4/27/2020	Administrative/ File Review	DEP	Violation(s) Noted	883640
45060	PENN ESTATES UTILITIES INC	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3025383	PF	4/24/2020	Administrative/ File Review	DEP	Violation(s) Noted	883639
45060	PENN ESTATES UTILITIES INC	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3025376	PF	4/13/2020	Administrative/ File Review	DEP	Violation(s) Noted	883638
45060	PENN ESTATES UTILITIES INC	256485	PENN ESTATES	269725	PA0060283	PENN ESTATES WWTP	NERO	Monroe	Stroud Twp	Minor	Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	2990727	PF	1/26/2020	Administrative/ File Review	DEP	Violation(s) Noted	875353

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VIOLATION DATE	VIOLATION TYPE	VIOLATION TYPE DESCRIPTION	RESOLVED DATE	# OF ENFORCEMENTS
11/03/2020	92A.62	NPDES - Failure to pay annual fee	11/30/2020	2
04/27/2020	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)	10/22/2020	1
04/24/2020	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)	10/22/2020	1
04/13/2020	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)	10/22/2020	1
01/26/2020	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)	10/22/2020	2

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Violation Details for Inspection ID: 3519637

Facility: PENN ESTATES UTILITIES (603463)
Program: Storage Tanks

Disclaimer: The dollar amounts listed below are for the entire related enforcement, and may encompass many sites/facilities. The *Total Amount Collected* may or may not be related to the *Penalty Amount Assessed*, depending on how your program or regional office records payments in eFACTS. For questions regarding payments or penalties, please contact your DEP Regional Office.

Violation ID	Date	Violation Description
987996	02/14/2023	Failure to maintain required records for aboveground storage tank facilities
		Resolution: Corrected/Abated
		PA Code Legal Citation: 25 Pa. Code 245.615 : PA Code Website
		Violation Type: Administrative
		Related Enforcements
		Please note: the following related enforcement data is accumulated from possibly many different sites/facilities that may be unrelated to the facility for this inspection.
		Enforcement ID: 414551 — Penalty Final Date:
		Enforcement Type: Notice of Violation — Penalty Amount Assessed:
		Date Executed: 04/04/2023 — Total Amount Due:
		Taken Against: COMM UTILITIES OF PENNSYLVANIA — Total Amount Collected:
		On Appeal? N — Penalty Status:
		Enforcement Status: Comply/Closed
		# of Violations Addressed by this Enforcement and Penalty Action (possibly from many facilities): 8

Violation ID	Date	Violation Description
987997	02/14/2023	Failure to meet performance and design standards
		Resolution: Corrected/Abated
		PA Code Legal Citation: 25 Pa. Code 245.612 : PA Code Website
		Violation Type: Environmental Health & Safety
		Related Enforcements
		Please note: the following related enforcement data is accumulated from possibly many different sites/facilities that may be unrelated to the facility for this inspection.
		Enforcement ID: 414551 — Penalty Final Date:
		Enforcement Type: Notice of Violation — Penalty Amount Assessed:
		Date Executed: 04/04/2023 — Total Amount Due:
		Taken Against: COMM UTILITIES OF PENNSYLVANIA — Total Amount Collected:
		On Appeal? N — Penalty Status:
		Enforcement Status: Comply/Closed
		# of Violations Addressed by this Enforcement and Penalty Action (possibly from many facilities): 8

Violation ID	Date	Violation Description
987998	02/14/2023	Failure to meet performance and design standards
		Resolution: Corrected/Abated
		PA Code Legal Citation: 25 Pa. Code 245.612 : PA Code Website
		Violation Type: Environmental Health & Safety
		Related Enforcements
		Please note: the following related enforcement data is accumulated from possibly many different sites/facilities that may be unrelated to the facility for this inspection.
		Enforcement ID: 414551 — Penalty Final Date:
		Enforcement Type: Notice of Violation — Penalty Amount Assessed:
		Date Executed: 04/04/2023 — Total Amount Due:
		Taken Against: COMM UTILITIES OF PENNSYLVANIA — Total Amount Collected:
		On Appeal? N — Penalty Status:
		Enforcement Status: Comply/Closed
		# of Violations Addressed by this Enforcement and Penalty Action (possibly from many facilities): 8

Violation ID	Date	Violation Description
989027	02/14/2023	Failure to meet performance and design standards
		Resolution: Corrected/Abated
		PA Code Legal Citation: 25 Pa. Code 245.612 : PA Code Website
		Violation Type: Environmental Health & Safety
		Related Enforcements
		Please note: the following related enforcement data is accumulated from possibly many different sites/facilities that may be unrelated to the facility for this inspection.
		Enforcement ID: 414551 — Penalty Final Date:
		Enforcement Type: Notice of Violation — Penalty Amount Assessed:
		Date Executed: 04/04/2023 — Total Amount Due:
		Taken Against: COMM UTILITIES OF PENNSYLVANIA — Total Amount Collected:
		On Appeal? N — Penalty Status:
		Enforcement Status: Comply/Closed
		# of Violations Addressed by this Enforcement and Penalty Action (possibly from many facilities): 8

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Violation Details for Inspection ID: 3531719

Facility: PENN ESTATES UTILITIES (603463)
Program: Storage Tanks

Disclaimer: The dollar amounts listed below are for the entire related enforcement, and may encompass many sites/facilities. The *Total Amount Collected* may or may not be related to the *Penalty Amount Assessed*, depending on how your program or regional office records payments in eFACTS. For questions regarding payments or penalties, please contact your DEP Regional Office.

Violation ID	Date	Violation Description
990289	02/14/2023	Failure to meet performance and design standards Resolution: Corrected/Abated PA Code Legal Citation: 25 Pa. Code 245.612 : PA Code Website Violation Type: Environmental Health & Safety **Related Enforcements** **Please note: the following related enforcement data is accumulated from possibly many different sites/facilities that may be unrelated to the facility for this inspection.** Enforcement ID: 414551 — Penalty Final Date: Enforcement Type: Notice of Violation — Penalty Amount Assessed: Date Executed: 04/04/2023 — Total Amount Due: Taken Against: COMM UTILITIES OF PENNSYLVANIA — Total Amount Collected: On Appeal? N — Penalty Status: Enforcement Status: Comply/Closed # of Violations Addressed by this Enforcement and Penalty Action (possibly from many facilities): 8

Violation ID	Date	Violation Description
990290	02/14/2023	Failure to meet performance and design standards Resolution: Corrected/Abated PA Code Legal Citation: 25 Pa. Code 245.612 : PA Code Website Violation Type: Environmental Health & Safety **Related Enforcements** **Please note: the following related enforcement data is accumulated from possibly many different sites/facilities that may be unrelated to the facility for this inspection.** Enforcement ID: 414551 — Penalty Final Date: Enforcement Type: Notice of Violation — Penalty Amount Assessed: Date Executed: 04/04/2023 — Total Amount Due: Taken Against: COMM UTILITIES OF PENNSYLVANIA — Total Amount Collected: On Appeal? N — Penalty Status: Enforcement Status: Comply/Closed # of Violations Addressed by this Enforcement and Penalty Action (possibly from many facilities): 8

Violation ID	Date	Violation Description
990291	02/14/2023	Failure to meet performance and design standards Resolution: Corrected/Abated PA Code Legal Citation: 25 Pa. Code 245.612 : PA Code Website Violation Type: Environmental Health & Safety **Related Enforcements** **Please note: the following related enforcement data is accumulated from possibly many different sites/facilities that may be unrelated to the facility for this inspection.** Enforcement ID: 414551 — Penalty Final Date: Enforcement Type: Notice of Violation — Penalty Amount Assessed: Date Executed: 04/04/2023 — Total Amount Due: Taken Against: COMM UTILITIES OF PENNSYLVANIA — Total Amount Collected: On Appeal? N — Penalty Status: Enforcement Status: Comply/Closed # of Violations Addressed by this Enforcement and Penalty Action (possibly from many facilities): 8

Violation ID	Date	Violation Description
990292	02/14/2023	Failure to maintain required records for aboveground storage tank facilities Resolution: Corrected/Abated PA Code Legal Citation: 25 Pa. Code 245.615 : PA Code Website Violation Type: Administrative **Related Enforcements** **Please note: the following related enforcement data is accumulated from possibly many different sites/facilities that may be unrelated to the facility for this inspection.** Enforcement ID: 414551 — Penalty Final Date: Enforcement Type: Notice of Violation — Penalty Amount Assessed: Date Executed: 04/04/2023 — Total Amount Due: Taken Against: COMM UTILITIES OF PENNSYLVANIA — Total Amount Collected: On Appeal? N — Penalty Status: Enforcement Status: Comply/Closed # of Violations Addressed by this Enforcement and Penalty Action (possibly from many facilities): 8

BROAD RUN SEWER

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Client Search Details

Client ID:	305714
Client Name:	UTILITIES INC OF PA
Address:	PO BOX 379 DUNKIRK, MD 20754-0379
Status:	Active, Non-Govt

Client Search Site Details (1 record)

Site Name (and address if applicable)	Status
BROAD RUN STP (452241) 1201 SAWMILL RD DOWNINGTOWN, PA 19335-3830	Active

Client Search Permit Details (0 records)

No records matched the criteria.

Client Search Inspection Details (1 record)

Inspection Type	Inspection Date	Result
Incident- Response to Accident or Event (3148792)	02/08/2021	Viol(s) Noted & Immediately Corrected

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- EPA Envirofacts
- Permits, Licensing, and Certification
- The PA Code

Violation Details for Inspection ID: 3148792

Client: UTILITIES INC OF PA (305714)
Program: WPC State Water Pollution Control

Disclaimer: The dollar amounts listed below are for the entire related enforcement, and may encompass many sites/facilities. The *Total Amount Collected* may or may not be related to the *Penalty Amount Assessed*, depending on how your program or regional office records payments in eFACTS. For questions regarding payments or penalties, please contact your DEP Regional Office.

Violation ID	Date	Violation Description
907978	02/08/2021	CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth
		Resolution: Corrected/Abated
		PA Code Legal Citation: P.L. 1987, No. 394, Sec 201 : PA Code Website
		Violation Type: Environmental Health & Safety
		Enforcement Type: No Enforcement Data

TAMIMENT SEWER

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

February 12, 2024

NOTICE OF VIOLATION

Delivered via e-mail

PA Utility Co. Inc.
Tamiment Resort
234 The Glen
Tamiment, PA 18371-9715

Attention: Emily Long, Area Manager

Re: Sewage
Tamiment Resort (a.k.a. The Glen)
NPDES Permit No. PA0037290
Lehman,Township, Pike County

Dear Emily Long:

A review of PA Utility Co. Inc. Discharge Monitoring Reports ("DMRs"), has indicated a pattern of effluent violations with respect to the limitations set forth in NPDES Permit No. PA0037290 Specifically, the violations reflected in the DMRs are as follows:

Monitoring Period	Parameter	Permit Limit	Reported Value
January 2021	Nitrate-Nitrite as N *Average Monthly*	10.0 mg/L	10.3 mg/L
February 2021	Ammonia Nitrogen *Average Monthly*	6.0 mg/L	6.98 mg/L
November 2021	Nitrate-Nitrite as N *Average Monthly*	10.0 mg/L	13.3 mg/L
January 2022	Ammonia Nitrogen *Instantaneous Maximum*	12.0 mg/L	17.2 mg/L
February 2022	Ammonia Nitrogen *Average Monthly*	6.0 mg/L	10.58 mg/L
March 2022	Ammonia Nitrogen *Average Monthly*	6.0 mg/L	7.12 mg/L
November 2022	Nitrate-Nitrite as N *Average Monthly*	10.0 mg/L	11.67 mg/L
December 2022	Nitrate-Nitrite as N *Average Monthly*	10.0 mg/L	12.16 mg/L

NPDES Permit No. PA0037290 Part A.I.A. requires pH, Dissolved Oxygen, and Total Residual Chlorine be monitored 1/day. PA Utility Co. Inc. failed to monitor for said parameters at the required minimum frequency as PA Utility Co. Inc. did not collect samples on July 24, 2021 and July 25, 2021.

NPDES Permit No. PA0037290, Part A.III.B.2. states, in relevant part, DMRs must be received no later than 28 days following the end of each monitoring period. Failure to do so constitutes unlawful conduct under Section 611 of The Clean Streams Law. The following DMRs were received late:

Monitoring Period	Due date	Date Received
January 2023	February 28, 2023	March 1, 2023
February 2023	March 28, 2023	March 29, 2023

NPDES Permit No. PA0037290, Part B.I.F. states the permittee shall take all reasonable steps to minimize or prevent any discharge, sludge use or disposal in violation of this permit that has a reasonable likelihood of adversely affecting human health or the environment.

NPDES Permit No.PA0037290 , Part B.I.H. prohibits the overflow of wastewater, or other untreated discharge from a separate sanitary sewer system (which is not a combined sewer system), which results from a flow in excess of the carrying capacity of the system or from some other cause prior to reaching the headworks of the sewage treatment facility.

PA Utility Co. Inc reported Sanitary Sewer Overflows ("SSOs") from the sanitary collection system as well as overflows and unpermitted discharges at the wastewater treatment plant, which constitute violations of NPDES Permit No. PA0037290 Part B.I.F. and Part B.I.H. Specifically, the violations are as follows:

Date	SSO/Incident Location	Estimated Volume
August 23, 2021	WWTP: Surge Tanks	10,000 gallons
January 24, 2022	WWTP: Train 4	1,000 gallons
March 31, 2022 - April 01, 2022	Lakeside Lift Station	5,000 gallons
April 07, 2022- April 08, 2022	WWTP: Main Facility	85,000 gallons
December 18, 2023	WWTP: Influent EQ Tank	15,000 gallons
December 28, 2023	WWTP: EQ Basins	6,000 gallons
January 10, 2024	WWTP: EQ Tanks	11,000 gallons
January 13, 2024	WWT: EQ Tanks	1,000 gallons

Please be advised that failure to comply with the terms and conditions of your NPDES Permit is a violation of said Permit and The Clean Streams Law of Pennsylvania, Act of June 22, 1937, P.L. 1987 as amended, 35 P.S. Section 691.1 et seq. ("The Clean Streams Law") and subjects PA Utility Co. Inc to appropriate enforcement action including, but not limited to, civil penalty assessment.

The Department requests that PA Utility Co. Inc. respond in writing to this Notice within 15 days of its receipt. Said response should indicate the cause of the above-described non-compliance and the steps that will be or have been taken in order to ensure future compliance.

Please confirm receipt of this Notice by sending an email to brshihinsk@pa.gov.

This Notice of Violation is neither an order nor any other final action of the Department. 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 correspondence, you may contact me at 570-931-6043 or brshihinsk@pa.gov.

Sincerely,

Brandon J Shihinski

Brandon Shihinski
Water Quality Specialist
Clean Water Program

cc: Lehman Township

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0037290	01/30/2024	13:25	13:29	ADMIN	3702583

Municipality	Lehman	**County**	Pike
Facility Name	TAMIMENT RESORT WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	/	**Email**	----
Physical Location Address	314 UNDERHILL DR, TAMIMENT, PA, 18371		
Permit Expiration Date	04/30/2021	**Next Submittal ---- DueDate**	----

Violations* Violation(s) Noted

1. **P.L. 1987, No. 394, Sec 201:** CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth Overflow of WWTP EQ Tanks on 01-13-2024. Per the submitted SSO form, the cause of the overflow was "Saturated ground along with rain and normal sewage intake led to SSO."

Person Interviewed ----	**Date** 01/30/2024	**Inspector** BRANDON SHIHINSKI	**Date** 01/30/2024
Signature admin inspection	**Phone Number** ----	**Signature**	**Phone Number** (570) 931-6043
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** brshihinsk@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1446		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET ROAD, EAST STROUDSBURG, PA, 18301				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				----	
Has the interviewed operator/person reviewed the facility's permit(s)?				----	

Comments

Overflow of WWTP EQ Tanks on 01-13-2024. Per the submitted SSO form, the cause of the overflow was "Saturated ground along with rain and normal sewage intake led to SSO."

Participants:
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pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0037290	01/23/2024	08:15	08:20	ADMIN	3677588

Municipality	Lehman	**County**	Pike
Facility Name	TAMIMENT RESORT WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	/	**Email**	----
Physical Location Address	314 UNDERHILL DR, TAMIMENT, PA, 18371		
Permit Expiration Date	04/30/2021	**Next Submittal ---- DueDate**	----

Violations* Violation(s) Noted

1. **P.L. 1987, No. 394, Sec 201:** CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth Overflow of the two (2) Equalization Tanks due to heavy rain. Per the submitted SSO form, the overflow started on January 10, 2024 and ended on January 12, 2024.

Person Interviewed ----	**Date** 01/23/2024	**Inspector** BRANDON SHIHINSKI	**Date** 01/23/2024
Signature admin inspection	**Phone Number** ----	**Signature** Brandon Shihinski	**Phone Number** (570) 931-6043
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** brshihinsk@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1446		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET ROAD, EAST STROUDSBURG, PA, 18301				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				----	
Has the interviewed operator/person reviewed the facility's permit(s)?				----	

Comments

Overflow of the two (2) Equalization Tanks due to heavy rain. Per the submitted SSO form, the overflow started on January 10, 2024 and ended on January 12, 2024.

Participants:
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pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0037290	01/02/2024	08:51	08:53	ADMIN	3667403

Municipality	Lehman	**County**	Pike
Facility Name	TAMIMENT RESORT WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	/	**Email**	----
Physical Location Address	314 UNDERHILL DR, TAMIMENT, PA, 18371		
Permit Expiration Date	04/30/2021	**Next Submittal ---- DueDate**	----

Violations* Violation(s) Noted

1. **P.L. 1987, No. 394, Sec 201:** CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth Overflow of EQ basins on December 28, 2023 due to heavy rain.

Person Interviewed ----	**Date** 01/02/2024	**Inspector** BRANDON SHIHINSKI	**Date** 01/02/2024
Signature admin inspection	**Phone Number** ----	**Signature** Brandon J Shihinski	**Phone Number** (570) 931-6043
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** brshihinsk@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1446		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET ROAD, EAST STROUDSBURG, PA, 18301				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				----	
Has the interviewed operator/person reviewed the facility's permit(s)?				----	

Comments
Overflow of EQ basins on December 28, 2023 due to heavy rain.
Participants: ----

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0037290	12/18/2023	10:18	10:25	ADMIN	3666359

Municipality	Lehman	**County**	Pike
Facility Name	TAMIMENT RESORT WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	/	**Email**	----
Physical Location Address	314 UNDERHILL DR, TAMIMENT, PA, 18371		
Permit Expiration Date	04/30/2021	**Next Submittal ---- DueDate**	----

Violations* Violation(s) Noted

1. **P.L. 1987, No. 394, Sec 201:** CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth Facility had an overflow of the influent EQ tank due to heavy rain.

Person Interviewed ----	**Date** 12/18/2023	**Inspector** BRANDON SHIHINSKI	**Date** 12/18/2023
Signature admin inspection	**Phone Number** ----	**Signature** Brandon J Shihinski	**Phone Number** (570) 931-6043
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** brshihinsk@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1446		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET ROAD, EAST STROUDSBURG, PA, 18301				
Certified Operator	VARUOLO VINCENT J		**Client ID**	342300	
Certificates	A,E-1,4	**Certification Status**	Active	**Expiration Date**	09/30/2024
Is a Copy of the permit(s) on-site?				----	
Has the interviewed operator/person reviewed the facility's permit(s)?				----	

Comments
Facility had an overflow of the influent EQ tank due to heavy rain.
Participants: ----

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0037290	04/07/2022	14:49	14:52	ADMIN	3344968

Municipality	Lehman	**County**	Pike
Facility Name	TAMIMENT RESORT WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	/	**Email**	----
Physical Location Address	314 UNDERHILL DR, TAMIMENT, PA, 18371		
Permit Expiration Date	04/30/2021	**Next Submittal ---- Due Date**	----

Violations* Viol(s) Noted & Immediately Corrected

1. **P.L. 1987, No. 394, Sec 611:** CSL - Failure to comply with terms and conditions of a WQM permit SSO at the treatment plant influent EQ tanks due to heavy rain.

Person Interviewed N/A	**Date** 04/07/2022	**Inspector** DANIEL P ACKERS	**Date** 04/07/2022
Signature **Report review.**	**Phone Number** ----	**Signature**	**Phone Number** (570) 895-4050
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** dackers@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1446		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET ROAD, EAST STROUDSBURG, PA, 18301				
Certified Operator	THOMAS BRYAN A		**Client ID**	353421	
Certificates	A,E-1,3,4	**Certification Status**	Active	**Expiration Date**	12/31/2022
Is a Copy of the permit(s) on-site?				----	
Has the interviewed operator/person reviewed the facility's permit(s)?				----	

Comments
SSO at the treatment plant influent EQ tanks due to heavy rain.
Participants: ----

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DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0037290	04/01/2022	14:01	14:06	ADMIN	3341815

Municipality	Lehman	**County**	Pike
Facility Name	TAMIMENT RESORT WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	Emily Long / (570) 588-5000	**Email**	Emily.long@uiwater.com
Physical Location Address	314 UNDERHILL DR, TAMIMENT, PA, 18371		
Permit Expiration Date	04/30/2021	**Next Submittal ---- Due Date**	----

Violations* Viol(s) Noted & Immediately Corrected

1. **25 Pa. Code 92a.47(c):** NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO) SSO at the Lakeside Lift station.

Person Interviewed N/A	**Date** 04/01/2022	**Inspector** DANIEL P ACKERS	**Date** 04/01/2022
Signature **Report review.**	**Phone Number** ----	**Signature**	**Phone Number** (570) 895-4050
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** dackers@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1446		**Email**	emily.long@uiwater.com	
Permittee Address	570 HALLET ROAD, EAST STROUDSBURG, PA, 18301				
Certified Operator	THOMAS BRYAN A		**Client ID**	353421	
Certificates	A,E-1,3,4	**Certification Status**	Active	**Expiration Date**	12/31/2022
Is a Copy of the permit(s) on-site?				N/O	
Has the interviewed operator/person reviewed the facility's permit(s)?				N/O	

Comments
SSO at the Lakeside lift station.
Participants: ----

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0037290	01/24/2022	11:29	11:34	ADMIN	3313574

Municipality	Lehman	**County**	Pike
Facility Name	TAMIMENT WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	Emily Long / (570) 213-1447	**Email**	Emily.long@uiwater.com
Physical Location Address	314 UNDERHILL DR, TAMIMENT, PA, 18371		
Permit Expiration Date	04/30/2021	**Next Submittal ---- Due Date**	----

Violations*

Viol(s) Noted & Immediately Corrected

1. **P.L. 1987, No. 394, Sec 611:** CSL - Failure to comply with terms and conditions of a WQM permit
   SSO at treatment train 4 treatment plant.

Person Interviewed N/A	**Date** 01/24/2022	**Inspector** DANIEL P ACKERS	**Date** 01/24/2022
Signature **report review .**	**Phone Number** ----	**Signature**	**Phone Number** (570) 895-4050
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** dackers@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@corixgroup.com	
Permittee Address	570 HALLET ROAD, EAST STROUDSBURG, PA, 18301				
Certified Operator	REESE WILLIAM R JR		**Client ID**	335705	
Certificates	A,E-1,5,4	**Certification Status**	Active	**Expiration Date**	06/30/2023
Is a Copy of the permit(s) on-site?				N/O	
Has the interviewed operator/person reviewed the facility's permit(s)?				N/O	

Comments
SSO at treatment train 4 at the treatment plant.
Participants: ----

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Permit Number	Inspection Date	Entry Time	Exit Time	Inspection Type	Inspection ID
PA0037290	08/23/2021	13:56	13:59	ADMIN	3243968

Municipality	Lehman	**County**	Pike
Facility Name	TAMIMENT WWTP	**Permittee Name**	COMM UTILITIES OF PENNSYLVANIA
24-Hour Emergency Contact Person/Phone	Emily Long / (570) 424-9322	**Email**	Emily.long@uiwater.com
Physical Location Address	314 UNDERHILL DR, TAMIMENT, PA, 18371		
Permit Expiration Date	04/30/2021	**Next Submittal ---- Due Date**	----

Violations*

Violation(s) Noted

1. **P.L. 1987, No. 394, Sec 611:** CSL - Failure to comply with terms and conditions of a WQM permit
   SSO at the treatment plant due to heavy rain.

Person Interviewed N/A	**Date** 08/23/2021	**Inspector** DANIEL P ACKERS	**Date** 08/23/2021
Signature **Report review**	**Phone Number** ----	**Signature** **----**	**Phone Number** (570) 895-4050
Title ----		**Title** WTR QLTY SPCST	
Email ----		**Email** dackers@pa.gov	

This document is official notification that a representative of the Department of Environmental Protection inspected the above facility. The findings of this inspection are shown above and on any attached pages. *Any violations which were noted during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analyses of the discharge and/or review of Department records.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
BUREAU OF CLEAN WATER

PAWC Exhibit MS-2

SEWAGE INSPECTION REPORT

Facility Details Section					
Responsible Official	EMILY LONG		**Title**	AREA MGR	
Business Phone	(570) 213-1447		**Email**	emily.long@corixgroup.com	
Permittee Address	570 HALLET ROAD, EAST STROUDSBURG, PA, 18301				
Certified Operator	REESE WILLIAM R JR		**Client ID**	335705	
Certificates	A,E-1,5,4	**Certification Status**	Active	**Expiration Date**	06/30/2023
Is a Copy of the permit(s) on-site?				N/O	
Has the interviewed operator/person reviewed the facility's permit(s)?				N/O	

Comments
SSO at the surge tanks at the treatment plant due to heavy rain.
Participants: ----

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

May 20, 2020

NOTICE OF VIOLATION

Delivered via email

Community Utilities of Pennsylvania, Inc.
c/o Ms. Emily Long, State Operations Manager
570 Hallet Road
East Stroudsburg, PA 18301

Re: Sewage
Tamiment Resort WWTP
NPDES Permit No. PA0037290/WQM Permit No. 5200401
Lehman Township, Pike County

Dear Ms. Long:

A review of Community Utilities of Pennsylvania, Inc. - Tamiment Resort WWTP's Discharge Monitoring Reports (DMRs) has indicated effluent violations with respect to the limitations set forth in NPDES Permit No. PA0037290. Specifically, the violations are as follows:

Monitoring Period	Parameter	Permit Limit	Reported Value
August 2019	Nitrate/Nitrite-N	10.0 mg/L Monthly Average	16.8 mg/L
		20.0 mg/L IMAX	24.0 mg/L
	Total Phosphorus	1.0 mg/L Monthly Average	1.2 mg/L
		2.0 mg/L IMAX	2.77 mg/L
September 2019	Nitrate/Nitrite-N	10.0 mg/L Monthly Average	17.4 mg/L
		20.0 mg/L IMAX	23.6 mg/L
	Total Phosphorus	1.0 mg/L Monthly Average	2.55 mg/L
		2.0 mg/L IMAX	3.89 mg/L
October 2019	Nitrate/Nitrite-N	10.0 mg/L Monthly Average	15.2 mg/L
		20.0 mg/L IMAX	22.1 mg/L
	Total Phosphorus	1.0 mg/L Monthly Average	3.77 mg/L
		2.0 mg/L IMAX	4.19 mg/L
November 2019	Nitrate/Nitrite-N	10.0 mg/L Monthly Average	12.5 mg/L
December 2019	Nitrate/Nitrite-N	10.0 mg/L Monthly Average	17.1 mg/L
		20.0 mg/L IMAX	21.7 mg/L
	Total Phosphorus	1.0 mg/L Monthly Average	2.18 mg/L
January 2020	Nitrate/Nitrite-N	10.0 mg/L Monthly Average	10.8 mg/L
		20.0 mg/L IMAX	20.7 mg/L

Further review has indicated that the following samples were not collected at the proper sampling frequencies as required by NPDES Permit No. PA0037290, Part A.I.A.:

Monitoring Period	Parameter	Required Frequency	Reported Frequency
August 2019	pH	1/day	15/18 days
	Total Residual Chlorine	1/day	17/18 days
	Total Kjeldahl Nitrogen	1/month	0/month

Please be advised that failure to comply with the terms and conditions of your permit is a violation of your NPDES Permit and the Clean Streams Law of Pennsylvania, Act of June 22, 1937, P.L. 1987, as amended, 35 P.S. Section 691.1 et seq. ("The Clean Streams Law") and subjects Community Utilities of Pennsylvania, Inc. to appropriate enforcement action including, but not limited to, civil penalty assessment.

The Department requests that you respond in writing to this Notice within 15 days of its receipt. Said response should indicate the cause of the above-described non-compliance and the steps that will be or have been taken in order to ensure future compliance.

This Notice of Violation is neither an order nor any other final action of the Department. 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 correspondence, you may contact me at 570.895.4050.

Sincerely,

Daniel Paul Ackers
Water Quality Specialist
Clean Water Program

cc: Lehman Township

pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

BUREAU OF CLEAN WATER
WATER POLLUTION CONTROL FACILITY VIOLATIONS AND ENFORCEMENTS

PAWC Exhibit MS-2

5/20/2025 11:48:56 AM

Violation Date From: 1/1/2020 to 5/20/2025
Region: All
County: All
Municipality: All
Facility Type: NPDES Dischargers, Non-NPDES Dischargers, Chapter 102 NPDES
Inspection Category: PF
Facility Kind: SN - Sewage Non-Publicly Owned (Non-Muni)
Facility Status: All
Fee Category: 4 - Minor Sewage Facility >=0.05 and <1 MGD
Violation Type: All
Permit: PA0037290
Open Violations Only: No
92A Violations Only: No
Single Event Violations Only: No
Circuit Rider System Only: No

Total Violations: 10

CLIENT ID	CLIENT	SITE ID	SITE NAME	PF ID	PERMIT	FACILITY	REGION	COUNTY	MUNICIPALITY	MAJOR/ MINOR	FACILITY KIND	PF STATUS	CIRCUIT RIDER SYSTEM	FEE CATEGORY	PROGRAM	INSPECTION ID	INSP CATEGORY	DATE INSPECTED	INSPECTION TYPE	AGENCY	INSPECTION RESULT DESCRIPTION	VIOLATION ID
120797	COMM UTILITIES OF PENNSYLVANIA	636358	TAMIMENT RESORT (AKA THE GLENN)	5978	PA0037290	TAMIMENT RESORT WWTP	NERO	Pike	Lehman Twp		Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3702583	PF	1/30/2024	Administrative/ File Review	DEP	Violation(s) Noted	8173399
120797	COMM UTILITIES OF PENNSYLVANIA	636358	TAMIMENT RESORT (AKA THE GLENN)	5978	PA0037290	TAMIMENT RESORT WWTP	NERO	Pike	Lehman Twp		Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3677588	PF	1/23/2024	Administrative/ File Review	DEP	Violation(s) Noted	8172111
120797	COMM UTILITIES OF PENNSYLVANIA	636358	TAMIMENT RESORT (AKA THE GLENN)	5978	PA0037290	TAMIMENT RESORT WWTP	NERO	Pike	Lehman Twp		Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3667403	PF	1/2/2024	Administrative/ File Review	DEP	Violation(s) Noted	8169978
120797	COMM UTILITIES OF PENNSYLVANIA	636358	TAMIMENT RESORT (AKA THE GLENN)	5978	PA0037290	TAMIMENT RESORT WWTP	NERO	Pike	Lehman Twp		Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3666359	PF	12/18/2023	Administrative/ File Review	DEP	Violation(s) Noted	8169735
120797	COMM UTILITIES OF PENNSYLVANIA	636358	TAMIMENT RESORT (AKA THE GLENN)	5978	PA0037290	TAMIMENT RESORT WWTP	NERO	Pike	Lehman Twp		Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3344968	PF	4/7/2022	Administrative/ File Review	DEP	Viol(s) Noted & Immediately Corrected	950889

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DEPARTMENT OF ENVIRONMENTAL PROTECTION

BUREAU OF CLEAN WATER
WATER POLLUTION CONTROL FACILITY VIOLATIONS AND ENFORCEMENTS

5/20/2025 11:48:56 AM

PAWC Exhibit MS-2

VIOLATION DATE	VIOLATION TYPE	VIOLATION TYPE DESCRIPTION	RESOLVED DATE	# OF ENFORCEMENTS
01/30/2024	CSL201	CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth	03/04/2024	0
01/23/2024	CSL201	CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth	03/04/2024	0
01/02/2024	CSL201	CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth	03/04/2024	0
12/18/2023	CSL201	CSL - Unauthorized, unpermitted discharge of sewage to waters of the Commonwealth	03/12/2024	1
04/07/2022	CSL611	CSL - Failure to comply with terms and conditions of a WQM permit	04/08/2022	0

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DEPARTMENT OF ENVIRONMENTAL PROTECTION

BUREAU OF CLEAN WATER
WATER POLLUTION CONTROL FACILITY VIOLATIONS AND ENFORCEMENTS

PAWC Exhibit MS-2

5/20/2025 11:48:56 AM

CLIENT ID	CLIENT	SITE ID	SITE NAME	PF ID	PERMIT	FACILITY	REGION	COUNTY	MUNICIPALITY	MAJOR/ MINOR	FACILITY KIND	PF STATUS	CIRCUIT RIDER SYSTEM	FEE CATEGORY	PROGRAM	INSPECTION ID	INSP CATEGORY	DATE INSPECTED	INSPECTION TYPE	AGENCY	INSPECTION RESULT DESCRIPTION	VIOLATION ID
120797	COMM UTILITIES OF PENNSYLVANIA	636358	TAMIMENT RESORT (AKA THE GLENN)	5978	PA0037290	TAMIMENT RESORT WWTP	NERO	Pike	Lehman Twp		Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3341815	PF	4/1/2022	Administrative/ File Review	DEP	Viol(s) Noted & Immediately Corrected	950096
120797	COMM UTILITIES OF PENNSYLVANIA	636358	TAMIMENT RESORT (AKA THE GLENN)	5978	PA0037290	TAMIMENT RESORT WWTP	NERO	Pike	Lehman Twp		Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3313574	PF	1/24/2022	Administrative/ File Review	DEP	Viol(s) Noted & Immediately Corrected	943464
120797	COMM UTILITIES OF PENNSYLVANIA	636358	TAMIMENT RESORT (AKA THE GLENN)	5978	PA0037290	TAMIMENT RESORT WWTP	NERO	Pike	Lehman Twp		Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3243968	PF	8/23/2021	Administrative/ File Review	DEP	Violation(s) Noted	928863
120797	COMM UTILITIES OF PENNSYLVANIA	636358	TAMIMENT RESORT (AKA THE GLENN)	5978	PA0037290	TAMIMENT RESORT WWTP	NERO	Pike	Lehman Twp		Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3046388	PF	5/20/2020	Administrative/ File Review	DEP	Violation(s) Noted	887024
120797	COMM UTILITIES OF PENNSYLVANIA	636358	TAMIMENT RESORT (AKA THE GLENN)	5978	PA0037290	TAMIMENT RESORT WWTP	NERO	Pike	Lehman Twp		Sewage Non-Publicly Owned (Non-Muni)	Active	NO	Minor Sewage Facility >=0.05 and <1 MGD	WPCNP	3046388	PF	5/20/2020	Administrative/ File Review	DEP	Violation(s) Noted	887025

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DEPARTMENT OF ENVIRONMENTAL PROTECTION

BUREAU OF CLEAN WATER
WATER POLLUTION CONTROL FACILITY VIOLATIONS AND ENFORCEMENTS

PAWC Exhibit MS-2

5/20/2025 11:48:56 AM

VIOLATION DATE	VIOLATION TYPE	VIOLATION TYPE DESCRIPTION	RESOLVED DATE	# OF ENFORCEMENTS
04/01/2022	92A.47(C)	NPDES - Illegal discharge to waters of the Commonwealth from a sanitary sewer overflow (SSO)	04/04/2022	0
01/24/2022	CSL611	CSL - Failure to comply with terms and conditions of a WQM permit	01/28/2022	0
08/23/2021	CSL611	CSL - Failure to comply with terms and conditions of a WQM permit	08/25/2021	0
05/20/2020	92A.44	NPDES - Violation of effluent limits in Part A of permit	04/01/2025	1
05/20/2020	92A.61(C)	NPDES - Failure to monitor pollutants as required by the NPDES permit	04/01/2025	1

TAMIMENT WATER

*** PWSID = 2520070 | SYSTEM NAME = TAMIMENT RESORT ***
*** SystemType = COMMUNITY | DEP REGION - NORTHEAST ***
*** eFACTS SiteID= 636358 ***

Violation Information for Federal Fiscal Years 2021 through 2025

Contaminant ID	Sample Point ID	Violation ID	Violation Type	Sample Type	Violation Awareness Date	Compliance Value	Enforcement Action 1	Enforcement Action 2	Enforcement Action 3	Enforcement Action 4	Enforcement Action 5	Enforcement Action 6	Fiscal Year
GROUNDWATER RULE	101	35077	FAILURE MAINTAIN 4-LOG INACTIVATION DISINFECTION TREATMENT	ENTRY POINT	09/22/2022	0.46	VIOLATION NOTICE	FIELD/COMPLIANCE ORDER	COMPLIANCE ACHIEVED				2022
GROUNDWATER RULE	101	35078	FAILURE TO ISSUE TIER 1 PUBLIC NOTIFICATION	ENTRY POINT	09/22/2022	0.46	VIOLATION NOTICE	PUBLIC NOTICE ISSUED	COMPLIANCE ACHIEVED				2022
GROUNDWATER RULE	101	27771	FAILURE TO MONITOR/REPORT EP DISINFECTANT RESIDUAL FOR GWR	ENTRY POINT	08/19/2021	.	VIOLATION NOTICE	PUBLIC NOTICE ISSUED	COMPLIANCE ACHIEVED				2021
GROUNDWATER RULE	103	27772	FAILURE TO MONITOR/REPORT EP DISINFECTANT RESIDUAL FOR GWR	ENTRY POINT	08/19/2021	.	VIOLATION NOTICE	PUBLIC NOTICE ISSUED	COMPLIANCE ACHIEVED				2021

PENN ESTATES WATER

*** PWSID = 2450065 | SYSTEM NAME = PENN ESTATES UTILITIES INCORP ***
*** SystemType = COMMUNITY | DEP REGION - NORTHEAST ***
*** eFACTS SiteID= 256485 ***

Violation Information for Federal Fiscal Years 2021 through 2025

Contaminant ID	Sample Point ID	Violation ID	Violation Type	Sample Type	Violation Awareness Date	Compliance Value	Enforcement Action 1	Enforcement Action 2	Enforcement Action 3	Enforcement Action 4	Enforcement Action 5	Enforcement Action 6	Fiscal Year
GROUNDWATER RULE	102	04714	FAILURE TO MONITOR/REPORT EP DISINFECTANT RESIDUAL FOR GWR	ENTRY POINT	01/23/2024	.	NOTICE OF VIOLATION	REPORTING ERROR	COMPLIANCE ACHIEVED				2024
CHLORINE		02580	R3	DISTRIBUTION	12/19/2023	.	VIOLATION NOTICE	REPORT RECEIVED LATE	COMPLIANCE ACHIEVED	PUBLIC NOTICE ISSUED			2024
CHLORINE		15398	R3	DISTRIBUTION	04/23/2024	.	VIOLATION NOTICE	PUBLIC NOTICE REQ	PUBLIC NOTICE ISSUED	COMPLIANCE ACHIEVED			2024
GROUNDWATER RULE		32699	FAILURE TO MONITOR/REPORT EP DISINFECTANT RESIDUAL FOR GWR		08/17/2022	.	VIOLATION NOTICE	REPORTING ERROR	COMPLIANCE ACHIEVED				2022
GROUNDWATER RULE	102	24471	FAILURE MAINTAIN 4-LOG INACTIVATION DISINFECTION TREATMENT	ENTRY POINT	06/23/2022	0	VIOLATION NOTICE	PUBLIC NOTICE REQ	COMPLIANCE ACHIEVED				2022
GROUNDWATER RULE	102	24472	FAILURE TO ISSUE TIER 1 PUBLIC NOTIFICATION	ENTRY POINT	06/23/2022	0	VIOLATION NOTICE	REPORT RECEIVED LATE	COMPLIANCE ACHIEVED				2022

WESTGATE WATER

*** PWSID = 3480024 | SYSTEM NAME = UTILITIES INC WESTGATE ***
*** SystemType = COMMUNITY | DEP REGION - NORTHEAST ***
*** eFACTS SiteID= 246991 ***

Violation Information for Federal Fiscal Years 2021 through 2025

Contaminant ID	Sample Point ID	Violation ID	Violation Type	Sample Type	Violation Awareness Date	Compliance Value	Enforcement Action 1	Enforcement Action 2	Enforcement Action 3	Enforcement Action 4	Enforcement Action 5	Enforcement Action 6	Fiscal Year
HALOACETIC ACIDS (HAA5)		29302	FAILURE TO MONITOR OR REPORT FOR THE D/DBP CONTAMINANT SPECIFIED		07/26/2022	.	VIOLATION NOTICE	PUBLIC NOTICE REQ	COMPLIANCE ACHIEVED	PUBLIC NOTICE ISSUED			2022
HALOACETIC ACIDS (HAA5)		16244	FAILURE TO MONITOR OR REPORT FOR THE D/DBP CONTAMINANT SPECIFIED		04/26/2021	.	VIOLATION NOTICE	PUBLIC NOTICE REQ	COMPLIANCE ACHIEVED	PUBLIC NOTICE ISSUED			2021
TRIHALOMETHANES (TTHM)		16245	FAILURE TO MONITOR OR REPORT FOR THE D/DBP CONTAMINANT SPECIFIED		04/26/2021	.	VIOLATION NOTICE	PUBLIC NOTICE REQ	COMPLIANCE ACHIEVED	PUBLIC NOTICE ISSUED			2021

VERIFICATION

I, Nathaniel Spriggs, President of Community Utilities of Pennsylvania Inc. hereby state that the facts set forth in the Joint Application Of American Water Works Company, Inc. Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc. 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.

Nathaniel Spriggs
President
Community Utilities of Pennsylvania Inc.

Dated: 5/30/2025

VERIFICATION

I, Richard Rich Chief Operating Officer of Nexus Regulated Utilities, LLC, hereby state that the facts set forth in the Joint Application Of American Water Works Company, Inc. Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc. 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.

Richard Rich
Chief Operating Officer
Nexus Regulated Utilities, LLC

Dated: May 30, 2025

VERIFICATION

I, Stacy Mitchell, hereby state that the facts set forth in the attached Application 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.

Stacy Mitchell, Executive Vice President – General Counsel
American Water Works Company, Inc.

Dated: 5/28/2025

VERIFICATION

I, Michael Salvo, hereby state that the facts above set forth above in the attached Application 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 Salvo, Director, Business Development
Pennsylvania-American Water Company

Dated: May 30, 2025

VERIFICATION

I, Michael Salvo, hereby state that the facts above set forth above in the attached Direct 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 Salvo, Director, Business Development
Pennsylvania-American Water Company

Dated: September 2, 2025

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary authority, approvals and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	Docket Nos. A-2025-3055551 *et al*.

REBUTTAL TESTIMONY OF MICHAEL SALVO ON BEHALF OF PENNSYLVANIA-AMERICAN WATER COMPANY

Date: October 30, 2025 PAWC Statement No. 1-R

REBUTTAL TESTIMONY OF
MICHAEL SALVO

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

A. My name is Michael Salvo, and my business address is 852 Wesley Drive, Mechanicsburg, PA 17055.

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

A. I am employed by PAWC[1] as Director, Business Development.

Q. HAVE YOU SUBMITTED ANY OTHER TESTIMONY IN THIS PROCEEDING?

A. Yes, I submitted Direct Testimony identified as PAWC Statement No. 1.

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

A. My rebuttal testimony responds to the testimony provided at the September 23, 2025, 1:00 pm Public Input Hearing from Mr. Anthony Giovannini, Jr., of the law firm Broughal & DeVito, L.L.P., who identified himself as the solicitor representing Hanover Township, Northampton County, Pennsylvania. Specifically, I will address Mr. Giovannini,'s

[1] Unless otherwise indicated, all capitalized terms used here have the same definition as set forth in my Direct Testimony

testimony regarding Hanover Township Board of Supervisors' concerns about whether system improvements will continue once PAWC acquires CUPA's Westgate water system.

RESPONSE TO PUBLIC INPUT TESTIMONY

Q. DURING THE PUBLIC INPUT HEARING, DID MR. GIOVANNINI, JR. SHARE HANOVER TOWNSHIP'S CONCERNS?

A. At this Public Input Hearing, Mr. Giovannini testified that CUPA has completed phase one of a project of improvements and upgrades to the water system. "One of the concerns of the Board of Supervisor is that with the merger with PAWC that PAWC will be undertaking the improvements set forth in phase two and phase three." PAWC will review CUPA's current plans and will complete CUPA's forecasted investment plans and/or make additional investments to improve the water system. Additionally, as indicated in my Direct Testimony, PAWC still intends to comply with the provisions of CUPA's 2024 rate case settlement regarding investments and improvements.

Q. DID MR. GIOVANNINI MAKE ANY OTHER SIGNIFICANT STATEMENTS DURING HIS TESTIMONY REGARDING THIS ACQUISITION?

A. Mr. Giovannini stated that Hanover Township is not opposing the merger of Nexus/CUPA and PAWC.

CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes. However, I respectfully reserve the right to supplement my Rebuttal Testimony as additional issues or facts arise during this proceeding. Thank you.

VERIFICATION

I, Michael Salvo 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 Salvo, Director, Business Development
Pennsylvania-American Water Company

Dated October 30, 2025

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary authority, approvals and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	Docket Nos. A-2025-3055551 *et al*.

DIRECT TESTIMONY OF
MICHAEL J. GUNTRUM, P.E. ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY

Date: September 2, 2025 PAWC Statement No. 2

DIRECT TESTIMONY OF
MICHAEL J. GUNTRUM

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

A. My name is Michael J. Guntrum, P.E., and my business address is 852 Wesley Drive, Mechanicsburg, PA 17055.

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

A. I am employed by Pennsylvania-American Water Company ("PAWC") as a Senior Project Engineer for the Business Development Department.

Q. WHAT ARE YOUR RESPONSIBILITIES AS A SENIOR PROJECT ENGINEER?

A. As a Senior Project Engineer for PAWC, I am responsible for performing due diligence activities related to potential water and wastewater acquisitions in the Commonwealth of Pennsylvania.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EDUCATION AND EXPERIENCE.

A. I received my Bachelor of Science (B.S.) degree in civil engineering in 1994 and a Master of Engineering degree (M.E.) in Environmental Engineering in 1995 from the University of Idaho. In 2010, I received my Master in Business Administration (MBA) from Lebanon Valley College. I have worked in various engineering roles and have over 30 years of experience in environmental engineering related to municipal and industrial water and wastewater treatment. I have worked at PAWC since 2003 in roles related to the

acquisition of water and wastewater facilities. I am a registered Professional Engineer in Pennsylvania.

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

A. Yes. I have testified before the Commission on several occasions, including both water and wastewater proceedings. A list of proceedings is included in my Curriculum Vitae attached as **PAWC Exhibit MJG-1**.

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

A. My testimony will describe the water and wastewater systems currently owned and operated by Community Utilities of Pennsylvania Inc. ("CUPA"), that PAWC has agreed to acquire (the "Transaction"), specifically, Utilities, Inc. - Westgate ("Westgate") in Northampton County; Utilities, Inc. of Pennsylvania a/k/a Broad Run Wastewater ("Broad Run") in Chester County; Penn Estates Utilities, Inc. ("Penn Estates") Water Wastewater in Monroe County; and Pennsylvania Utility Company ("Tamiment") Water and Wastewater in Pike County (collectively, the "Systems"). I will also explain how the acquired Systems will be integrated into PAWC's existing operations, describe PAWC's technical fitness to run the Systems, and discuss the public benefits of the Transaction.

Q. PLEASE DESCRIBE WESTGATE.

A. The Westgate system serves Hanover Township, Northampton County. This is a consecutive system that purchases all of its water from the City of Bethlehem (PWSID No.

3480046) under Subsidiary Allocation Permit No. WA 48-1006. The City of Bethlehem obtains its water from Tunkhannock Creek. There are no pump stations or storage tanks active in this system. The distribution system consists of approximately 77,000 ft of polyvinyl chloride, ductile iron, and cast iron pipe.

Q. PLEASE DESCRIBE BROAD RUN.

A. The Broad Run sewage treatment plant (NPDES NO. PA0043982) serves a residential subdivision located in West Bradford Township in Chester County, Pennsylvania. The influent flow comes through a vertical fine screen and then passes through the flume area where the flow is monitored by the influent flow meter. It then flows into one of two equalization tanks. Tank 1 is a rectangular 50,000 gallon tank and tank 2 is a round 38,000 gallon tank. Equalization tank 2 sits in standby mode in case emergency capacity is needed. Air is supplied by two 75 hp and one 60 hp centrifugal blowers. Lime is added to the influent daily to keep the pH levels in the treatment plant at the optimum level. The flow is pumped from the equalization tank to a splitter box that separates the flow into three aeration/clarifier tanks where the sewage is treated. Tank #1 is a 332,961-gallon modular ring steel tank. Tank #2 and #3 are each 166,457-gallon modular ring steel tanks. Aluminum chloride is fed into each aeration tank for phosphorus removal. Solids are wasted into two sludge holding tanks that have a holding capacity of nine thousand gallons each and then transferred to a 90,000 gallon sludge holding tank. Sludge is hauled from the Broad Run sewage treatment plant to either the Delcora wastewater treatment plant ("WWTP") or to the Pottstown WWTP for disposal. The flow leaves the clarifiers and goes to the chlorine contact/post aeration tank. Sodium hypochlorite is fed to the contact tank

for proper disinfection. The flow passes through the contact tank chamber area and is post-aerated. Aeration is to provide an optimum dissolved oxygen level before the effluent is discharged. The effluent then leaves this tank and is recorded by the effluent meter before it is discharged into the East Branch of the Brandywine Creek.

The plant is permitted at 0.400 mgd. The organic design capacity of the plant is 801 pounds per day. Backup power is supplied by a 150 KW rental diesel generator.

Q. PLEASE DESCRIBE PENN ESTATES WATER.

A. The Penn Estates community is a second home and year-round residential development. Penn Estates has 7 permitted wells, each with its own entry point. The wells are completed in the Towamensing Member and Walcksville Member of the Catskill Formation and in the Trimmers Rock Formation. All wells are metered. Prior to entering the distribution system, all water is treated with sodium hypochlorite for disinfection. Additionally, water from Well 6 is treated for iron and manganese sequestration. The wells are not located in flood hazard areas.

To maintain water levels in Well No. 8 above the critical water bearing zone, CUPA has installed a data logger in the well and has integrated it with SCADA. The system is programed to automatically shut the well pump off when the water level in Well 8 reaches 200 feet below top of casing. The SCADA controlled transducer set with the above-mentioned parameters must remain active and operational in Well No. 8 at all times, unless otherwise directed by the Delaware River Basin Commission ("DRBC"). Although the total combined withdrawals have not exceeded the approved total system allocation of 12.426 MGM, withdrawals at several of the individual wells have exceeded the approved

monthly allocations from time to time. CUPA indicated that it continues to focus on leak detection and have purchased additional equipment to identify leaks more quickly to reduce water withdrawals. Additionally, variable frequency drives have been installed at some of the wells to better control pumping rates and remain below the approved individual well allocations. Within five years of the approval date of the DRBC docket (September 11, 2024), CUPA shall submit an update to the DRBC describing and evaluating the effectiveness of its continued leak detection program. If individual well allocations continue to be exceeded in the future, CUPA may need to apply to the DRBC for an increase in individual well allocation.

All wells were permitted by the Pennsylvania Department of Environmental Protection ("PADEP") under the Groundwater Rule in 2011. The permits specify the instantaneous maximum flow and minimum chlorine residual to ensure 4-log removal of viruses at each well/entry point.

The system has 6 steel-construction storage tanks totaling 554,000 gallons in capacity. Two of the tanks were built in the 1980's, two in the 1990's and two in the 2000's.

Q. PLEASE DESCRIBE PENN ESTATES WASTEWATER.

A. Penn Estates owns and operates a WWTP located at 570 Hallet Road in Stroud Township, Monroe County. It provides treatment of municipal sewage generated by the residential users of the Penn Estates Communities. The Penn Estates WWTP is authorized to discharge treated wastewater to an unnamed tributary #04929 to Brodhead Creek in accordance with the effluent limits and other conditions specified in NPDES Permit No. PA0060283 and the DRBC Docket No. D1999-020 CP-4. The unnamed tributary #04929 to Brodhead

Creek is located within State Water Plan Watershed 1-E and is classified as a high quality (HQ) water and a cold-water fishery (CWF). It is also located within the drainage area to the Middle Delaware Special Protection Waters area. The Penn Estates WWTP is currently permitted for a hydraulic capacity of 0.56 mgd. Currently, significant growth is not anticipated at the Penn Estates Community, and no significant outside connections to the facility are anticipated. The Penn Estates WWTP has been in service for more than 40 years and has undergone several upgrades and/or expansions. The various upgrades utilized a phased approach to meet the sewer needs of the community as it was developed, and its history of the facility is briefly outlined below.

The original Penn Estates WWTP, constructed in the late 1970's, included an extended aeration system, a combined tube settler/effluent filtration system (Filter No. 1), and a chlorination/dechlorination/post aeration system. The WWTP was upgraded and expanded around 1986 due to rapid growth of the community and more stringent effluent discharge limits. The upgrades converted the original extended aeration tank to an equalization tank (EQ Tank No. 1), constructed a new aerated surge tank (EQ Tank No. 2), a new extended aeration system, and added a new denitrification filter (Filter No. 3) to increase the facility capacity to 50,000 gpd. Between the late 1980's and the early 1990's, two new extended aeration tanks, a new denitrification filter (Filter No. 2) and a 13,000-gallon backwash water storage tank were added. The WWTP has a permitted capacity of 0.560 mgd and utilizes a biological treatment process with chlorination disinfection. The WWTP facilities consist of a vertical drum screen with soda ash addition for pH adjustment followed by five flow equalization tanks, with a combined volume of 203,000 gallons. Equalization tank No. 1 is equipped with a grit chamber for solids removal. Wastewater flows from the

equalization basins to 2 bioreactors with a combined volume of 572,500 gallons followed by 2 clarifiers, which have a combined volume of 130,000 gallons. Polyaluminum chloride is added to the clarifier influent for phosphorus removal. Clarifier effluent flows to 4 denitrification filters with a combined capacity of 620,000 gallons, and then to the chlorine contact tank for disinfection with sodium hypochlorite followed by de-chlorination with sodium bisulfite. The chlorine contact tank has an effective volume of 11,670 gallons and the dechlorination/post-aeration tank has a tank volume of 6,700 gallons. Sludge handling processes consist of returning sludge to the aeration basins or to the aerobic sludge digester, which has the capacity of 141,000 gallons.

Q. PLEASE DESCRIBE TAMIMENT WATER.

A. The Tamiment service areas (PWSID No. PA2520070) include private residences and resort facilities in the areas locally referred to as the Glen at Tamiment, the Tamiment Resort and Conference Center property and adjacent properties including timeshare residences located in Eagle Point, Eagle Village and the Rizzo property. Tamiment also provides water via a bulk service connection to the Mountain Laurel Center for Performing Arts. There are also approximately 2,500 undeveloped acres within the service area that has a proposed mix of residential and commercial properties.

Tamiment has three permitted wells, with two entry points. The wells are completed in the Towamensing Member of the Catskill Formation. The wells are located in the Little Bushkill Watershed, within the drainage area to the Middle Delaware Special Protection Waters, in Lehman Township, Pike County, Pennsylvania.

All wells and water service connections are metered. Prior to entering the distribution system, all groundwater is treated with chlorine for disinfection, pH adjustment and corrosion. The project wellheads are located above the 100-year flood elevation. The water system is presently not interconnected with any other distribution system.

All wells were permitted by PADEP under the Groundwater Rule in 2011. The permits specify the instantaneous maximum flow and minimum chlorine residual to ensure 4-log removal of viruses at each well/entry point. Tamiment Well 1 exceeds the Perfluorooctanesulfonic acid (PFOS) MCL of 4 ng/L. The average of 4 samples obtained in 2024 is 8.2 ng/L. Treatment will likely be required.

Q. PLEASE DESCRIBE TAMIMENT WASTEWATER.

A. The Tamiment 0.25 mgd WWTP utilizes an extended aeration treatment process with an anoxic zone and filtration. During suitable weather conditions, effluent from the WWTP is land discharged with a maximum spray irrigation application rate of 1.5 inches/acre/week on the approximate 110-acre golf course site. When conditions are unsuitable, effluent is discharged to an unnamed tributary to Little Bush Kill. The WWTP facilities consist of a comminutor and bypass bar screen, two (2) equalization tanks, a flow splitter box, five (5) extended aeration tanks with anoxic zones, five (5) final clarifiers, a flash mixing unit for alum and soda ash addition, a flocculation tank, two (2) high rate effluent filtration beds, and a chlorine contact tank which includes a post aeration chamber. During suitable weather conditions, treated WWTP effluent is pumped to a six-foot deep, lined, aerated holding pond located between the 8th and 17th greens of the Tamiment Golf Course for irrigation use, as needed. When conditions are unsuitable for spray irrigation,

treated WWTP effluent is discharged to an unnamed tributary of Little Bush Kill. Sludge handling is provided by a sludge holding tank. A maximum spray irrigation application rate of 1.5 inches/acre/week on the approximate 110-acre golf course site was approved by PADEP in its Water Management Permit (Part II) No. 5200401 on September 13, 2000. The Part II permit also approves a groundwater and surface water monitoring program.

Q. IS PAWC ACQUIRING ALL OF THE PLANT ASSETS OF CUPA?

A. Yes, PAWC is acquiring by way of merger all plant assets of CUPA.

Q. PLEASE STATE WHETHER WESTGATE CAN PROVIDE ADEQUATE TREATMENT, DISTRIBUTION, AND FIRE FLOW CAPACITY TO MEET PRESENT AND FUTURE CUSTOMER DEMANDS.

A. Based on the Commission's findings in CUPA's last rate case, several fire hydrants in Westgate do not meet state standards for flow and pressure to provide adequate fire service. Consequently, Chairman Stephen DeFrank stated:

> By far the most disconcerting fact brought to light is the lack of fire protection in much of CUPA's system. Several fire hydrants in the Westgate and Penn Estate areas are inadequate for fire suppression, which is alarming. The Tamiment community has no fire hydrants capable of meeting the state standards of 500 to 1,000 gallons per minute. I would urge the company, in the strongest terms, to take action on this issue as expeditiously as possible. While I obviously can't speak to future proceedings, I can say that I would be very displeased if the company files another rate case in two years and this serious public safety issue remains unaddressed.

<u>The PADEP issued Westgate the following notices of violation ("NOV")</u>:

2022 Failure to monitor for disinfection by products (DBP)

2021 Failure to monitor for disinfection by products (DBP)

Q. PLEASE STATE WHETHER BROAD RUN CAN PROVIDE ADEQUATE CONVEYANCE AND TREATMENT CAPACITY TO MEET PRESENT AND FUTURE CUSTOMER DEMANDS.

A. The Broad Run system is presently meeting its regulatory compliance obligations.

Q. PLEASE STATE WHETHER PENN ESTATES WATER CAN PROVIDE ADEQUATE TREATMENT, DISTRUBUTION, AND FIRE FLOW CAPACITY TO MEET PRESENT AND FUTURE CUSTOMER DEMANDS.

A. Based on the Commission's findings in CUPA's last rate case, several fire hydrants in Penn Estates do not meet state standards for flow and pressure to provide adequate fire service. The settlement agreement for the 2024 rate case included the following commitments:

> Before the next rate case, CUPA will provide an update to the OCA, I&E, and OSBA on the implementation of the recommendations from the engineering study and hydraulic analysis to address low and high pressure in Penn Estates.

Non-revenue water ("NRW") is the difference between the system delivery and the sum of all water sales. It refers to water usage that is not billed, such as water main flushing, distribution system leakage, water main breaks, theft, customer meter inaccuracies, and any other form of water loss. The Commission regulates water loss using Unaccounted for Water ("UFW") and requires regulated utilities to report their UFW annually. UFW is similar to NRW but allows for adjustments for authorized non-revenue use including flushing, blow offs, firefighting, unavoidable leakage, main breaks, and others. In 2023 Penn Estates Water reported 27% UFW. I am advised by counsel that the Commission has

a statement of policy that indicates UFW levels above 20 percent are considered excessive. The Commission cited the high UFW in the settlement of CUPA's 2024 rate case and required the following corrective actions:

Regarding UFW mitigation and reporting:

- For all systems, the Company will perform annually system wide leak detection and any associated repairs unless the individual system has an average UFW that is below 20% for the previous 6 months.
- For Penn Estates, the company is currently working with GHD, an engineering firm, to design and implement virtual district metering areas ("vDMA") at Penn Estates utilizing the existing hydraulic model. The vDMAs serve to split the system into smaller zones, which will allow for ongoing monitoring and quicker response times to locate and repair leaks. Before the next rate case, CUPA will provide OCA, I&E, and OSBA with an update on the implementation of the vDMA project.
- CUPA will submit Commission Form 500 method using gallons/year units instead of gallons/day.
- CUPA will submit an individual Form 500 for each of its systems.
- In future rate cases, CUPA will continue to provide a breakdown of lost and UFW by system detailing all identified causes as per the previous base rate case settlement.
- CUPA shall provide quarterly updates regarding their UFW by system to the OCA and the Commission until CUPA files its next base rate case.

The Penn Estates system has exceeded its combined production capacity on a peak day basis in three of the last five years. In addition, Penn Estates Water had to purchase water from Easton three times in 2023 due to leaks within the distribution network.

DEP issued Penn Estates Water the following NOVs:

2024 Failure to monitor entry point disinfectant residuals
Failure to monitor disinfectant residuals in distribution system

2023 Failure to monitor disinfectant residuals in distribution system

2022 Failure to monitor entry point disinfectant residuals
Failure to maintain 4-log inactivation
Failure to issue Tier 1 PN

Q. PLEASE STATE WHETHER PENN ESTATES WASTEWATER CAN PROVIDE ADEQUATE CONVEYANCE AND TREATMENT CAPACITY TO MEET PRESENT AND FUTURE CUSTOMER DEMANDS.

A. Penn Estates Wastewater has ongoing regulatory issues. The receiving stream, an unnamed tributary of Brodhead Creek (HQ-CWF), is located in State Water Plan Watershed 1-E and is classified for High Quality Waters - Cold Water Fishes, aquatic life, water supply and recreation. The unnamed tributary is known locally as "Cranberry Run" and is impaired for aquatic life. The WWTP discharges to a dry swale that directs discharge to Cranberry Run, which is the point of first use. The "aquatic life" stream impairment was first determined in the late 1990s (per PADEP Biologist) and an updated Water Quality Assessment was completed by Sherrill Leap on January 31, 2011 reporting "ongoing impairment" to the benthic macroinvertebrate community downstream of the WWTP discharge, but not above it. The NPDES permit contains the following condition:

> The regulated discharge is impacting the receiving stream's aquatic life. The Department reserves the right to impose more stringent limits or additional permit conditions in event that the stream impairment does not improve or worsens, or in event that additional monitoring/investigation identifies the exact cause of the stream impairment, or in event that the future Stream TMDL (Total Maximum Daily Load) analysis sets forth Waste Load Allocations (WLAs) for the WWTP or other requirements, or in event that WET Testing and/or other monitoring showing that additional action is required to address public nuisance or environmental harm.

The plant experiences frequent overflows of the equalization basins during heavy precipitation events. Over twenty sanitary sewage overflows ("SSOs") (releases of untreated or partially untreated sewage) were documented by PADEP from 2019-2024. There were thirty-four exceedances of permitted effluent limits from 2020-2024. Most exceedances were for ammonia and BOD5. CUPA entered a Consent Order with PADEP in 2020 for ongoing effluent violations and SSOs.

PADEP issued Penn Estates Wastewater two NOVs in 2019, two NOVs in 2021, 1 NOV in 2025 with multiple violations:

2024 Unauthorized, unpermitted discharge of sewage (three times)

2023 unauthorized, unpermitted discharge of sewage (two times)

2022 Illegal discharge from SSO (two times)

2021 Illegal discharge from SSO (three times)
Failure to comply with a PADEP enforcement order

2020 Illegal discharge from SSO (six times)
Failure to pay annual fee

Q. PLEASE STATE WHETHER TAMIMENT WATER CAN PROVIDE ADEQUATE TREATMENT, DISTRUBUTION, AND FIRE FLOW CAPACITY TO MEET PRESENT AND FUTURE CUSTOMER DEMANDS.

A. Based on the Commission's findings in CUPA's last rate case, several fire hydrants in Taminent do not meet state standards for flow and pressure to provide adequate fire service. The settlement agreement for the 2024 rate case included the following commitments:

- The Company will have GHD develop a hydraulic model utilizing existing data for its Tamiment system. The hydraulic model will then be used to evaluate the fire suppression flows available throughout the Tamiment system before the next base rate case. Monthly unmetered public fire protection rates will not be decreased.

As stated above, Commission Chairman Stephen DeFrank expressed concern about the lack of fire protection in CUPA's Systems, including at Tamiment.

In 2023, Tamiment Water reported 28.8% UFW. As discussed above, the Commission views such UFW levels as excessive. The Commission cited the high UFW in the settlement of the 2024 rate case.

Results of 2024 compliance monitoring for Perfluorooctanoic acid (PFOA) and PFOS were reviewed for compliance with the new United States Environmental Protection Agency ("USEPA") maximum contaminant levels ("MCLs"), which require compliance by 2031. One entry point at Tamiment (EP 101) was above the MCL and will require a PFOS removal system to meet the PFOS limits by the current 2031 deadline.

DEP issued Tamiment Water the following NOVs:

2022 Failure to maintain 4-log inactivation
Failure to issue Tier 1 PN

2021 Failure to monitor entry point disinfectant residuals (two times)

Q. PLEASE STATE WHETHER TAMIMENT WASTEWATER CAN PROVIDE ADEQUATE CONVEYANCE AND TREATMENT CAPACITY TO MEET PRESENT AND FUTURE CUSTOMER DEMANDS.

A. Tamiment Wastewater has ongoing regulatory issues. The current NPDES permit expired on April 30, 2021. A renewal application was submitted to PADEP on October 30, 2020. No further information is available on the status of the renewal permit. PADEP may impose new and/or more stringent limits in the renewal permit. The system owner prior to CUPA entered a joint settlement with the Charles E. Peters Estate Trust ("Trust") and PADEP that imposes specific restrictions and requirements on operation and future expansion of the Tamiment system. It is possible that the Trust may appeal the future NPDES permit renewal if they are not satisfied with the current state of operations. The plant experiences overflows of the equalization basins during heavy precipitation events. Multiple SSO's, at least one per year, were documented by PADEP from 2021-2024. There is evidence that the plant can struggle with ammonia and nitrate-nitrite removal during cold weather (eight exceedances from 2021-2024).

DEP issued Tamiment Wastewater one NOV in 2020 and one in 2024 with multiple violations:

2024 Unauthorized, unpermitted discharge of sewage (three times)

2023 Unauthorized, unpermitted discharge of sewage

2022 Failure to comply with terms of WQM permit (two times)
Illegal discharge from SSO

2021 Failure to comply with terms of WQM permit

2020 Violation of NPDES effluent limits

Failure to monitor NPDES pollutants

Q. DOES CUPA RECEIVE HAULED-IN WASTE AT ANY OF THE WASTEWATER TREATMENT PLANTS OR IN THE COLLECTION SYSTEMS?

A. No, there are no facilities for properly accepting and treating hauled-in waste at the wastewater treatment plants or in the collection systems. PAWC does not intend to begin accepting hauled-in waste after closing.

Q. DOES PAWC PROVIDE WATER SERVICE IN ANY OF CUPA'S WASTEWATER SERVICE AREAS?

A. No. PAWC does not provide water service in any of CUPA's wastewater service areas.

Q. DOES PAWC PROVIDE WASTEWATER SERVICE IN ANY OF CUPA'S WATER SERVICE AREAS?

A. No. PAWC does not provide wastewater service in any of CUPA's water service areas.

Q. PLEASE PROVIDE AN OVERVIEW OF PAWC'S EXISTING WATER AND WASTEWATER OPERATIONS FACILITIES THAT ARE PROXIMATE TO THE CUPA SYSTEMS.

A. PAWC has water and wastewater operations proximate to the CUPA systems. Please see the map in **PAWC Exhibit MJG – 2** showing the location of the CUPA systems relative to PAWC's existing water and wastewater operations.

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

A. The Systems will be incorporated as their own operating units into PAWC's Northeast and Southwest Area operations. This will facilitate the integration of the CUPA Systems into the local water and wastewater operations strategy and culture, leverage synergies between the water and wastewater systems, provide cross functional support, and offer enhanced availability of shared resources for day-to-day and emergency situations.

Q. ARE OTHER PAWC EMPLOYEES AVAILABLE TO ASSIST WITH THE OPERATIONS OF THE SYSTEMS, AS NEEDED?

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

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

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

Q. DOES PAWC PLAN TO INTERCONNECT ANY OF THE SYSTEMS TO ANOTHER PAWC SYSTEM?

A. No, not at this time.

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

A. The five-year capital plan for the Systems is shown on **PAWC Exhibit MJG-3**. The total estimated five-year capital cost is $43 million.

Q. HOW DID PAWC ARRIVE AT THIS FIGURE?

A. The capital plan estimate is based on preliminary cost estimates of needed improvement projects that were identified during PAWC's due diligence efforts.

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

A. PAWC has an established track record of successfully managing large capital investment projects in order to provide reliable service to the communities it serves. PAWC has an

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

Q. PLEASE DESCRIBE HOW PAWC'S PROACTIVE APPROACH BENEFITS CUSTOMERS.

A. Under PAWC's ownership, customers would benefit because have the technical expertise and financial resources to begin making important improvements to the Systems after closing if the proposed Transaction. The result would be a quicker solution to the fire flow,

excess UFW, and pressure issues and water quality degradation being caused by the excessive sewer overflows the Systems now experience.

Q. DOES THE PENNSYLVANIA CONSTITUTION ADDRESS ENVIRONMENTAL RIGHTS?

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

Q. DO THE CUPA SYSTEMS CURRENTLY FACE ENVIRONMENTAL CHALLENGES?

A. Yes. As stated above, the Systems face challenges related to fire flow, excess UFW, and pressure issues and water quality degradation being caused by the excessive sewer overflows.

Q. HOW WILL PAWC ADDRESS THE SYSTEMS' OPERATIONAL AND ENVIRONMENTAL CHALLENGES AFTER CLOSING?

A. As part of this Transaction, PAWC will negotiate a Consent Order and Agreement ("COA") with PADEP that will establish a new compliance schedule to deliver improvement projects, which is critical to eliminating SSOs in Penn Estates Wastewater. PAWC will then assume responsibility for implementing the projects thereunder upon the closing of the Transaction. As discussed previously, PAWC has developed a five-year capital plan totaling $43 million that will address the COA in Penn Estates Wastewater as

well as numerous other projects that will: replace the Systems' aging infrastructure, replace targeted areas of the collection system components known to have unacceptably high inflow and infiltration ("I/I") and/or combined sewer overflows ("CSOs"), make process improvements that will yield environmental, safety, and security benefits to customers and employees, improve fire flow, address low and high pressure issues, address PFOS, and improve the efficiency of operations. PAWC will immediately incorporate the Systems into its comprehensive and proactive environmental compliance program. A Water Quality Supervisor will assume day-to-day responsibility for compliance of each of the Systems. These employees are part of PAWC's statewide Water Quality and Environmental Compliance Department. In addition, the wastewater systems will have the support of PAWC's Manager of Wastewater Compliance, a new position that was created solely to focus on compliance at PAWC's twenty-four wastewater treatment plants. This will benefit the Systems' staff by integrating them into PAWC's larger compliance organization, which will help them assimilate PAWC's proactive compliance culture, and provide access to statewide compliance expertise, shared resources, and improved work management tools. Examples of these tools include: (1) MapCall – a computerized maintenance and workorder management system; (2) Environmental Management Plans – a written comprehensive compliance plan for each water and wastewater system that is reviewed and confirmed quarterly; and (3) Internal Audits – a corporate oversight program that focuses on critical operating priorities for state operating companies, including environmental compliance matters.

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

A. Yes. PAWC can draw upon a broader range of engineering and operational experience, as well as deeper operational and financial resources, to address the environmental compliance challenges of the Systems. In addition, given PAWC's experience with the operation of similar wastewater systems, I believe that PAWC is better positioned to provide those services on a cost-effective basis going forward.

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

PAWC currently employs approximately 1,150 professionals with expertise in all areas of water and wastewater utility operations including engineering, regulatory compliance, water and wastewater treatment plant operation and maintenance, distribution and collection system operation and maintenance, material management, risk management, human resources, legal, accounting, and customer service. As a subsidiary of American Water, PAWC has available to it additional resources of highly trained professionals who have expertise in various specialized areas. American Water currently owns or operates approximately 160 wastewater plants through its subsidiaries in a number of states.

American Water's experience includes the full breadth of treatment processes, from facultative ponds to membrane biological reactors in every climate zone across the U.S. More-advanced technologies allow a number of American Water's plants to utilize effluent for reuse applications, eliminating discharge to receiving streams. These diverse facilities have provided American Water operators and process experts with deep experience in the operation and maintenance of every possible type of wastewater treatment technology. This experience is available to support PAWC's operations staff and facilities.

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

PAWC has demonstrated its ability to improve troubled wastewater systems following acquisition through improving operational efficiencies, fostering a proactive environmental compliance culture in the local workforce, and investing capital to replace and renew assets. PAWC has successfully addressed PADEP and USEPA compliance orders requiring operational improvements and substantial capital investments in several recent wastewater acquisitions, including Clarion, Claysville, Dravosburg, Duquesne, Exeter, Kane, McKeesport, Port Vue, Scranton, and York. Prudent renewal and

replacement of infrastructure through capital investment is the key to achieving and maintaining long-term environmental compliance, and PAWC is better equipped to make those ongoing capital commitments.

Additional service improvements will result from capital improvements that PAWC will make in the Systems. For example, once the Systems are included in a Long Term Infrastructure Improvement Plan ("LTIIP"), PAWC will include the CUPA systems in its Distribution System Improvement Charge ("DSIC"). PAWC will replace mains at a faster rate than CUPA currently replaces mains. Replacing mains more quickly will enhance the reliability of service, reduce interruptions in service, and reduce the amount of non-revenue water. Where PAWC owns the water and wastewater systems, the replacement programs will be coordinated to gain efficiencies and minimize the impacts and cost of road openings and restoration work.

In my opinion, PAWC is better able to ensure compliance with the recent revision of the Lead and Copper Rule, including the required lead service line inventory. PAWC has dedicated staff and extensive geographic information system ("GIS") resources that will further advance existing data that CUPA has compiled for the required lead service line inventory of the System. PAWC has unique expertise, particularly GIS expertise, in-house to complete the required lead service line inventory and public-facing map of service line materials and then to replace lead service lines under PAWC's lead service line replacement program.

Q. PLEASE DESCRIBE PAWC'S TECHNICAL FITNESS TO PROVIDE WATER AND WASTEWATER SERVICE TO CUPA'S CUSTOMERS.

A. In addition to the points that I just mentioned, as of June 30, 2025, PAWC has approximately 694,617 water and 116,272 wastewater customers across the Commonwealth. PAWC has had no material issues in complying with the Code, the Clean Streams Law, or other regulatory requirements. Moreover, PAWC has the resources, skills, and expertise to respond to ever-increasing environmental standards for the treatment of water and wastewater and to manage the long-term infrastructure renewal and replacement needs inherent in water and wastewater systems.

Q. PLEASE DISCUSS PAWC'S SERVICE INTERRUPTION HISTORY.

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

Q. DOES PAWC MAINTAIN CYBER SECURITY, PHYSICAL SECURITY, BUSINESS CONTINUITY AND EMERGENCY RESPONSE PLANS ("ERP")?

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

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

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

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

Q. PLEASE DESCRIBE PAWC'S CYBERSECURITY CONTROLS.

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

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

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

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

A. PAWC has a strong working relationship with the Commission's Emergency Response Staff. PAWC provides the Commission with emergency response numbers for all PAWC operating areas each year. The Commission provides emergency numbers for its staff, which PAWC distributes to all of PAWC's operating areas for inclusion in the PAWC Emergency Response Plans. For those emergencies that warrant communication to the

Commission's Emergency Preparedness Liaison Officer ("EPLO"), PAWC has contacted Commission staff in the past to advise them of situations and actions taken by PAWC. Each year, PAWC conducts emergency response tabletop exercises to test responses to emergency situations, including weather emergencies, contamination of supply, damage to facilities, cyber-attack, and other perils. The Commission's emergency response staff has participated in those exercises each year since 2006. We also invite local first responders to participate, such as fire departments, police departments, hazmat responders, local prison personnel, as well as PADEP and the Governor's Office of Homeland Security personnel.

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

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

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

PAWC has an excellent track record of compliance with the requirements of the "One Call" system. PAWC achieved a 100 percent ticket completion rate in 2024.

Q. DOES PAWC HAVE AN EMPLOYEE SAFETY PROGRAM?

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

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

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

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

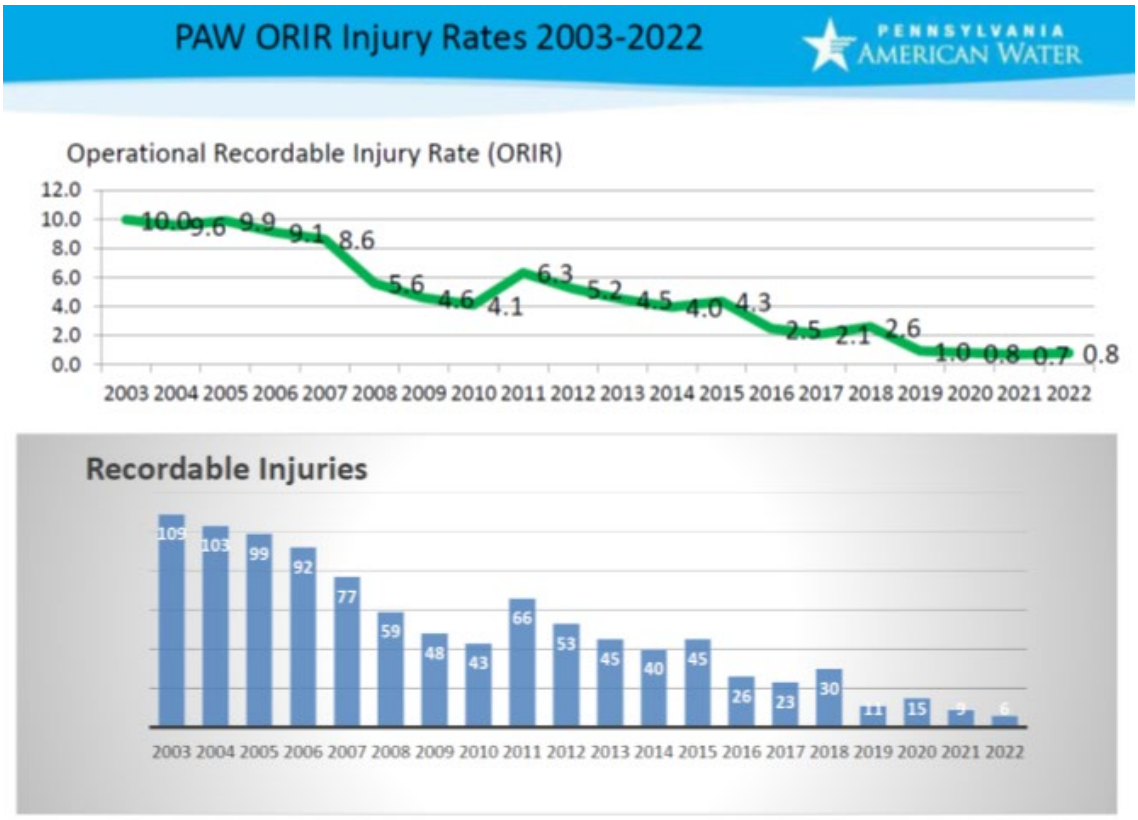
- Near-miss reporting and corrective action program to identify and remove safety hazards from the workplace;
- Development of, and measurement against, specific Company and external safety performance targets and safety accountabilities for all employees;

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

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

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

PAWC has an excellent safety record. Moreover, PAWC has committed to working to achieve zero injuries and has made great strides in changing the Company culture to believe that such a target is achievable. Over the last 20 years, PAWC has consistently reduced its number of recordable injuries and corresponding OSHA Recordable Incident Rate, as shown in the figure below:



Q. WHAT EFFORTS, IF ANY, WILL PAWC UNDERTAKE TO EDUCATE CUPA's CUSTOMERS REGARDING PAWC ACQUISITION OF THE SYSTEMS?

A. As the Transaction is nearing Closing, PAWC plans to send bill inserts or onserts and/or letters to customers to explain the transition, billing, payment options and other items

associated with the change in ownership. PAWC's website will also add content to help educate customers and to address frequently asked questions.

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

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

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

A. ***Customer Service***. As discussed above, PAWC's call center is available from 7:00 a.m. to 7:00 p.m., Monday through Friday for routine business and 24/7/365 for emergency situations such as sewer back-ups or overflows. At all times, customers dealing with emergency situations can make direct contact with a live customer service representative. Customers can also reach a customer service representative via email at infopa@amwater.com. In addition, PAWC's customers have the ability to manage their account via PAWC's "My H2O" online portal. Finally, PAWC offers local field service support 24 hours a day, seven days a week for customer emergencies. All of this means that PAWC is very responsive to its customers and any issues they may have. PAWC will provide the same responsive approach to CUPA's customers once PAWC acquires the Systems.

Bill Payment Options. PAWC offers a number of bill payment options. Customers have the option to receive paper bills through the mail or go paperless and receive their bills electronically via the "My H2O" on-line portal. Either way, customers can pay their bill by mail, online, or over the phone with a debit or credit card. They can also pay by e-check or an electronic funds transfer (which can be set up at the "My H2O" online portal) or pay in-person at multiple authorized payment locations across the state.

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

Customer Assistance Programs. Finally, as new PAWC customers, CUPA's customers will have access to PAWC's customer assistance program called the "H2Oa Help to Others Program." For wastewater customers, this program offers two main services: (1) grants of up to $500 per year and (2) a tiered discount on total wastewater charges based on percentage of Federal Poverty Level ("FPL"). Tier 1 (0%-50% of FPL) receives an 85% discount; Tier 2 (51%-100% of FPL) receives a 73% discount; Tier 3 (101%-150% of FPL)

receives a 55% discount; and Tier 4 (151-200% of FPL) receives a 37% discount. Additionally, PAWC offers payment arrangements and budget billing to residential customers who qualify for the programs. Please see my colleague Ashley E. Everette's testimony regarding a detailed comparison of PAWC's customer assistance program to CUPA's customer assistance program.

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

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

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

CONCLUSION

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

A. Yes.

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

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

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

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

Joint Application of American Water Works Company Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities LLC and Community Utilities of Pennsylvania, Inc

Docket No. A-2025-3055551, *et al.*

PAWC Exhibit MJG-1

Curriculum Vitae of Michael J. Guntrum

PAWC Exhibit MJG-1

Michael J. Guntrum, P.E., MBA
Michael.guntrum@amwater.com

Management Professional/Project Manager/Environmental Engineer/Veteran

SUMMARY

Management professional offering 25 years of experience in Business Development, Project Management and Engineering and 32 years of experience in leadership roles. Involved in all aspects of Business Development at Pennsylvania American Water with solid knowledge of the Business Development process to include client contact and management, management of the bid process, formulation of a Bid-to-Win strategy, and development of the financial model and Risk Register. Has worked successfully with all functional groups within Pennsylvania American Water. Background includes capital planning and budgeting for water and wastewater projects, conducting presentations, ensuring projects remain within budget, and the construction and operations of high-quality water and wastewater systems. Earned an undergraduate and graduate degree in Civil/Environmental Engineering and a Masters of Business Administration. Supervised engineers and designers, guided engineering decisions, provided design support, and approved final design work.

COMPETANCY

- Professional – Masters degree in Engineering and Masters of Business Administration. Professional Engineering license in Environmental Engineering. Proficient in MS Word, Excel, Power Point, Project, and Visio. Excellent problem-solving skills. Continuously seeking to improve skills in management, project management, and engineering.
- Social – Leadership and team developmental skills attained through military training and wide-ranging professional experience. Ability to work with key stakeholders within and outside of the organization to accomplish objectives.
- Managerial – Creates opportunities for individual and team development. Communicates a plan for long term professional development. Ability to relate team goals to organization goals and values.
- Entrepreneurial – Continuously looking for ways to leverage diverse skills and experience to take advantage of strategic opportunities in the marketplace. Ability to quickly synthesize information to take decisive action while recognizing risk.
- Transforming – Understands diverse cultures through living and working in Germany for four years and the study of Russian language and culture. Focused on meeting and exceeding customer expectations. Ability to leverage diverse personal and professional experience to recognize opportunities for change.

EXPERIENCE

PENNSYLVANIA AMERICAN WATER, Hershey, PA 2003 - Present
Senior Engineering Manager in Business Development

Responsible for the review, study, and design of municipal water and wastewater treatment systems for the purpose of contract operations, acquisition, and post-acquisition integration. Professional experience includes reviewing operational information of the facility, developing operation and maintenance budgets, analyzing required capital expenditures, and writing engineering evaluations that are read and reviewed by functional groups and management. Works closely with every department within Pennsylvania American to include Management, Finance, Rates, Legal, Engineering, Water Quality, Production, and Loss Control. Attended NARUC Utility Rate School in 2007.

Was involved in the due diligence, acquisition, preparing testimony, regulatory filing, and integration of the following systems:

(* Denotes Provided Testimony in Proceeding)

- York Wastewater*
- Royersford Wastewater*
- Valley Water and Wastewater*
- Upper Pottsgrove Wastewater*
- Kane Wastewater*
- Steelton Water
- Exeter Wastewater
- McKeesport Wastewater
- Scranton Wastewater
- Fairview Wastewater
- New Cumberland wastewater
- McEwensville water
- McEwensville wastewater
- Shippenville wastewater
- Paint-Elk Wastewater
- Paint Township water
- Scott Township water
- Berry Hollow Water
- Franklin Township wastewater
- Hamiltonban wastewater
- Marcel Lakes wastewater
- Pocono Mountain Lake Forest water
- Koppel wastewater
- Indian Rocks water
- Olwen Heights water
- Fernwood water
- All Seasons water
- Lake Spangenberg water
- Wildcat water
- Applewood water
- Birch Acres water
- Sutton Hills water
- Nittany water
- Saxonburg water
- Boggs Water
- Clarion Area Authority wastewater
- Three Lane Utilities water
- Claysville-Donegal water
- Claysville-Donegal wastewater
- Mountain Top HOA water
- Lexington Woods water
- Pine Ridge HOA water

- Blue Mountain Lake water
- Blue Mountain Lake wastewater

Brinjac Engineering, Inc., Harrisburg, PA 1999 - 2003
Project Manager

Responsible for the study, design, and review of municipal wastewater treatment systems and potable water treatment and storage facilities. Professional experience includes the selection, evaluation, design engineering, and procurement of process equipment, pumping systems, piping, blowers, compressors, dry and liquid feed systems, solids conveying systems, flow and level measurement, and other process instrumentation. Also responsible for integration of process equipment into existing systems to include coordination with electrical, instrumentation, and control systems. Significant assignments have included:

- Design Engineer and Project Manager responsible for permitting and design of a new 1.5 million gallon per day wastewater treatment plant in Pine Grove Township. Total estimated project cost $5,000,000.
- Project manager responsible for the feasibility study, preliminary design, final design, permitting, and construction administration for the construction of two 6-million gallon water storage tanks for the City of Harrisburg. The Project was awarded a Diamond Award in 2003 by the American Council of Engineering Companies for excellence in Water Resources Engineering. Total project cost $4,500,000.
- Responsible for design of a new large plate and frame filter press and chemical feed systems at the Antrim Wastewater Treatment Plant. Total project cost $850,000.
- Responsible for the engineering and project management services for the installation of a new belt filter press and chemical feed systems at the Stroudsburg wastewater treatment plant. Total project cost $550,000.
- Design Engineer and Project Manager responsible for the design and construction services related to the installation of improvements to the existing aerobic digesters and chemical feed systems at the Stroudsburg wastewater treatment plant. Total project cost $250,000.
- Project manager and design engineer responsible for the feasibility study, preliminary design, final design, permitting, and construction administration for the construction of improvements to the spillway at DeHart Dam. Total project cost $250,000.
- Design Engineer and Project Manager responsible for design and installation of various improvements to the Lycoming County Wastewater Treatment Plant. Total project cost $150,000.
- Lead the effort for the design and construction services related to the replacement of the Kautz Street Pump Station in the Borough of Stroudsburg. Total project cost $100,000.
- Assisted the City of Harrisburg in modifying the corrosion control program for the potable water distribution system to respond to changes in the raw water supply. As a result of the new corrosion control program, customer water quality complaints have dropped significantly. Analyzed the potable water distribution system with a computerized hydraulic model to determine if water age in older parts of the distribution system could be improved by changing distribution system operations.

BLACK & VEATCH INC., Portland, Oregon 1997 - 1999
Environmental Engineer
Served as an Environmental Engineer for the study, design, and review of municipal wastewater treatment systems, water treatment and storage facilities, sewage and storm water collection and conveyance systems. Significant assignments included:

- Conducted Phase 1 of the Pipe Design and Life Study for the Portland Bureau of Water Works.

- Developed a program with the Portland Bureau of Water Works and their industrial customers to evaluate potential water conservation and provide mechanisms to encourage water conservation.
- Design of 2 new 42 million gallons per day slow sand filters and modifications to existing slow sand filter facility for the City of Salem. Total project cost $4,500,000.
- Design of a new copper sulfate feed system for the City of Salem.
- Preparation of a detailed operations and maintenance manual for a chlorination/dechlorination facility at the Clackamas Filtration Plant.
- Preparation of a Risk Management Plan for the Clackamas Filtration Plant.
- Preparation of Risk Management Plans for the City of Salem.

US ARMY CORPS OF ENGINEERS, Portland, Oregon 1995 - 1997
Engineer,(2 year term position)
Design and analysis of hydraulic structures related to fish passage on the lower Columbia River dams. Assisted in the management and review of products from outside engineering firms. Significant assignments included:

- Participated in the evaluation of physical hydraulic model data and the design of modifications to the John Day Dam adult fish bypass system.
- Participated in the design of the Bonneville Dam First Powerhouse Juvenile Fish Bypass System.
- Provided technical support for the Dissolved Gas Abatement program.
- Design and analysis of hydraulic systems related to the juvenile bypass system at the John Day Dam.

US ARMY 1983 - 1990
Electronic Warfare Signals Intelligence Analyst
US Army, Field Station Augsburg, Germany, US Army detachment to the National Security Agency, Fort Meade, MD. Gathered, sorted, and scanned foreign intercept messages and signals, to include encrypted communications. Graduate of the Defense Language Institute specializing as a Russian Linguist. Awarded Top Secret Special Intelligence Security Clearance after a thorough background investigation.

EDUCATION

Lebanon Valley College, Annville, Pennsylvania 2008 - 2010
Masters Business Administration

NARUC Utility Rate School 2007

University of Idaho, Moscow, Idaho 1994 - 1995
Masters, Environmental Engineering

University of Idaho, Moscow, Idaho 1990 - 1994
B.S., Environmental Engineering

Noncommissioned Officer Leadership Development Program, Augsburg Germany 1989

Defense Language Institute, Monterey California 1985 - 1986
Russian Linguist

LICENSES

- Professional Engineer – Pennsylvania, Oregon, Professional Engineer with a license in Environmental Engineering

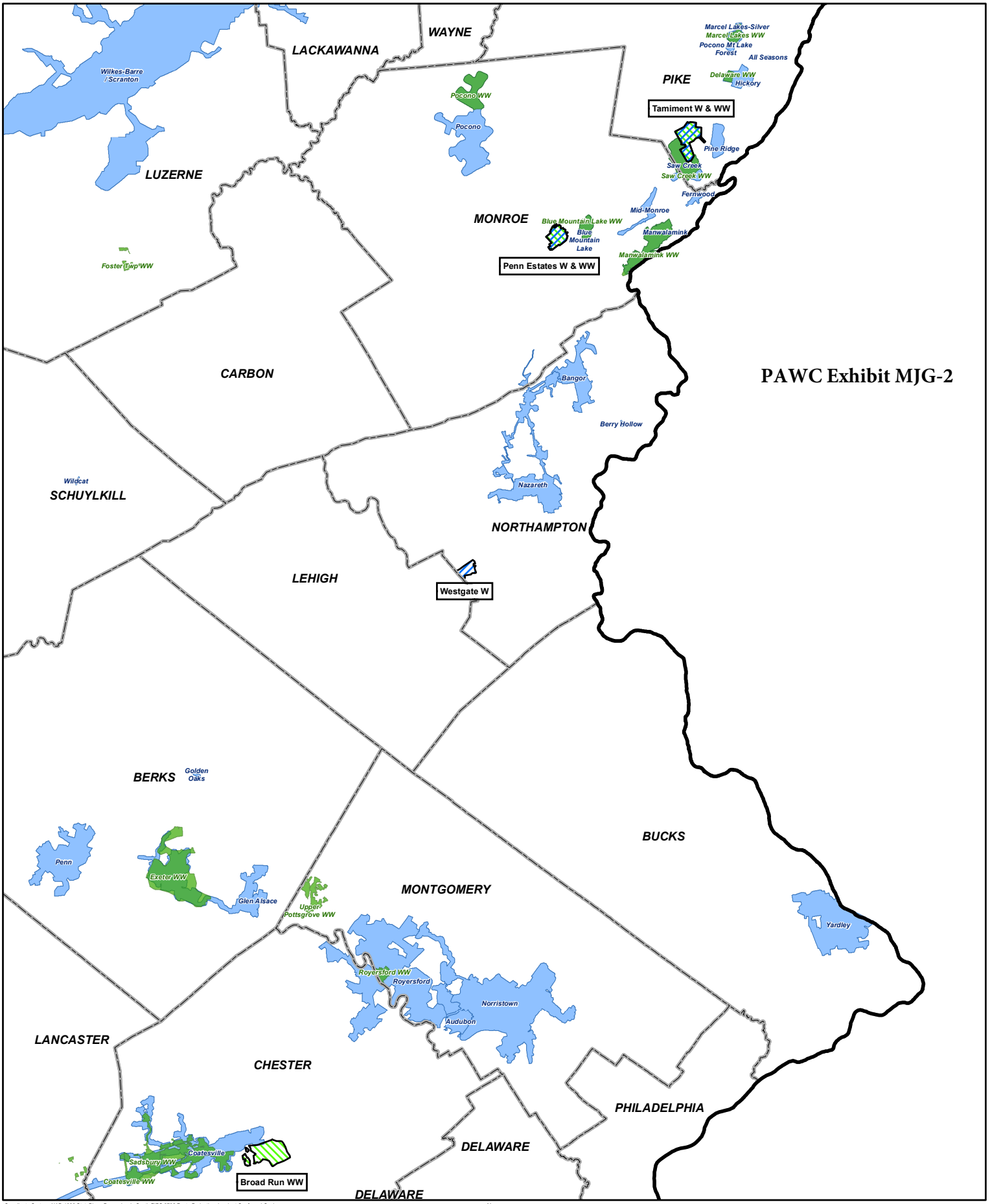
Joint Application of American Water Works Company Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities LLC and Community Utilities of Pennsylvania, Inc

Docket No. A-2025-3055551, *et al.*

PAWC Exhibit MJG-2

Map Showing CUPA Systems Proximity to Pennsylvania-American Water Company's

Water and Wastewater Systems



Coordinate System: NAD 1983 StatePlane Pennsylvania South FIPS 3702 Feet Projection: Lambert Conformal Conic

- CUPA Water Service Area
- CUPA Wastewater Service Area
- PAWC Water Service Area
- PAWC Wastewater Service Area
- County

PENNSYLVANIA AMERICAN WATER

Date: 8/20/2025

1 inch = 10 miles

0 5 10 20 Miles

TO BE USED FOR REFERENCE ONLY
Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the information may be reflected in the data supplied.

Document Path: \\onegis.amwater.net\share\Pennsylvania\Acquisitions\Nexus\Nexus_PAWC_Overview_8-20-25.mxd

CUPA Systems in Relationship to PAWC's Existing Operations

Drawn By: MW

Joint Application of American Water Works Company Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities LLC and Community Utilities of Pennsylvania, Inc

Docket No. A-2025-3055551, *et al.*

PAWC Exhibit MJG-3

5 Year CAPEX Plan for Acquired Systems

Tamiment Water

GIS Survey		$50,000					$50,000
Safety		$30,000					$30,000
Security		$25,000	$10,000				$35,000
SCADA		$150,000	$50,000				$200,000
Electrical improvements		$50,000					$50,000
Treatment chemical feed improvements		$50,000					$50,000
Treatment instrumentation improvements		$50,000					$50,000
Data Loggers		$100,000					$100,000
Tank 3 Rehab		$100,000	$400,000				$500,000
Water Main Upgrades		$100,000	$900,000				$1,000,000
Well 1 PFOS and Treatment Building		$995,000	$500,000	$500,000			$1,995,000
Well 1 Rehab		$40,000					$40,000
Distribution System Replacement			$200,000	$200,000	$200,000	$200,000	$800,000
Replace Meters		$144,500	$69,300	$69,300	$69,300	$69,300	$421,700
Reoccurring Projects		$704,400	$459,400	$459,400	$459,400	$459,400	$2,542,000
TOTAL							**$7,863,700**

Penn Estates Water

GIS Survey		$50,000					$50,000
Safety		$25,000					$25,000
Security		$25,000	$10,000				$35,000
SCADA		$150,000	$50,000				$200,000
Electrical improvements		$50,000					$50,000
Treatment chemical feed improvements		$50,000					$50,000
Treatment instrumentation improvements		$50,000					$50,000
Data Loggers		$100,000					$100,000
Hizone Booster Station		$50,000	$1,200,000				$1,250,000
Well 6 Rehab and Filtration		$50,000	$250,000				$300,000
Well 8 Replacement		$1,100,000					$1,100,000
Tank 5 and 6 Rehab			$300,000				$300,000
Distribution System Replacement			$250,000	$250,000	$250,000	$250,000	$1,000,000
Replace Meters		$144,500	$69,300	$69,300	$69,300	$69,300	$421,700
Reoccurring Projects		$699,400	$459,400	$459,400	$459,400	$459,400	$2,537,000
TOTAL							**$7,468,700**

Westgate Water

GIS Survey		$50,000					$50,000
Safety		$25,000					$25,000
Security		$25,000	$10,000				$35,000
SCADA		$150,000	$50,000				$200,000
Electrical improvements		$50,000					$50,000
Treatment chemical feed improvements		$50,000					$50,000
Treatment instrumentation improvements		$50,000					$50,000
Distribution System Replacement			$500,000	$500,000	$500,000	$500,000	$2,000,000
Replace Meters		$144,500	$69,300	$69,300	$69,300	$69,300	$421,700
Reoccurring Projects		$699,400	$459,400	$459,400	$459,400	$459,400	$2,537,000
TOTAL							**$5,418,700**

Tamiment Sewer

GIS Survey		$50,000					$50,000
Safety		$30,000					$30,000
Security		$25,000	$10,000				$35,000
SCADA		$150,000	$50,000				$200,000
Electrical improvements		$50,000					$50,000
Treatment chemical feed improvements		$50,000					$50,000
Treatment instrumentation improvements		$50,000					$50,000
WW Treatment Rehab		$300,000	$300,000	$300,000			$900,000
Spray Irrigation Rehab/Evaluation		$250,000					$250,000
Lakeside Pump Station Rehab		$90,000					$90,000
Spray Irrigation Improvements			$300,000	$300,000	$300,000	$300,000	$1,200,000
Collection System Replacement			$250,000	$250,000	$250,000	$250,000	$1,000,000
Reoccurring Projects		$588,400	$408,400	$408,400	$408,400	$408,400	$2,222,000
TOTAL							**$6,127,000**

Penn Estates Sewer

GIS Survey		$50,000					$50,000
Safety		$25,000					$25,000
Security		$25,000	$10,000				$35,000
SCADA		$150,000	$50,000				$200,000
Electrical improvements		$50,000					$50,000
Treatment chemical feed improvements		$50,000					$50,000
Treatment instrumentation improvements		$50,000					$50,000
Lift Station 2 Rehab		$300,000					$300,000
Pilot Study		$450,000	$450,000				$900,000
Sewer Main Project			$1,000,000	$1,300,000			$2,300,000
Filter 1-3 Replacement			$700,000	$500,000			$1,200,000
Secondary Treatment Rehab				$1,500,000	$1,000,000		$2,500,000
Collection System Replacement			$250,000	$250,000	$250,000	$250,000	$1,000,000
Reoccurring Projects		$618,400	$438,400	$438,400	$438,400	$438,400	$2,372,000
TOTAL							**$11,032,000**

Broad Run Sewer

GIS Survey		$50,000					$50,000
Safety		$25,000					$25,000
Security		$25,000	$10,000				$35,000
SCADA		$150,000	$50,000				$200,000
Electrical improvements		$50,000					$50,000
Treatment chemical feed improvements		$50,000					$50,000
Treatment instrumentation improvements		$50,000					$50,000
WW Treatment Rehab		$1,000,000	$250,000	$250,000			$1,500,000
Collection System Replacement			$300,000	$300,000	$300,000	$300,000	$1,200,000
RP's		$468,400	$388,400	$408,400	$408,400	$408,400	$2,082,000
TOTAL							**$5,242,000**

GRAND TOTAL	**$43,152,100**

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: 9/2/2025

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary authority, approvals and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	Docket Nos. A-2025-3055551 *et al*.

REBUTTAL TESTIMONY OF
MICHAEL J. GUNTRUM, P.E. ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY

Date: October 30, 2025 PAWC Statement No. 2-R

REBUTTAL TESTIMONY OF
MICHAEL J. GUNTRUM

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

A. My name is Michael J. Guntrum, P.E., and my business address is 852 Wesley Drive, Mechanicsburg, PA 17055.

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

A. I am employed by PAWC[1] as a Senior Project Engineer for the Business Development Department.

Q. HAVE YOU SUBMITTED ANY OTHER TESTIMONY IN THIS PROCEEDING?

A. Yes, I submitted PAWC Statement No. 2, which includes a statement of my professional experience and education

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

A. The purpose of my rebuttal testimony is to respond to the testimony provided during the public input hearings, which included CUPA's customers' concerns regarding low or inconsistent water pressure, water quality in the Tamiment system, hard water, and fire hydrants in the Westgate, Penn Estates, and Tamiment systems.

[1] Unless otherwise indicated, all acronyms and capitalized terms used in my Rebuttal Testimony have the same meanings as set forth in my Direct Testimony.

RESPONSE TO PUBLIC INPUT HEARING TESTIMONY

Q. WHAT IS PAWC'S PLAN TO ADDRESS ISSUES REGARDING LOW OR INCONSISTENT WATER PRESSURE IN THE CUPA SYSTEMS?

A. PAWC will address inconsistent water pressure issues immediately upon closing on the acquisition ("Closing"). PAWC, in addition to the work to improve fire flow (discussed below), will institute operational and equipment changes to the Systems. PAWC will install supervisory control and data acquisition ("SCADA") equipment and remote monitoring instrumentation. This will allow pressure, flow, and water quality in the Systems to be remotely monitored constantly and consistently. The Penn Estates and Tamiment water systems exceed the standards set by the Commission for unaccounted for water. PAWC will conduct a leak detection survey and repair any leaks found shortly after Closing. PAWC will use information gained by operations as well as PAWC's initial hydraulic model to optimize operation of the Systems to maintain consistent system pressure. PAWC has included costs for these activities in the SCADA, data loggers, treatment instrumentation improvements, distribution system replacement, and reoccurring projects lines in its proposed 5-year capital plan for the Systems, that was included in my Direct Testimony as PAWC Exhibit MJG-3.

Q. WHAT IS PAWC'S PLAN TO ADDRESS ISSUES REGARDING WATER QUALITY IN THE TAMIMENT SYSTEMS, SPECIFICALLY BLACK PARTICULATE MATTER?

A. Black particulate matter collecting in still water for multiple end-use customers on the same distribution system is often caused by disintegrating rubber seals and gaskets, corrosion in

old iron or galvanized pipes, or naturally occurring mineral deposits like iron and manganese. Other sources can include particles from water filters, silt or sand from a well, or a corroding water heater. The specific cause can be identified by the particle's appearance or if the problem only occurs with hot or cold water.

To begin to address these concerns, PAWC would first need to investigate the system to determine the cause of the particulate matter. The results of the investigation would help determine if the issue would be resolved by additional treatment or filtration to the raw water, or if the issue can be resolved by increased system maintenance (such as flushing or pipe replacement). Mineral deposits like iron and manganese could potentially require additional treatment or filtration if elevated in the raw water source. If the investigation into the black particulate matter determined that additional raw water treatment or filtration was necessary to meet regulatory compliance, PAWC would invest in the required technology.

If PAWC determines that the iron and manganese in the raw water is the cause of the particulate matter and requires additional treatment or filtration, the treatment process would be selected depending on the source water chemistry. PAWC operates treatment plants and well stations that use sequestration and/or green sand filtration to treat for elevated levels of naturally occurring iron and manganese in the source water.

At this time, PAWC does not contemplate a treatment improvement project that would directly address black particulate matter. Upon Closing, PAWC will assess the treatment

needs in the Tamiment system and determine if additional treatment or filtration is required to address particulate matter in the water.

Q. HOW DOES PAWC GENERALLY ADDRESS HARDNESS IN CUSTOMER WATER?

A. PAWC does not treat for or soften hard water, because calcium and magnesium do not pose a health risk. Hardness does not have a maximum contaminant level ("MCL") or secondary maximum contaminant level ("SMCL") set by the United States Environmental Protection Agency ("EPA").

Q. WHAT IS PAWC'S PLAN TO ADDRESS THE ISSUES RAISED BY CUPA CUSTOMERS DURING THE PUBLIC INPUT HEARINGS CONCERNING FIRE HYDRANTS IN THE WESTGATE, PENN ESTATES, AND TAMIMENT WATER SYSTEMS?

A. Upon Closing, PAWC will promptly test fire hydrants in the Westgate and Penn Estates areas, as well as in the Tamiment community, to identify those with inadequate fire flow or pressure. PAWC will use all data provided by CUPA to include GIS data, flow data hydrant testing data, and data from any existing hydraulic modeling, along with data gathered by PAWC such as the GIS survey along with flow and pressure measurements to develop an initial hydraulic model that will pinpoint distribution system restrictions. Based on these findings, targeted projects will be launched to address and alleviate those limitations. The full process—including identifying restrictions, developing solutions,

designing, permitting, and constructing improvements—is expected to take approximately 24 months.

Q. DO THE HYDRAULIC MODELS NEED TO BE COMPLETED BEFORE ADDRESSING THE ISSUES WITH FIRE HYDRANTS IN THE WESTGATE, PENN ESTATES, AND TAMIMENT WATER SYSTEMS?

A. No, completing the hydraulic model is an ongoing process of updating the data, running the model, gathering flow and pressure data, and checking the model against the test data. PAWC will, shortly after Closing, test all of the fire hydrants in the Westgate and Penn Estates areas and the Tamiment community. An initial hydraulic model will be built using the existing data, to include all existing data provided by CUPA. From this model, flow restrictions in the systems will be identified and projects will be initiated to increase the flow and pressure at the hydrants that do not meet fire flow standards. The development of a complete hydraulic model for Westgate, Penn Estates and the Tamiment communities is expected to take 24 months, which allows sufficient time for iterative data collection, flow testing, and model refinement. The model development will incorporate the Tamiment model data provided by CUPA. However, system restrictions are identified throughout this ongoing process, and corrective projects will be identified and initiated well before the 24-month mark. It's important to note that the 24-month timeline reflects the duration required to develop a fully accurate and mature hydraulic model—not the time needed to begin identifying and addressing flow or pressure deficiencies at fire hydrants.

Q. BASED ON THE INFORMATION PROVIDED ABOVE, WHAT IS AN APPROXIMATE SCOPE OF WORK AND TIMELINE FOR THE PREPARATION OF A HYDRAULIC MODEL?

A. Below I outline the multi-phase scope of work and timeline for the preparation of a hydraulic model. I first identify the phase and provide an overview of what the phase entails, I then lay out timeframes within each phase and include bullet points under the timeframe to indicate the activities that will occur within the specified timeframe of the phase.

Phase 1: Data Collection & Initial Model Setup (Months 0–6):

Weeks 1–4

- Gather existing mapping data (hard copies & digital files)
- Collect pipe data (size, material, installation date
- Compile elevation data for pipes, tanks, treatment facilities
- Retrieve customer usage data
- Collect any existing flow and pressure data from hydrant testing

Weeks 5–12

- Input distribution system data into PAWC GIS
- Import GIS data into hydraulic modeling software
- Import customer usage data into the model

Weeks 13–24

- Run the initial hydraulic model
- Compare model results to hydrant flow and pressure data
- Identify data gaps and inconsistencies

Phase 2: Model Refinement & Field Validation (Months 6–18):

Months 6–9

- Receive and incorporate GIS survey data
- Select strategic locations for data loggers
- Install data loggers in the system

Months 9–12

- Collect pressure data over time
- Conduct additional hydrant testing
- Refine the model using new pressure and flow data

Months 12–18

- Iterate model calibration based on data quality and accuracy
- Continue validation and adjustments until model performance is satisfactory

Total Estimated Duration: 12 to 24 Months

- Initial model setup: 3–6 months
- Refinement and calibration: 6–18 months

CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

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

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: 10/30/2025

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary authority, approvals and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	Docket Nos. A-2025-3055551 *et al*.

DIRECT TESTIMONY OF
ASHLEY E. EVERETTE ON BEHALF OF
PENNSYLVANIA-AMERICAN WATER COMPANY

Date: September 2, 2025 PAWC Statement No. 3

DIRECT TESTIMONY OF
ASHLEY E. EVERETTE

Introduction

Q. WHAT IS YOUR NAME AND ADDRESS?

A. My name is Ashley E. Everette, and my business address is 852 Wesley Drive, Mechanicsburg, Pennsylvania 17055.

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

A. I am employed by American Water Works Service Company, Inc. (the "Service Company") as the Vice President of Rates and Regulatory. I work in the Mechanicsburg office of Pennsylvania-American Water Company ("PAWC" or "the Company").

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I hold a Bachelor's degree in Economics and a Master's degree in Business Administration, both from the University of Illinois. I was employed by the Pennsylvania Office of Consumer Advocate ("OCA") as a Regulatory Analyst from September 2012 to September 2019. I joined the Service Company in September 2019 as the Director of Rates and Regulatory for Pennsylvania, and was later promoted to the role of Senior Director of Rates and Regulatory. In these positions, I was responsible for preparing and presenting rate applications as well as certain aspects of the financial, budgeting and regulatory functions of PAWC. Since October 2024, I have been employed by the Service Company as Vice President of Rates and Regulatory. In this role, I oversee the rates and regulatory functions for each of American Water's regulated subsidiaries.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION (THE "COMMISSION" OR "PUC")?

A. Yes. I testified on behalf of PAWC in the Company's 2020, 2022 and 2023 rate cases, as well as in acquisitions and other filings before the Commission. Prior to my employment by the Service Company, I testified on behalf of the OCA in approximately 35 proceedings.

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

A. My testimony first addresses the financial fitness of PAWC to acquire and operate the water and wastewater systems ("Systems") currently owned by Community Utilities of Pennsylvania ("CUPA"), a subsidiary of Nexus Regulated Utilities, LLC ("Nexus"). The Systems will be transferred to PAWC (the "Transaction") by merger, immediately following the transfer of control of CUPA from Nexus to American Water Works Company, Inc. ("American Water"), which owns 100% of the stock of PAWC. Second, my testimony addresses: (a) the rates that will be charged to CUPA customers, including the applicability of certain surcharges; (b) a description of PAWC's low-income programs that will be available to CUPA customers; and (c) the authentication of certain appendices.

PAWC'S Financial Fitness

Q. PLEASE DISCUSS PAWC'S FINANCIAL FITNESS.

A. PAWC is the Commonwealth's largest water and wastewater provider, with total assets of $7.9 billion and annual revenues of $1.04 billion for 2024. For 2024, PAWC had operating income of approximately $498 million and net income of approximately $314 million. These operating results produced cash flows from operations of approximately $615 million. Given its size, access to capital and its recognized strengths in system planning,

capital budgeting and construction management, PAWC is well-positioned from a financial, managerial and technical perspective to ensure that high quality water and wastewater service meeting all federal and state requirements is provided to the Systems' customers and maintained for PAWC's existing customers.

Q. PLEASE DISCUSS PAWC'S OVERALL FINANCIAL FITNESS AND ACCESS TO CAPITAL TO ACQUIRE THE SYSTEMS.

A. PAWC has strong operating cash flows and net income and, therefore, a strong balance sheet. PAWC's strong operating and financial performance allows it to obtain competitive interest rates for long-term debt financing and access to equity investments from its parent company. PAWC is a financially-sound business that can financially support the acquisition of the Systems as well as the ongoing operating and investment commitments that will be required to operate, maintain and improve those assets in serving the public.

Line of Credit

PAWC presently has liquidity through a $495 million line of credit through American Water Capital Corp. ("AWCC"), a wholly owned subsidiary of American Water. PAWC's strong credit ratings allow PAWC to obtain additional capacity on this line of credit.

Long Term Debt Financing

PAWC carries a corporate credit rating of "A3" from Moody's Investors Services and an "A" rating from Standard and Poor's Rating Services. PAWC obtains long-term debt financing through AWCC at favorable interest rates and payment terms. When applicable, PAWC also uses low-cost financing through the Pennsylvania Infrastructure Investment

Authority ("PENNVEST") and the Pennsylvania Economic Development Financing Authority ("PEDFA").

Equity Investments

PAWC may obtain additional equity investments through American Water based on its strong operating performance.

Q. PLEASE EXPLAIN HOW PAWC INTENDS TO FUND THE TRANSACTION.

A. PAWC will initially fund the Transaction with short-term debt and will later replace it with a combination of long-term debt and equity capital.

Q. WHAT IMPACT, IF ANY, DO YOU ANTICIPATE THAT THE ACQUISITION OF THE SYSTEMS WILL HAVE ON PAWC'S CORPORATE CREDIT RATINGS?

A. As stated above, PAWC does not anticipate that the acquisition of the Systems will have a significant impact on its credit ratings.

Q. DO YOU ANTICIPATE THE TRANSACTION HARMING PAWC'S FINANCIAL STATUS IN ANY MANNER?

A. No. PAWC does not anticipate that the acquisition of the Systems will have a negative impact on PAWC's cash flows, credit ratings or access to capital and, therefore, will not deteriorate in any manner PAWC's ability to continue to provide safe, adequate, and reasonable service to its existing customers at just and reasonable rates.

PURCHASE PRICE

Q. WHAT PORTION OF THE PURCHASE PRICE OF THE NEXUS SYSTEMS IS ALLOCATED TO CUPA'S WATER AND WASTEWATER SYSTEMS?

A. As stated in the testimony of my colleague Michael Salvo, the portion of the preliminary purchase price allocated to CUPA is $59,512,629. This amount represents the portion of

the $315 million purchase price for the Nexus systems that is allocated to the CUPA water and wastewater systems. The $59.5 million purchase price, which represents approximately 18.89% of the total system purchase price, is based on the ratio of CUPA's capital structure balance to that of total capital structure balance of the entities to be acquired through the Stock Purchase Agreement (as that term is defined in the Joint Application). American Water intends to allocate PAWC the portion of the Adjusted Purchase Price in this manner.

Q. PLEASE EXPLAIN THE ADJUSTED PURCHASE PRICE YOU REFERENCED ABOVE.

A. As defined on page 7 of the Stock Purchase Agreement, the "Adjusted Purchase Price" means (a) the Base Purchase Price, plus (b) the Net Working Capital Excess (if any), minus (c) the Net Working Capital Shortfall (if any), plus (d) the 2025 Capital Expenditure Excess (if any), minus (e) the 2025 Capital Expenditure Shortfall (if any), plus (f) the Closing Capital Expenditure Amount, minus (g) the Closing Net Indebtedness

Q. HOW WILL THE PURCHASE PRICE BE ALLOCATED BETWEEN THE WATER AND WASTEWATER SYSTEMS?

A. The Stock Purchase Agreement does not split the purchase price between the water and wastewater systems. PAWC plans to split the purchase price between the water and wastewater systems on the basis of the depreciated original cost of each system.

RATES

Q. WHAT RATES WILL PAWC APPLY UPON CLOSING OF THE TRANSACTION ("CLOSING")?

A. The *pro forma* tariff supplements attached as **Appendices R and S** to the Application reflect CUPA's current water and wastewater rates. PAWC will take on CUPA's existing rates for CUPA customers at the time of Closing.

Q. PLEASE DESCRIBE CUPA'S EXISTING RATES.

A. CUPA's current water rates include a monthly service charge of $18.18 (based on a 5/8-inch meter), as well as a consumption charge based on customer class, with a rate of $2.112 per 100 gallons for residential customers.

CUPA's current wastewater rates include a monthly service charge of $39.90 for most customers, as well as a consumption charge based on customer class, with a rate of $1.800 per 100 gallons for residential customers. CUPA also has availability rates for certain customers of $22.30 per month.

Q. WHAT IMPACT, IF ANY, WILL THERE BE ON THE RATES OF CUPA'S CUSTOMERS AS A RESULT OF THE ACQUISITION OF THE SYSTEMS?

A. PAWC will adopt CUPA's existing rates for CUPA's customers upon acquisition. These rates will remain in effect until the Commission approves other rates for CUPA's customers in a future base rate case.

The initial rates to be applicable to the former CUPA customers are set forth in the *pro forma* tariff supplement attached as **Appendices R and S** to the Application. System customers will be governed by rates for new CUPA Rate Zone "XX." After Closing, CUPA customers will be subject to PAWC's prevailing water and wastewater tariffs on file with the Commission with respect to all rates other than base rates, such as capacity

reservation fees (wastewater only), reconnection fees, and the like, as well as non-rate related terms and conditions of service.

Q. WHAT IMPACT, IF ANY, WILL THERE BE ON THE RATES OF PAWC'S EXISTING CUSTOMERS AS A RESULT OF THE ACQUISITION OF THE SYSTEMS?

A. The transaction will have no immediate rate impact on PAWC's existing customers; any impacts on the rates of PAWC's existing customers due to the acquisition would occur only upon Commission approval as part of a base rate proceeding.

Q. PAWC'S EXISTING TARIFF INCLUDES A STATE TAX ADJUSTMENT SURCHARGE ("STAS") AND A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC"). PLEASE DISCUSS THE APPLICABILITY OF THESE CHARGES TO CUPA CUSTOMERS AFTER CLOSING.

A. PAWC proposes to apply its then-current STAS to CUPA customers. The DSIC will not apply to CUPA customers until the conclusion of a base rate case that includes the CUPA Systems.

Q. CUPA'S EXISTING WATER TARIFF INCLUDES A PURCHASED WATER ADJUSTMENT CLAUSE. PLEASE DISCUSS THE APPLICABILITY OF THE PURCHASED WATER ADJUSTMENT CLAUSE TO CUPA CUSTOMERS AFTER THE TRANSACTION.

A. The Purchased Water Adjustment Clause applies to customers in the CUPA service area formerly known as Utilities, Inc. – Westgate when the wholesale water supplier for this area increases or decreases its rates. The Purchased Water Adjustment Clause is included in the pro forma tariff supplement at **Appendix R** to the Application to continue as applied by CUPA. The Purchased Water Adjustment Clause, which is currently set to zero, may be

implemented when the conditions listed in the tariff are met, namely that the wholesale water provider's rates increase or decrease.

Q. DID THE SETTLEMENT OF CUPA'S LAST RATE CASE INCLUDE A STAY-OUT PROVISION?

A. Yes. In the settlement of its last rate case, CUPA agreed "that it will not file for a general increase pursuant to 66 Pa C.S. § 1308(d) to water or wastewater base rates earlier than February 9, 2026." The settlement included certain exceptions to this stay-out provision, including an exception for extraordinary or emergency rate relief and changes required by Commission Order.

LOW-INCOME PROGRAMS

Q. DOES CUPA CURRENTLY OFFER LOW-INCOME DISCOUNTS TO ITS CUSTOMERS?

A. Yes. CUPA currently offers low-income discounts for customers up to 200% of Federal Poverty Level ("FPL"). CUPA's tariff provides low-income discounts of 45% for both water and wastewater customers.

Q. PLEASE SUMMARIZE PAWC'S TARIFFED LOW-INCOME DISCOUNTS.

A. PAWC's low-income tariff rider provides customers at or below 200% of the FPL with discounts to fixed and volumetric charges. PAWC's low-income discount includes four tiers of discount, with the discount level dependent on the customer's percentage of FPL. The tariff discounts are summarized below.[1]

[1] Refer to Tariff Water-PA P.U.C. No. 5, page 17 and Tariff Wastewater PA P.U.C. No. 16, page 16.

	Tier 1 (0-50% FPL)	Tier 2 (51-100% FPL)	Tier 3 (101-150% FPL)	Tier 4 (151-200% FPL)
Water Service Charge Discount	90%	75%	60%	30%
Water Usage Charge Discount	80%	65%	40%	20%
Wastewater Total Bill Discount	85%	73%	55%	37%

Q. WHAT DISCOUNTS WILL BE AVAILABLE TO CUPA CUSTOMERS UPON CLOSING OF THE TRANSACTION?

A. PAWC is proposing that CUPA customers be moved to PAWC's existing low-income discount program upon acquisition. This is consistent with standard practice: PAWC normally extends its statewide low-income discounts to customers added through an acquisition, regardless of any discount program the seller may have had.

It is PAWC's understanding that CUPA customers on the low-income discount have verified their income with the Dollar Energy Fund ("DEF"). PAWC intends to work with DEF after Closing to access income information and place customers on the relevant tier of discount.

In addition to the low-income discounts, as PAWC customers, former CUPA customers will also be eligible for the other benefits of PAWC's H2O Help to Others program, which provides grants up to $500 per year for water and wastewater as well as a water-saving kit to assist customers with water conservation. Another component of the H2O Help to Others Program, the Arrearage Forgiveness Program, is discussed below.[2]

[2] The "Arrearage Forgiveness Program" and "Arrearage Management Program" refer to the same program.

Q. DO PAWC AND CUPA BOTH HAVE AN ARREARAGE MANAGEMENT PROGRAM ("AMP") APPROVED BY THE COMMISSION?

A. Yes. PAWC plans to make its existing AMP available to CUPA customers.

Q. PLEASE SUMMARIZE THE CURRENT COST OF PAWC'S LOW-INCOME DISCOUNT PROGRAMS TO ITS LEGACY CUSTOMER BASE.

A. PAWC's low-income discount program provides discounts between 30% and 90% of the water and wastewater bill to customers with an FPL of 200% or less. These discounts have a small impact on customers' bills of approximately $2.41 per month for residential water customers and approximately $4.03 per month for residential wastewater customers.[3] PAWC does not anticipate that enrolling eligible CUPA customers in the discount program will have a significant impact on PAWC's other customers, given the number of CUPA customers currently enrolled (approximately 120) as compared to PAWC's total customer base.

AUTHENTICATION OF APPLICATION APPENDICES

Q. ARE YOU FAMILIAR WITH THE APPLICATION FILED BY JOINT APPLICANTS IN THIS PROCEEDING?

A. Yes, I have reviewed the final version of the Application and the appendices.

Q. PLEASE IDENTIFY WHICH APPLICATION APPENDICES WERE PREPARED BY YOU OR UNDER YOUR SUPERVISION AND CONTROL?

A. The *pro forma* tariff supplements are attached as **Appendices R and S**to the Application. In addition, based on CUPA's Annual Reports filed with the Commission and on PAWC's audited financial statements, the following appendices were prepared: **Appendix H**

[3] The amounts shown in this paragraph are calculated as the discounted revenue divided by the number of residential customers at Docket No. R-2023-3043189.

(balance sheet of CUPA as of December 31, 2024), **Appendix I** (audited balance sheet of PAWC as of December 31, 2024), **Appendix J** (income statement of CUPA for the 12 months ended December 31, 2024), **Appendix K** (audited income statement of PAWC for the 12 months ended December 31, 2024), **Appendix L** (*pro forma* consolidated balance sheet of PAWC giving effect to the transfer), **Appendix M** (*pro forma* consolidated income statement of PAWC as of December 31, 2024, giving effect to the Transaction) and **Appendix Q** (estimated annual revenues and expenses of PAWC in connection with serving the customers of CUPA).

Q. ARE APPENDICES H THROUGH M AND APPENDICES Q THROUGH S TRUE AND CORRECT TO THE BEST OF YOUR KNOWLEDGE, INFORMATION, AND BELIEF?

A. Yes.

CONCLUSION

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

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

VERIFICATION

I, Ashley E. Everette, 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 unswom falsification to authorities.

September 2, 2025

Date

Ashley E. Everette

Ashley E. Everette, Vice President of Rates and Regulatory
American Water Works Service Company

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary authority, approvals and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	Docket Nos. A-2025-3055551 *et al*.

REBUTTAL TESTIMONY OF ASHLEY E. EVERETTE ON BEHALF OF PENNSYLVANIA-AMERICAN WATER COMPANY

Date: October 30, 2025

PAWC Statement No. 3-R

REBUTTAL TESTIMONY OF
ASHLEY E. EVERETTE

INTRODUCTION

Q. WHAT IS YOUR NAME AND ADDRESS?

A. My name is Ashley E. Everette, and my business address is 852 Wesley Drive, Mechanicsburg, Pennsylvania 17055.

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

A. I am employed by the Service Company[1] as the Vice President of Rates and Regulatory. I work in the Mechanicsburg office of PAWC

Q. HAVE YOU SUBMITTED ANY OTHER TESTIMONY IN THIS PROCEEDING?

A. Yes. I submitted Direct Testimony, PAWC Statement No. 3, on September 2, 2025.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I will respond to portions of the Direct Testimony of OCA witness Lafeyette Morgan and Office of Small Business Advocate ("OSBA") witness Celia Hashlamoun. Specifically, this testimony will respond to testimony regarding the allocation of the purchase price to Nexus' Pennsylvania systems, the ratemaking treatment of the purchase price, potential future rate impacts of the Transaction, and the OCA's recommendation regarding the Integration Customer Protection Deferral Mechanism. In addition, I will respond to some of the testimony from the Public Input Hearings held on September 23 and 24, 2025.

[1] Unless otherwise indicated, all acronyms and capitalized terms used have the same definition as set forth in my Direct Testimony.

ALLOCATION OF THE PURCHASE PRICE

Q. HOW IS THE PURCHASE PRICE ALLOCATED TO THE PENNSYLVANIA SYSTEMS?

A. As discussed in my Direct Testimony, $59,512,629 represents the portion of the $315 million purchase price for the Nexus systems that is allocated to the CUPA water and wastewater systems. The $59.5 million purchase price, which represents approximately 18.89% of the total system purchase price, is based on the ratio of CUPA's capital structure balance to that of total capital structure balance of the entities to be acquired through the Stock Purchase Agreement (as that term is defined in the Joint Application). American Water intends to allocate PAWC the portion of the Adjusted Purchase Price in this manner.

Q. PLEASE SUMMARIZE MR. MORGAN'S TESTIMONY ON THIS ISSUE.

A. Mr. Morgan discusses the purchase price on pages 12-13 of his Direct Testimony. He states he has "requested additional data to allow [him] to consider whether the approach taken by PAWC for the allocation of the purchase price is reasonable" but he had not received the response when his testimony was prepared. For clarification, on September 8, 2025, Mr. Morgan asked for a calculation showing what the allocation of the purchase price would be on the basis of the relative net assets of CUPA compared to the other Nexus systems. The Company provided this information on September 23, 2025, which was three weeks prior to when the OCA's Direct Testimony was served. The allocation of the purchase price using net assets would have resulted in a higher allocation to CUPA than what PAWC used. This does not appear to be referenced in Mr. Morgan's testimony.

On October 6, 2025, Mr. Morgan asked for information that would allow him to calculate the allocation to CUPA using equity balances of the Nexus systems being

acquired by American Water. PAWC responded to this request on October 21, 2025. As explained in this response, equity only partially funds CUPA's operations and therefore it is not an appropriate basis on which to allocate the purchase price.

Q. IS THE REASONABLENESS OF THE PURCHASE PRICE AN ISSUE IN THIS PROCEEDING?

A. No. The Company is not making any request in this proceeding with respect to the differential between the purchase price and the depreciated original cost. PAWC will record the net book value in Utility Plant in Service upon closing as well as other acquired assets and liabilities. If the Company elects to request approval of an acquisition adjustment under Section 1327 of the Public Utility Code ("Code") in a future rate case, PAWC will explain how the criteria of Section 1327 have been satisfied, including that "the actual purchase price is reasonable."

RATE BASE APPROVAL

Q. OCA WITNESS MORGAN AND OSBA WITNESS HASHLAMOUN ADDRESS THE DIFFERENTIAL BETWEEN THE PURCHASE PRICE AND THE DEPRECIATED ORIGINAL COST IN THEIR RESPECTIVE DIRECT TESTIMONIES. IS PAWC REQUESTING APPROVAL IN THIS PROCEEDING TO RECOVER IN RATE BASE THE $59.5 MILLION PURCHASE PRICE?

A. No. As provided for in Section 1327 of the Code, if PAWC elects to seek an acquisition adjustment, it will do so in the context of a base rate case. OSBA witness Hashlamoun references other states in which American Water is not pursuing recovery of amounts over depreciated original cost. Ms. Hashlamoun states that she "find[s] it very concerning that PAWC indicates that it is keeping its options open as to whether to seek recovery of an

acquisition premium from its Pennsylvania customers" given that American Water will not seek recovery in other states.[2]

Q. WHAT IS YOUR RESPONSE TO THIS CONCERN?

A. American Water follows Pennsylvania law for its Pennsylvania operations and the rules, regulations and laws of other states in those respective states. I am advised by counsel that Pennsylvania law allows PAWC to propose in the context of a base rate case the recovery of an acquisition adjustment. I would note that prior to being allowed recovery of an acquisition adjustment, PAWC would have to prove the criteria required under Section 1327 of the Public Utility Code. PAWC is not requesting in this proceeding any kind of pre-determination of its future legal arguments.

FUTURE RATES FOR CUPA CUSTOMERS

Q. OSBA WITNESS HASHLAMOUN STATES A CONCERN ABOUT HIGHER RATES UNDER PAWC OWNERSHIP THAN UNDER CUPA'S CONTINUED OWNERSHIP. HOW DO YOU RESPOND?

A. As a regulated public utility, all rate changes will be subject to Commission review and approval. Ms. Hashlamoun references the cost of capital investments as a concern she has about the acquisition. Notably, the OCA witness discusses "CUPA's inadequate fire protection service" (OCA St. 1, page 14). It is true that capital investments cost money and those could impact rates. PAWC believes it is in the long-term best interest of our customers for the Company to make necessary and prudent capital investments.[3] That

[2] OSBA Statement No.1, page 8.
[3] See PAWC Exhibit MJG-3 attached to the Direct Testimony of Michael J. Guntrum, PAWC Statement No. 2 for the five-year capital plan of needed improvement projects.

PAWC will make necessary and prudent capital investments is not a detriment of the Transaction.

Ms. Hashlamoun also states a concern of "Broader system-wide cost allocations that were not previously part of CUPA's rates." It is unclear what type of costs Ms. Hashlamoun is concerned about, but as stated above, all costs of providing service are subject to review in rate cases. PAWC's rates are just and reasonable and will remain so once the CUPA system is included in a future rate case.

CUPA'S INTEGRATION CUSTOMER PROTECTION DEFERRAL MECHANISM

Q. PLEASE SUMMARIZE OCA WITNESS MORGAN'S TESTIMONY REGARDING THE INTEGRATION CUSTOMER PROTECTION DEFERRAL MECHANISM.

A. The Integration Customer Protection Deferral Mechanism was established at Docket No. R-2023-3042804 to "capture accrued costs and benefits of integration that occur for five years after the closing date." While this account was to capture both costs and benefits, Mr. Morgan essentially recommends that the costs included in this account be ignored, and that the savings be returned to customers in the form of a bill credit. He explains that because Nexus is receiving a gain on the sale, the "gain more than recovers" the costs. Mr. Morgan also states there are "financial benefits that would have been available to be passed through to customers in the future."

Q. IS MR. MORGAN'S PROPOSAL REASONABLE?

A. No. It is not reasonable to ignore the costs of integration and to only consider the savings. The net of the costs and benefits must be considered. While Nexus is receiving a gain on

this sale, American Water is purchasing CUPA's balance sheet[4], including this deferral account, and it is unreasonable to eliminate only the costs of the account from recovery. The net amount of costs and benefits, as provided for in CUPA's last rate case, should be addressed in the first rate case which includes the CUPA system, rather than given as a bill credit now.

RESPONSE TO PUBLIC INPUT HEARING TESTIMONY

Q. RICHARD DIPIAZZA TESTIFIED THAT CUPA CHARGES A FEE FOR CUSTOMERS TO GO ON THE COMPANY WEBSITE TO PAY THEIR BILL ONLINE. TR. 83. DOES PAWC CHARGE ITS CUSTOMERS A SIMILAR FEE?

A. No. The Company does not charge a fee for credit card or e-check payments. This is a benefit of the Transaction for CUPA's existing customers.

Q. RICHARD HOOVER TESTIFIED THAT CUPA RECEIVED A RATE INCREASE TO FUND CERTAIN PROJECTS AND HE HAS PAID THESE HIGHER RATES FOR A YEAR. HE EXPRESSED CONCERN THAT HE WOULD HAVE TO PAY FOR THESE SAME PROJECTS A SECOND TIME, DUE TO THE ACQUISITION. TR. 86. WILL CUSTOMERS PAY TWICE FOR THE PROJECTS THAT CUPA WAS SUPPOSED TO UNDERTAKE?

A. No, customers will not pay twice for the same projects. When PAWC includes the CUPA system in a future rate case, rate base will reflect assets in service at the time of closing,

[4] CUPA is one of several entities subject to the Stock Purchase Agreement by and between Nexus Regulated Utilities, LLC and American Water; as such, the acquisition includes the assumption of assets, liabilities, and regulatory accounts of CUPA and the other Nexus entities subject to the agreement.

plus investments PAWC has and will make through the end of the Fully Projected Future Test Year ("FPFTY").

Q. DID CUPA USE A FPFTY IN ITS LAST RATE CASE?

A. Yes. CUPA's last rate case, filed in November 2023 at Docket Nos. R-2023-3042804 and R-2023-3042805, utilized a FPFTY.

Q. DID CUPA INVEST THE LEVEL OF CAPITAL EXPENDITURES THAT WERE INCLUDED IN THE FPFTY IN ITS LAST RATE CASE?

A. Yes, a report filed by CUPA on October 24, 2025 at the above-mentioned dockets shows that the total *pro forma* plant for water and wastewater projected in the 2023 rate case for the year ending 7/31/2025 was $54.3 million, while the actual plant in service as of 7/31/2025 was $54.5 million. In other words, the actual assets in service at the end of the FPFTY was more than the projected level of plant included in the 2023 rate case filing.

Q. MICHAEL BLAIR AND BRET PFAFF COMPLAINED THAT CUPA CHARGES FOR WASTEWATER BASED ON THE AMOUNT OF WATER THAT THE CUSTOMER USES. TR. 150, 151. THEY BOTH TESTIFIED THAT AFTER THE ACQUISITION, PAWC ALSO WILL CHARGE FOR WASTEWATER BASED ON THE AMOUNT OF WATER THAT THE CUSTOMER USES. PLEASE EXPLAIN PAWC'S PLANS FOR CHARGING FOR WASTEWATER SERVICE AFTER CLOSING ON THE TRANSACTION AND WHY PAWC WILL USE THAT APPROACH TO CHARGE FOR WASTEWATER SERVICE.

A. PAWC bills most wastewater customers on the basis of water consumption. This billing is consistent with the Company's approved tariff and has been consistently upheld by the Commission.[5] PAWC will bill CUPA customers in accordance with the tariff approved by the Commission.

CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

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

[5] *See* Docket No. C-2022-3035314 in which the Commission dismissed a complaint alleging that "wastewater charges are unreasonable because they are based on water meter readings that includes water used outside in the warmer months which does not enter the wastewater system" (Initial Decision issued January 18, 2023, made final by Order entered February 21, 2023. *See also* Docket No. R-2023-3043189, Order entered July 22, 2024, pages 283-285, in which PAWC's proposal for an alternative wastewater billing methodology was denied.

VERIFICATION

I, Ashley E. Everette, 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 unswom falsification to authorities.

October 30, 2025

Date

Ashley E. Everette

Ashley E. Everette, Vice President of Rates and Regulatory
American Water Works Service Company

PENNSYLVANIA AMERICAN WATER

Elizabeth Rose Triscari
Senior Director, Corporate Counsel
852 Wesley Drive | Mechanicsburg, PA 17055
Phone: 717-550-1574
elizabeth.triscari@amwater.com

November 18, 2025

VIA ELECTRONIC MAIL
The Honorable Administrative Law Judge Erin L. Gannon
Office of Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

In re: Joint Application of American Water Works Company Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities LLC and Community Utilities of Pennsylvania, Inc.
Docket No. A-2025-3055551, *et al.*

Dear Administrative Law Judge Gannon:

On behalf of Pennsylvania-American Water Company, please find **PAWC Statement No. 3-RJ, the Rejoinder Testimony of Ashley E. Everette** in the above-captioned proceeding. Copies have been served on the attached Certificate of Service.

If you should have any questions, please feel free to contact me.

Sincerely,

Elizabeth Rose Triscari

Elizabeth Rose Triscari

cc: Matthew Homsher, Secretary *(Cover Letter and Certificate of Service only)*
All Parties on the Attached Certificate of Service (*via electronic mail)*

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Joint Application of American Water Works Company Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities LLC and Community Utilities of Pennsylvania, Inc.	: : : :	Docket Nos. A-2025-3055551, *et al.*

CERTIFICATE OF SERVICE

I hereby certify that on the 18th of November, 2025, the above-referenced upon **Rejoinder Testimony** the parties listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

SERVED VIA ELECTRONIC MAIL ON NOVEMBER 18, 2025

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Respectfully submitted,

_____

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Counsel for Pennsylvania-American Water Company

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary authority, approvals and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	Docket Nos. A-2025-3055551 *et al*.

REJOINDER TESTIMONY OF ASHLEY E. EVERETTE ON BEHALF OF PENNSYLVANIA-AMERICAN WATER COMPANY

Date: November 18, 2025

PAWC Statement No. 3-RJ

REJOINDER TESTIMONY OF
ASHLEY E. EVERETTE

INTRODUCTION

Q. What is your name and address?

A. My name is Ashley E. Everette, and my business address is 852 Wesley Drive, Mechanicsburg, Pennsylvania 17055.

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

A. I am employed by the Service Company[1] as the Vice President of Rates and Regulatory. I work in the Mechanicsburg office of PAWC

Q. Have you submitted any other testimony in this proceeding?

A. Yes. I submitted Direct Testimony, PAWC Statement No. 3, on September 2, 2025 and Rebuttal Testimony, PAWC Statement No. 3-R, on October 30, 2025.

Q. What is the purpose of your rejoinder testimony?

A. I will respond to portions of the Surrebuttal Testimony of OCA witness Lafayette Morgan. Specifically, this testimony will respond to testimony regarding the OCA's recommendation regarding the Integration Customer Protection Deferral Mechanism.

Q. In your rebuttal testimony, you discussed OCA witness Morgan's recommendation that the Commission order customer bill credits for the savings recorded to the Integration Customer Protection Deferral Mechanism without accounting for (netting) the costs recorded to this account. Did Mr. Morgan respond on this issue?

[1] Unless otherwise indicated, all acronyms and capitalized terms used have the same definition as set forth in my Direct Testimony.

A. Yes, Mr. Morgan continues to recommend that only the cost savings be considered, ignoring the costs to achieve those savings. Referencing the merger proceeding, Mr. Morgan states that the Integration Customer Protection Deferral Mechanism "resolved a concern faced by the parties." Mr. Morgan stated in his surrebuttal testimony:

> To fully understand my recommendation, it is necessary to recognize what the Stipulations and Settlement in the proceeding involving the Southwest Water and Corix merger constitutes. The Stipulations and Settlement in that proceeding is a negotiated agreement which was achieved through a compromise of competing interests. In this instance the Settlement agreement is essentially a contract because a contract is a legally binding agreement between two or more parties that creates mutual obligations enforceable by law. To simplify, the Integration Customer Protection Deferred Account resolved a concern faced by the parties. The utility claimed savings (cost reductions) would result from the merger. However, there would be costs to achieve the savings. The interest of the utility was to recover the costs to achieve the savings before flowing back the net savings to customers. The parties representing the customers were interested in preserving the savings which could then be given to customers at a later time.[2]

Q. Was the Integration Customer Protection Deferral Mechanism established in the merger proceeding?

A. No, this account was established in a *base rate case*. The Settlement of the *merger proceeding*, filed with the Commission on May 24, 2023, provided the following as part of commitments from CUPA's Application and Direct Testimony:

> While the Proposed Transaction is not driven by net financial synergies, the combined companies anticipate that the merger will improve efficiency and the integration of administrative and general functions should result in cost savings. The integration of CII's water, wastewater and related businesses with SWMAC's water and wastewater business will be a significant, prolonged undertaking. The combined companies acknowledge that costs and benefits associated with integration will be addressed in future ratemaking proceedings.[3]

[2] OCA St. 1SR, pages 3-4. For clarity, the mechanism Mr. Morgan refers to as the "Integration Customer Protection Deferred Account" appears to be the "Integration Customer Protection Deferral Mechanism" established at Docket No. R-2023-3042804.

[3] Docket No. A-2022-3036745, Joint Petition for Full Settlement, page 12.

In CUPA's next base rate case, a Joint Petition for Full Settlement of Rate Proceedings, filed with the Commission on April 26, 2024 provided as follows:

> CUPA shall set up a deferral account, "Integration Customer Protection Deferral Mechanism," which will capture accrued costs and benefits of integration that occur for five years after the closing date. All parties reserve their rights to challenge recovery of any deferred amounts in future rate proceedings.

Q. In other words, was the Integration Customer Protection Deferral Mechanism established as part of a base rate case?

A. Yes, it was.

Q. What is the Company's position regarding the Integration Customer Protection Deferral Mechanism?

A. The Integration Customer Protection Deferral Mechanism is a ratemaking account established in a base rate proceeding. While the Company continues to disagree that it is appropriate to only account for savings associated with the benefits of integration without recognizing costs of integration, the ratemaking treatment of this account (including both costs and savings) should be reserved for a base rate case.

Q. Are the CUPA systems included in the base rate case that PAWC filed on November 14, 2025?

A. No, they are not. If the Transaction is approved, PAWC anticipates that the CUPA systems will be included in PAWC's next base rate case after the pending case.

Q. Does this conclude your rejoinder testimony?

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

VERIFICATION

I, Ashley E. Everette, 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 unswom falsification to authorities.

November 18, 2025

Date

Ashley E. Everette

Ashley E. Everette, Vice President of Rates and Regulatory
American Water Works Service Company

CUPA Hearing Exhibit No. 1

STATEMENT NO.	TESTIMONY OF	APPENDIX/ EXHIBIT NO.	DESCRIPTION	NO. OF PAGES
1	**Direct Testimony of Steven M. Lubertozzi**	No Exhibits		14
1-R	**Rebuttal Testimony of Steven M. Lubertozzi**			8
		Exhibit SL-1R	Tamiment 2024 Water Quality Report	5
		Exhibit SL – 2R	Penn Estates 2024 Water Quality Report	6
		Exhibit SL – 3R	Confidential – Hydraulic Fire Suppression Model	19
1-RJ	**Rejoinder Testimony of Steven M. Lubertozzi**	No Exhibits		6

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc. for Approval Pursuant to Sections 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company	:	Docket Nos.	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

Testimony of Steven M. Lubertozzi

On Behalf of

Community Utilities of Pennsylvania Inc.

September 2, 2025

CUPA Statement No. 1

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I. INTRODUCTION AND BACKGROUND

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Steven M. Lubertozzi. I am the Senior Vice President of Rates, Regulatory and Legislative Affairs for Nexus Water Group, Inc. ("NWG"), a holding company that indirectly owns all of Community Utilities of Pennsylvania Inc. My business address is 500 W Monroe Street, Suite 3600, Chicago, Illinois 60661.

Q. DID YOU PREVIOUSLY PROVIDE TESTIMONY IN THIS PROCEEDING?

A. No.

Q. PLEASE DESCRIBE YOUR DUTIES IN YOUR CURRENT POSITION.

A. I am responsible for managing and directing NWG's economic regulatory and legislative activities across North America, including regulatory strategy.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I graduated from Indiana University in 1990, and I am a Certified Public Accountant. I earned my Master of Business Administration from Northwestern University's Kellogg School of Management. I am a member of the American Institute of Certified Public Accountants. I have been employed by NWG or a predecessor since June 2001.

I am a past Board Member of the National Association of Water Companies, the Illinois Chapter of the National Association of Water Companies, the Indiana Chapter of the National Association of Water Companies, and the Financial Research Institute.

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

A. Yes. I have provided written and oral testimony before public utilities commissions throughout the United States, including written testimony submitted to the Pennsylvania Public Utility Commission ("Commission"), on topics ranging from cost of equity, capital structure, cost of debt, acquisition adjustments, divestment strategies, appropriate levels of operations and maintenance expense, parent company allocations, affiliate transactions, income taxes and most aspects of utility operations. The other state commissions where I have presented testimony include California, Florida, Illinois, Indiana, Kentucky, Maryland, Nevada, New Jersey, New Mexico, North Carolina, South Carolina, Tennessee, and Virginia.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. No, but I will refer to exhibits sponsored by PAWC Witnesses.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to: (1) support the Joint Application of American Water Works Company, Inc. ("AWWC" or "American Water"), Pennsylvania-American Water Company ("PAWC" or "Pennsylvania-American"), Nexus Regulated Utilities, LLC, ("Nexus") and Community Utilities of Pennsylvania, Inc. ("CUPA", together, "Joint Applicants") for Approval Pursuant to Sections 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of

Pennsylvania, Inc. with and into Pennsylvania-American Water Company[1] ("Joint Application"); (2) CUPA's water and wastewater systems and operational history; (3) generally describe the Stock Purchase Agreement between Joint Applicants; and (4) explain the benefits of the proposed acquisition.

Q. WOULD YOU BRIEFLY DESCRIBE CUPA'S OPERATIONS IN PENNSYLVANIA?

A. CUPA is an investor-owned certificated Pennsylvania public utility and is regulated by the Commission. CUPA provides water service to approximately 3,212 water customers, comprising 3,164 residential and 48 commercial customers, across three service territories in Pennsylvania. These territories were formerly known as Penn Estates Utilities, Inc. ("Penn Estates"), Utilities, Inc.-Westgate ("Westgate"), and Pennsylvania Utility Company ("Tamiment"). Maps of CUPA's water service territory and corresponding bearings and distances are found in PAWC Ex. MS-2 (Joint Application Appendix "B" ("CUPA Service Territory - Water")). Each of these systems are described in detail in PAWC St. No. 2 at 2-9.

CUPA also provides wastewater service to approximately 3,846 sewer customers in three service territories in Pennsylvania, formerly known as (1) Penn Estates, (2) Utilities, Inc. of Pennsylvania a/k/a Broad Run Wastewater ("Broad Run"), and (3) Tamiment. Maps of CUPA's wastewater service territory and corresponding bearings and distances are found in PAWC Ex. MS-2 (Joint Application Appendix "C" ("CUPA Service

[1] I will refer to the transfer of the assets of CUPA to Pennsylvania-American as the "Merger." I will refer to the Merger, together with the transfer of control of CUPA from Nexus to American Water, collectively as the "Transactions."

Territory – Wastewater")). Each of these systems are described in detail in PAWC St. No. 2 at 2-9.

Q. WHAT IS THE RELATIONSHIP BETWEEN CUPA AND NEXUS?

A. Nexus is a holding company that directly owns all of the issued and outstanding stock of CUPA. Nexus is a wholly owned indirect subsidiary of NWG, which is headquartered in Sugar Land, Texas and was created by the 2024 merger of Corix Infrastructure (US), Inc. and SW Merger Acquisition Corp.

Q. CAN YOU BRIEFLY DESCRIBE WHAT PERMISSIONS JOINT APPLICANTS SEEK FROM THE COMMISSION?

A. Joint Applicants seek the Commission's approval for:

(1) The transfer of control of CUPA from Nexus to AWWC,

(2) The transfer to PAWC, by merger, of all assets of CUPA used or useful in the public service,

(3) The right of PAWC to begin to offer, render, furnish and supply water service to the public in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania,

(4) The right of PAWC to begin to offer, render, furnish, and supply water service to the public in portions of Hanover Township, Northampton County, Pennsylvania,

(5) The right of PAWC to begin to offer, render, furnish, and supply water service to the public in portions of Lehman Township, Pike County, Pennsylvania,

(6) The right of PAWC to begin to offer, render, furnish, and supply wastewater service in portions of Stroud and Pocono Townships, Monroe County, Pennsylvania,

(7) The right of PAWC to begin to offer, render, furnish, and supply wastewater service in portions of West Bradford Township, Chester County, Pennsylvania,

(8) The right of PAWC to offer, render, furnish, and supply wastewater service in portions of Lehman Township, Pike County, Pennsylvania, and

(9) The abandonment by CUPA of all water and wastewater service to the public.

(10) Joint Applicants also seek related approvals regarding affiliated interest agreements and municipal agreements.

Q. WHAT IS THE RELATIONSHIP BETWEEN CUPA AND PAWC?

A. CUPA and PAWC are not affiliated. PAWC provides water service and wastewater service near CUPA's current water service territory, as discussed in detail in PAWC St. No. 2 at 16-17 and PAWC Exhibit MJG-2.

Q. WHY IS NEXUS ENTERING INTO THE TRANSACTIONS?

A. The Transactions are mutually beneficial to support Joint Applicants in their respective and continued provision of safe and reliable service to customers. For Nexus, the Transactions allow it to focus on a smaller core geography where it is better poised to grow and efficiently serve its customers over the long term. As described below, the Transactions will also provide affirmative public benefits.[2]

II. AFFIRMATIVE PUBLIC BENEFITS

Q. WHO WILL BENEFIT FROM THE TRANSACTIONS?

A. The public at large, CUPA's customers, and CUPA employees will all benefit from the Transaction. I will address the benefits to each of these segments of the public below.

[2] Additional benefits of the Transactions, including benefits to PAWC's existing customers, are described in PAWC's Direct Testimony.

A. Benefits to the Public At Large

Q. WHAT BENEFITS DOES CUPA BELIEVE THE TRANSACTIONS PROVIDE TO THE PUBLIC AT LARGE?

A. The transactions have multiple benefits to the public at large, including enhancing continued regulatory and environmental compliance, regionalization, addition of fire protection to certain CUPA water systems on a definite time frame with the potential that it may be more affordable to customers, and efficiencies for the Commission in its regulation of CUPA's utility systems.

Q. HOW WILL THE TRANSACTIONS ENHANCE CONTINUED REGULATORY AND ENVIRONMENTAL COMPLIANCE?

A. The Transactions will enhance continued compliance with health, safety, and environmental regulations that are implicated in the service of water and wastewater because CUPA believes PAWC has demonstrated it has the capabilities to safely and adequately operate CUPA's water and wastewater systems in compliance with the Pennsylvania Public Utility Code (66 Pa. C.S. §§ 101-3316), the Clean Streams Law (35 Pa. C.S. §§ 691.1-691.801), the Pennsylvania Safe Drinking Water Act (35 P.S. §§ 721.1-721.17), and other regulatory requirements, and to make improvements as needed, on a short- and long-term basis. CUPA also believes PAWC is committed to environmental compliance and will promote the rights of all Pennsylvanians to a clean environment.

Q. WHAT IS THE COMMISSION'S POLICY REGARDING REGIONALIZATION?

A. The Commission's policy statement at 52 Pa. Code § 69.721 recognizes, promotes, and concludes that regionalization of smaller water systems will result in greater environmental and economic benefits to customers:

> The Commission believes that further consolidation of water and wastewater systems within this Commonwealth may, with appropriate management, result in greater environmental and economic benefits to customers. The regionalization of water and wastewater systems through mergers and acquisitions will allow the water industry to institute better management practices and achieve greater economies of scale.
>
> 52 Pa. Code § 69.721.

Q. HOW WILL THE TRANSACTIONS PROMOTE REGIONALIZATION?

A. The Transactions will further the Commission's goal of regionalization because CUPA's systems will become part of a larger organizational footprint that is viable from a costs and rates standpoint and is committed to providing improved service in the future. Another benefit to customers of regionalization is spreading costs to operate the utility across a larger group of customers, which should reduce costs on a per customer basis. PAWC's costs to enhance and upgrade CUPA's systems for the benefit of CUPA's customers and the public at large will be spread across a much larger group of customers. This means the cost to customers of investment in enhancements and upgrades, assuming the overall project costs are the same for CUPA or PAWC will be less on a per customer basis under PAWC's ownership because PAWC has a significantly larger number of customers.

Q. WHAT INFRASTRUCTURE UPGRADES HAS PAWC COMMITTED TO THAT WILL BENEFIT THE PUBLIC AT LARGE?

A. PAWC has identified projects in its proposed five-year capital plan to replace and/or upsize distribution assets to provide adequate fire protection. Distribution systems capable of providing fire protection benefit entire communities, including residents, emergency personnel, local officials, local businesses, and insurance companies but distribution systems are not required to be designed to be capable of providing fire protection. Portions of CUPA's systems that cannot currently provide adequate fire protection include

Tamiment, Westgate, and Penn Estates, which were not designed to provide adequate fire protection. CUPA did not design these systems. It will take significant capital upgrades to replace and upsize parts of these distribution systems to be capable of providing adequate fire protection. In CUPA's most recent rate case, the Commission's Chair issued a statement recognizing the importance of adequate fire protection and encouraging CUPA to take action on fire protection expeditiously.[3] PAWC's commitments to complete these capital investments over the next 5 years is an important benefit to public safety. PAWC Witness Michael Guntrum discusses these capital investments in detail. PAWC St. No. 2 and PAWC Exhibit MJG-3.

Q. HOW WILL THE COMMISSION BENEFIT FROM THE TRANSACTIONS?

A. CUPA's merger with and into PAWC after AWWC acquires CUPA will create efficiencies for the Commission because it will have fewer sets of annual reports and other regulatory and compliance filings to review and approve each year. This results in regulatory efficiencies, which in turn yield the public benefit of quicker outcomes and decisions for all matters before the Commission.

B. Benefits to CUPA's Customers

Q. WHAT BENEFITS WILL THE TRANSACTIONS PROVIDE TO CUPA'S CURRENT CUSTOMERS?

A. The Transactions provide a variety of benefits to present to CUPA's current customers, including:

[3] August 1, 2024 Statement of Chairman Stephen M. DeFrank, Docket No. R-2023-3042804 (available at https://www.puc.pa.gov/pcdocs/1842461.pdf)

- commitments to distribution system upgrades in PAWC's proposed capital plan that will come about at a lesser cost to individual customers assuming overall costs would be the same for either company because PAWC has a much larger customer base.
- continuation and enhancement of the high level of service that CUPA has established through access to PAWC's significant Pennsylvania-based resources. Similar to CUPA, PAWC has access to highly trained professionals with expertise in various specialized areas who are dedicated to providing necessary, cost-effective, value-added service that supports the provision of safe, reliable, and affordable water and wastewater service in a manner consistent with the long-term best interests of customers. These benefits are discussed in detail in PAWC's direct testimony, PAWC St. Nos. 1-3.
- enhancements and upgrades to facility safety and security protocols. These benefits are discussed in detail in PAWC's direct testimony, PAWC St. No. 2.
- functional and operational consolidation, and associated efficiencies and cost savings.

Q. WHAT CAPITAL UPGRADES HAS PAWC COMMITTED TO PROVIDE?

A. In its capital plan, PAWC has committed to upgrading and replacing distribution assets over the next five years to provide adequate fire protection, as discussed in detail below. PAWC will enhance CUPA's existing main replacement program to improve system reliability and reduce water loss within CUPA's distribution systems. Some of CUPA's distribution systems have unaccounted-for water rates higher than is acceptable under Commission policy (20%). Unaccounted-for water has historically been an issue that has

been addressed thus far in rate cases through reporting, leak detection and repair, and engineering studies to determine how levels of unaccounted-for water can be reduced.

Q. HOW DOES PAWC'S COMMITMENT BENEFIT CUSTOMERS?

A. PAWC's commitments to capital distribution system investments, providing adequate fire protection, reducing the number of leaks and service disruptions, providing more preferable water pressures, and decreasing unaccounted-for water will benefit customers. In the past, some customers have voiced concerns about lack of adequate fire protection, water pressure, leaks and unaccounted-for water. PAWC's commitments, spanning a five-year timeframe, are concrete benefits that customers desire. PAWC will also be able to spread related costs over a much larger Pennsylvania customer base, which means these investments will come at a lower cost to customers under PAWC's ownership assuming the project would overall cost the same under either company's ownership.

Q. WHAT OTHER BENEFITS WILL CUPA CUSTOMERS RECEIVE AS A RESULT OF THE TRANSACTIONS?

A. The integration, by acquisition and merger, of CUPA's systems into PAWC's existing operations creates opportunities for functional and operational consolidation, and associated efficiencies and cost savings for all customers. By integrating into PAWC's existing systems, CUPA customers should benefit from larger economies of scale. These efficiencies and how they will benefit customers are detailed in PAWC St. Nos. 1-2.

Q. WILL THE TRANSACTIONS IMPACT RATES CHARGED TO CUPA'S CUSTOMERS?

A. No. There will be no immediate rate impact on CUPA's existing customers because PAWC will adopt CUPA's rates applicable to CUPA's existing customers upon closing of the Transactions.

Q. WILL THE TRANSACTIONS HAVE ANY DETRIMENTS TO JOINT APPLICANTS, THE PUBLIC AT LARGE, OR CUSTOMERS?

A. No, I do not believe the Transactions present any detriments to Joint Applicants, the public at large, or customers.

C. Benefits to CUPA's Employees

Q. HOW MANY EMPLOYEES PROVIDE SERVICE TO CUPA'S CUSTOMERS?

A. CUPA's customers are served by three field technicians, five operators, and one state operations manager[4], each of whom is dedicated and committed to providing safe and reliable water and wastewater services to CUPA's customers.

Q. HOW WILL CUPA'S EMPLOYEES BENEFIT FROM THE TRANSACTIONS?

A. To help ensure a smooth transition for customers and employees, PAWC has committed to offering employment to CUPA employees consistent with the terms of the Stock Purchase Agreement. In addition, PAWC has committed to not terminate any CUPA employee who accepts an offer of employment from PAWC for twelve (12) months following the closing of the Transactions, except for cause.

[4] This excludes regional employees.

III. CONCLUSION

Q. SHOULD THE COMMISSION APPROVE THE JOINT APPLICATION?

A. Yes. As discussed at length above and in PAWC's testimony, the Transactions contain substantial affirmative benefits for the public, CUPA's water and wastewater customers, and CUPA's employees. The Transactions will result in affirmative benefits that will only accrue due to PAWC's considerable capital resources, large customer base, and technical expertise once CUPA's systems are integrated with PAWC.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does. I reserve the right to update and amend my testimony.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc. for Approval Pursuant to Sections 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company	:	Docket Nos.	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

Rebuttal Testimony of Steven M. Lubertozzi

On Behalf of

Community Utilities of Pennsylvania Inc.

October 30, 2025

CUPA Statement No. 1-R

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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Steven M. Lubertozzi. I am the Senior Vice President of Rates, Regulatory and Legislative Affairs for Nexus Water Group, Inc. ("NWG"), a holding company that indirectly owns all of the outstanding stock of Community Utilities of Pennsylvania, Inc. ("CUPA"). My business address is 500 W. Monroe Street, Suite 3600, Chicago, Illinois 60661.

Q. DID YOU PREVIOUSLY PROVIDE TESTIMONY IN THIS PROCEEDING?

A. Yes. On September 2, 2025, I presented direct testimony to: (1) support the Joint Application of American Water Works Company, Inc. ("AWWC" or "American Water"), Pennsylvania-American Water Company ("PAWC" or "Pennsylvania-American"), Nexus Regulated Utilities, LLC ("Nexus"), and CUPA (collectively, the "Joint Applicants") for Approval Pursuant to Sections 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company[1] ("Joint Application"); (2) explain CUPA's water and wastewater systems and operational history; (3) generally describe the Stock Purchase Agreement between Joint Applicants; and (4) explain the benefits of the proposed acquisition.

Q. WHAT ARE THE ISSUES YOU WILL ADDRESS IN THIS REBUTTAL TESTIMONY?

[1] I will refer to the transfer of the assets of CUPA to Pennsylvania-American as the "Merger." I will refer to the Merger, together with the transfer of control of CUPA from Nexus to American Water, collectively as the "Transactions."

A. I will respond to the Office of Consumer Advocate's ("OCA") Statement No.1, the Direct Testimony of Lafayette K. Morgan, Jr. and the OCA's Statement No. 2, the Direct Testimony of LeeAnne Wise. I will address two issues: (1) costs and savings related to the merger of Corix Infrastructure (US) Inc. ("Corix US") and SW Merger Acquisition Corp. ("SWMAC") that resulted in the creation of NWG and indirect change in control of CUPA ("Corix/SWW Merger") are not pertinent to the Transactions and since costs to achieve integration benefits are greater than the benefit, there are no savings to CUPA; and (2) quality of service allegations raised at public input hearings.

II. COSTS AND BENEFITS OF SWW/CORIX MERGER

Q. OCA WITNESS MORGAN TESTIFIED THAT THE FINANCIAL BENEFITS THAT HAVE ACCUMULATED IN THE INTEGRATION CUSTOMER PROTECTION DEFERRED ACCOUNT SHOULD BE PASSED BACK TO CUSTOMERS AS A ONE-TIME CREDIT TO CUSTOMERS' BILLS. HOW DO YOU RESPOND?

A. I disagree because there are no net *savings* to pass along to customers. Mr. Morgan correctly identifies the purpose of the Customer Protection Deferral Mechanism: to allow the deferral of the benefits stemming from the Corix/SWWC Merger and the costs of achieving those benefits and, if net savings result, to pass those net savings to customers in future rate cases. As Mr. Morgan acknowledges, however, the balance in the Integration Customer Protection Deferred Account is a net *cost* of $10,747, meaning there are no net *savings* to pass along to customers.

Q. Was the Corix/SWWC Merger expected to reduce costs?

A. Yes, that was one of the affirmative benefits discussed in the Corix/SWW Merger docket. However, it was clear that the integration of the water and wastewater businesses resulting

from the Corix/SWW Merger would be a significant, prolonged undertaking and that has turned out to be the case; the merger and integration have not yet resulted in net savings. I also believe this is an issue that the parties to the Corix/SWW Merger agreed would be addressed in future rate proceedings, and this is not a rate proceeding.

Q. Do you believe some manner of customer credit for cost savings is warranted as suggested by OCA?

A. No. I believe the affirmative public benefits discussed at length in Joint Applicants' direct testimony demonstrate that the Transactions result in net benefits.

III. SERVICE ISSUES

Q. OCA WITNESS MORGAN TESTIFIED THAT CUPA HAS NOT PREPARED THE HYDRAULIC MODEL TO EVALUATE FIRE SUPPRESSION IN CUPA'S TAMIMENT SYSTEM. HOW DO YOU RESPOND?

A. As of August 15, 2025, CUPA completed the hydraulic model. The confidential hydraulic model and fire suppression analysis was provided to OCA in discovery on October 22, 2025. Upon the completion of the Transactions, PAWC will incorporate the Tamiment model and data provided by CUPA.

Q. OCA WITNESS WISE TESTIFIED ABOUT CUSTOMER STATEMENTS AT THE PUBLIC INPUT HEARING RELATING TO CONCERNS ABOUT WATER PRESSURE AND WATER QUALITY ISSUES, STATING THESE CONCERNS IMPACT THE WHOLE CUSTOMER BASE. IS THIS STATEMENT ACCURATE?

A. No, the only customers that alleged water pressure and water quality issues are served by one system that is separate from the rest of CUPA's water systems. CUPA has three separate water systems, which were formerly known as Penn Estates Utilities, Inc. ("Penn

Estates"), Utilities, Inc.-Westgate ("Westgate"), and Pennsylvania Utility Company ("Tamiment"). No customers from Penn Estates or Westgate spoke at the hearings. One Tamiment customer referenced fines from EPA and DEP regarding Penn Estates, which CUPA fully disclosed in the Joint Application at Appendix T.

Q. DOES CUPA HAVE ANY RECENT VIOLATIONS RELATED TO WATER QUALITY IN TAMIMENT?

A. No. As disclosed in Application Appendix T, CUPA has not had any violations for the Tamiment system water since 2022. In 2021 and 2022, CUPA had violations, each of which related to failure to monitor/report and notify. CUPA has remedied all of these violations and, as reflected in the 2024 water quality report, attached as **Exhibit SL-1R**, CUPA had no water quality violations.

Q. DOES CUPA HAVE ANY RECENT VIOLATIONS RELATED TO WATER QUALITY IN PENN ESTATES?

A. No. As disclosed in Application Appendix T, CUPA had 3 violations in 2024 and 3 violations in 2022, each of which were related to failure to monitor/report and notify. CUPA has remedied all of these violations. I have attached CUPA's water quality report for 2024 for the Penn Estates system as **Exhibit SL-2R**, which shows no water quality violations.

Q. OCA WITNESS WISE TESTIFIED THAT, AT THE PUBLIC INPUT HEARING, CUSTOMERS TESTIFIED ABOUT LOW WATER PRESSURE. HOW DO YOU RESPOND?

A. Only Tamiment customers raised concerns regarding low water pressure. The confidential hydraulic model and fire suppression analysis – which was provided to OCA in discovery

on October 22, 2025 – shows two distinct pressure zones in Tamiment. Pressure Zone 1 typically operates at a system pressure of approximately 50 psi and Pressure Zone 2 has a typical system pressure of approximately 60 psi.

In 2025, the psi readings for the hydrants throughout the Tamiment system ranged from 18psi to 64 psi. Although the majority of the Tamiment system complies with the standards in 52 Pa Code § 65.6, there are instances where hydrants nearest water tower 3 (Pressure Zone 2) did have lower than optimal pressure readings. Pressure at these hydrants is directly dependent on the water level at the adjacent water tower (water tower 3) as well as system usage conditions at the time the pressure readings are taken. Premises near the tower are likely to have personal booster pumps within the premises to enhance their pressure. Pressure readings near water tower 3 had been influenced by the rehabilitation needs of the water tower, which were completed in mid-2025 and allowed CUPA to increase the water level in the tower, which should have a positive influence on system pressure. Pressure readings throughout the Tamiment system are shown in Appendix D of the confidential hydraulic model and fire suppression analysis. These pressure readings were recorded prior to the completion of the rehabilitation efforts at water tower 3. The hydraulic fire suppression model is included as Exhibit SL-3R Confidential.

Q. OCA WITNESS WISE TESTIFIED THAT, AT THE PUBLIC INPUT HEARING, THERE WERE WIDESPREAD CONSUMER CONCERNS REGARDING THE PROPOSED RATE INCREASE. HOW DO YOU RESPOND?

A. Although there was some confusion at the public input hearing regarding the nature of this proceeding, this is *not* a base rate proceeding. The confusion may stem from comments made by State Representative Tarah Probst that she was disappointed that a 'price hike' was

being considered. Tr. 70:1-3. I note that State Representative Probst, who is not a CUPA customer, did not testify under oath. Tr. 67:23-70:15. This proceeding does not involve a request to increase customers' rates and any final order in this proceeding will not result in a rate increase.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does. I reserve the right to update and amend my testimony.

Exhibit SL-1R

Community Utilities of Pennsylvania, Inc.
Tamiment Resort Water System

PWS ID: **PA2520070**

Annual Water Quality Report 2024

Message from Nate Spriggs, President

Dear Community Utilities of Pennsylvania, Inc. Customers,

I am pleased to present your Annual Water Quality Report for 2024. We strive to do our part in delivering vital, safe and reliable water services that empower our communities to flourish. Included in this report are details about where your water comes from, what it contains, and how it compares to regulatory standards.

We are proud to share this report which is based on water quality testing through December 2024. We continually strive to supply water that meets and/or exceeds all federal and state water quality regulations at your tap.

Providing a safe and reliable water supply is hard work, but it is satisfying. Our team of local water experts are proudly dedicated to providing safe, reliable, and cost-effective service every day. This commitment includes acting with integrity, protecting the environment, and enhancing the local community.

Best regards,

We ask that all our customers help us protect our water sources which are the heart of our community, our way of life and our children's future.

Visit us online at www.myutility.us/PA to view the Water Quality Reports.
Also visit our website for water conservation tips and other educational material.

Source of Drinking Water

Your water is supplied from three wells that draw groundwater from three aquifers in Pike County located within community boundaries in the Lehman Township. An aquifer is a geological formation that contains water.

Source Water Assessment

A Source Water Assessment of our source(s) was completed by the PA Department of Environmental Protection (PA. DEP). The Assessment has found that our source(s) of is/are potentially most susceptible to Low Density Development, Golf Courses, Major Roads, UST sites, Agriculture and Municipal Waste. Overall, our source(s) has/have moderate risk of significant contamination. Summary reports of the assessment are available by writing to, Community Utilities of Pennsylvania, Inc. P.O. Box 379, Dunkirk, Maryland 20754 -0379 and on the PADEP website at www.dep.state.pa.us/dep/deputate/watermgt/wc/Subjects/SrceProt/SourceAssessment/default.htm.

Complete reports were distributed to municipalities, water suppliers, local planning agencies and PADEP offices. Copies of the complete report are available for review at the PADEP Northeast Regional Office, Records Management Unit at (570) 826-2511.

The assessment found 11 individual potential pollution point activities in the area:

The highest risk of threat of potential pollution to the water system by activity quantity is Quarry, swimming pools and wastewater treatment plants.

Category	Quantity	Greatest Percentage
Agricultural	0	
Commercial	0	
Industrial	1	Quarry
Miscellaneous	9	Wastewater Treatment Plant
Residential	1	Swimming Pool

Este informe contiene información muy importante sobre su agua beber. Tradúzcalo ó hable con alguien que lo entienda bien.

EPA Wants You To Know

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:

A. ***Microbial contaminants,*** *such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.*
B. ***Inorganic contaminants****, such as salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.*
C. ***Pesticides and herbicides,*** *which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.*
D. ***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.*
E. ***Radioactive contaminants,*** *which can be naturally occurring or be the result of oil and gas production and mining activities.*

What measures are in place to ensure water is safe to drink?

In order to ensure that tap water is safe to drink, the EPA prescribes regulations, which limit the amount of certain contaminants in water provided by public water systems. The Food and Drug Administration (FDA) 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 the 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 at 1-800-426-4791.

Special notice from EPA for the elderly, infants, cancer patients and people with HIV/AIDS or other immune system problems

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. USEPA/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 (1-800-426-4791).

Information Concerning Lead in Water

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. Community Utilities of Pennsylvania, Inc. is responsible for providing high quality drinking water and removing lead pipes, but 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 Community Utilities of Pennsylvania, Inc. by emailing lead.lines@nexuswg.com. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available at *www.epa.gov/safewater/lead*.

We prepared a service line inventory that includes the type of material contained in each service line in our distribution system. To request access to this inventory or request to review the complete lead tap sampling data, email us at: lead.lines@nexuswg.com.

Drain Disposal Information

Sewer overflows and backups can cause health hazards, damage home interiors, and threaten the environment. A common cause is sewer pipes blocked by grease, which gets into the sewer from household drains. Grease sticks to the insides of pipes. Over time, the grease can build up and block the entire pipe. Help solve the grease problem by keeping this material out of the sewer system in the first place:

- Never pour grease down sink drains or into toilets. Scrape grease into a can or trash.
- Put strainers in sink drains to catch food scraps / solids for disposal.

Prescription Medication and Hazardous Waste

Household products such as paints, cleaners, oils, and pesticides, are considered to be household hazardous waste. Prescription and over-the-counter drugs poured down the sink or flushed down the toilet can pass through the wastewater treatment system and enter rivers and lakes (or leach into the ground and seep into groundwater in a septic system). Follow the directions for proper disposal procedures. **Do not flush hazardous waste or prescription and over-the-counter drugs down the toilet or drain.** They may flow downstream to serve as sources for community drinking water supplies. Many communities offer a variety of options for conveniently and safely managing these items.
For more information, visit the EPA website at: www.epa.gov/hw/household-hazardous-waste-hhw.

The Safe Drinking Water Act was passed in 1974 due to congressional concerns about organic chemical contaminants in drinking water and the inefficient manner by which states supervised and monitored drinking water supplies. Congress' aim was to assure that all citizens served by public water systems would be provided high quality water. As a result, the EPA set enforceable standards for health-related drinking water contaminants. The Act also established programs to protect underground sources of drinking water from contamination.

Understanding This Report In order to help you understand this report, we want you to understand a few terms and abbreviations that are contained in it.	
Action level (AL)	The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.
Avg	Regulatory compliance with some MCLs is based on running annual average of monthly samples.
EPA	Environmental Protection Agency.
Maximum Contaminant Level (MCL)	The highest level of a contaminant that is allowed in drinking water. MCL's are set as close to the MCLG's as feasible using the best available treatment technology.
Maximum Contaminant Level Goal (MCLG)	The "goal" is the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLG's 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.
Millirems per year (Mrem/year)	A measure of radiation absorbed by the body.
Not applicable (N/A)	Not applicable.
Not Detected (ND)	Analysis or test results indicate the constituent is not detectable at minimum reporting limit.
Parts per million (ppm) or Milligrams per liter (mg/l)	One part per million corresponds to one minute in two years or a single penny in $10,000.
Parts per billion (ppb) or Micrograms per liter (ug/l)	One part per billion corresponds to one minute in 2,000 years or a single penny in $10,000,000.
Parts per quadrillion (ppq)	One parts per quadrillion, or picograms per liter
Parts per trillion (pptt)	One parts per trillion, or nanograms per liter
Picocuries per liter (pCi/L)	A measure of radioactivity in the water.
Treatment Technique (TT)	A required process intended to reduce the level of a contaminant in drinking water.

Help Protect our Resources

Help put a stop to the more than **1 trillion gallons of water lost annually** nationwide due to household leaks. These easy to fix leaks waste the average family the amount of water used to fill a backyard swimming pool each year. Plumbing leaks can run up your family's water bill an extra 10 percent or more, but chasing down these water and money wasting culprits is as easy as 1—2—3. Simply check, twist, and replace your way to fewer leaks and more water savings:

⇒ **Check** for silent leaks in the toilet with a few drops of food coloring in the tank, and check your sprinkler system for winter damage.

⇒ **Twist** faucet valves; tighten pipe connections; and secure your hose to the spigot. For additional savings, twist a WaterSense labeled aerator onto each bathroom faucet to save water without noticing a difference in flow. They can save a household more than 500 gallons each year—equivalent to the amount water used to shower 180 times!

⇒ **Replace** old plumbing fixtures and irrigation controllers that are wasting water with WaterSense labeled models that are independently certified to use 20 percent less water and perform well.

For more information visit www.epa.gov/watersense.

Monitoring Your Water

We routinely monitor for contaminants in your drinking water according to Federal and State laws. The tables below lists all the drinking water contaminants that were detected in the last round of sampling for each particular contaminant group. The presence of contaminants does not necessarily indicate that water poses a health risk. **Unless otherwise noted, the data presented in the table is from testing done January 1 through December 31, 2024.** The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Some of the data, though representative of the water quality, maybe more than one year old.

MCLs are set at very stringent levels. To understand the possible health effects described for many regulated contaminants, a person would have to drink 2 liters of water every day at the MCL level for a lifetime to have a one-in-a-million chance of having the described health effect.

If You Have Questions Or Want To Get Involved

Community Utilities of Pennsylvania, Inc. does not hold regular public meetings. If you have any questions about this report or your water utility, please contact customer service at 1-800-638-0262.

To access your utility account anytime, anywhere, please register for our customer portal & download
My Utility Account *at* https://account.myutility.us

Water Quality Test Results

Chemical Contaminants

Contaminant (Units)	MCL in CCR Units	MCLG	Level Detected	Range of Detections	Sample Date	Violation Y/N	Sources of Contamination
Chlorine (mg/l)	MRDL=4	MRDLG =4	1.38	0.69 - 2.54	2024	N	Water additive used to control microbes
Total Trihalomethanes TTHM (ppb)	80	NA	8.5	0 - 8.5	2024	N	By-product of drinking water chlorination
HAA5 (ppb) [Total Haloacetic Acids]	60	NA	5.03	0 - 5.03	2024	N	By-product of drinking water disinfection

Entry Point Disinfectant Residual

Contaminant (Units)	Minimum Disinfectant Residual	Lowest Level Detected	Range of Detections	Units	Sample Date	Violation Y/N	Sources of Contamination
Chlorine	0.4	0.69	0.69 - 2.54	ppm	2024	N	Erosion of natural deposits

Lead and Copper

Contaminant (Units)	Sample Date	Action Level (AL)	MCLG	90th Percentile Value	# of sites Above AL of Total Sites	Range Low High	Violation	Likely Source of Contamination
Copper (ppm)	2022	1.3	1.3	0.347	0	0.065 - 0.583	N	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood
Lead (ppb)	2022	15	0	0.3	0	0 - 0.9	N	Corrosion of household plumbing systems, erosion of natural deposits.

Organic Contaminants

Contaminant (units)	Sample Date	MCL/MRDL Violation Y/N	Your Water Average	Range Low-High	MCLG	MCL	Likely Source of Contamination
Xylenes (ppm)	2024	N	0.0032	0 - 0.032	10	10	Discharge from petroleum refineries; Discharge from chemical factories

Inorganic Contaminants

Contaminant (units)	Sample Date	MCL Violation Y/N	Your Water	Range Low - High	MCLG	MCL	Likely source of contamination
Chromium (ppb)	2024	N	1.00	0 - 1.00	100	100	Discharge from steel and pulp mills; erosion of natural deposits

Other Miscellaneous Water Characteristics - Contaminants

Contaminant (units)	Sample Date	Your Water	Range: Low High
Calcium (ppm)	2022	21.43	13.7 - 16.8

Violations

In 2024, Tamiment Resort Water System performed all required monitoring for contaminants and did not exceed any allowable levels of these contaminants. In addition, we received no violations and were in compliance with applicable testing and reporting requirements.

PFAS Testing

Community Utilities of Pennsylvania, Inc. continues efforts to conduct statewide drinking water testing for Per- and Polyfluoroalkyl Substances (PFAS). These man-made compounds are used in the manufacturing of products resistant to water, grease or stains including firefighting foams, cleaners, cosmetics, paints, adhesives and insecticides. PFAS can migrate into the soil, water, and air and is likely present in the blood of humans and animals all over the world. On April 10, 2024, the EPA approved new sampling requirements and drinking water limits for six PFAS including PFOA, PFOS, PFNA, PFHxS, PFBS, and GenX Chemicals. We are completing PFAS sampling ahead of the 2027 initial monitoring deadline and will take appropriate action to meet new regulations as needed.

Our focus will remain, as always, on supplying our customers with quality, reliable water service.

For the latest PFAS results, visit our website at www.myutility.us/PA and click Water Quality Reports under Water Safety. For more information visit https://www.epa.gov/pfas.

PFAS Results (*All results reported as Nanograms per liter (ng/L)*)

Contaminant	Sample Date	Range of Detect	Average	EPA MCLG	EPA MCL
PFOA (Compliance Samples)	1/24, 4/24, 7/24, 10/24	ND—3.22	1.7	0	4.0
PFOS (Compliance Samples)	1/24, 4/24, 7/24, 10/24	ND—9.36	4.7	0	4.0
PFOA	1/24, 3/24	ND—3.6	1.8	0	4.0
PFOS	1/24, 3/24	ND—7.6	3.8	0	4.0
PFHxS*	1/24, 3/24	ND—1.9	0.95	10	10
PFNA*	1/24, 3/24	N/A	ND	10	10
PFHxA	1/24, 3/24	ND—0.98	0.49		
HFPO-DA (GenX)*	1/24, 3/24	N/A	ND	10	10
Hazard Index*	1/24, 3/24	N/A	N/A	1 (unitless)	1 (unitless)

Terms and Abbreviations:

- **GenX** – Hexafluoropropylene Oxide Dimer Acid (HFPO-DA)
- **Hazard Index** – PFAS mixtures containing at least two or more of PFHxS, PFNA, HFPO-DA, and PFBS use a Hazard Index MCL to account for the combined and co-occurring levels of these PFAS in drinking water.
- **ND (No Detect)** - No detection means the constituent is not detectable at the minimum reporting limit.
- **Ng/L** – Nanograms per liter (ng/L) which equals Parts per trillion (ppt) – One part per trillion corresponds to one minute in 2,000,000 years, or a single penny in $10,000,000,000.
- **PFBS** – Perfluorobutanesulfonic Acid
- **PFHxA** – Perfluorohexanoic Acid
- **PFHxS** – Perfluorohexanesulfonic Acid
- **PFNA** – Perfluorononanoic Acid
- **PFOA** – Perfluorooctanoic Acid
- **PFOS** – Perfluorooctanesulfonic Acid

Exhibit SL-2R

Community Utilities of Pennsylvania, Inc.
Penn Estates Water System

PWS ID: **PA2450065**

Annual Water Quality Report 2024

Message from Nate Spriggs, President

Dear Community Utilities of Pennsylvania, Inc. Customers,

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Best regards,

We ask that all our customers help us protect our water sources which are the heart of our community, our way of life and our children's future.

Visit us online at www.myutility.us/PA to view the Water Quality Reports. Also visit our website for water conservation tips and other educational material.

Source of Drinking Water

Your water is supplied from seven wells that draw groundwater from three aquifers, Towamensing, Walcksville and the Trimmers Rock in Monroe County located within community boundaries in the Stroud Township. An aquifer is a geological formation that contains water.

Source Water Assessment

A source water assessment of the Towamensing, Walcksville and the Trimmers Rock geologic aquifer, which supplies water for Community Utilities of Pennsylvania, Inc. was completed by the PA Department of Environmental Protection (PADEP).

Summary reports of the assessment are available by writing to, Community Utilities of Pennsylvania, Inc. P.O. Box 379, Dunkirk, Maryland 20754-0379 and on the PADEP website at www.dep.state.pa.us/dep/deputate/watermgt/wc/Subjects/SrceProt/SourceAssessment/default.htm.

Complete reports were distributed to municipalities, water suppliers, local planning agencies and PADEP offices. Copies of the complete report are available for review at the PADEP Northeast Regional Office, Records Management Unit at (570) 826-2511.

The assessment found 11 individual potential pollution point activities in the area:

The highest risk of threat of potential pollution to the water system by activity quantity is Quarry, swimming pools and wastewater treatment plants.

Please call customer service at 1-800-638-0262 if you have questions.

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Commercial	0	
Industrial	1	Quarry
Miscellaneous	9	Wastewater Treatment Plant
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Action level goal (ALG)	The level of a contaminant in drinking water below which there is no known or expected risk to health. ALG's allow for a margin of safety.
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Treatment Technique (TT)	A treatment technique is a required process intended to reduce the level of a contaminant in drinking water.

Help Protect our Resources

Help put a stop to the more than **1 trillion gallons of water lost annually** nationwide due to household leaks. These easy to fix leaks waste the average family the amount of water used to fill a backyard swimming pool each year. Plumbing leaks can run up your family's water bill an extra 10 percent or more, but chasing down these water and money wasting culprits is as easy as 1—2—3. Simply check, twist, and replace your way to fewer leaks and more water savings:

⇒ **Check** for silent leaks in the toilet with a few drops of food coloring in the tank, and check your sprinkler system for winter damage.

⇒ **Twist** faucet valves; tighten pipe connections; and secure your hose to the spigot. For additional savings, twist a WaterSense labeled aerator onto each bathroom faucet to save water without noticing a difference in flow. They can save a household more than 500 gallons each year—equivalent to the amount water used to shower 180 times!

⇒ **Replace** old plumbing fixtures and irrigation controllers that are wasting water with WaterSense labeled models that are independently certified to use 20 percent less water and perform well.

For more information visit www.epa.gov/watersense

Visit us online at www.myutility.us/PA to view the Water Quality Reports. Also visit our website for water conservation tips and other educational material.

Monitoring Your Water

We routinely monitor for contaminants in your drinking water according to Federal and State laws. The tables below lists all the drinking water contaminants that were detected in the last round of sampling for each particular contaminant group. The presence of contaminants does not necessarily indicate that water poses a health risk. **Unless otherwise noted, the data presented in the table is from testing done January 1 through December 31, 2024.** The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Some of the data, though representative of the water quality, maybe more than one year old.

MCLs are set at very stringent levels. To understand the possible health effects described for many regulated contaminants, a person would have to drink 2 liters of water every day at the MCL level for a lifetime to have a one-in-a-million chance of having the described health effect.

If You Have Questions Or Want To Get Involved

Community Utilities of Pennsylvania, Inc. does not hold regular public meetings. If you have any questions about this report or your water utility, please contact customer service at 1-800-638-0262.

To access your utility account anytime, anywhere, please register for our customer portal & download
My Utility Account *at* https://account.myutility.us

Water Quality Test Results

Lead and Copper Contaminants - Regulated at the Consumers' Tap

Contaminant (Units)	Sample Date	Action Level (AL)	MCLG	90th Percentile Value	# of sites Above AL of Total Sites	Range Low High	Violation	Likely Source of Contamination
Copper (ppm)	6/1/2024 - 9/30/2024	1.3	1.3	0.881	1 out of 22	0.269 - 1.46	N	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives.
Lead (ppb)	6/1/2024 - 9/30/2024	15	0	0.2	0 out of 22	0 - 0.4	N	Corrosion of household plumbing systems, erosion of natural deposits.

Copper *is an essential nutrient, but some people who drink water containing copper in excess of the action level over a relatively short amount of time could experience gastrointestinal distress. Some people who drink water containing copper in excess of the action level over many years could suffer liver or kidney damage. People with Wilson's disease should consult their personal doctor.*

Secondary Contaminants

Contaminant (units)	Sample Date	MCL Violation Y/N	Your Water Average	Range Low High	MCL	Likely Source of Contamination
Sulfate (ppm)	2018	N	16	11 - 23	250	Erosion of natural deposits
**Lead (ppb)	2020	N	10	ND– 48	15	Erosion of natural deposits
**Copper (ppm)	2020	N	0.307	ND-0.578	1.3	Erosion of natural deposits, leeching from wood preservatives

***Lead and **Copper samples were collected at Entry Point and were not collected as part of the Lead and Copper Rule.*
Lead*: Exposure to lead in drinking water can cause serious health effects in all age groups. Infants and children can have decreases in IQ and attention span. Lead exposure can lead to new learning and behavior problems or exacerbate existing learning and behavior problems. The children of women who are exposed to lead before pregnancy can have increased risk of these adverse health effects. Adults can have increased risks of heart disease, high blood pressure, kidney or nervous system problems.*

Entry Point Disinfectant Residual

Contaminant	Minimum Disinfectant Residual	Lowest Level Detected	Range of Detections	Units	Sample Date	Violation	Sources of Contamination
Chlorine	0.4	0.4	0.4 - 2.52	ppm	2024	N	Water additive used to control microbes

Disinfection By-Products Contaminants

Contaminant (units)	Sample Date	MCL/MRDL Violation Y/N	Your Water Average	Range Low-High	MCLG	MCL	Likely Source of Contamination
Distribution System Chlorine (ppm)	2024	See Violation Section	1.10	0.26 - 3.1	MRDLG = 4	MRDL = 4	Water additive used to control microbes

Inorganic Contaminants

Contaminant (units)	Sample Date	MCL Violation Y/N	Your Water Average	Range Low High	MCLG	MCL	Likely Source of Contamination
Arsenic (ppb)	2024	N	2.0	2.0 - 2.0	0	10	Erosion of natural deposits; Runoff from orchards; Runoff from glass and electronics production wastes
Barium (ppm)	2024	N	0.034	0.011 - 0.034	2	2	Discharge from drilling wastes; Discharge from metal refineries; Erosion of natural deposits
Asbestos (MFL)	2022	N	0.12	0.12 - 0.12	7	7	Decay of asbestos cement water mains; Erosion of natural deposits
Nickel (ppm)	2024	N	0.004	0.001 - 0.014	0.1	0.1	

Other Miscellaneous Water Characteristics - Contaminants			
Contaminant (units)	**Sample Date**	**Your Water**	**Range Low High**
Calcium (ppm)	2023	22.65	18.5 - 26.8
Magnesium	2017	6.29	N/A

Bulk Water Hauling

In 2024, Community Utilities of Pennsylvania, Inc. purchased water from Easton Area Water System PWSID 3480050 and was hauled in by Palmer & Sons, Inc PWSID 3486567 during several timeframes throughout the year. For any questions regarding the bulk water hauling in 2024, please contact our customer service at 1(800) 638-0262.

Violations

Please see the following violation that Community Utilities of Pennsylvania, Inc. received in 2024:

Chlorine—Distribution System

Violation Type	Violation Begin	Violation End	Violation Explanation
Monitoring and Reporting	3/5/2024	3/12/2024	We failed to collect a weekly disinfectant residual.

Some people who use water containing chlorine well in excess of the MRDL could experience irritating effects to their eyes and nose. Some people who drink water containing chlorine well in excess of the MRDL could experience stomach discomfort.

PFAS Testing

Community Utilities of Pennsylvania, Inc. continues efforts to conduct statewide drinking water testing for Per- and Polyfluoroalkyl Substances (PFAS). These man-made compounds are used in the manufacturing of products resistant to water, grease or stains including firefighting foams, cleaners, cosmetics, paints, adhesives and insecticides. PFAS can migrate into the soil, water, and air and is likely present in the blood of humans and animals all over the world. On April 10, 2024, the EPA approved new sampling requirements and drinking water limits for six PFAS including PFOA, PFOS, PFNA, PFHxS, PFBS, and GenX Chemicals. We are completing PFAS sampling ahead of the 2027 initial monitoring deadline and will take appropriate action to meet new regulations as needed.

Our focus will remain, as always, on supplying our customers with quality, reliable water service.

For the latest PFAS results, visit our website at www.myutility.us/PA and click Water Quality Reports under Water Safety. For more information visit https://www.epa.gov/pfas.

PFAS Results (*All results reported as Nanograms per liter (ng/L)*)

Contaminant	Sample Date	Range of Detect	Average	EPA MCLG	EPA MCL
PFOA (Compliance Samples)	1/24, 2/24, 4/24, 7/24, 10/24	ND—2.27	0.3	0	4.0
PFOS (Compliance Samples)	1/24, 2/24, 4/24, 7/24, 10/24	ND—2.5	0.3	0	4.0
PFOA	3/24	1.9—2.7	2.4	0	4.0
PFOS	3/24	1.6–2.9	2.3	0	4.0
PFBS*	3/24	1.3—2.1	1.6		
PFHxS*	3/24	ND—1.5	0.5	10	10
PFNA*	3/24	N/A	ND	10	10
PFHxA	3/24	0.97—1.4	1.22		
HFPO-DA (GenX)*	3/24	N/A	ND	10	10
PFOSA	3/24	ND—1.1	0.37		
Hazard Index*	3/24	ND—2.1	0.05	1 (unitless)	1 (unitless)

Terms and Abbreviations:

- **GenX** – Hexafluoropropylene Oxide Dimer Acid (HFPO-DA)
- **Hazard Index** – PFAS mixtures containing at least two or more of PFHxS, PFNA, HFPO-DA, and PFBS use a Hazard Index MCL to account for the combined and co-occurring levels of these PFAS in drinking water.
- **ND (No Detect)** - No detection means the constituent is not detectable at the minimum reporting limit.
- **Ng/L** – Nanograms per liter (ng/L) which equals Parts per trillion (ppt) – One part per trillion corresponds to one minute in 2,000,000 years, or a single penny in $10,000,000,000.
- **PFBS** – Perfluorobutanesulfonic Acid
- **PFHxA** – Perfluorohexanoic Acid
- **PFHxS** – Perfluorohexanesulfonic Acid
- **PFNA** – Perfluorononanoic Acid
- **PFOA** – Perfluorooctanoic Acid
- **PFOS** – Perfluorooctanesulfonic Acid
- **PFOSA** – Perfluorooctane Sulfonamide

Exhibit SL-3R

CONFIDENTIAL

Redacted in entirety

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc. for Approval Pursuant to Sections 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company	:	Docket Nos.	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

Rejoinder Testimony of Steven M. Lubertozzi

On Behalf of

Community Utilities of Pennsylvania Inc.

November 18, 2025

CUPA Statement No. 1-RJ

Table of Contents

I. INTRODUCTION 1
II. COSTS AND BENEFITS OF SWW/CORIX MERGER 2
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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Steven M. Lubertozzi. I am the Senior Vice President of Rates, Regulatory and Legislative Affairs for Nexus Water Group, Inc. ("NWG"), a holding company that indirectly owns all of the outstanding stock of Community Utilities of Pennsylvania, Inc. ("CUPA"). My business address is 500 W. Monroe Street, Suite 3600, Chicago, Illinois 60661.

Q. DID YOU PREVIOUSLY PROVIDE TESTIMONY IN THIS PROCEEDING?

A. Yes. On September 2, 2025, I presented direct testimony to: (1) support the Joint Application of American Water Works Company, Inc. ("AWWC" or "American Water"), Pennsylvania-American Water Company ("PAWC" or "Pennsylvania-American"), Nexus Regulated Utilities, LLC ("Nexus"), and CUPA (collectively, the "Joint Applicants") for Approval Pursuant to Sections 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company[1] ("Joint Application"); (2) explain CUPA's water and wastewater systems and operational history; (3) generally describe the Stock Purchase Agreement between Joint Applicants; and (4) explain the benefits of the proposed acquisition. On October 30, 2025, I submitted rebuttal testimony in response to the Office of Consumer Advocate's ("OCA") Statement No.1, the Direct Testimony of Lafayette K. Morgan, Jr. and the OCA's Statement No. 2, the Direct

[1] I will refer to the transfer of the assets of CUPA to Pennsylvania-American as the "Merger." I will refer to the Merger, together with the transfer of control of CUPA from Nexus to American Water, collectively as the "Transactions."

Testimony of LeeAnne Wise to address two issues: (1) costs and savings related to the merger of Corix Infrastructure (US) Inc. ("Corix US") and SW Merger Acquisition Corp. ("SWMAC") that resulted in the creation of NWG and indirect change in control of CUPA ("Corix/SWW Merger") are not pertinent to the Transactions; and (2) quality of service allegations raised at public input hearings.

Q. WHAT ARE THE ISSUES YOU WILL ADDRESS IN THIS REJOINDER TESTIMONY?

A. I will respond to the OCA'S Statement No.1-SR, the Surrebuttal Testimony of Lafayette K. Morgan, Jr. I will address one issue: costs and savings related to the Corix/SWW Merger. Specifically, Mr. Morgan continues to ignore the terms of the settlement agreement. I also provide an updated balance on the Integration Customer Protection Deferral account.

II. COSTS AND BENEFITS OF SWW/CORIX MERGER

Q. OCA WITNESS MORGAN TESTIFIED THAT THE FINANCIAL SAVINGS THAT HAVE ACCUMULATED IN THE INTEGRATION CUSTOMER PROTECTION DEFERRED ACCOUNT SHOULD BE PASSED BACK TO CUSTOMERS AS A ONE-TIME CREDIT TO CUSTOMERS' BILLS REGARDLESS OF COSTS OUTWEIGHING SAVINGS BECAUSE HE ALLEGES NEXUS HAS TERMINATED THE PROCESS OF ACCUMULATING COSTS AND

SAVINGS OVER A 5 YEAR PERIOD FROM THE CORIX/SWW MERGER. HOW DO YOU RESPOND?

A. I disagree. Mr. Morgan fails to recognize important facts regarding the CORIX/SWW Merger that are clear from the plain terms of the settlement document:

1. CUPA never guaranteed there would be net cost savings to pass along to customers: "While the Proposed Transaction is not driven by net financial synergies, the combined companies anticipate that the merger will improve efficiency and the integration of administrative and general functions should result in cost savings. The integration of CII's water, wastewater and related businesses with SWMAC's water and wastewater business will be a significant, prolonged undertaking. The combined companies acknowledge that costs and benefits associated with integration will be addressed in future ratemaking proceedings." Joint Petition for Settlement at 12-13.

2. CUPA/Nexus committed solely to track savings and costs in the CORIX/SWW Merger Settlement and to submit the information in rate cases. Joint Petition for Settlement generally and ¶ 64. Neither CUPA nor Nexus committed that CUPA would remain under Nexus ownership.

3. The CORIX/SWW Merger provided for specific benefits to customers that have already occurred, including but not limited to:

- CUPA maintained its principal place of business in East Stroudsburg, PA. Joint Petition for Settlement at ¶ 49.

- CUPA maintained sufficient staff, facilities, and operating skills consistent with its obligation to serve customers in Pennsylvania and has had access to capital needed to

support continued prudent investment in facilities, systems and staff to improve service. Joint Petition for Settlement at ¶ 50.

- CUPA developed and now bills volumetric rates for all wastewater customers. Joint Petition for Settlement at ¶ 51.

- CUPA customers that contact customer service are directed to customer service representatives responsible for customers in Pennsylvania. Joint Petition for Settlement at ¶ 52.

- CUPA held a meeting in Tamiment to address customer concerns. Joint Petition for Settlement at ¶ 53.

- CUPA not only proposed, but has now implemented, low income water and wastewater rates and an arrearages management program. Joint Petition for Settlement at ¶ 54.

- When customers are eligible for CUPA's low income rates, the low income rate is applied retroactively to the date the customer applied for enrollment. Joint Petition for Settlement at ¶ 55.

- CUPA took the required steps in furtherance of increasing participation in the low income program. Joint Petition for Settlement at ¶ 56.

- CUPA proposed and implemented an eligibility limit for customers with income at or below 200% of the Federal Poverty Level. Joint Petition for Settlement at ¶57.

- CUPA did not seek recovery of any transaction costs. Joint Petition for Settlement at ¶ 58.

- No claim was made for an acquisition adjustment. Joint Petition for Settlement at ¶ 59.

- CUPA complied with any necessary identification of affiliate costs or financing of goodwill in its 2023 rate proceeding. Joint Petition for Settlement at ¶¶ 60-61.

Thus, I strongly disagree with any contention that Nexus or CUPA has not fully complied with the terms of the CORIX/SWW Merger Settlement and provided the benefits that were guaranteed therein.

Q. WHERE DID THE COMMITMENT TO RETURN SAVINGS TO RATEPAYERS ORIGINATE?

A. The specific commitment made was in CUPA's 2023 base rate case and states in full: "CUPA shall set up a deferral account, 'Integration Customer Protection Deferral Mechanism,' which will capture accrued costs and benefits of integration that occur for five years after the closing date. All parties reserve their rights to challenge recovery of any deferred amounts in future rate proceedings." *PUC et al v. CUPA*, Docket Nos. R-2023-3042804 *et al.*, Joint Petition for Full Settlement of Rate Proceedings, at ¶ 30.

Thus, to me, it is clear that CUPA only agreed to track savings and costs and how those savings and costs would be treated as to rates is a decision for future rate proceedings.

Attempting to raise the costs and benefits in this proceeding overlooks the parties' agreement regarding when and how this issue would be addressed.

Q. WHAT IS THE BALANCE IN THE INTEGRATION CUSTOMER PROTECTION DEFERRAL ACCOUNT?

A. As of September 30, 2025, the balance is $25,840. See details below.

Integration Customer Protection Deferral

Description	CUPA Portion thru 9/30/25
Financial Benefits	$ 156,268
Costs to Achieve Financial Benefits	(130,429)
Balance	**$ 25,840**

Q. DO YOU BELIEVE SOME MANNER OF CUSTOMER CREDIT FOR COST SAVINGS IS WARRANTED AS SUGGESTED BY OCA?

A. No. I believe the affirmative public benefits discussed at length in Joint Applicants' direct testimony demonstrate that the Transactions result in net benefits.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does. I reserve the right to update and amend my testimony.

OSBA EXHIBIT NO. 1

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary, authority, approvals, and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	**Docket Nos. A-2025-3055551** **A-2025-3055552** **A-2025-3055553** **A-2025-3055554**

OFFICE OF SMALL BUSINESS ADVOCATE'S
ADMITTED
TESTIMONY AND EXHIBITS

The Office of Small Business Advocate ("OSBA") admitted the enclosed testimony and exhibits, as evidence into the evidentiary record, as OSBA EXHIBIT NO. 1, at the Evidentiary Hearing, held on November 21, 2025, in the above-captioned proceedings:

- Direct Testimony and Exhibit of Celia B. Hashlamoun, labelled OSBA Statement No. 1, with Associated Exhibit ES-1, with signed Verification of Celia B. Hashlamoun
- Surrebuttal Testimony of Celia B. Hashlamoun, labelled OSBA Statement No. 1-SR, with signed Verification of Celia B. Hashlamoun

Date: November 21, 2025

COMMONWEALTH OF PENNSYLVANIA

October 14, 2025

The Honorable Erin L. Gannon
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary, authority, approvals, and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc. / Docket Nos. A-2025-3055551, A-2025-3055552, A-2025-3055553, A-2025-3055554

Dear Judge Gannon:

Enclosed please find the Direct Testimony and Exhibit of Celia B. Hashlamoun, labelled OSBA Statement No. 1, with Associated Exhibit ES-1, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

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 and Certificate of Service only)
Celia Hashlamoun / Rebecca Forbes / Kevin Higgins
Parties of Record

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary, authority, approvals, and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	**Docket Nos. A-2025-3055551** **A-2025-3055552** **A-2025-3055553** **A-2025-3055554**

DIRECT TESTIMONY & EXHIBIT

of

CELIA B. HASHLAMOUN

on behalf of

Pennsylvania Office of Small Business Advocate

Topics:
Proposed Acquisition Price
Rate Base Impact

Date Served: October 14, 2025

Date Submitted for the Record: November 21, 2025

DIRECT TESTIMONY OF CELIA B. HASHLAMOUN

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Celia Hashlamoun. My business address is 111 East Broadway, Suite 1200, Salt Lake City, Utah, 84111.

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

A. I am a Senior Consultant at Energy Strategies, LLC. Energy Strategies is a private consulting firm specializing in economic and policy analysis applicable to energy production, transportation, and consumption.

Q. On whose behalf are you testifying in this proceeding?

A. My testimony is being sponsored by the Pennsylvania Office of Small Business Advocate ("OSBA").

Q. Please describe your professional experience and qualifications.

A. I earned a Bachelor of Science in Business Administration from the University of Akron in 2007. I joined Energy Strategies in 2025, where my responsibilities include reviewing utility case filings, conducting financial and regulatory analyses, and developing expert testimony to support regulatory proceedings. Prior to joining Energy Strategies, I was a Regulatory Consultant for The East Ohio Gas Company d/b/a Enbridge Gas Ohio. In that role, I was responsible for planning and preparing analyses that supported various regulatory proceedings and internal business initiatives.

Before my time at Enbridge Gas Ohio, I worked in the Rates and Regulatory Affairs Department at FirstEnergy Corp, where I supported regulatory filings and rate-related analysis. Earlier in my career, I was employed at Plante & Moran Corporate Finance as an Investment Banking Analyst.

Q. Have you previously testified before this Commission or any other regulatory Commission?

A. This is my first opportunity to testify before this Commission. I have previously testified before the Public Utilities Commission of Ohio and the New Jersey Board of Public Utilities.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your direct testimony in this proceeding?

A. The purpose of my testimony is to respond to the Joint Application filed by American Water Works Company, Inc. ("American Water"), Pennsylvania American Water Company ("PAWC"), Nexus Regulated Utilities, LLC ("Nexus") and Community Utilities of Pennsylvania Inc. ("CUPA") for the transfer to PAWC, by merger, all assets of CUPA used or useful in the public service and the right of PAWC to begin to offer, render, furnish and supply water and/or wastewater service to various areas in Pennsylvania, as detailed in the Joint Application. My testimony highlights ratemaking issues that warrant the Commission's consideration of whether the proposed transaction serves the public interest.

III. RESPONSE TO THE ACQUISITION PROPOSAL

Q. Please describe the proposed transaction.

A. PAWC Witness Michael Salvo explains in his direct testimony that American Water and Nexus entered into a Purchase and Sale Agreement on May 19, 2025, by which American Water will purchase all the issued and outstanding equity interests in specified entities that own regulated water and wastewater systems located in various states, including CUPA in Pennsylvania. Subject to obtaining certain regulatory Commission approvals, upon closing of the proposed transaction, American Water will merge CUPA with and into PAWC. The total preliminary purchase price of Nexus is $315 million.[1]

Q. What portion of the purchase price is allocated to CUPA?

A. According to PAWC, CUPA has been allocated $59.5 million of the total preliminary purchase price.[2] In response to discovery, PAWC stated that this allocation was determined using a methodology that compares CUPA's capital structure balance to the total capital structure balances of all the entities acquired under the Purchase and Sale Agreement. It further states, because this was an equity acquisition involving affiliates across multiple states, the total purchase price was allocated according to each affiliate's proportionate share of the combined balance sheet. As a result, CUPA's relative equity and debt balances resulted in an 18.89% of the total transaction value to its operations.[3]

[1] Salvo Direct Testimony, p. 5 lines 12-15, 22-23; see also p.7 line 8.
[2] Salvo Direct Testimony, p. 7 lines 9-10.
[3] Response to OSBA to PAWC 1-4.

Q. Did you calculate the acquisition premium for CUPA in connection with this proceeding?

A. Yes. I calculated the acquisition premium based on publicly available data. For purposes of my testimony, I use the term "acquisition premium" to refer to the difference between the proposed equity purchase price allocated to CUPA and CUPA's net utility plant value.

The net utility plant value includes the original cost of CUPA's utility assets, less accumulated depreciation, and includes construction work in progress ("CWIP") and prior utility plant acquisition adjustments, net, as reported in CUPA's financial records.

According to CUPA's 2024 Water and Wastewater Annual Reports, as of December 31, 2024, its Water Total Utility Plant (net of accumulated depreciation) was $15.4 million and its Wastewater Total Utility Plant (net of accumulated depreciation) was $18.8 million, for a combined net utility plant value of $34.2 million.[4]

In comparison, the proposed equity purchase price of approximately $59.5 million represents a 73.8% premium over the combined net utility plant value. This results in an acquisition premium of $25.3 million.

While this proceeding does not establish rate base, that fact that the transaction involves the purchase of equity, not assets, and the magnitude of the premium

[4] Response to OSBA to PAWC 1-1 (Sum of Accounts 101 & 105 less 108.1).

underscores the importance of separating acquisition costs from those that are eligible for recovery through customer rates.

Q. Was there any independent analysis conducted to support the acquisition premium paid in this transaction?

A. No. According to PAWC, no independent valuations or appraisals were conducted in connection with this transaction.[5] Therefore, there is no independent basis to justify the premium paid above the net utility value of CUPA's assets. Without an objective assessment, there is no assurance that the acquisition premium relates to assets or benefits that serve customers. It also increases the risk that ratepayers could be asked to subsidize financial decisions made for shareholder purposes, rather than for the provision of utility service.

Q. How do you assess the appropriateness of the purchase price allocation methodology used by American Water and what are your recommendations regarding its implications for future ratemaking?

A. The methodology used by American Water is not appropriate for ratemaking purposes. While allocating the purchase price based on a utility's equity or capital structure may be a reasonable approach for internal financial accounting, it does not align with regulatory principles applied in setting utility rates. A utility's capital structure reflects how it is financed, it has no direct relationship to the value of utility assets, the cost of providing service, or the benefits received by ratepayers.

[5] Response to OSBA to PAWC 1-6.

Using this method to allocate costs among entities risks assigning a portion of the acquisition premium to Pennsylvania ratepayers without any showing of benefit or cost causation. In effect, it could unfairly shift part of a multi-state acquisition premium to Pennsylvania customers, even though those customers may not receive any corresponding benefit. Therefore, I recommend the Commission state that the use of capital structure-based purchase price allocation is not appropriate for ratemaking purposes.

Q. Will PAWC seek an acquisition adjustment premium in connection with this transaction?

A. In response to discovery, PAWC stated that a determination as to whether it will seek an acquisition adjustment for the CUPA systems has yet been made. Further it stated, if PAWC does propose recovery of an acquisition adjustment, it will do so within the context of a base rate case and within that base rate case, will address the criteria of 66 Pa. C.S. § 1327.[6]

Q. Is there any regulatory significance to PAWC's decision not to request recovery of an acquisition premium in this proceeding?

A. Yes. Although this transfer of control proceeding does not establish ratemaking treatment, there is nothing preventing a utility from stating its intent to seek such recovery in a future base rate case. PAWC's decision to proceed with the acquisition without having determined if it intends to seek recovery of an acquisition premium is meaningful. It suggests that an acquisition adjustment is not essential to closing the transaction, meaning PAWC does not require rate

[6] Response to OSBA to PAWC 1-7.

recovery of the premium to proceed with the acquisition. This indicates that PAWC is willing to assume the risk of non-recovery, which properly places the burden of that cost on shareholders rather than ratepayers.

Q. Are you aware of how the acquisition premium is being treated in any other jurisdiction reviewing this transaction?

A. Yes. As mentioned above, this is a multi-state transaction. In at least three other jurisdictions, Illinois, Kentucky, and Tennessee, where the transaction is under review, the acquiring utility has committed to not seek recovery of an acquisition premium from customers.

In Illinois, Illinois-American Water Company ("ILAWC") Witness Sonal Modi appears to define the acquisition premium as the difference between the allocated purchased price and rate base. He states that ILAWC is not seeking to recover an acquisition premium, instead, the difference will be recorded on ILAWC's books as goodwill. [7]

In Kentucky, the acquiring utility, Kentucky-American Water Company ("KAWC") states in its application, "it will not request any adjustment for ratemaking purposes to reflect the difference between the book value of these assets at the time of the proposed merger and their allocated acquisition cost." [8]

[7] Revised Direct Testimony of Sonal Modi, Illinois-American Water Company, Illinois Commerce Commission Docket No. 25-0545, p. 3, lines 58–62 (filed July 30 2025).
[8] Application of American Water Works Co. et al., Ky. PSC Docket No. 2025-00171, at p. 7.

This position is further clarified in Response to Commission Staff's Second Request for Information, Item No. 9, in *Kentucky-American Water Company, Case No. 2025-00171* before the Kentucky Public Service Commission:

> "KAWC is not seeking approval in this case and will not seek approval in future cases of the "fair market value" of what is being purchased. Instead, KAWC will seek recovery of the book value of the acquired assets."

That commitment further indicates that the American Water is willing to proceed with the transaction without requiring recovery of a premium.

Similarly, in Tennessee, Witness Grady Stout of the acquiring Company, Tennessee-American Water Company ("TAWC"), states in his testimony that:

> "The Company is recording the difference between the purchase price and the rate base as a goodwill adjustment which ensures that rates are aligned with the regulated asset value. Based upon the unique and intricate circumstances presented, the Company is not requesting an acquisition adjustment as allowed under Section 1220-04-14-.04." [9]

Q. Do you have any comments regarding American Water's approach to acquisition premium recovery in the other affected jurisdictions as distinct from Pennsylvania?

A. Yes. I find it very concerning that PAWC indicates that it is keeping its options open as to whether to seek recovery of an acquisition premium from its Pennsylvania customers despite the fact that American Water has voluntarily

[9] Direct Testimony of Grady Stout, Tennessee-American Water Company, Tennessee Public Utility Commission Docket No. 25-00040, p. 9, lines 20–21 (filed May 30, 2025).

relinquished the recovery of such a premium in other states. From a fairness perspective, if American Water has agreed to forgo requesting recovery of an acquisition premium stemming from the same transaction in other states, Pennsylvania customers should be afforded the same protection.

Q. What rates and terms of service will be applicable to CUPA customers immediately following the close of the transaction?

A. According to the testimony of PAWC witness Ashley Everette, PAWC will take on CUPA's current water and wastewater rates at the time of closing. However, CUPA's customers will be subject to PAWC's currently effective water and wastewater tariffs on file with the Commission with respect to all rates other than base rates (such as, capacity reservation fees and reconnection fees). In addition, PAWC's non-rate-related terms and conditions of service will apply to CUPA's customers following the close of the transaction.[10]

Q. What information does the Company provide on how customer rates will be impacted post-integration, when rates are adjusted?

A. Very little. While the Company states that PAWC will adopt CUPA's existing base rates at the time of closing, it provides no analysis of potential rate impacts resulting from CUPA's integration into PAWC's broader system. PAWC Witness Michael Salvo claims that when rates are adjusted, CUPA customers will benefit from being part of a large public utility system and rates will be stable because they can spread costs over a larger customer base. Mr. Salvo also claims that

[10] Everette Direct Testimony, p. 6, lines 5-6, 20 - 21, 24 – 26; see also, p.7 1-2.

"CUPA customers will no longer face the potential large rate spikes that can occur in small systems."[11]

Q. Do you agree with the assertion that CUPA customers will benefit from shared costs and being part of a larger utility system like PAWC?

A. Not necessarily. While being part of a larger utility system may appear to offer benefits such as cost-sharing and potential operational efficiencies, those benefits are not guaranteed. In this case, no information has been provided to demonstrate that CUPA's customers will experience rate stability or cost savings as a result of becoming part of a larger utility system.

Integration into a larger system could expose CUPA customers to new and potentially higher costs, including higher corporate overhead costs and higher system-wide expenditures, which could offset any benefit assumed from shared resources. While Mr. Salvo claims that CUPA's existing customers will now be able to share the costs of operating and upgrading their own systems across a larger customer base, the reverse is also true, CUPA customers will now share in the costs incurred by PAWC's existing 694,617 water and 116,270 wastewater customers,[12] which may include infrastructure investments or expenses unrelated to CUPA's service area.

As a result, any claimed benefit from shared costs savings should be evaluated against the potential for CUPA customers to face higher overall costs. These

[11] Salvo Direct Testimony, p. 24, lines 17-22.
[12] Salvo Direct Testimony, p. 24, lines 19-20.

concerns about shared cost burdens directly relate to the broader issue of future rate impacts for CUPA customers, which I address in the following response.

Q. Do you have concerns about future rate impacts for CUPA customers?

Yes. When responding to the question, "Do you believe the benefits of the transaction outweigh the detriments for CUPA's customers?", Mr. Salvo acknowledges in his testimony that "the only significant detriment is the possibility of higher rates at a future date."[13]

Given the lack of information on estimated rates or rate impacts once CUPA is fully integrated into PAWC, I have concerns about the potential long-term rate impacts on CUPA customers. Specifically, CUPA's customers could be exposed to:

- Recovery of acquisition related costs, including an acquisition premium;
- The cost of significant new capital investments; and
- Broader system-wide cost allocations that were not previously part of CUPA's rates.

IV. CONCLUSION AND RECOMMENDATIONS TO THE COMMISSION

Q. What conclusions and recommendations do you offer regarding the proposed transaction?

A. I do not oppose the transfer of control of CUPA to PAWC, nor do I oppose the purchase price, provided that any acquisition premium is excluded from future

[13] Direct Testimony Salvo, p.25 line 15-16.

rate recovery proceedings. I recommend that future rates should be determined solely based on the applicant's rate base, which should reflect the net book value ("NBV") of the original cost of the utility plant at the time it was placed in service. No acquisition adjustment, whether above or below NBV, should be reflected in customer rates.

Additionally, I recommend that the Commission reject the use of capital structure-based allocation for ratemaking purposes, as it does not reflect the cost of service, or the value of utility plant used by Pennsylvania customers.

Q. Does this conclude your direct testimony?

A. Yes

EXHIBIT ES-1

Resume & Expert Testimony List

of

Celia B. Hashlamoun

Celia Hashlamoun

Senior Consultant | Energy Strategies, LLC

111 East Broadway, Suite 1200, Salt Lake City, UT 84111

chashlamoun@energystrat.com

PROFESSIONAL EXPERIENCE

Senior Consultant

Energy Strategies, LLC | Salt Lake City, Utah | 2025 – Present

Member of the firm's regulatory practice, supporting a broad range of energy-related matters. Responsibilities include evaluating utility regulatory filings, analyzing work papers and financial models, and developing discovery requests to support regulatory proceedings. Provides analytical and strategic support across diverse energy projects to assist clients in navigating market and regulatory environments.

Regulatory Consultant

Enbridge Gas Ohio (formerly Dominion Energy Ohio) | Cleveland, Ohio | 2018-2025

Contributed to the development of regulatory strategy in support of company filings and compliance efforts. Conducted detailed financial analyses, led cost recovery filings and related regulatory audits, developed expert witness testimony and provided strategic support to internal teams across the company.

Analyst IV – Rate Strategy

FirstEnergy Corp. | Akron, Ohio | 2009 – 2018

Held increasing responsibilities within the Rates & Regulatory Affairs team, culminating as Analyst IV. Designed and maintained financial models to evaluate various regulatory scenarios. Collaborated with cross-functional teams to assess and quantify the impact of proposed regulatory changes.

Investment Banking Analyst

Plante Moran Corporate Finance | Cleveland, Ohio | 2008 – 2009

Conducted regional and industry-specific trend analyses to support market overviews and client deliverables. Performed financial valuation analyses for strategic and transactional purposes.

Valuation Analyst

Apple Growth Partners | Mayfield Village, Ohio | 2007 – 2008

Assisted in preparing valuation reports for various purposes, including domestic relations, estate and gift tax, ESOPs, mergers and acquisitions, and feasibility studies. Conducted industry and economic research to inform company-specific forecasts and assumptions.

EDUCATION

Bachelor of Science in Business Administration

Concentration: Corporate Finance
University of Akron | 2007

Expert Testimony

OHIO

"In the Matter of the Application of The East Ohio Gas Company d/b/a Enbridge Gas Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges," Public Utilities Commission of Ohio, Docket No. 25-619-GA-RDR. Direct testimony submitted March 31, 2025.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Enbridge Gas Ohio for Approval to Increase Natural Gas Rates," Public Utilities Commission of Ohio, Docket No. 23-894-GA-AIR et al. Rebuttal testimony submitted February 5, 2025. Testified at hearing February 12, 2025.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Enbridge Gas Ohio for Approval to Increase Natural Gas Rates," Public Utilities Commission of Ohio, Docket No. 23-894-GA-AIR et al. Second Supplemental Direct testimony submitted December 18, 2024.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval to Increase Natural Gas Rates," Public Utilities Commission of Ohio, Docket No. 23-894-GA-AIR et al. Direct testimony submitted November 14, 2023. Supplemental Direct testimony submitted August 9, 2024. Testified at hearing January 16, 2025.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Enbridge Gas Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges," Public Utilities Commission of Ohio, Docket No. 24-619-GA-RDR. Direct testimony submitted March 28, 2024.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges," Public Utilities Commission of Ohio, Docket No. 23-619-GA-RDR. Direct testimony submitted March 30, 2023.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges," Public Utilities Commission of Ohio, Docket No. 22-619-GA-RDR. Direct testimony submitted April 1, 2022. Supplemental Direct testimony submitted August 31, 2022.

"In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of an Alternative Form of Regulation," Public Utilities Commission of Ohio, Docket No. 21-1109-GA-ALT. Direct Testimony submitted November 30, 2021.

“In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Authority to Adjust Its Capital Expenditure Program Rider Charges,” Public Utilities Commission of Ohio, Docket No. 21-619-GA-RDR. Direct testimony submitted April 1, 2021. Testimony in Support of Stipulation submitted September 10, 2021.

“In the Matter of The East Ohio Gas Company d/b/a Dominion Energy Ohio for Approval of an Alternative Form of Regulation,” Public Utilities Commission of Ohio, Docket No. 19-468-GA-ALT. Direct testimony submitted May 1, 2019.

NEW JERSEY

“In the Matter of the Verified Petition of Jersey Central Power & Light Company For Review and Approval of Increases in and Other Adjustments to Its Rates and Charges For Electric Service, and For Approval of Other Proposed Tariff Revisions in Connection Therewith; and for Approval of an Accelerated Reliability Enhancement Program ("2016 Base Rate Filing"),” New Jersey Board of Public Utilities. Docket No. ER1604038. Direct testimony submitted April 28, 2016.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary, authority, approvals, and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	**Docket Nos. A-2025-3055551** **A-2025-3055552** **A-2025-3055553** **A-2025-3055554**

VERIFICATION

I, Celia B. Hashlamoun, hereby state that the facts set forth in my Direct Testimony and Exhibit, labelled OSBA Statement No. 1, with Associated Exhibit ES-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).

Date: October 8, 2025

Celia Hashlamoun

Celia Hashlamoun

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary, authority, approvals, and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	**Docket Nos. A-2025-3055551** **A-2025-3055552** **A-2025-3055553** **A-2025-3055554**

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).

The Honorable Erin L. Gannon
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wesnyder@hmslegal.com

Date: October 14, 2025

/s/ Rebecca Lyttle
Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

COMMONWEALTH OF PENNSYLVANIA

November 13, 2025

The Honorable Erin L. Gannon
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary, authority, approvals, and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc. / Docket Nos. A-2025-3055551, A-2025-3055552, A-2025-3055553, A-2025-3055554

Dear Judge Gannon:

Enclosed please find the Surrebuttal Testimony of Celia B. Hashlamoun, labelled OSBA Statement No. 1-SR, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

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 and Certificate of Service only)
Celia Hashlamoun / Rebecca Forbes / Kevin Higgins
Parties of Record

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary, authority, approvals, and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	**:**	**Docket Nos. A-2025-3055551** **A-2025-3055552** **A-2025-3055553** **A-2025-3055554**

SURREBUTTAL TESTIMONY

of

CELIA B. HASHLAMOUN

on behalf of

Pennsylvania Office of Small Business Advocate

Topics:
Proposed Acquisition Price

Date Served: November 13, 2025

Date Submitted for the Record: November 21, 2025

SURREBUTTAL TESTIMONY OF CELIA B. HASHLAMOUN

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Celia Hashlamoun. My business address is 111 East Broadway, Suite 1200, Salt Lake City, Utah, 84111.

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

A. I am a Senior Consultant at Energy Strategies, LLC. Energy Strategies is a private consulting firm specializing in economic and policy analysis applicable to energy production, transportation, and consumption.

Q. Are you the same Celia Hashlamoun who submitted Direct Testimony in this proceeding on behalf of the Pennsylvania Office of Small Business Advocate ("OSBA")?

A. Yes.

Q. What is the purpose of your Surrebuttal Testimony?

A. I am responding to the rebuttal testimony of the Pennsylvania-American Water Company ("PAWC") witness Ashley E. Everette. Specifically, I will address Ms. Evertte's comments on the differential between PAWC's purchase price of Community Utilities of Pennsylvania ("CUPA") and the depreciated original cost of CUPA's assets.

II. CONCLUSIONS

Q. What conclusions do you offer in your testimony?

A. The purchase of CUPA by PAWC from Nexus Water Group ("Nexus") is a transaction between two corporate entities. Nexus operates water and wastewater

systems in multiple states, and PAWC is a subsidiary of American Water Works Company, Inc. ("American Water"), which owns and operates utilities across the United States.

I continue to recommend that future rates should be determined solely based on the applicant's rate base, which should reflect the net book value of the original cost of the utility plant at the time it was placed in service. No amount above the depreciated original cost ("acquisition adjustment") of CUPA's assets should be reflected in customer rates.

III. RESPONSE TO PAWC'S POSITION ON FUTURE RECOVERY OF AN ACQUISITION ADJUSTMENT

Q. What is your response to PAWC's statement that Pennsylvania law allows PAWC to propose an acquisition adjustment in the context of a base rate case?

A. Although I am not an attorney, it is my understanding that Pennsylvania law permits a utility to request recovery of an acquisition adjustment in the context of a base rate case, but that does not mean the issue is irrelevant in this proceeding. Even though PAWC has not requested recovery of one here, it would have been appropriate for the Company to indicate whether it intends to do so in a future rate case. That information is relevant to have a full understanding of the transaction and its implications for ratepayers. If PAWC seeks such recovery in the future, I recommend that the following be considered:

- PAWC proceeded with this transaction without having determined whether it would pursue recovery of an acquisition adjustment in a future rate case, indicating that the purchase was financially viable on its own terms.

- The transfer of CUPA is from one privately held consolidated utility group to another. The seller, Nexus, is a regulated utility serving over 1.3 million customers in 20 states.[1]
- Affiliates of American Water in other states involved in this same multi-state transaction have agreed to forgo acquisition premiums, further demonstrating that such recovery is not necessary for the transaction to occur.
- The sale is structured as an equity transaction, rather than one based on the value of CUPA's assets.

Q. Does this conclude your surrebuttal testimony?

A. Yes.

[1] Nexus Water Group. "Our Company." Available at: https://www.nexuswatergroup.com/our-company/ (accessed November 4, 2025).

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary, authority, approvals, and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	**Docket Nos. A-2025-3055551** **A-2025-3055552** **A-2025-3055553** **A-2025-3055554**

VERIFICATION

I, Celia Hashlamoun, hereby state that the facts set forth in my Surrebuttal Testimony labelled OSBA Statement No. 1-SR 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: November 13, 2025

Celia Hashlamoun

Celia Hashlamoun

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania Inc., Pursuant to Sections 1102 and 1103 of the Public Utility Code, for all of the necessary, authority, approvals, and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc.	:	**Docket Nos. A-2025-3055551** **A-2025-3055552** **A-2025-3055553** **A-2025-3055554**

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).

The Honorable Erin L. Gannon
Administrative Law Judge
Pennsylvania Public Utility Commission
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egannon@pa.gov

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Erin K. Fure, Esquire
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wesnyder@hmslegal.com

Date: November 13, 2025

/s/ Rebecca Lyttle
Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

COMMONWEALTH OF PENNSYLVANIA

DARRYL A. LAWRENCE
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
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November 25, 2025

Via Electronic Filing
Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc. for Approval Pursuant to 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company
Docket No. A-2025-3055551
A-2025-3055552
A-2025-3055553
A-2025-3055554

Dear Secretary Homsher:

Enclosed for filing please find the Admitted PreServed Testimony, Exhibits, and Verifications, on behalf of the Office of Consumer Advocate ("OCA").

OCA Direct Testimony	**Witness**	**Exhibits**
OCA Statement 1	Direct Testimony of Lafayette Morgan consisting of written testimony along with a signed verification of Lafayette Morgan, Senior Research Consultant,	• Appendix A (Witness Qualifications)

OCA Direct Testimony	**Witness**	**Exhibits**
	Exeter Associates, Inc.	
OCA Statement 2	Direct Testimony of LeeAnn Wise consisting of written testimony along with a signed verification of LeeAnn Wise, Senior Regulatory Analyst, OCA	• Appendix A (Witness Qualifications) • Exhibit LMW-1 • Exhibit LMW-2

OCA Surrebuttal Testimony	**Witness**	**Exhibits**
OCA Statement 1SR	Direct Testimony of Lafayette Morgan consisting of written testimony along with a signed verification of Lafayette Morgan, Senior Research Consultant, Exeter Associates, Inc.	None

OCA Hearing Exhibits	
OCA Hearing Exhibit 1	List of OCA Evidence (Testimony and Exhibits)

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Christy M. Appleby
Christy M. Appleby, Esq.
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
Email: CAppleby@paoca.org

Enclosures

cc: Administrative Law Judge Erin L. Gannon (Email: egannon@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc. for Approval Pursuant to 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company	:	Docket Nos.	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

I hereby certify that I have this day served a true copy of the following documents, the Office of Consumer Advocate's Admitted Pre-served Testimony, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 25th day of November, 2025

SERVICE BY E-MAIL ONLY

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Jacob D. Guthrie, Esq.
Assistant Consumer Advocate
PA Attorney I.D. #334367
Email: JGuthrie@paoca.org

Counsel for:
Darryl A. Lawrence
Consumer Advocate

Dated: November 25, 2025

OCA Statement 1

Direct Testimony of Lafayette Morgan with Verification, including:

Appendix A (Witness Qualifications)

OCA St. 1

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF AMERICAN WATER WORKS COMPANY, INC., PENNSYLVANIA-AMERICAN WATER COMPANY, NEXUS REGULATED UTILITIES, LLC AND COMMUNITY UTILITIES OF PENNSYLVANIA INC., PURSUANT TO SECTIONS 1102 AND 1103 OF THE PUBLIC UTILITY CODE, FOR ALL OF THE NECESSARY AUTHORITY, APPROVALS AND CERTIFICATES OF PUBLIC CONVENIENCE TO APPROVE THE TRANSFER OF CONTROL OF COMMUNITY UTILITIES OF PENNSYLVANIA INC. FROM NEXUS REGULATED UTILITIES, LLC TO AMERICAN WATER WORKS COMPANY, INC.	:	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

DIRECT TESTIMONY
OF
LAFAYETTE K. MORGAN, JR.

ON BEHALF OF THE
OFFICE OF CONSUMER ADVOCATE

OCTOBER 14, 2025

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

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I. Introduction

Q. **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Lafayette K. Morgan, Jr. My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland, 21044. I am a Public Utilities Consultant working with Exeter Associates, Inc. ("Exeter"). Exeter is a consulting firm specializing in issues pertaining to public utilities.

Q. **PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND QUALIFICATIONS.**

A. I received a Master of Business Administration degree from The George Washington University. The major area of concentration for this degree was Finance. I received a Bachelor of Business Administration degree with concentration in Accounting from North Carolina Central University. I was previously a CPA licensed in the state of North Carolina, however, in 2009, I elected to place my license in an inactive status as I focused on start-up activities for other business interests.

Q. **PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.**

A. From May 1984 until June 1990, I was employed by the North Carolina Utilities Commission - Public Staff in Raleigh, North Carolina. I was responsible for analyzing testimony, exhibits, and other data presented by parties before the North Carolina Utilities Commission. I had the additional responsibility of performing the examination of books and records of utilities involved in rate proceedings and summarizing the results into testimony and exhibits for presentation before that Commission. I was also involved in numerous special projects, including participating in compliance and prudence audits of a major utility, and conducting research on several issues affecting natural gas and electric utilities.

From June 1990 until July 1993, I was employed by Potomac Electric Power Company ("Pepco") in Washington, D.C. At Pepco, I was involved in the preparation of the cost of service, rate base and ratemaking adjustments supporting Columbia's requests for revenue increases in the State of Maryland and the District of Columbia.

From July 1993 through 2010, I was employed by Exeter as a Senior Regulatory Analyst. During that period, I was involved in the analysis of the operations of public utilities, with emphasis on utility rate regulation. I reviewed and analyzed utility rate filings, focusing primarily on revenue requirements determination. This work involved natural gas, water, electric, and telephone companies.

In 2010, I left Exeter to focus on start-up activities for other ongoing business interests. In late 2014, I returned to Exeter continuing to work in a similar capacity as prior to my hiatus.

Q. **HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS ON UTILITY RATES?**

A. Yes. I have previously presented testimony and affidavits on numerous occasions before Regulatory Commission of Alaska, the Colorado Public Utilities Commission, the Georgia Public Service Commission, the Illinois Commerce commission, the Kansas Corporation Commission, the Kentucky Public Service Commission, the Louisiana Public Service Commission, the Maine Public Utilities Commission, the Maryland Public Service Commission, the Massachusetts Department of Public Utilities the North Carolina Utilities Commission, the Public Utilities Commission of Ohio, the Corporation Commission of Oklahoma, the Pennsylvania Public Utility Commission, the Philadelphia Gas Commission, the Philadelphia Water, Sewer and Storm Water Rate Board, the Public Utilities Commission of Rhode Island, the Public

Service Commission of South Carolina, the Public Utility Commission of Texas, the Vermont Public Service Board, the Virginia Corporation Commission, the West Virginia Public Service Commission, the Wyoming Public Service Commission, and the Federal Energy Regulatory Commission ("FERC"). My resume is attached hereto as Appendix A.

Q. **ON WHOSE BEHALF ARE YOU APPEARING?**

A. I am presenting this testimony on behalf of the Pennsylvania Office of Consumer Advocate ("OCA").

Q. **IS THERE ANOTHER WITNESS APPEARING ON BEHALF OF THE OCA?**

A. Yes. Ms. LeeAnn Wise, a Senior Regulatory Analyst with the OCA is presenting testimony addressing the customers' testimonies at the public input hearing in this matter.

Q. **HOW IS YOUR TESTIMONY ORGANIZED?**

A. Section I is the introduction. Section II presents a summary of my findings and conclusions. Section III provides a summary of the Joint Application of American Water Works Company, Inc. ("American Water"), Pennsylvania-American Water Company ("PAWC"), Nexus Regulated Utilities, LLC ("Nexus") and Community Utilities of Pennsylvania Inc. ("CUPA") for all the necessary authority, approvals, and certificates of public convenience under Sections 1102 and 1103 of the Pennsylvania Public Utility Code to approve the transfer of control of CUPA from Nexus to American Water. Section IV provides a discussion of the Commission's standard for approval of mergers. Section V is a discussion of the issues I have identified as they relate to this proceeding. Section VI presents my conclusions as a result of my review of the proposed acquisition transaction.

II. Summary of Findings and Conclusions

Q. **PLEASE PROVIDE A SUMMARY OF YOUR FINDINGS AND CONCLUSIONS.**

A. Based on my review and evaluation of the Joint Applicants' filing, I recommend that the merger not be approved as proposed by the Joint Applicants. There are several conditions that I recommend the Commission require before approving the Purchase and Sale Agreement between Nexus and American Water. I will explain my recommendations in greater detail below. However, the concerns that I have raised in this testimony relate to public safety; safe and reliable utility service; and financial benefits received by CUPA that should be passed back to ratepayers in order for there to be an overall substantial affirmative public benefit from this transaction.

III. Summary of Transaction

Q. **PLEASE SUMMARIZE THE PROPOSED TRANSACTION.**

A. American Water is the largest investor-owned water and wastewater utility company in the United States, serving 3.5 million customer connections in fourteen states. Its subsidiary, PAWC, is Pennsylvania's largest water and wastewater provider. It has total assets of $7.9 billion and annual revenues of $1.04 billion for 2024.[1] PAWC's water and wastewater services encompass a service territory of more than 417 communities across Pennsylvania with a combined population of approximately 2,400,000.[2] As of April 30, 2025, PAWC served approximately 690,173 water customers and approximately 115,130 wastewater customers.[3]

[1] PAWC Statement No. 3 at page 2.
[2] Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc at page 4.
[3] *Id*. at page 5.

Nexus is a holding company with its principal place of business in Chicago, Illinois that owns water and wastewater utility companies in the United States. Nexus is a wholly owned indirect subsidiary of Nexus Water Group, Inc., which is headquartered in Sugar Land, Texas and was created by the merger of Corix Infrastructure (US), Inc. and SouthWest Water Merger Acquisition Corporation, and is the direct corporate parent of CUPA.[4] CUPA is an investor-owned Pennsylvania water and wastewater public utility regulated by the Commission. It provides water service to approximately 3,212 water customers, excluding availability customers, in the following three service territories in Pennsylvania: Penn Estates (formerly known as Penn Estates Utilities, Inc.); Westgate (formerly known as Utilities, Inc.-Westgate); and Tamiment (formerly known as Pennsylvania Utility Company).[5] CUPA also provides wastewater service to approximately 3,846 sewer customers, excluding availability customers, in three service territories in Pennsylvania, Consolidated Service (formerly known as Penns Estates, Utilities Inc. of Pennsylvania), Broad Run, and Tamiment.[6]

On May 19, 2025, American Water and Nexus entered into a Purchase and Sale Agreement for the purchase of all the issued and outstanding equity interests in certain Nexus-owned regulated water and wastewater systems located in eight states, including Pennsylvania. CUPA is the regulated utility in Pennsylvania that is part of the Agreement. Upon closing of the Purchase and Sale Agreement, American Water will own 100% of the equity interests in CUPA. American Water proposes to immediately

[4] *Id*.
[5] *Id*. at page 6.
[6] *Id*.

merge CUPA with PAWC.[7] CUPA will cease to exist as a separate operating company after being absorbed into PAWC.[8]

Q. **WHAT WERE THE REASONS GIVEN FOR THE PURCHASE AND SALE TRANSACTION?**

A. According to the Joint Application, the sale of CUPA will allow Nexus to focus on a smaller core geographic area where it believes it is better poised to grow and efficiently serve its customers over the long-term. According to American Water, the purchase of CUPA and the other Nexus subsidiaries will offer a way to strengthen its operations and allow American Water to continue to leverage its scale and size to cost-effectively deliver safe, clean, reliable and affordable water and wastewater services.

Q. **OF THE TOTAL PURCHASE PRICE OF $315 MILLION FOR THE NEXUS SUBSIDIARIES IN THE EIGHT STATES, HOW MUCH WAS ALLOCATED TO CUPA?**

A. Of the $315 million total purchase price, $59.5 million was allocated to CUPA based on approximately 18.89% of the total system purchase price. This ratio was calculated using CUPA's capital structure balance to the total capital structure of all entities to be acquired through the Stock Purchase Agreement.[9]

Q. **DOES THE PURCHASE PRICE ALLOCATED TO CUPA EXCEED THE NET BOOK VALUE OF CUPA'S PLANT IN SERVICE?**

A. Yes. However, PAWC states that it is not seeking a determination of whether recovery of the full purchase price (as compared to the depreciated original cost) will be permitted in rates. PAWC has reserved its right to seek recovery of an acquisition

[7] Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc at page 8.
[8] *Id*. at page 9.
[9] Everette Direct at page 5: 2-7.

adjustment under Section 1327 of the Public Utility Code in a future rate case for the acquisition of CUPA's water system.[10]

Q. **IS PAWC PROPOSING TO CHANGE THE RATES AND CHARGES TO CUPA'S EXISTING CUSTOMERS?**

A. With respect to base rates, PAWC proposes to adopt CUPA's existing base rates for CUPA's customers after completion of the acquisition. Hence, approval of the proposed transaction will not have an immediate impact on based rates for service. However, CUPA customers will be subject to PAWC's prevailing water and wastewater tariffs on file with the Commission for all rates other than base rates, such as capacity reservation fees, reconnection fees, etc. PAWC also proposes that its non-rate related terms and conditions of service apply to existing CUPA customers.

IV. Commission Standard for Approval of Public Utility Mergers

Q. **PLEASE STATE YOUR UNDERSTANDING OF THE COMMISSION'S STANDARD FOR THE APPROVAL OF PUBLIC UTILITY MERGERS AND ACQUISITIONS.**

A. It is my understanding that the Commission employs an affirmative public benefit standard for the approval of public utility mergers and acquisitions. Under Sections 1102 and 1103, the proposed transaction must affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way.[11] My understanding of this test is that for an acquiring utility to warrant an approved Certificate of Public Convenience for the proposed acquisition of another utility, the acquiring utility must demonstrate by a preponderance of the evidence that benefits will arise out of the transaction which: (1) are substantial and unique to the transaction

[10] Response to OCA-I-2.
[11] 66 Pa. C.S. §§ 1102, 1103; *City of York v. Pa. PUC,* 295 A.2d 825, 28 (Pa. Cmwlth. Ct. 1972); *Popowsky v. Pa PUC*, 594 Pa. 583; 937 A.2d 1040; (2007).

and (2) outweigh the acknowledged or known harms that will result from the transaction. That is, the law requires that the Commission conduct a fact-based evaluation and fact-based balancing such that any approval must demonstrate that the public is better off – on net – because of the transaction than it would be in the absence of the transaction, and this decision must be rooted in the facts that are specific to both the acquiring utility and the acquired system.[12]

Q. **WHAT ARE THE BENEFITS OF THIS TRANSACTION THAT THE APPLICANTS HAVE IDENTIFIED?**

A. The Joint Applicants have identified the following benefits of the merger:

1) The Joint Applicants believe that gaining additional customers will position PAWC to become larger, financially stronger, and more stable, benefiting all current and future PAWC customers.
2) According to PAWC, gaining additional customers will cause PAWC's costs per customer to be stabilized and reduced over the long term.
3) Regulatory and environmental compliance will be enhanced to the benefit of the public at large. The Joint Applicants believe the enhancement of compliance to health, safety, and environmental regulations would create a safer and reliable service.
4) The Joint Applicants allege that additional fire protection will be provided to certain CUPA water systems on a definite time frame, with the potential to be more affordable to customers.
5) The Joint Applicants indicate that the Commission will realize efficiencies in its regulation of CUPA's utility systems.

[12] *McCloskey v. Pa. P.U.C.*, 195 A.3d 1055, 1067 (Pa. Cmwlth. Ct. 2018); *Cicero v. Pa. P.U.C.*, 300 A.3d 1106, 1119 (Pa. Cmwlth. Ct. 2023), *petitions for allowance of appeal filed*, Nos. 568 MAL 2023 (Commission), 569 MAL 2023 (East Whiteland Township), 570 MAL 2023 (Aqua Pennsylvania) (all filed Oct. 26, 2023).

6) The Joint Applicants indicate that the planned upgrades and replacements of distribution assets would improve system reliability.

Q. **WHAT ARE THE DETRIMENTS OF THIS TRANSACTION THAT THE APPLICANTS HAVE IDENTIFIED?**

A. The Joint Applicants did not identify any detriments or issues with specific negative impact.

Q. **PLEASE COMMENT ON THE BENEFITS AS IDENTIFIED BY THE JOINT APPLICANTS?**

A. While the Joint Applicants identified some benefits of the merger, I have specific concerns that are substantial and unique to the transaction. In my opinion, without resolving these concerns, the affirmative public benefit standard will not be met.

V. Issues of Concerns Brought About by the Proposed Merger

Q. **DO YOU HAVE ANY CONCERNS ABOUT PAWC'S TECHNICAL OR FINANCIAL FITNESS TO PROVIDE SERVICE TO CUPA'S CUSTOMERS?**

A. No. I am not challenging PAWC's technical, legal, or financial fitness to operate CUPA. Although this is not an issue in this proceeding, it is also not dispositive of the issue either. In other words, simply because PAWC is technically, legally, and financially fit does not mean that there are no concerns about the transaction that could weigh against it being in the public interest.

Q. **WHAT ARE YOUR CONCERNS RELATED TO THE PROPOSED MERGER?**

A. I have several concerns about the proposed merger that would have to be considered and decided by the Commission in this proceeding before approving the transaction. These issues are:

- The Potential for an Acquisition Adjustment.

- The purchase price of the total acquisition assigned to the Pennsylvania jurisdiction.
- Resolving the inadequate fire hydrant issue should be expedited with a firm date for completion.
- The savings achieved from the integration of the merger of Southwest Water and Corix should be passed through to ratepayers.

A. <u>OCA Position on a Potential Acquisition Adjustment</u>

Q. **PLEASE EXPLAIN YOUR CONCERN WITH RESPECT TO A POTENTIAL ACQUISITION ADJUSTMENT.**

A. PAWC has indicated the value allocated to CUPA from the purchase of the Nexus subsidiaries is $59.5 million. This amount is 46.9% over the net book value of CUPA's water and wastewater assets. According to PAWC, the amount in excess of net book value of CUPA's assets is $27.9 million.[13] As I explained earlier, PAWC states that, in this proceeding, it is not seeking a determination of whether it should be authorized to recover the full purchase price of CUPA's water and wastewater systems assets. However, my concern is that if this issue is not addressed in this proceeding, it may be interpreted that the OCA has accepted the $59.5 million as the value of the net assets acquired.

Under Section 1327 of the Public Utility Code:

> If a public utility acquires property from another public utility, a municipal corporation or a person at a cost which is in excess of the original cost of the property when first devoted to the public service less the applicable accrued depreciation, it shall be a rebuttable presumption that the excess is reasonable and that excess shall be included in the rate base of the acquiring public utility, provided that the acquiring public utility proves that:

[13] Response to OCA-I-10.

1) the property is used and useful in providing water or sewer service;

2) the public utility acquired the property from another public utility, a municipal corporation or a person which had 3,300 or fewer customer connections or which was nonviable in the absence of the acquisition;

3) the public utility, municipal corporation or person from which the property was acquired was not, at the time of acquisition, furnishing and maintaining adequate, efficient, safe and reasonable service and facilities, evidence of which shall include, but not be limited to, any one or more of the following:

(i) violation of statutory or regulatory requirements of the Department of Environmental Resources or the commission concerning the safety, adequacy, efficiency or reasonableness of service and facilities;

(ii) a finding by the commission of inadequate financial, managerial or technical ability of the small water or sewer utility;

(iii) a finding by the commission that there is a present deficiency concerning the availability of water, the palatability of water or the provision of water at adequate volume and pressure;

(iv) a finding by the commission that the small water or sewer utility, because of necessary improvements to its plant or distribution system, cannot reasonably be expected to furnish and maintain adequate service to its customers in the future at rates equal to or less than those of the acquiring public utility; or

(v) any other facts, as the commission may determine, that evidence the inability of the small water or sewer utility to furnish or maintain adequate, efficient, safe and reasonable service and facilities;

4) reasonable and prudent investments will be made to assure that the customers served by the property will receive adequate, efficient, safe and reasonable service;

5) the public utility, municipal corporation or person whose property is being acquired is in agreement with the acquisition

and the negotiations which led to the acquisition were conducted at arm's length;

6) the actual purchase price is reasonable;

7) neither the acquiring nor the selling public utility, municipal corporation or person is an affiliated interest of the other;

8) the rates charged by the acquiring public utility to its preacquisition customers will not increase unreasonably because of the acquisition; and

9) the excess of the acquisition cost over the depreciated original cost will be added to the rate base to be amortized as an addition to expense over a reasonable period of time with corresponding reductions in the rate base.

I understand that PAWC has not provided evidence in an attempt to show it meets the criteria for recovery of the purchase price because it is not seeking to obtain Commission authorization for recovery of an acquisition adjustment in this proceeding. However, to be clear, the OCA's position at this time is that the $27.9 million should not be deemed to be recoverable as a result of this proceeding nor should PAWC be granted recovery at this time.

B. <u>Allocation of the Purchase Price</u>

Q. **PLEASE DISCUSS YOUR CONCERNS REGARDING THE PURCHASE PRICE.**

A. Earlier I explained that of the $315 million total purchase price, $59.5 million was allocated to CUPA based on the calculation of the ratio of CUPA's capital structure balance to the total capital structure of all entities to be acquired through the Stock Purchase Agreement. The capital structure of a company is a combination of the debt and equity balances. PAWC explains that the Purchase Sale Agreement into which American Water and Nexus entered is based on acquiring the equity interest of the Nexus affiliates. Therefore, I have requested additional data to allow me to consider

whether the approach taken by PAWC for the allocation of the purchase price is reasonable. Unfortunately, at the time of preparing this testimony, the response to discovery on this issue had not been received. After reviewing the response, I will update my recommendation accordingly.

Q. **WILL THE $315 MILLION PRESENTED IN THE JOINT APPLICATION BE THE FINAL PURCHASE PRICE FOR THE ACQUISITION?**

A. No. According to PAWC, in accordance with the terms of the Stock Purchase Agreement, the final purchase price will be determined at the closing of the Transaction.[14] Consequently, the final price allocated to PAWC is likely to change from the amount presented by the Joint Applicants.

C. Resolution of CUPA's Inadequate Fire Protection Service

Q. **PLEASE PROVIDE SOME BACKGROUND ON CUPA'S INADEQUATE FIRE PROTECTION SERVICE.**

A. CUPA's last rate case (Docket Nos. R-2023-3042804 and R-2023-3042805) was resolved by a Settlement among the parties. In the Settlement, the need for investment to modernize CUPA's facilities and to address quality of service issues were recognized. According to the Commission's Order, CUPA was to develop a hydraulic model to evaluate fire suppression flows in the Company's Tamiment system.[15] Moreover, Commission Chairman DeFrank issued a Statement in which he highlighted concerns about the lack of fire protection in much of CUPA's system. He stated:

> However, a number of customers raised serious service concerns that I believe warrant mentioning. By far the most disconcerting fact brought to light is the lack of fire protection in much of CUPA's system. Several hydrants in the Westgate and Penn Estates areas are inadequate for fire suppression, which is alarming. Meanwhile, the

[14] Response to OCA-I-7.
[15] Docket R-2023-3042804 Opinion and Order at page 12.

Tamiment community has no fire hydrants capable of meeting state standards of 500 to 1,000 gallons per minute.

I'm somewhat reassured by the Company's plans to address some of these pressure issues in Westgate and Penn Estates and its agreement to develop a hydraulic model to evaluate fire suppression in Tamiment. But I remain concerned. I would urge the Company, in the strongest terms, to take action on this issue as expeditiously as possible.[16]

Q. **WHAT IS YOUR CONCERN ABOUT CUPA'S INADEQUATE FIRE PROTECTION SERVICE?**

A. It has been over a year since the Commission's Order in Docket Nos. R-2023-3042804 and R-2023-3042805, and there is little evidence that CUPA has begun to prepare the hydraulic model to evaluate fire suppression in Tamiment, which it agreed to do. CUPA appears to have passed on the responsibility for rectifying the inadequate fire protection service to PAWC.[17] It is also disappointing that despite Chairman DeFrank's Statement that CUPA act "as expeditiously as possible," the Joint Applicants state that "PAWC will prepare a hydraulic model of the Tamiment water system within the first 24 months after closing."[18] The lack of a specific timeline for the completion of the Hydraulic Model is unacceptable because it appears that it has not begun and not a priority. As discussed in the testimony of OCA witness Wise, the fire protection issue was raised at the Public Input Hearings in the proceeding. This is a concern that cannot be ignored.

The OCA views the lack of inadequate fire protection as a serious public safety issue that needs immediate attention. In CUPA's last rate case, it sought an increase of $1,470,360 and the Settlement granted an increase that would produce an annual water revenue of $1,227,538.[19] According to the Commission's Order, "[t]he Settlement

[16] August 1, 2024, Statement of Chairman Stephen M. DeFrank in Docket No. R-2023-3042804, *et al*.
[17] Response to OCA-II-1.
[18] Response to OCA-II-2.
[19] Docket R-2023-3042804 Opinion and Order at page 13.

balances the need for significant investment to modernize facilities in CUPA's territories."[20] Yet, despite the rate increase, this public safety matter is not being given the priority that was expected.

Hence, I am recommending that in order for this acquisition to be authorized, the Joint Applicants must be required to provide a committed and verifiable proposal, with a timeline, for addressing CUPA's inadequate fire protection service.

D. Integration Customer Protection Deferral Mechanism

Q. **PLEASE EXPLAIN THE INTEGRATION CUSTOMER PROTECTION DEFERRAL MECHANISM**.

A. CUPA was authorized to establish a deferred mechanism called the Integration Customer Protection Deferral Mechanism. This mechanism was established to capture the benefits and costs to achieve integration financial benefits resulting from the merger of Corix Infrastructure Inc. and SouthWest Water Company. The concept behind this deferred account was to allow the merged company (the company that became known as Nexus) to deferred cost savings (financial benefits) and the costs to achieve the financial benefits. To the extent that the financial benefits exceed the costs to achieve the financial benefits, the excess financial benefits would be passed back to customers. In essence, this means that Nexus would be allowed to retain the financial benefits first before any financial benefits would be returned to customers. As of June 30, 2025, CUPA's balance in the Integration Customer Protection Deferred Account was composed of Financial Benefits of $114,130 and Costs to Achieve Financial Benefits of $124,878, or a net cost of $10,747.

[20] *Id.* at page 12.

Q. **WHAT IS YOUR RECOMMENDATION WITH RESPECT TO THE INTEGRATION CUSTOMER PROTECTION DEFERRAL MECHANISM?**

A. At this point in time, it is unknown what the amount in the Integration Customer Protection Deferred Account would have been if Nexus had not chosen to sell CUPA. However, typically when mergers occur, the costs are front-end loaded. In other words, early in the integration phase, there are costs that are non-recurring or costs that will not continue in the long term. For example, severance, integration of IT systems, consultants, lawyers, etc. to guide the integration. Hence, the fact that the Integration Customer Protection Deferred Account has a net cost balance may not be indicative of financial benefits that would have been available to passed through to customers in the future. It was Nexus that decided to sell CUPA and, as I explained above, Nexus stands to earn a gain of $27.9 million[21] on the sale of CUPA. That gain more than recovers the Costs to Achieve Financial Benefits of $124,878.[22] Therefore, I am recommending the Commission Order that the Financial Benefits that have accumulated in the Integration Customer Protection Deferred Account be passed back to customers as a one-time credit to customer bills. The balance in that account was $114,130 as of June 30, 2025. However, that balance should be updated through the closing of this proceeding.

Q. **DO YOU HAVE ANY ADDITIONAL COMMENTS TO ADD TO THIS TESTIMONY?**

A. Yes. I submitted additional discovery to the Joint Applicants but have not yet received the responses. There is a possibility that the responses to the discovery could alter some of the recommendations I have made in this testimony. Consequently, the OCA

[21] Response to OCA-I-10.
[22] Lubertozzi Direct, 5: 19.

reserves the right to supplement this testimony, if necessary, after reviewing the discovery responses.

VI. Conclusion

Q. **WHAT ARE YOUR CONCLUSIONS WITH RESPECT TO THE APPLICATION TO AUTHORIZE THE PURCHASE AND SALE OF CUPA?**

A. I recommend that the acquisition not be authorized as filed by the Joint Applicants. There are certain concerns with respect to public safety, system reliability, and the future cost recovery of the purchase price that must be addressed by the Joint Applicants to ensure that the sale of CUPA meets the affirmative public benefit standard required by the Commission.

Q. **DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

A. Yes, it does.

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF AMERICAN WATER WORKS COMPANY, INC., PENNSYLVANIA-AMERICAN WATER COMPANY, NEXUS REGULATED UTILITIES, LLC AND COMMUNITY UTILITIES OF PENNSYLVANIA INC.,	:	
PURSUANT TO SECTIONS 1102 AND 1103 OF THE PUBLIC UTILITY CODE, FOR ALL OF THE NECESSARY AUTHORITY, APPROVALS AND CERTIFICATES OF PUBLIC CONVENIENCE TO APPROVE THE TRANSFER OF CONTROL OF COMMUNITY UTILITIES OF PENNSYLVANIA INC. FROM NEXUS REGULATED UTILITIES, LLC TO AMERICAN WATER WORKS COMPANY, INC.	:	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

DIRECT TESTIMONY
OF
LAFAYETTE K. MORGAN, JR.

Appendix A

LAFAYETTE K. MORGAN, JR.

Mr. Morgan is an independent regulatory consultant focusing in the area of the analysis of the operations of public utilities with particular emphasis on rate regulation. He has reviewed and analyzed utility rate filings, focusing primarily on revenue requirements determination, accounting and regulatory policy and cost recovery mechanisms. This work has included natural gas, water, electric, and telephone utilities.

Education and Qualifications

B.B.A. (Accounting) – North Carolina Central University, 1983

M.B.A. (Finance) – The George Washington University, 1993

C.P.A. – Licensed in the State of North Carolina (Inactive status)

Previous Employment

1993-2010	Senior Regulatory Analyst Exeter Associates, Inc. Columbia, MD
1990-1993	Senior Financial Analyst Potomac Electric Power Company Washington, D.C.
1984-1990	Staff Accountant North Carolina Utilities Commission – Public Staff Raleigh, NC

Professional Experience

As a Staff Accountant with the North Carolina Utilities Commission – Public Staff, Mr. Morgan was responsible for analyzing testimony, exhibits, and other data presented by parties before the Commission. In addition, he performed examinations of the books and records of utilities involved in rate proceedings and summarized the results into testimony and exhibits for presentation before the Commission. Mr. Morgan also participated in several policy proceedings and audits involving regulated utilities.

As a Senior Financial Analyst with Potomac Electric Power Company, Mr. Morgan was a lead analyst and was involved in the preparation of the cost of service, rate base, and ratemaking adjustments supporting the Company's request for revenue increases in its retail jurisdictions.

As a Senior Regulatory Analyst with Exeter Associates, Inc., Mr. Morgan has been involved in the analysis of the operations of public utilities with particular emphasis on rate regulation. He has reviewed and analyzed utility rate filings, focusing primarily on revenue requirements determination, accounting and regulatory policy and cost recovery mechanisms. This work included natural gas, water, electric, and telephone utilities.

Kings Grant Water Company (North Carolina Utilities Commission, Docket No. W-250, Sub 5), 1984. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Northwood Water Company (North Carolina Utilities Commission, Docket No. W-690, Sub 1), 1985. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Emerald Village Water System (North Carolina Utilities Commission, Docket No. W-184, Sub 3), 1985. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

General Telephone Company of the South (North Carolina Utilities Commission, Docket No. P-19, Sub 207), July 1986. Presented testimony on the level of cash working capital allowance on behalf of the North Carolina Utilities Commission – Public Staff.

Heins Telephone Company (North Carolina Utilities Commission, Docket No. P-26, Sub 93), November 1986. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Carolina Power and Light Company (North Carolina Utilities Commission, Docket No. E-2, Sub 537), March 1988. Presented testimony on rate base, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Public Service Company of North Carolina, Inc. (North Carolina Utilities Commission, Docket No. G-5, Sub 246), August 1989. Presented testimony on rate base, cash working capital allowance, cost of service, and revenue and expense adjustments on behalf of the North Carolina Utilities Commission – Public Staff.

Conestoga Telephone and Telegraph Company (Pennsylvania Public Utility Commission, Docket No. I-00920015), September 1993. Presented testimony on cost of service on behalf of the Pennsylvania Office of Consumer Advocate.

Louisiana Power and Light Company (Louisiana Public Service Commission, Docket No. U-20925), February 1995. Presented testimony on rate base and working capital issues on behalf of the Louisiana Public Service Commission Staff.

South Central Bell Telephone Company – Louisiana (Louisiana Public Service Commission, Docket No. U-17949, Subdocket E), June 1995. Presented testimony on rate base and working capital issues on behalf of the Louisiana Public Service Commission Staff.

Apollo Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00953378), August 1995. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Carnegie Natural Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00953379), August 1995. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Tennessee Gas Pipeline Company (Federal Energy Regulatory Commission, Docket No. RP95-112), September 1995. Presented testimony rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Virginia-American Water Company (Virginia State Corporation Commission, Case No. PUE-950003), March 1996. Presented testimony on rate base and cost of service issues on behalf of the City of Alexandria.

GTE North, Inc. Interconnection Arbitration (Pennsylvania Public Utility Commission, Docket No. A-310125F0002), September 1996. Presented testimony on the determination of the appropriate resale discount on behalf of the Pennsylvania Office of Consumer Advocate.

United Cities Gas Company (Georgia Public Service Commission, Docket No. 6691-U), October 1996. Presented testimony on rate base and cost of service issues on behalf of the Office of Governor, Consumer Utility Counsel Division.

GTE North, Inc. (Pennsylvania Public Utility Commission, Docket Nos. R-00963666 and R-00963666C001), February 1997. Presented testimony on the determination of the appropriate resale discount on behalf of the Pennsylvania Office of Consumer Advocate.

Consumers Maine Water Company (Maine Public Utilities Commission, Docket No. 96-739), May 1997. Presented testimony on rate base, cost of service, and rate of return issues on behalf of the Maine Office of the Public Advocate.

Pennsylvania-American Water Company (Pennsylvania Public Utility Commission, Docket No. R-00973944), July 1997. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Pennsylvania-American Water Company – Wastewater Operations (Pennsylvania Public Utility Commission, Docket No. R-00973973), July 1997. Presented testimony on rate base, cost of service, depreciation, and rate design issues on behalf of the Pennsylvania Office of Consumer Advocate.

Jackson Purchase Electric Cooperative Corporation (Kentucky Public Service Commission, Case No. 97-224), December 1997. Presented testimony on rate base and cost of service issues on behalf of the Kentucky Office of the Attorney General.

Henderson Union Electric Cooperative Corporation (Kentucky Public Service Commission, Case No. 97-220), January 1998. Presented testimony on the return of patronage capital on behalf of the Kentucky Office of the Attorney General.

Green River Electric Corporation (Kentucky Public Service Commission, Case No. 97-219), January 1998. Presented testimony on the return of patronage capital on behalf of the Kentucky Office of the Attorney General.

Western Kentucky Gas Company (Kentucky Public Service Commission, Case No. 99-070), November 1999. Presented testimony on rate base and cost of service issues on behalf of the Kentucky Office of the Attorney General.

American Broadband, Inc. (Rhode Island Public Utilities Commission, Docket No. 2000-C-3), June 2000. Presented report and testimony on the Company's financing plan on behalf of the Rhode Island Division of Public Utilities and Carriers.

PPL Utilities (Pennsylvania Public Utility Commission, Docket No. R-00005277), October 2000. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

T.W. Phillips Oil and Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00005459), October 2000. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Pike County Light & Power Company (Pennsylvania Public Utility Commission, Docket No. P-00011872), May 2001. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Vermont Gas Systems, Inc. (Vermont Public Service Board, Docket No. 6495), June 2001. Presented testimony on rate base and cost of service issues on behalf of the Vermont Public Service Department.

Community Service Telephone Company (Maine Public Utilities Commission, Docket No. 2001-249), July 2001. Presented joint testimony on rate base and cost of service issues on behalf of the Maine Office of the Public Advocate.

West Virginia-American Water Company (Public Service Commission of West Virginia, Docket No. 01-0326-W-42-T), August 2001. Presented testimony on rate base and cost of service issues on behalf of the Consumer Advocate Division.

Philadelphia Suburban Water Company (Pennsylvania Public Utility Commission, Docket No. R-00016750) February 2002. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Illinois-American Water Company (Illinois Commerce Commission, Docket No. 02-0690) January 2003. Presented testimony on cost of service issues on behalf of Citizens Utility Board.

Pennsylvania-American Water Company (Pennsylvania Public Utility Commission, Docket No. R-00027983), February 2003. Presented testimony addressing surcharge mechanism to recover security costs on behalf of the Pennsylvania Office of Consumer Advocate.

FairPoint New England Telephone Companies (Maine Public Utilities Commission, Docket Nos. 2002-747, 2003-34, 2003-35, 2003-36, and 2003-37), June 2003. Presented testimony on rate base and cost of service issues on behalf of the Maine Office of the Public Advocate.

Pennsylvania-American Water Company (Pennsylvania Public Utility Commission, Docket No. R-00038304), August 2003. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

PPL Electric Utilities Corporation (Pennsylvania Public Utility Commission, Docket No. R-00049255), June 2004. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Entergy Louisiana, Inc. (Louisiana Public Service Commission, Docket No. U-20925 RRF 2004), August 2004. Presented testimony on rate base and cost of service issues on behalf of the Louisiana Public Service Commission Staff.

Vectren Energy Delivery of Indiana (Indiana Utility Regulatory Commission, Cause No. 42598), September 2004. Presented testimony on O&M expense issues on behalf of the Indiana Office of Utility Consumer Counselor.

National Fuel Gas Distribution Corporation (Pennsylvania Public Utility Commission, Docket No. R-00049656), December 2004. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Block Island Power Company (Rhode Island Public Utilities Commission, Docket No. 3655), April 2005. Presented testimony on cash working capital on behalf of the Rhode Island Division of Public Utilities & Carriers.

Verizon New England, Inc. (Maine Public Utilities Commission, Docket No. 2005-155), September 2005. Presented joint testimony with Thomas S. Catlin on rate base and cost of service issues on behalf of the Maine Office of the Public Advocate.

T.W. Phillips Oil and Gas Company (Pennsylvania Public Utility Commission, Docket No. R-00051178), May 2006. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Duquesne Light Company (Pennsylvania Public Utility Commission, Docket No. R-00061346), July 2006. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

National Fuel Gas Distribution Company (Pennsylvania Public Utility Commission, Docket No. R-00061493), September 2006. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Southern Indiana Gas & Electric Co. (Indiana Utility Regulatory Commission, Cause No. 43112), January 2007. Presented testimony on rate base and cost of service issues on behalf of the Indiana Office of Utility Consumer Counsel.

PPL Electric Utilities (Pennsylvania Public Utility Commission, Docket No. R-00072155), July 2007. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Aqua Pennsylvania, Inc. (Pennsylvania Public Utility Commission, Docket No. R-00072711), February 2008. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Equitable Gas Company (Pennsylvania Public Utility Commission, Docket No. R-2008-2029325), October 2008. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

The Narragansett Bay Commission (Rhode Island Public Utilities Commission, Docket No. 4026), April 2009. Presented testimony on rate base and cost of service issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Maryland-American Water Company (Maryland Public Service Commission, Case No. 9187), July 2009. Presented testimony on rate base and cost of service issues on behalf of the Maryland Office of People's Counsel.

Monongahela Power Company & The Potomac Edison Company, both d/b/a Allegheny Power Company (West Virginia Public Service Commission, Case No. 09-1352-E-42T), February 2010. Presented testimony on rate base and cost of service issues on behalf of the West Virginia Consumer Advocate Division.

PPL Electric Utilities (Pennsylvania Public Utility Commission, Docket No. R-2010-2161694), June 2010. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Pawtucket Water Supply Board (Rhode Island Public Utilities Commission, Docket No. 4550), June 2015. Presented testimony on revenue requirements issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Columbia Gas of Pennsylvania (Pennsylvania Public Utility Commission, Docket No. R-2015-2468056), June 2015. Presented testimony on rate base and cost of service issues on behalf of the Pennsylvania Office of Consumer Advocate.

Indianapolis Power and Light Company (Indiana Utility Regulatory Commission, Cause No. 44576/44602), July 2015. Presented testimony on revenue requirements issues on behalf of the Indiana Office of Utility Consumer Counselor.

Public Service Company of Oklahoma (Corporation Commission of Oklahoma, Cause No. PUD 201500208), October 2015. Presented testimony on revenue requirements and environmental compliance rider issues on behalf of the United States Department of Defense and the Federal Executive Agencies.

Northern Indiana Public Service Company (Indiana Utility Regulatory Commission, Cause No. 44688), January 2016. Presented testimony on the company's electric division operating revenues, operating expenses and income taxes issues on behalf of the Indiana Office of Utility Consumer Counselor.

Philadelphia Water Department (Philadelphia Water, Sewer And Storm Water Rate Board, FY2017-2018 Rate Proceeding), March 2016. Presented testimony on revenue requirements issues on behalf of the Public Advocate.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9417), June 2016. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Chesapeake Utilities Corporation (Delaware Public Service Commission, PSC Docket No. 15-1734), August 2016. Presented testimony on rate base and cost of service issues on behalf of the Staff of the Delaware Public Service Commission.

Kent County Water Authority (Public Service Commission of Rhode Island, Docket No. 4611), September 2016. Presented testimony on rate base and cost of service issues on behalf of the Division of Public Utilities and Carriers.

Northern Utilities, Inc. (Maine Public Utilities Commission, Docket No. 2017-00065), August 2017. Assisted the Maine Office of Public Advocate (OPA) with Northern Utilities application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements, the utility's request to renew and modify its alternative rate plan, and its Targeted Infrastructure Replacement Adjustment.

Indiana Michigan Power Company (Indiana Utility Regulatory Commission, Cause No. 44967), November 2017. Presented testimony on rate base, operating revenues and operating expenses issues on behalf of the Indiana Office of Utility Consumer Counselor.

Emera Maine (Maine Public Utilities Commission, Docket No. 2017-00198), December 2017. Assisted the Maine Office of Public Advocate (OPA) with Emera Maine's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

UGI-Electric (Pennsylvania Public Utility Commission, Docket No. R-2017-2640058), April 2018. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Electric's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Philadelphia Water Department (Philadelphia Water, Sewer And Storm Water Rate Board, FY2019-2020 Rate Proceeding), April 2018. Presented testimony on revenue requirements and the Department's three-year rate plan issues on behalf of the Public Advocate.

Westar Energy, Inc. (Westar Energy) and Kansas Gas and Electric Company (KGE), (Kansas State Corporation Commission, Docket No. 18-WSEE-328-RTS), May 2018. Presented testimony on revenue requirements on behalf of the Federal Executive Agencies.

Duquesne Light Company (Pennsylvania Public Utility Commission, Docket No. R-2018-3000124), June 2018. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Electric's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Bangor Natural Gas Company (Maine Public Utilities Commission, Docket No. 2018-00007), June 2018. Assisted the Maine Office of Public Advocate (OPA) Presented testimony, on behalf of the OPA, on the changes brought about by the Tax Change and Jobs Act of 2017.

SUEZ Water Pennsylvania, Inc. (Pennsylvania Public Utility Commission, R-2018-3000834), July 2018. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with SUEZ Water's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including Rate Base, Operating Income, Inclusion of Costs Related to Expansion Territories and the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Woonsocket Water Division (Public Service Commission of Rhode Island, Docket No. 4879), January 2019. Presented testimony on cost of service issues on behalf of the Division of Public Utilities and Carriers.

Central Maine Power Company (Maine Public Utilities Commission, Docket No. 2018-00194), January 2019. Assisted the Maine Office of Public Advocate (OPA) with Central Maine Power's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements, the utility's request to reflect the changes brought about by the Tax Change and Jobs Act of 2017.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2019 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), May 2019. Presented testimony regarding the appropriate adjustments to the 2019 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Newport Water Department (Public Service Commission of Rhode Island, Docket No. 4933), July 2019. Presented testimony on cost of service issues on behalf of the Division of Public Utilities and Carriers.

UGI-Gas (Pennsylvania Public Utility Commission, Docket No. R-2018-3006814), April 2019. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9609), August 2019. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Public Service Company of Colorado (Colorado Public Utility Commission, Proceeding No. 19AL-0268E), September 2019. Mr. Morgan provided testimony, on behalf of the Department of Energy and the Federal Executive Agencies, on accounting issues including test year revenue requirements, Rate Base and Net Operating Income.

Northern Utilities, Inc. (Maine Public Utilities Commission, Docket No. 2019-00092), September 2019. Assisted the Maine Office of Public Advocate (OPA) with Northern Utilities application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements and the utility's request to institute a Capital Investment Recovery Mechanism.

Citizens' Electric Company of Lewisburg (Pennsylvania Public Utility Commission, Docket No. R-2019-3008212), October 2019. Provided testimony on Plant in Service, Construction Work in Progress, Materials and Supplies, Customer Deposits, Depreciation Expense, Growth Factor, and The Tax Cuts and Jobs Act. Mr. Morgan provided testimony on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Valley Energy, Inc. (Pennsylvania Public Utility Commission, Docket No. R-2019-3008209), October 2019. Provided testimony on Plant in Service, Construction Work in Progress, Materials and Supplies, Customer Deposits, Depreciation Expense, Growth Factor, and The Tax Cuts and Jobs Act. Mr. Morgan provided testimony on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Wellsboro Electric Company (Pennsylvania Public Utility Commission, Docket No. R-2019-3008208), October 2019. Provided testimony on Plant in Service, Construction Work in Progress, Materials and Supplies, Customer Deposits, Depreciation Expense, Growth Factor, and The Tax Cuts and Jobs Act. Mr. Morgan provided testimony on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Blue Granite Water Company (Public Service Commission of South Carolina, (Docket No. 2019-290-WS), January 2020. Assisted the South Carolina Department of Consumer Affairs. Presented testimony on accounting policy issues including test year revenue requirements.

UGI-Gas (Pennsylvania Public Utility Commission, Docket No. R-2019-3015162), May 2020. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9644), July 2020. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

PECO Energy Company - Gas Division (Pennsylvania Public Utility Commission, Docket No. R-2020-3018929), December 2020. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with PECO-Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2022 - 2023 Rates Proceeding), March 2021. Presented testimony on revenue requirements and the Department's three-year rate plan issues on behalf of the Public Advocate.

Versant Maine (Maine Public Utilities Commission, Docket No. 2020-00316), April 2021. Assisted the Maine Office of Public Advocate (OPA) with Versant's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company (Maine Public Utilities Commission, Docket No. 2021-00053), April 2021. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's Request for Approval of Rate Increase and Rate Smoothing Mechanism Pertaining to The Maine Water Company Biddeford & Saco Division. Mr. Morgan provided testimony on the authorization of the Rate Smoothing Mechanism.

UGI-Electric (Pennsylvania Public Utility Commission, Docket No. R-2021-3023618), May 2021. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with UGI-Electric's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OCA, on accounting issues including Rate Base and Net Operating Income.

Bangor Natural Gas Company (Maine Public Utilities Commission, Docket No. 2021-00024), June 2021. Assisted the Maine Office of Public Advocate (OPA) with Bangor Natural Gas' application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2021 - 2022 Operating Budget Proceeding), June 2021. Presented testimony on the reasonableness of the Fiscal Year 2022 Operating Budget on behalf of the Public Advocate.

Duquesne Light Company (Pennsylvania Public Utility Commission, Docket No. R-2021-3024750), June 2021. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with Duquesne Light Company's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9664), July 2021. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Palmetto Wastewater Reclamation, Inc. (Public Service Commission of South Carolina, (Docket No. 2021-153-S), September 2021. Assisted the South Carolina Department of Consumer Affairs. Presented testimony on accounting policy issues including test year revenue requirements.

Maine Water Company (Maine Public Utilities Commission, Docket No. 2021-00289), November 2021. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

City of Lancaster – Water Department (Pennsylvania Public Utility Commission, Docket No. R-2021-3026682), December 2021. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with the City of Lancaster – Water Department's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Maryland Water Service (Public Service Commission of Maryland, Case No. 9671), January 2022. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Commonwealth Edison Company (Illinois Commerce Commission, ICC Docket No. 21-0607 & ICC Docket No. 21-0739 (consolidated), February 2022. Provided testimony related to the review and evaluation of the rate effects of Commonwealth Edison's misconduct admitted in the Deferred Prosecution Agreement between the United States Attorney for the Northern District of Illinois and Commonwealth Edison. Provided testimony on behalf of the Office of the Illinois Attorney General, the City of Chicago, and the Citizens Utility Board.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2022 - 2023 Capital Budget Proceeding), February 2022. Presented testimony proposing several adjustments to Philadelphia Gas Works' Fiscal Year 2023 Capital Budget on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2022 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), March 2022. Presented testimony regarding the appropriate adjustments to the 2022 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2023 Special Rate Proceeding), April 2022. Presented testimony that demonstrated Philadelphia Water Department's outperformance and proposed a sharing of the utility's outperformance earnings. Presented testimony on behalf of the Public Advocate.

Maine Water Company-Camden& Rockland Division (Maine Public Utilities Commission, Docket No. 2022-00056), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company-Freeport Division (Maine Public Utilities Commission, Docket No. 2022-00057), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company-Millinocket Division (Maine Public Utilities Commission, Docket No. 2022-00058), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maine Water Company-Oakland Division (Maine Public Utilities Commission, Docket No. 2022-00059), June 2022. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Columbia Gas of Pennsylvania (Pennsylvania Public Utility Commission, Docket No. R-2022-3031211), June 2022. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with Columbia Gas of Pennsylvania's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2022 - 2023 Operating Budget Proceeding), June 2022. Presented testimony on the reasonableness of the Fiscal Year 2023 Operating Budget on behalf of the Public Advocate.

Columbia Gas of Maryland (Public Service Commission of Maryland, Case No. 9680), July 2022. Presented joint testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Oncor Electric Delivery Company (Public Utility Commission of Texas, PUC Docket No. 53601), August 2022. Presented joint testimony on rate base and cost of service issues on behalf of the Department of Defense and Federal Executive Agencies.

Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy (Wyoming Public Service Commission, Docket No. 20003-214-ER-22), November 2022. Presented testimony, on behalf of Microsoft Corporation, on rate base and cost of service issues.

Central Maine Power Company (Maine Public Utilities Commission, Docket No. 2022-00152), December 2022. Assisted the Maine Office of Public Advocate (OPA) with Central Maine Power's application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements and the company's request for a multi-year rate plan.

National Fuel Gas Distribution Corporation (Pennsylvania Public Utility Commission, Docket No. R-2022-3035730), January 2023. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with National Fuel Gas Distribution Corporation's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2022 - 2023 Capital Budget Proceeding), February 2023. Presented testimony proposing several adjustments to Philadelphia Gas Works' Fiscal Year 2024 Capital Budget on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2023 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), March 2023. Presented testimony regarding the appropriate adjustments to the 2023 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2024 - 2025 Rates Proceeding), April 2023. Presented testimony on behalf of the Public Advocate on revenue requirements and issues relating to the Department's proposed two-year rate plan.

Dayton Power and Light Company d/b/a AES Ohio (The Public Utilities Commission of Ohio, Case No. 22-900-EL-SSO), April 2023. Presented testimony addressing the recovery of deferred costs and regulatory assets as part of AES Ohio's Application for Approval of Its Electric Security Plan on behalf of the Office of the Ohio Consumers' Counsel.

Maine Water Company- Biddeford & Saco Division (Maine Public Utilities Commission, Docket No. 2023-00065), June 2023. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues and test year revenue requirements.

Potomac Edison Company (Public Service Commission of Maryland, Case No. 9695), June 2023. Presented testimony on rate base, cost of service and accounting issues on behalf of the Office of People's Counsel.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2023 - 2024 Operating Budget Proceeding), June 2023. Presented testimony identifying issues and recommendations to be considered in approving the Fiscal Year 2024 Operating Budget on behalf of the Public Advocate.

Northern Utilities, Inc. (Maine Public Utilities Commission, Docket No. 2023-00051), July 2023. Assisted the Maine Office of Public Advocate (OPA) with Northern Utilities application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues and test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2024 Capital Budget Amendment), August 2023. Presented testimony as to the appropriateness of Philadelphia Gas Works' amendments to the Fiscal Year 2024 Capital Budget on behalf of the Public Advocate.

Evergy Kansas Central, Inc. (Kansas State Corporation Commission, Docket No. 23-EKCE-775-RTS), August 2023. Assisted the U.S. Department of Defense and the Federal Executive Agencies with Evergy Kansas Central, Inc. application for an increase in rates. Provided testimony on accounting issues including test year revenue requirements.

American Transmission Systems, Inc., Mid-Atlantic Interstate Transmission, LLC and Trans-Allegheny Interstate Line Company (Pennsylvania Public Utility Commission, Docket Nos. A-2023-3040481, A-2023-3040482, A-2023-3040483, G-2023-3040484 and G-2023-3040485), August 2023. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with investigation of Joint Applicants application to sell additional equity stake in FirstEnergy Transmission LLC to North American Transmission Company II, L.P. Provided testimony, on behalf of the OCA, identifying issues and recommendations to be considered by the Commission in approving the transaction.

Fitchburg Gas and Electric Light Company d/b/a Unitil (Electric and Gas Divisions) (Massachusetts Department of Public Utilities, Docket Nos. D.P.U. 23-80 & 23-81), December 2023. Assisted the Massachusetts Office of Attorney General (AGO) with Fitchburg Gas and Electric Light Company's application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues and test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2024 - 2025 Capital Budget Proceeding), February 2024. Presented testimony proposing several adjustments to Philadelphia Gas Works' Fiscal Year 2024 Capital Budget on behalf of the Public Advocate.

Pawtucket Water Supply Board (Rhode Island Public Utilities Commission, Docket No. 23-30-WW), March 2024. Presented testimony on revenue requirements issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Massachusetts Electric Company and Nantucket Electric Company, d/b/a National Grid (Massachusetts Department of Public Utilities, Docket Nos. D.P.U. 23-150), March 2024. Assisted the Massachusetts Office of Attorney General (AGO) with National Grid's application for an increase in rates. Provided testimony, on behalf of the OPA, on accounting issues and test year revenue requirements.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2024-Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), April 2024. Presented testimony regarding the appropriate adjustments to the 2024 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Pennsylvania-American Water Company, Manwalamink Water Company and Manwalamink Sewer Company (Pennsylvania Public Utility Commission, Docket Nos. A-2023-3044418, A-2023-3044419, A-2023-3044421, A-2023-3044422), May 2024. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with investigation of Pennsylvania-American application to acquire Manwalamink Water Company and Manwalamink Sewer Company. Provided testimony, on behalf of the OCA, identifying issues and recommendations to be considered by the Commission in approving the transaction.

Veolia Water Pennsylvania, Inc. (Pennsylvania Public Utility Commission, Docket Nos. R-2024-3045192 and R-2024-3045193, May 2024. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with Veolia Water Pennsylvania's application for an increase in rates. Presented testimony, on behalf of the OCA, on accounting issues including test year revenue requirements.

Dominion Energy South Carolina, Inc. (South Carolina Public Service Commission, Docket No. 2024-34-E), June 2024. Assisted the U.S. Department of Defense and the Federal Executive Agencies with Dominion Energy South Carolina, Inc.'s application for an increase in rates. Provided testimony on accounting issues including test year revenue requirements.

Versant Maine (Maine Public Utilities Commission, Docket No. 2023-00336), June 2024. Assisted the Maine Office of Public Advocate (OPA) with Versant's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Maryland Water Service (Public Service Commission of Maryland, Case No. 9729), June 2024. Presented testimony on rate base and cost of service issues on behalf of the Office of People's Counsel.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2024 - 2025 Operating Budget Proceeding), June 2024. Presented testimony identifying issues and recommendations to be considered in approving the Fiscal Year 2025 Operating Budget on behalf of the Public Advocate.

Elizabethtown Gas Company (New Jersey Board of Public Utilities, BPU Docket No. GR24020158), June-August 2024. Assisted the Division of Rate Counsel with the investigation and litigation of Elizabethtown Gas Company's application for an increase in rates. Mr. Morgan investigated the Company's claimed revenue requirement and assisted the Division of Rate Counsel on accounting issues and participated in the settlement negotiations leading to the case resolution.

New Jersey Natural Gas Company (New Jersey Board of Public Utilities, BPU Docket No. GR19020278), July-September 2024. Assisted the Division of Rate Counsel with the investigation and litigation of New Jersey Natural Gas Company's Request for Approval to Implement an Infrastructure Investment Program and Associated Cost Recovery Mechanism.

City of Newport Utilities Department Water Division (Rhode Island Public Utilities Commission, Docket No. 24-30-WW), October 2024. Presented testimony on revenue requirements issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Staff-Assisted Rate Case for Nine Water Utilities Located in Southern Maryland (Maryland Public Service Commission, Case No. 9750), November 2024. Engaged by the Maryland Office of People's Counsel to review, evaluate and determine the reasonableness of the revenue requirement of the Commission Staff-assisted Rate Case for nine small water utilities.

Maine Water Company-Camden & Rockland Division (Maine Public Utilities Commission, Docket No. 2024-00291), January 2025. Assisted the Maine Office of Public Advocate (OPA) with Maine Water Company's application for an increase in rates. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including test year revenue requirements.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2025 - 2026 Capital Budget Proceeding), February 2025. Presented testimony proposing several adjustments to Philadelphia Gas Works' Fiscal Year 2026 Capital Budget on behalf of the Public Advocate.

City of Woonsocket Water Division (Rhode Island Public Utilities Commission, Docket No. 25-01-WW), April 2025. Presented testimony on revenue requirements issues on behalf of the Rhode Island Division of Public Utilities and Carriers.

Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska, Docket No. U-24-030 & U-24-031), April 2025. Presented testimony on water and sewer revenue requirements/cost of service issues on behalf of the United States Department of Defense and All Other Federal Executive Agencies.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, 2025 Tiered Assistance Program Rate Rider Surcharge Rates Proceeding), April 2025. Presented testimony regarding the appropriate adjustments to the 2025 TAP-R determination. Presented testimony on behalf of the Public Advocate.

Philadelphia Water Department (Philadelphia Water, Sewer and Storm Water Rate Board, Fiscal Years 2026 - 2027 Rates Proceeding), May 2025. Presented testimony on behalf of the Public Advocate on revenue requirements and issues relating to the Department's proposed two-year rate plan.

Philadelphia Gas Works (Philadelphia Gas Commission, Fiscal Year 2025 - 2026 Operating Budget Proceeding), June 2025. Presented testimony identifying issues and recommendations to be considered in approving the Fiscal Year 2026 Operating Budget on behalf of the Public Advocate.

Loring Development Authority (Maine Public Utilities Commission, Docket No. 2024-00300), June 2025. Assisted the Maine Office of Public Advocate (OPA) with the determination Loring Development Authority's initial rates as a regulated utility. Mr. Morgan provided testimony, on behalf of the OPA, on accounting issues including the test year cost of service and revenue requirements.

Pike County Light and Power Company, Leatherstocking Gas Company, LLC, Corning Energy Corporation, ACP Series 3 Partnership L.P., Argo Capital Platform (P) 2017, L.P. Argo Capital Platform (K) Series 3, L.P., ACP Crotona Holdings L.P., ACP Crotona Corp., Argo Infrastructure Partners LLC and Apollo Global Management, Inc. (Pennsylvania Public Utility Commission, A-2025-3055264, A-2025-3055265, A-2025-3055335), September 2025. Assisted the Pennsylvania Office of Consumer Advocate (OCA) with investigation of Apollo Global Management, Inc. application to acquire Pike County Light and Power Company and Leatherstocking Gas Company, LLC,. Provided testimony, on behalf of the OCA, identifying issues and recommendations to be considered by the Commission in approving the transaction.

Special Projects

Developed a Uniform System of Accounts and Financial Data Collection Template for five countries participating in the National Association of Regulatory Utility Commissioners (NARUC)/East Africa Regional Energy Regulatory Partnership. Also conducted training seminars and participated as a panel member addressing issues in the utility industry from the perspective of the regulator. This work was conducted by NARUC) and the United States Agency for International Development (USAID).

Other Projects

Texas Gas Transmission Corporation (Federal Energy Regulatory Commission, Docket No. RP93-106). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Natural Gas Pipeline Company of America (Federal Energy Regulatory Commission, Docket No. RP93-36). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Texas Gas Transmission Company (Federal Energy Regulatory Commission, Docket No. RP94-423). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Lafourche Telephone Company (Louisiana Public Service Commission, Docket No. U-21181). Analysis and investigation of earnings and appropriate rate of return on behalf of the Louisiana Public Service Commission Staff.

Natural Gas Pipeline Company of America (Federal Energy Regulatory Commission, Docket No. RP95-326). Technical analysis and participation in settlement negotiations on cost of service, invested capital, and revenue deficiency on behalf of the Indiana Office of Utility Consumer Counselor.

Pymatuning Independent Telephone Company (Pennsylvania Public Utility Commission, Docket No. R-00953502). Technical analysis and development of settlement position in the Company's rate case on behalf of the Pennsylvania Office of Consumer Advocate.

Illinois Bell Telephone Company (Illinois Commerce Commission, Docket No. 96-0172). Technical analysis of the Company's annual rate filing pursuant to its Price Cap Plan on behalf of Citizens Utility Board.

Illinois Bell Telephone Company (Illinois Commerce Commission, Docket No. 97-0157). Technical analysis of the Company's annual rate filing pursuant to its Price Cap Plan on behalf of Citizens Utility Board.

TDS Telecom (Pennsylvania Public Utility Commission, Docket Nos. R-00973892 and R-00973893). Technical analysis regarding rate base, cost of service, rate design, and rate of return, and assistance in settlement negotiations in the Company's rate case and alternative regulatory filing on behalf of the Pennsylvania Office of Consumer Advocate.

Appalachian Power Company (Virginia State Corporation Commission, Case No. PUE 960301). Technical analysis regarding rate base and cost of service and assistance in settlement negotiations in the Company's rate case and alternative regulatory filing on behalf of the Virginia Office of the Attorney General.

Central Maine Power Company (Maine Public Utilities Commission, Docket No. 97-580). Technical analysis regarding attrition and accounting issues in the Company's Transmission and Distribution unbundling proceeding on behalf of the Maine Public Utilities Commission Staff.

Illinois Bell Telephone Company (Illinois Commerce Commission, Docket No. 98-0259). Technical Analysis of the Company's annual rate filing pursuant to its Price Cap Plan on behalf of Citizens Utility Board.

Maine Public Service Company (Maine Public Utilities Commission, Docket No. 98-577). Technical analysis regarding attrition and accounting issues in the Company's Transmission and Distribution unbundling proceeding on behalf of the Maine Public Utilities Commission Staff.

Bangor Hydro-Electric Company (Maine Public Utilities Commission, Docket No. 97-596). Technical analysis regarding attrition and accounting issues in the Company's Transmission and Distribution unbundling proceeding on behalf of the Maine Public Utilities Commission Staff.

TDS Telecom (Maine Public Utilities Commission, Docket Nos. 98-894, 98-895, 98-904, 98-906, 98-911, and 98-912). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

Mid-Maine Telecom (Maine Public Utilities Commission, Docket No. 2000-810). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

Unitel, Inc. (Maine Public Utilities Commission, Docket No. 2000-813). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

Hydraulics International, Inc. (Armed Services Board of Contract Appeals, ASBCA No. 51285). Technical analysis and support relating to the Economic Adjustment Clause claim on behalf of the Air Force Materiel Command.

Tidewater Telecom and Lincolnville Telephone Company (Maine Public Utilities Commission, Docket Nos. 2002-100 and 2002-99). Technical analysis regarding accounting issues and access rate changes on behalf of the Maine Office of the Public Advocate.

TDS Telecom (Vermont Public Service Board, Docket No. 6576). Technical analysis regarding rate base, cost of service, and depreciation expense on behalf of the Vermont Department of Public Service.

CenterPoint Energy-Entex (Louisiana Public Service Commission, Docket No. U-26720, Subdocket A). Technical analysis regarding rate base and cost of service on behalf of the Louisiana Public Service Commission Staff.

CenterPoint Energy-Arkla (Louisiana Public Service Commission, Docket No. U-27676). Technical analysis regarding rate base and cost of service on behalf of the Louisiana Public Service Commission Staff.

Provided technical analysis and support on behalf of the Louisiana Public Service Commission Staff relating to CLECO Power LLC Rate Stabilization Plan.

Provided technical analysis and support on behalf of the Louisiana Public Service Commission Staff relating to CLECO Power LLC post-Katrina power purchases.

Provided technical analysis and support on behalf of the Louisiana Public Service Commission Staff relating to Entergy Louisiana LLC recovery of storm damage costs.

Westar Energy, Inc. (Westar Energy) and Kansas Gas and Electric Company (KGE), (Kansas State Corporation Commission, Docket No. 17-WSEE-147-RTS). Technical analysis regarding rate base and cost of service on behalf of the Federal Executive Agencies.

Westar Energy, Inc. (Westar Energy) and Kansas Gas and Electric Company (KGE), (Kansas State Corporation Commission, Docket No. 17-WSEE-147-RTS). Technical analysis regarding rate base and cost of service on behalf of the Federal Executive Agencies.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc. for Approval Pursuant to 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company	:	Docket Nos.	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

VERIFICATION

I, Lafayette K. Morgan, hereby state that the facts set forth in my Direct Testimony, OCA Statement 1, are true and correct (or 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: October 14, 2025

Signature: /s/ Lafayette K. Morgan
Lafayette K. Morgan

Consultant Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway
Suite 300
Columbia, MD 21044-3575

OCA Statement 2

Direct Testimony of LeeAnn Wise with Verification, including:

Appendix A (Witness Qualifications)

Exhibit LMW-1

Exhibit LMW-2

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc. for Approval Pursuant to 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company	:	Docket Nos.	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

DIRECT TESTIMONY

OF

LeeAnn Wise

On behalf of the

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

Date Served: October 14, 2025

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Exhibits LMW-1 through LMW-2

Introduction

Q. Please state your name and business address.

A. My name is LeeAnn Wise. My business address is 555 Walnut Street, Forum Place 5th Floor, Harrisburg, Pennsylvania 17101.

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

A. I am employed as a Senior Regulatory Analyst by the Pennsylvania Office of Consumer Advocate (OCA).

Q. What is the purpose of your testimony in this case?

A. To address customers' concerns from the Public Input Hearings regarding affordability, quality of service, and customer service.

Q. Did you submit direct testimony in this case?

A. No, I did not.

Q. Have you previously provided testimony before the Pennsylvania Public Utility Commission?

A. Yes, I have provided testimony in the following cases: Wellsboro Electric, Docket No. R-2025-3054392, Citizens' Electric, Docket No. R-2025-3054394, Valley Energy, Docket No. R-2025-3054393, and Pittsburgh Water, Docket No. R-2025-3055010, R-2025-3055011, R-2025-3055012.

Q. What are your qualifications to provide this testimony in this case?

A. I have a Master's Degree in Business Administration from Shippensburg University and a Bachelor of Science degree in Professional Accountancy from the University of Pennsylvania. I have over fifteen years of experience in call center operations, with a strong background in managing teams, improving workflow, and delivering outstanding customer service. I have attached my Curriculum Vitae (CV) as Exhibit

LMW-1S. Additionally, I have received internal training while working for the Office of Consumer Advocate (OCA).

Public Input Hearing Testimony

Q. Have you prepared Exhibits to accompany your testimony?

A. Yes, Exhibit LMW-1S, which is my CV, and Exhibit LMW-2S: PA American Water Acquisition of CUPA PIH Summary.

Q. Please describe your Exhibit LMW-2S.

A. Exhibit LMW-2S contains a summary of customer testimony provided during the public input hearings held on this matter.

Q. In preparing Exhibit LMW-2S and your Supplemental Direct testimony, did you review the transcripts of the public input hearings?

A. Yes. The summary of testimony provided in Exhibit LMW-2S and below is based on my review of the transcripts.

Q. Please summarize your observations of consumer witness testimony provided at the Public Input Hearings.

A. Testimony of consumer witnesses presented during the public input hearings highlighted persistent and widespread consumer concerns regarding the proposed rate increase. The recurring issues were affordability of rates, water pressure, functional fire hydrants, water quality, and customer service provided by CUPA. Exhibit LMW-2S, which is attached to my testimony provides an issue-based summary of the consumer witnesses' testimonies.

Although the number of customers testifying was limited, the concerns raised on affordability, water pressure, functional fire hydrants, and water quality are issues that impacts the entire customer base.

Q. Please describe your observation of the major concerns expressed by consumers during the Public Input Hearings.

A. While the issues of concern for CUPA customers I noted in my review of the transcript is fully summarized in my Exhibit LMW-2S, I observed that affordability, fire hydrants/water pressure, and water quality were major concerns expressed during the public input hearings. Tr. 50-118, Sanchez Exh.1 at 2, Tr. 49-112, Tr. 73-113.

Conclusion and Recommendations

Q. What do you recommend?

A. I recommend the Commission take into consideration the concerns of all consumers when making any final determination in this proceeding. Customers' concerns and interests must be heard and taken into consideration when determining any findings, determinations, and prescriptions regarding the acquisition of CUPA by PA American Water. CUPA and PAWC should address these concerns in their Rebuttal Testimony in this proceeding. The identified quality of service issues should be investigated and addressed as a part of any approval of the acquisition in this proceeding.

Q. Does this complete your Supplemental Direct Testimony?

A. Yes.

Qualifications of

LeeAnn Wise

Education:

2008 Masters of Business Administration, Shippensburg University

1989 B.S. Professional Accountancy, Pennsylvania State University

Relevant Positions:

March 2025 Regulatory Analyst, Pennsylvania Office of Consumer Advocate

Role Description:

I am currently employed by the Pennsylvania Office of Attorney General, Office of Consumer Advocate (OCA) as a Regulatory Analyst. In this position, my responsibilities include reviewing utility company filings with the Pennsylvania Public Utility Commission (Commission) and analyzing the financial, economic, rate of return, and policy issues that are relevant to the filings. Additionally, I am tasked with preparing recommendations for the OCA's involvement in utility filings with the PA PUC, writing testimony and presenting oral testimony on behalf of the OCA. As part of my role, I also assist in the policy matters regarding low-income issues and customer service subjects.

Relevant Training: I have over fifteen years of experience overseeing and evaluating customer service operations of utility-affiliated and third-party call centers. This includes time at Comcast as Senior Finance Manager, where I provided oversight of performance metrics, evaluating disputes and time to resolve, call-handle times, average speed of answer, and ensuring customer interactions align to policy standards. My training includes a sound understanding of the best practices in customer service delivery, call tracking protocols, and the importance of consistent documentation to support customer communication and reliability.

Provided Case Testimony: Wellsboro Electric, Docket No. R-2025-3054392

Citizens' Electric, Docket No. R-2025-3054394

Valley Energy, Docket No. R-2025-3054393

Pittsburgh Water, Docket No. R-2025-3055010 (Water)

Pittsburgh Water, Docket No. R-2025-3055011(Wastewater)

Pittsburgh Water, Docket No. R-2025-3055012 (Stormwater)

OCA Summary of Public Input Testimony

1. Affordability 2
2. Fire Hydrant/Water Pressure 3
3. Water Quality 4
4. Customer Service 5
5. Infrastructure Improvements 5
6. Industrial Growth 6

In the two in-person hearings and two telephonic hearings, a total of thirteen unique consumers testified regarding the above issues. This Summary focuses on testimony pertinent to the OCA's overall recommendations set forth in the OCA's direct testimony or otherwise necessary for the Commission to consider during this proceeding.

Affordability

Approximately six distinct consumers testified that the proposed merger of Pennsylvania American Water and Community Utilities of Pennsylvania, Inc rate increase hurts affordability. Tr. 50,69,70, 82,83,85,86,104, 118, Sanchez Exh.1 at 2.

Representative Probst testified that "Water, clean air, these things shouldn't even cost money. It's what we need to live." Tr. 68:5-6. She also stated, "Nobody should be paying what they're paying for water". Tr. 68:8-9. "We already have one of the highest tax burdens in the Commonwealth and now their water bills are as much as a car payment". Tr. 69:1-3.

Consumers testified to concerns over the flat fixed rate of $60 a month for water and wastewater. Mr. Hoover testified he uses roughly 400 to 500 gallons of water per month. Tr. 85: 17-18Based on the current rate of $4 per 100 gallons, he would expect to pay between $16 to $20 per month. "What's outrageous is my base without even using a drop of water is $60 bucks, almost $60 bucks. "I am paying $60 bucks for $16 worth of water". Ms. Nielsen testified there are people living in the community that do not occupy their homes all year round. They do not have an option to have their water service turned

off and are forced to pay the $60 monthly service fee even though they are not using any water and wastewater. Tr. Pg. 104:16-20. Ms. Sanchez testified that "Now PAWC wants to absorb Community Utilities of Pennsylvania (CUPA) - a company that already tried to raise its own rates by 55% for water and 62% for wastewater". "If this merger is approved, those costs won't disappear; they'll be spread to all of us, even households like mine in Allegheny County who don't use CUPA's systems". Sanchez Exhibit 1, Pg 2.

Mr. Nielsen also expressed concerns regarding CUPA customer rates remaining the same. As part of the merger benefits, PAWC cited increases in efficiencies they can bring. Mr. Nielsen states "I don't find that to be totally acceptable that we just buy off on a transfer of rates from one company to the next when the procedures and the people and the whole process and the efficiencies that the larger company can bring to bear would be the same." Tr. Pg 76:11-16.

Mr. Hoover testified he feels trapped by the water company.3. We 121: 1-3. We need water to survive. We have no option of shopping for a water supplier as is the case with most household items. Mr. Hoover stated they can't even dig for a well or collect rainwater because their Covenants, Conditions, and Restrictions (CCR) of their HOA prohibits them from doing so. Tr. 88: 4-6. Representative Probst questioned whether a change could be made to the current CCR to allow for wells. Ultimately, the water company still owns the pipes and cannot be fully eliminated from providing some form of service. Tr. 118: 22-23.

Fire Hydrant/Water Pressure

At least four distinct consumers testified that low water pressure and lack of fully functioning fire hydrants is a primary concern. Tr. 49,74,75,79,80,82,92,96,112.

Mr. Nielsen testified that as part of CUPA's last rate case, the Public Utility Commission of PA (PUC) ordered the Company to develop a hydraulic mount to evaluate fire suppression flows for Tamiment before the next rate base case. Tr. 74:21-25. He continues by saying that it is even more irritating that PAWC proposes to address these concerns to replace or upsize distribution assets to

provide adequate fire protection in its five-year plan. Tr. 75:14-18.

Mr. Nielsen Tr. 92: 20-21 also spoke about the lack of water pressure and volume for the local fire company to put out house fires without having to rely on pumper trucks to bring in additional water. Tr. 79:16-22. At the time, the local water tank in Riverdale was only half full due to leaks waiting to be repaired. Tr. 80: 9-10.

Ms. Alvarado Garcia testified "I know the beautiful little fire hydrant that's in front of my house it's decorative. It's decorative. It's like, oh, look at that. No, it's not real. My son's a fireman. I'm like, baby, don't look at that. It's fake. That's just ornamental". Tr. 112:14-19. She also stated she cannot wash a full load of laundry due to low pressure and had to purchase a special shower head to get a nice shower. Tr. 114:11-14.

Mr. Dipiazza also testified, "The fire hydrant, which is on my property has a ring around it, that just says flushing only." "What good is a fire hydrant if it can't fight fire"? Tr. 82:18-21.

Water Quality

Five customers testified to water quality issues concerning fines to the EPA and DEP for Penn Estates, hard water, odd smells, black settlement in their toilets and loss of water by the current system. Tr. 73,77,92,102,106,107,113.

Mr. Nielsen testified that CUPA reported a 37.3 percent unaccounted water loss during the current calendar year, well above the maximum accepted loss of product produced and not sold and available for sale, but was mechanically pumped with electricity that, of course, we all paid for, and the water was lost, and nobody knows where it went. Tr. 73:16-22. He also stated CUPA had received fines of $145,000 and $48,000 to the Environmental Protection Agency and Department of Environmental Protection for Penn Estates. Tr. 77: 6-8.

Ms. Blair testified that from time to time the water is not the greatest quantity. She has experienced black residue in her toilet and wonders what it is and how much is doing into the water she consumes, and washes with. Tr. 92: 8-11. Ms. Blair purchased a "future system" to filter her water due

to being skeptical of the Company's water quality. Tr. 92: 12-19. Mr. Napolitano, who also has a filtration system, testified he did not use to have to change his filters every six weeks. Tr. 101: 7-9. Mr. Napolitano also testified that his water prior to CUPA's ownership was clean, and he wasn't afraid to drink. Tr. 102:15-18.

Ms. Alvarado-Garcia testified that she pays $200 a month to purchase bottled water for her family to drink healthy, clean water. Tr. 110: 4-5. She stated, "When I drink the water from these faucets, I get a urinary tract infection". Tr. 110: 14-16.

Mr. Vance testified to needing to run the water for five minutes to make coffee. He also testified to traveling to Walmart to purchase bottled water for his wife to wash her hair due to the hard water. He states, "It's just horrible knowing that when you go the next day to go to wash your face and your face cloth is actually standing up by itself and then you got to run the hot water enough to where to soften it before you can even wash your face or anything like that". Tr. 116: 15-20.

Customer Service

Ms. Sanchez testified to concerns with PAWC's online bill system's reliability and not being able to process payments. She stated, "I test access days in advance and sometimes pay early just to avoid shutoff - but customers living paycheck to paycheck can't do that. They're the ones most at risk of late fees and disconnections". Sanchez Exh.1 Pg. at 1.

Infrastructure Improvements

Attorney Giovannini testified on behalf of the Supervisors of Hanover Township. Attorney Giovannini testified concerning the completion of phase two and three of CUPA's requirements to upgrade water pressure. He stated that one of the concerns of the Board of Supervisors is that with the merger with PAWC that PAWC will be undertaking the improvements set forth in phases two and phases three. So that there is basically a complete improvement of the system currently run by Community to be potentially run by Pennsylvania-America. Tr. 49:17-23.

Mr. Nielsen also referred to PAWC's merger document application stating that they will enhance CUPA's existing main replacement program. He stated, "A main replacement would be pretty significant and would also affect any of our road repair and replacement projects." Tr. 74: 6-9.

Industrial Growth

One customer testified to concerns with industrial growth due to AI Data Centers.

Ms. Sanchez testified that leaders are courting AI data centers, which are expected to use up to five million gallons of water per day. Ms. Sanchez is concerned about how Data Center's usage would impact residential customers. She asked the following questions: Sanchez Exh.1 at 2.

1. Will PAWC force residential customers to subsidize the infrastructure needed for those facilities?
2. And who pays for the pollution risks - the extra wastewater, chemical loads, or thermal discharge that come with large industrial customers?

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc. for Approval Pursuant to 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company	:	Docket Nos. A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

VERIFICATION

I, LeeAnn Wise, hereby state that the facts above set forth in my Direct Testimony, OCA Statement 2, 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: October 14, 2025

Signature: /s/ LeeAnn Wise
LeeAnn Wise

Address: 555 Walnut St.
5th Floor, Forum Place
Harrisburg, PA 17101

OCA Statement 1SR

Surrebuttal Testimony of Lafayette Morgan with Verification

OCA St. 1SR

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF AMERICAN WATER WORKS COMPANY, INC., PENNSYLVANIA-AMERICAN WATER COMPANY, NEXUS REGULATED UTILITIES, LLC AND COMMUNITY UTILITIES OF PENNSYLVANIA INC., PURSUANT TO SECTIONS 1102 AND 1103 OF THE PUBLIC UTILITY CODE, FOR ALL OF THE NECESSARY AUTHORITY, APPROVALS AND CERTIFICATES OF PUBLIC CONVENIENCE TO APPROVE THE TRANSFER OF CONTROL OF COMMUNITY UTILITIES OF PENNSYLVANIA INC. FROM NEXUS REGULATED UTILITIES, LLC TO AMERICAN WATER WORKS COMPANY, INC.	:	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

SURREBUTTAL TESTIMONY
OF
LAFAYETTE K. MORGAN, JR.

ON BEHALF OF THE
OFFICE OF CONSUMER ADVOCATE

NOVEMBER 13, 2025

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

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I. Introduction

Q. **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Lafayette K. Morgan Jr. My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland, 21044. I am a Public Utilities Consultant working with Exeter Associates, Inc. ("Exeter"). Exeter is a consulting firm specializing in issues pertaining to public utilities.

Q. **ARE YOU THE SAME LAFAYETTE K. MORGAN JR. WHO SUBMITTED PRE-FILED DIRECT TESTIMONY IN THIS PROCEEDING?**

A. Yes, I am.

Q. **WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal Testimonies of CUPA witness Lubertozzi and PAWC witnesses Ashley E. Everette and Michael J. Guntrum.

Q. **BEFORE RESPONDING TO THE JOINT APPLICANTS' WITNESSES REBUTTAL TESTIMONY, PLEASE SUMMARIZE YOUR DIRECT TESTIMONY TO GIVE SOME CONTEXT TO YOUR RESPONSES AND COMMENTS RELATING TO THE JOINT APPLICANTS' REBUTTAL TESTIMONY**.

A. In my Direct Testimony, I recommended that the proposed merger not be approved as proposed by the Joint Applicants. I recommended several conditions that the Commission should require before approving the Purchase and Sale Agreement between Nexus and American Water. The concerns that influenced my recommendations relate to public safety; safe and reliable utility service; and financial benefits received by CUPA from the Integration Customer Protection Deferral

Mechanism that should be passed back to ratepayers in order for there to be an overall substantial affirmative public benefit from this transaction.

Specifically, I am concerned about the existence of a potential Acquisition Adjustment claim that, if this merger is approved, PAWC could seek to recover in a future rate increase proceeding. Second, in CUPA's last rate case, inadequate fire hydrants were identified as a public safety concern that needed to be addressed expeditiously but has not yet been resolved. Third, there are savings achieved from the integration of the merger of Southwest Water and Corix that CUPA plans to retain instead of flowing back to ratepayers.

II. Discussion and Response to the Joint Applicants Witnesses

A. Integration Customer Protection Deferral Mechanism

Q. **PLEASE SUMMARIZE THE JOINT APPLICANTS' DISAGREEMENT WITH YOUR RECOMMENDATION THAT OPERATIONAL COST SAVINGS BE RETURNED TO CUSTOMERS.**

A. In my Direct Testimony, I explained that CUPA was authorized to establish a deferred mechanism called the Integration Customer Protection Deferral Mechanism that is supposed to capture the benefits and costs to achieve integration financial benefits resulting from the merger of Corix Infrastructure Inc. and SouthWest Water Company. As of June 30, 2025, CUPA's balance in the Integration Customer Protection Deferred Account was composed of Financial Benefits of $114,130 and Costs to Achieve Financial Benefits of $124,878, or a net cost of $10,747. In my Direct Testimony, I recommended that despite the cost to achieve, the entire savings should be flowed back to ratepayers.

Mr. Lubertozzi, in his Rebuttal Testimony, disagrees with my recommendation because he states there are no net savings to pass along to customers.[1] Nonetheless, Mr. Lubertozzi acknowledges that the expected cost reduction was one of the affirmative benefits discussed in the Corix Infrastructure Inc. and SouthWest Water Company merger proceeding. He also acknowledges that the integration of CUPA's water and wastewater businesses resulting from the Corix Infrastructure Inc. and SouthWest Water Company Merger is a significant, prolonged undertaking and that the merger and integration have not yet resulted in net savings.[2]

Ms. Everette also disagrees with my recommendation. She states it is not reasonable to ignore the costs of integration and only consider the savings. She explains that while Nexus is receiving a gain on this sale, American Water is purchasing CUPA's Balance Sheet, including this deferral account. My assumption is that Ms. Everette mentions this because PAWC will be obligated to recover any asset or pay any liability on the Balance Sheet it acquires. Hence, Ms. Everette concludes it is unreasonable to eliminate only the costs of the account from recovery. Ms. Everette then proposes that the net amount of costs and benefits, in the Integration Customer Protection Deferred Account should be addressed in the first rate case which includes the CUPA system, rather than given as a bill credit now.[3]

Q. **PLEASE RESPOND TO THE JOINT APPLICANTS' DISAGREEMENT WITH YOUR RECOMMENDATION.**

A. To fully understand my recommendation, it is necessary to recognize what the Stipulations and Settlement in the proceeding involving the Southwest Water and Corix merger constitutes. The Stipulations and Settlement in that proceeding is a negotiated

[1] CUPA St. No. 1-R, at 2:15.
[2] *Id.* at 2:23.
[3] PAWC Statement No. 3-R at 6:22-7:5.

agreement which was achieved through a compromise of competing interests. In this instance the Settlement agreement is essentially a contract because a contract is a legally binding agreement between two or more parties that creates mutual obligations enforceable by law. To simplify, the Integration Customer Protection Deferred Account resolved a concern faced by the parties. The utility claimed savings (cost reductions) would result from the merger. However, there would be costs to achieve the savings. The interest of the utility was to recover the costs to achieve the savings before flowing back the net savings to customers. The parties representing the customers were interested in preserving the savings which could then be given to customers at a later time. The Integration Customer Protection Deferred Account was the mechanism that resolved the competing interests because it captured both the costs to achieve and the savings. It was envisioned that ultimately there would be savings to go back to customers.

Additionally, PAWC witness Everette hints that because PAWC is acquiring CUPA's Balance Sheet, PAWC would be entitled to recover the net cost. I recommend that the Commission explicitly Order that the integration costs should not be recovered in a future proceeding because Nexus has effectively terminated the agreement with the parties and disrupted the framework for evaluating whether there are cost savings to pass back to customers. Under the framework established by the parties, the costs to achieve and savings were to accumulate over a 5-year period. All parties reserved their rights to challenge the amounts in the account after that period expired.[4] Nexus terminated the process in favor of collecting profits from the sale of CUPA's territory.

[4] Docket Nos. R-2023-3042804 and R-2023-3042805 Recommended Decision at 21.

It is more concerning, that Ms. Everette and Mr. Lubertozzi propose to "kick the can down the road" and resolve it in some future rate case.

Mr. Lubertozzi acknowledges that the integration of CUPA's water and wastewater businesses resulting from the Corix Infrastructure Inc. and SouthWest Water Company Merger would be a prolonged undertaking and the merger and integration have not yet resulted in net savings.[5] However, two things should be noted. First, Mr. Lubertozzi does not deny that net savings were expected. Second, it should be noted that since it was Nexus' decision to sell CUPA, the arrangement that potentially could have created savings for customers was prematurely terminated by the Company itself.

To make matters worse, CUPA is set to receive millions in profit from the sale of CUPA, and it would pass additional costs onto customers, if the Commission allows CUPA to retain cost savings. In my opinion, this creates a form of unjustified enrichment because CUPA is attempting to avoid responsibility for upending the framework established in Docket Nos. R-2023-3042804 and R-2023-3042805 whereby customers could receive cost savings due.

With respect to the proposal by Ms. Everette and Mr. Lubertozzi that the resolution of the cost savings be delayed to a future rate case proceeding, I disagree for the following reasons.

First, Mr. Lubertozzi states that he believes "this is an issue that the parties to the Corix/SWW Merger agreed would be addressed in future rate proceedings, and this is not a rate proceeding."[6] That agreement was made when it was assumed the ownership of CUPA would be Corix/SWW (now Nexus). It is Nexus's decision to sell

[5] CUPA St. No. 1-R, at 3:1.
[6] CUPA St. No. 1-R, at 3:2-4.

CUPA.[7] Under the terms of the voluntary sale of CUPA, CUPA will cease to exist and will, as a result, be unable to meet the obligations of the Settlement agreement. Therefore, the Joint Applicants cannot cling to the Settlement terms as the path to resolving this issue. Second, I see no benefit of delaying the decision to pass the savings on to customers. The facts that identify the savings will not change. It could increase the value of the amount to be returned to customers because it could be argued that customers are entitled to carrying costs on the amount held by the Company. It would create a scenario where some customers are eligible for refunds of the cost savings and others are not. Finally, it would unnecessarily create another issue that would be added to the future rate case.

Q. **PLEASE RESPOND TO THE ADDITIONAL CONCERNS YOU HAVE WITH RESPECT TO THE COST SAVINGS.**

A. In my Direct Testimony, and Mr. Lubertozzi's Rebuttal Testimony, the amount of $114,130 has been identified as the financial benefits or cost savings. It should be noted that this amount is the balance in the account as of June 2025. In my Direct Testimony, I recommend that this amount be updated after consummation of the merger. Unless CUPA has unilaterally decided to stop accounting for the savings, this amount is likely to continue to increase. Although I identified the $114,130, my recommendation is that the updated amount is the amount that should be returned to ratepayers.

Also, Ms. Everette expressed concern about PAWC acquiring CUPA's balance sheet, including this deferred account, and that it is unreasonable to eliminate only the costs of the account from recovery. Given that this issue has been raised in this

[7] Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC and Community Utilities of Pennsylvania Inc. for all of the necessary authority, approvals, and certificates of public convenience to approve the transfer of control of Community Utilities of Pennsylvania Inc. from Nexus Regulated Utilities, LLC to American Water Works Company, Inc. Page 8, paragraph 13.

proceeding, I assume it was not identified during American Water/PAWC's due diligence. Since the merger has not been completed, from a layman's perspective, PAWC has the ability to raise this issue with CUPA and have it resolved before conclusion of the merger. I do not believe customers should be responsible for any additional costs from this transaction.

To summarize my recommendation relating to the cost savings, I continue to recommend that if the Commission approves this merger transaction, it should be conditioned on a one-time bill credit to customers equal to the cost savings that have been accumulated in the Integration Customer Protection Deferred Account. The bill credit should include the accumulated carrying charge for each month held by CUPA. I recommend that the Commission explicitly Order that the integration costs should not be recovered in a future proceeding because, based on the Settlement, CUPA has not met the conditions for recovery.

B. Allocation of the Purchase Price

Q. **PLEASE RESPOND TO MS. EVERETTE'S REBUTTAL TESTIMONY WITH RESPECT TO THE ALLOCATION OF THE PURCHASE PRICE TO PENNSYLVANIA.**

A. In my direct testimony, I indicated that I was concerned about the allocation of the $315 million total purchase price for the systems in the eight states being acquired by American Water which resulted in an allocation of $59.5 million to CUPA. I indicated that I requested additional data related to this issue which was received and reviewed. I also reviewed and considered the Rebuttal Testimony of Ms. Everette, and reconsidered existing information previously reviewed. I have determined that the allocation of the purchase price to Pennsylvania is reasonable and that no disagreement

exists between the OCA and the Joint Applicants on the $59.5 million allocated to CUPA.

C. Resolution of CUPA's Inadequate Fire Protection Service

Q. **IN YOUR DIRECT TESTIMONY, YOU RAISED CONCERNS ABOUT THE PROGRESS BEING MADE ON FIRE PROTECTION SERVICE IN CUPA'S SERVICE TERRITORY. PLEASE COMMENT ON THE JOINT APPLICANTS' ACTION ON CORRECTING THE INADEQUATE FIRE PROTECTION SERVICE.**

A. In my Direct Testimony, I raised concerns over the progress being made on resolving the inadequate Fire Protection Service. Based on my testimony and additional discovery submitted, CUPA has demonstrated that it indeed began work on the Hydraulic Model it claimed was needed as an initial step to resolve the problem. Mr. Lubertozzi has indicated that PAWC would incorporate data from CUPA to resolve the problem.

PAWC witness Guntrum has also demonstrated that PAWC is planning to "promptly" begin addressing the fire hydrant problem. His Rebuttal Testimony shows that resolution of this problem requires approximately 24 months to resolve. It also appears that plans are in place to begin work on the inadequate fire protection service. Based on the foregoing, I believe that PAWC is on the right track to resolve this public safety concern.

Q. **DOES THIS COMPLETE YOUR SURREBUTTAL TESTIMONY?**

A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc. for Approval Pursuant to 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company	:	Docket Nos.	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

VERIFICATION

I, Lafayette K. Morgan Jr., hereby state that the facts set forth in my Surrebuttal Testimony, OCA Statement 1SR, are true and correct (or 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: November 13, 2025

Signature: Lafayette Morgan Jr.

Lafayette K. Morgan

Consultant Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway
Suite 300
Columbia, MD 21044-3575

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Joint Application of American Water Works Company, Inc., Pennsylvania-American Water Company, Nexus Regulated Utilities, LLC, and Community Utilities of Pennsylvania, Inc. for Approval Pursuant to 1102 and 1103 of the Pennsylvania Public Utility Code of the Transfer of Control of Community Utilities of Pennsylvania, Inc. to American Water Works Company, Inc. and Subsequent Merger of Community Utilities of Pennsylvania, Inc. with and into Pennsylvania-American Water Company	:	Docket Nos.	A-2025-3055551 A-2025-3055552 A-2025-3055553 A-2025-3055554

LIST OF EVIDENCE TO BE ADMITTED INTO THE EVIDENTIARY RECORD BY THE OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA) intends to submit the following evidence into the evidentiary record in the above captioned proceedings at the evidentiary hearings scheduled for November 19, 2024.

OCA Direct Testimony

OCA Statement 1: Direct Testimony of Lafayette Morgan with Verification, including:

- Appendix A (Witness Qualifications)

OCA Statement 2: Direct Testimony of LeeAnn Wise with Verification, including:

- Appendix A (Witness Qualifications)
- Exhibit LMW-1
- Exhibit LMW-2

OCA Surrebuttal Testimony

OCA Statement 1SR: Surrebuttal Testimony of Lafayette Morgan with Verification

Additional Evidence

OCA Hearing Exh. 1: List of Evidence to be Admitted into the Evidentiary Record by the Office of Consumer Advocate