



April 6, 2026

VIA ELECTRONIC FILING

Matthew Homsher, Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**In re: Water Service Agreement between Pennsylvania-American
Water Company and Mt. Penn Borough Municipal Authority
Docket No. U-2026-**

Dear Secretary Homsher:

On behalf of Pennsylvania-American Water Company ("PAWC"), I am electronically filing according to Section 507 of the Public Utility Code, a copy of the above-mentioned agreement.

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

Sincerely,

A handwritten signature in blue ink that reads "Mike A. Stoll".

Mike A. Stoll

cc: All Parties on the Attached Certificate of Service (*via electronic mail*)
Mark Merolla, Esquire (*via electronic mail*)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Water Service Agreement between Pennsylvania-American Water Company and Mt. Penn Borough Municipal Authority	: : Docket No. U-2026- :
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CERTIFICATE OF SERVICE

I hereby certify that I am on this day serving the above-referenced Pennsylvania-American Water Company's **Water Services Agreement** in the above-referenced matter upon the persons and in the manner indicated below, which service satisfies the requirements of 52 Pa. Code §1.54 (relating to service by a party).

SERVICE VIA ELECTRONIC MAIL ON APRIL 6, 2026

Darryl A. Lawrence, Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
ra-oca@paoca.org

NazAarah Sabree, Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101
ra-sba@pa.gov

Alison Kaster, Director
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
400 North Street
PO Box 3265
Harrisburg, PA 17105
akaster@pa.gov

Respectfully submitted,



Dated: April 6, 2026

Mike A. Stoll, Esquire (PA ID #326774)
Counsel for Pennsylvania-American Water
Company
852 Wesley Drive
Mechanicsburg, PA 17055
E-mail: Mike.Stoll@amwater.com

**Attorney for Pennsylvania-American
Water Company**

Water Service Agreement

THIS WATER SERVICE AGREEMENT ("Agreement") is made this 17th day of MARCH, 2026 (the "Agreement Date"), by and between the **MT. PENN BOROUGH MUNICIPAL AUTHORITY**, a Pennsylvania Municipal Authority organized under the laws of the Commonwealth of Pennsylvania, with its municipal offices located at 200 North 25th Street, Reading, PA 19606, ("Authority")

and

PENNSYLVANIA AMERICAN WATER COMPANY, a Pennsylvania Corporation, with its principal offices located at 852 Wesley Drive, Mechanicsburg, Pennsylvania 17055 ("Pa American") (Pa American and the Authority are at times referred as "Party" or collectively as the "Parties").

BACKGROUND

WHEREAS, the Authority owns and operates a public water supply and distribution system which services the Borough of Mt. Penn, Lower Alsace Township, as well as, portions of St. Lawrence Borough and Exeter Township; and

WHEREAS, Pa American owns and operates public utility water systems located in the Commonwealth of Pennsylvania; and

WHEREAS, Pa American desires to obtain a wholesale supply of water from the Authority; and

WHEREAS, the Authority has agreed to provide a wholesale supply of water to Pa American; and

NOW THEREFORE, the Parties, intending to be legally bound hereby, agree as follows:

ARTICLE I. - SCOPE OF AGREEMENT

1. INCORPORATION. The foregoing background recitals and all attached exhibits are incorporated herein and constitute a substantive part of this Agreement.

2. TERM.

(a) The term of this Agreement shall be thirty-six (36) months, commencing on the 1st day of April 2026 and ending on the 31st day of March 2029 (the "Initial Term").

(c) If Pa American is not in default of the Agreement at the end of the Initial Term and the agreement has not been terminated, the Agreement shall automatically renew for two (2) additional terms of three (3) years each, (each a "Renewal Term"); specifically:

- i. April 1, 2029 - March 31, 2032 ("First Renewal Term") and
- ii. April 1, 2032 to March 31, 2035 ("Second Renewal Term").

If not otherwise terminated as provided for in this Agreement, this Agreement shall terminate at the end of the Second Renewal Term. The Initial Term and any Renewal Terms are collectively referred to herein as (the "Term").

(d) Either Party may terminate the Agreement at the end of the current Term, by providing written notice of the Party's intention to terminate the Agreement which shall be delivered no less than three hundred and sixty-five days prior to the end of the then existing Term.

(e) Notwithstanding the other provisions related to the Term, this Agreement shall become effective thirty (30) days after a copy hereof is filed with the Pennsylvania Public Utility Commission ("PUC"), provided that if the PUC institutes proceedings pursuant to Section 507 of the Public Utility Code (66 Pa. C.S.A. §507) this Agreement shall become effective on the day the PUC grants its approval at the start of the Initial Term and Renewal Terms will be adjusted to reflect the same and include the maximum Term length. Pa American will be responsible for coordinating all necessary PUC filings.

3. WATER SERVICE DELIVERY.

(a) Subject to the terms and conditions herein set forth, the Authority shall, to the extent required by Pa American, and in accordance with all applicable, local, state and federal law, furnish and deliver water to Pa American at Pa American's metering points connected to the Authority's system. The metering points are located at: 1. Bingaman and St. Lawrence Avenue in St. Lawrence Borough, Berks County, Pennsylvania; and 2. Seidel Street in St. Lawrence Borough, Berks County, Pennsylvania. The above-referenced metering points are collectively referred to as the "Metering Point".

(b) The Authority is not required to deliver a minimum number of gallons of water each month to Pa American. In order to maintain normal water, and/or fire protection services, for the Authority's customers; the Authority reserves the right to restrict or stop the flow of water to Pa American.

(c) Pa American is not required to purchase a minimum number of gallons of water each month from the Authority.

(d) In the event that the Authority requests that Pa American restrict or stop the flow of water to Pa American, then Pa American shall make a good faith effort to comply with said request within the following periods of time:

- (i) forty-eight (48) hours in a non-emergency situation; and
- (ii) three (3) hours in the event of an emergency such as a main break.

If Pa American is unable to stop, or reduce the flow of water, as requested by the Authority, or within the periods of time set forth above; then, in accordance with the time periods above, the

Authority reserves the right to adjust, or shut off, the flow of water to Pa American in order to protect the Authority's water system. The Authority will provide written notice to Pa American prior to taking any steps to adjust, or shut off, the flow of water to Pa American.

(e) Water delivered at Pa American's Metering Point shall be potable water, safe for human consumption, and meet drinking water standards of the Pennsylvania Department of Environmental Resources, the United States Environmental Protection Agency, and/or any successor agencies.

4. BILLING AND INVOICES.

(a) Pa American will pay for water consistent with the rates set forth within the schedule attached hereto and marked as Exhibit "A". The Authority shall submit invoices to Pa American on a calendar month basis. The first invoice will be submitted in May 2026 for water purchased during April 2026. Future invoices will be submitted each month while this Agreement remains in effect. The amount of water delivered will be determined by the meter reading unless the meter failed to register.

(b) Invoices shall:

- i. be rendered pursuant to the agreed upon rates and terms;
- ii. be submitted monthly to Pa American; and
- iii. contain statements of PA American's meter readings at the beginning and at the end of the monthly billing period, as well as, such other pertinent invoice data as may be required by Pa America.

(c) Pa America shall pay each invoice within thirty (30) days of the date the invoice is issued.

(d) Payment of an invoice shall signify Pa American's acceptance of the invoice as being accurate. Should Pa American dispute any portion of the monthly billing, the following procedure shall be utilized:

- i. Pa American shall provide written notice of its dispute of the monthly billing. Said notice shall be delivered to the Authority within sixty (60) days of the date the monthly invoice was issued. Said notice shall set forth the basis for the dispute and indicate the contested dollar amount;
- ii. Pa American shall pay any undisputed portion of the invoice within thirty (30) days of the issue date of the monthly invoice; and
- iii. the Parties retain the right to have the meter tested as set forth herein.

(e) In the event that Pa American fails to pay an invoice, or the undisputed amount, within thirty (30) days; then the Authority shall be entitled to a late charge penalty of 5 percent (5%) of the unpaid balance, interest shall accrue at the legal rate on the unpaid balance, and the Authority shall recover costs and reasonable attorney's fees incurred to enforce this Agreement.

ARTICLE II. - TECHNICAL PROVISIONS

1. MEASUREMENT OF WATER DELIVERIES. All water furnished and delivered to Pa American by the Authority, shall be measured by metering equipment in the metering pits located on Bingaman Street at St. Lawrence Avenue, in St. Lawrence Borough, Berks County, Pennsylvania; and Seidel Street, in St. Lawrence Borough, Berks County, Pennsylvania. The water meters shall be owned by the Authority. The water meters shall be of a size and type approved by the Authority. The meter pits shall have shut off valves, a check valve, and piping installed in a manner as approved by the Authority and its engineer. The Authority and Pa American shall have the right to enter the meter pits for the purpose of taking readings and to adjust or shut off valves.

2. METER TESTS.

(a) In the event that any meter installed for measuring the quantity of water delivered to Pa American fails to register accurately; the Parties shall establish the duration of the period during which said meter failed to register and the quantity of water delivered through said meter during such period and, upon agreement, an appropriate adjustment based thereon shall be made in the amount billed to Pa American.

(b) In the event that an invoice is contested, or in any other event that a Party requests that a meter be tested, the testing of the meter installed for measuring the quantity of water delivered to Pa American by the Authority shall be:

- i. completed in accordance with American Water Works Association standards;
- ii. be performed by a mutually acceptable meter testing service; and
- iii. paid for by the Party requesting the test, unless the test result is in favor of the Party requesting the test (For example, in the event that Pa American requests a meter test because Pa American believes the meter is reading above the amount of water delivered; and the test result confirms that the meter is reading above the amount of water delivered, then the cost of the meter test shall be paid by the Authority. In the event that Pa American requests a meter test, and the test result determines the meter is accurate, then Pa American will be responsible for the cost of the meter test.)

3. CONTINUITY OF SERVICE AND CONUMPTION.

(a) The Authority shall use reasonable diligence to provide a regular supply of water to Pa America's Meter Point, but shall not be liable for damages to Pa American for failure, suspension, diminution or other variations beyond the control of the Authority's control, including but not limited to acts of God, fire, floods, other catastrophes, or the failure or breakdown of transmission of other facilities. Authority shall diligently seek to remedy the effects of any such occurrences.

(b) Pa American shall use reasonable care in the operation and maintenance of any pumping and storage facilities associated with the purchases of water hereunder and reasonable care not to require water to be supplied at a rate greater than 250,000 GPD.

ARTICLE III. - RATES AND CHARGES

1. RATES. The Authority and Pa American agree that the rates of purchased water hereunder shall be in accordance with the schedule of rates attached hereto and marked as Exhibit "A".

ARTICLE IV. - PROVISION AND MAINTENANCE OF FACILITIES

1. FACILITIES TO BE PROVIDED BY AUTHORITY. The Authority agrees to provide and maintain all water treatment and transmission facilities up to the Metering Point.

2. FACILITIES TO BE PROVIDED BY PA AMERICAN. Pa American agrees to provide and maintain all facilities required to connect the Metering Points with its water transmission and distribution systems, including meters, meter vaults, valves, and appurtenances and any regulatory permits.

3. ACCESS TO FACILITIES. Authorized representatives of the Authority and Pa American will be allowed access to the metering points at suitable times to perform the obligations of the Authority and Pa American with respect to this Agreement.

ARTICLE V. - GENERAL PROVISIONS

1. NOTICES. All notices or communications hereunder shall be sent and addressed as follows:

(a) To the Authority:

Mt. Penn Borough Municipal Authority
Attn: Authority Chair
200 North 25th Street
Mt. Penn, Pennsylvania 19606

Or to such other address as the Authority may provide to Pa American in writing, and

(b) To PA American Water Company:

PA American Water Company
Attn: VP of Operations
852 Wesley Drive
Mechanicsburg, Pennsylvania 17055

Or to such other address as the Pa American Authority may provide to the Authority in writing.

2. SUCCESSIONS AND ASSIGNS. This Agreement shall inure to the benefit of and bindings upon the parties hereto, their successors and assigns, provided however that any assignment shall be approved by the other party, which approval shall not be unreasonable withheld.

3. SURVIVAL OF VALID TERMS. If any provision of this Agreement shall be invalid or unenforceable, the remainder of the provisions of this Agreement shall not be affected thereby and each and every provision of this Agreement shall be enforceable to the fullest extent permitted by law.

4. ENTIRE AGREEMENT. This Agreement and any exhibit, rider or addendum that may be attached hereto set forth all the promises, agreements, conditions and understandings between the Authority and Pa American relative to the Authority's sale of water to Pa American. There are no promises, agreements, conditions or understandings, either oral or written, between the parties other than as set forth herein. Except as otherwise provided herein, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Authority or Pa American unless reduced to writing and signed by the Parties.

5. INTERPRETATION. As used in this Agreement and when required by context, each number (singular or plural) shall include all numbers, and each gender shall include all genders. Time is and shall be of essence of each term and provision of this Agreement. The term "person" as used herein means person, firm, association or corporation, as the case may be.

6. CAPTIONS AND HEADINGS. The captions and headings of the paragraphs contained herein are for convenience of reference only and in no way define, limit, describe, modify or amplify the interpretation, construction or meaning of any provision of or the scope or intent of this Agreement nor in any way affect this Agreement. All Exhibits are an integral part of this Agreement and are attached hereto.

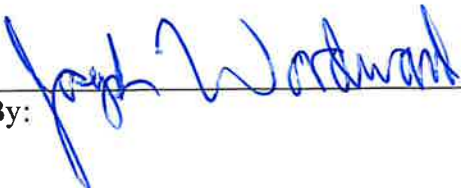
7. TERMINATION OF PRIOR AGREEMENTS. By the execution of this Agreement, the Parties terminate all prior agreements relating to the Authority's sale of water to Pa American, and specifically the Water Supply Agreement executed by and between the Parties, or their predecessor in interest, on July 13, 1994, as well as, the Addendum executed by and between the Parties or their predecessor in interest on August 12, 1998, are terminated and the Parties are released from any obligations created under these terminated agreements.

8. GOVERNING LAW. This Agreement shall be governed by and interpreted under the laws of the Commonwealth of Pennsylvania, U.S.A.; and subject to venue within the Berks County Court of Common Pleas.

[Remainder of Page(s) Intentionally Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

PENNSYLVANIA AMERICAN WATER COMPANY

By:  _____

MT. PENN BOROUGH MUNICIPAL AUTHORITY

By:  _____

EXHIBIT "A"
SCHEDULE OF RATES

A late charge penalty of 10% shall be applied to the outstanding balance remaining 30 days from the date of billing. The late charge penalty will be recalculated at the end of each 30-day period while the balance remains unpaid.

During the Initial Term – April 1, 2026 – March 31, 2029

1. Basic Minimum Charge from zero to 1,000 gallons: Seidel Street meter \$79.06
St. Lawrence meter \$213.33
2. After the first 1,000 gallons: \$4.50 per 1,000 gallons

During the First Renewal Term – April 1, 2029 – March 31, 2032

1. Basic Minimum Charge from zero to 1,000 gallons: Seidel Street meter \$86.97
St. Lawrence meter \$234.66
2. After the first 1,000 gallons: \$4.95 per 1,000 gallons

During the Second Renewal Term – April 1, 2032 – March 31, 2035

1. Basic Minimum Charge from zero to 1,000 gallons: Seidel Street meter \$95.66
St. Lawrence meter \$258.13
2. After the first 1,000 gallons: \$5.45 per 1,000 gallons