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August 26, 2022

Bucks County Commissioners  
Robert J. Harvie, Jr., Chair  
Diane M. Ellis-Marseglia, Vice Chair  
Gene DeGirolamo, Secretary  
55 E. Court St.  
Doylestown, PA 18901

Dear Bucks County Commissioners:

We appreciate your interest and due diligence to thoroughly assess the proposed offer made by Aqua Pennsylvania to acquire the Bucks County Water and Sewer Authority's (BCWSA) wastewater assets. We understand the value of getting all the facts and understanding every detail on behalf of Bucks County's residents, especially for an acquisition valued at more than \$1.1 billion.

Per your August 15, 2022, letter requesting additional information regarding the potential sale, BCWSA has provided responses to your questions in the **enclosed** document. We also included several supporting attachments that contain additional information and details to help answer your questions.

Since we were able to publicly announce the formal proposed offer for our wastewater assets, we have been meeting with customers, municipalities, residents, employees and many others to discuss the offer and answer questions. Our outreach has included meetings with the following:

- representatives from all our retail and wholesale municipalities,
- more than 100 residents who attended the public open houses events we held at two Bucks County Community College campuses,
- union representatives and employees,
- a virtual town hall with the Bucks County Association of Township Officials, which included 14 municipalities that were represented, and
- three public authority board meetings, which have included morning and evening sessions, where several residents spoke during public comment period.

In addition, we pursued all channels and platforms to inform Bucks County residents and our customers about the offer. This has included sending first-class letters to our 75,000 wastewater customers, utilizing social and digital media, informing news outlets with updates and of course our informational site, which has been visited by more than 3,000 visitors – [BCWSACommitment.org](http://BCWSACommitment.org).

We have said from the beginning we will not make a decision on the offer until we conduct a thorough fact-gathering process and are able to address stakeholders' questions, such as the ones you have presented us. Please let us know if you have any questions and we look forward to ongoing discussions with the county.

Sincerely,

Benjamin W. Jones, CEO  
BCWSA

## **BCWSA Questions from the Bucks County Board of Commissioners**

**Responses to each question provided in bold below.**

1. Reports are that the sale of the sewer portion of the BCWSA would net \$1.1 billion and would be the largest sale of a public utility to a private entity in American history. Please verify that amount, and also answer the following:

**Response: The total value of the proposed acquisition is \$1,126,400,746 as specified in the Asset Purchase Agreement. The total includes a purchase price of \$935,000,000 and the deferred capacity fee collections valued at \$191,400,746.**

- a. How much of the revenue needs to be used to pay off BCWSA debt?

**Response: The total debt payoff is \$177,371,017.**

- b. What other BCWSA obligations need to be met using the remaining funds?

**Response: The total debt amount indicated above is the only obligation.**

- c. After the above obligations are met, will the BCWSA commit to transferring the remainder of those funds to the County of Bucks?

**Response: The remaining proceeds from a potential sale after payment of the sewer project may be transmitted to Bucks County.**

2. Has BCWSA raised its sewer rates over the past five years? If so, please detail those increases.

**Response: BCWSA enacted the following sewer rate increases over the last five years:**

**- January 1, 2017: 5% retail and 4% wholesale**

**- January 1, 2019: 5.5% retail and 1.2% wholesale**

3. Does BCWSA believe that it is legally required to remit to the County the proceeds of a sale of the sewer operations of BCWSA or does BCWSA believe this is discretionary? With references to statute and/or caselaw, please provide a legal basis for BCWSA's opinion.

**Response: In addition to answer 1(c) above, BCWSA, upon agreement with the Bucks County Commissioners, could retain some of the money and manage a rate stabilization fund established for the current BCWSA customers. This may require further amendment to the Articles of Incorporation.**

4. If the County accepted the proceeds of the sale of the sewer operations of BCWSA, how much would need to be put aside to offset any increase in sewer rates for the next five years? For the next 10 years?

**Response: The amount of net proceeds provided to Bucks County to offset any sewer rate increases over the next five and 10 years is estimated to be \$136 million and \$294 million, respectively. The amounts are based on an independent professional's analysis using historical rate increases and calculated rate projections.**

- a. Has there been discussion of this fund being the responsibility of Essential Utilities/Aqua Pennsylvania, instead of the County?

**Response: BCWSA anticipates that a trust would be formed and managed by a trustee with the full cooperation from Aqua Pennsylvania to provide certain billing information. The trustee would act as a fiduciary for the customers receiving the benefits of the rate**

- b. Either Bucks County or BCWSA could oversee the activities of the trustee and either could have the right to replace the trustee with a new one if the need would arise.

- c. Does BCWSA believe that such a fund may be managed by BCWSA? If not, please provide a legal basis for BCWSA's opinion.

**Response: As indicated in answer above, either Bucks County or BCWSA could oversee the activities of the trustee and either could have the right to replace the trustee with a new one if the need would arise.**

5. Will Essential Utilities/Aqua Pennsylvania commit to not raising rates for the next five years? For the next 10 years?

**Response: Aqua Pennsylvania has committed to maintain BCWSA's sanitary wastewater base rates in effect at closing of the transaction for the first year after the acquisition or until January 1, 2025 (whichever occurs first). The ongoing capital spending at BCWSA is estimated to be about \$254 million so BCWSA would need to raise rates to meet its obligation. BCWSA anticipates contributing a portion of the potential sale proceeds to a fund maintained by either Bucks County or BCWSA to minimize customer rate increases over the next 10 years.**

6. In what way could the Bucks County Commissioners retain a position of oversight and involvement so that sewer ratepayer interests, as well as problems, are readily attended to and resolved?

**Response: If the sale is approved by the BCWSA Board, Aqua Pennsylvania will be required to file an application with the PA Public Utility Commission (PUC) seeking approval of the sale. BCWSA will intervene in that proceeding to be a formal party, which will allow it to receive all information filed as part of the application. As part of the PUC application process, the County could also intervene since it is unquestionably an interested party. Intervening would enable the County to be involved in everything that is happening with the application.**

**The County could also submit written testimony, ask for discovery from other parties to the application proceeding, provide argument in briefs and cross-examine witnesses at the hearing regarding the application. Residents and customers would also have the opportunity to attend the hearings and provide testimony. All interested parties would be able to participate at the PUC in any future rate increase hearings.**

7. Can the Authority continue to operate relying only on income from its water operations?

**Response: BCWSA is a financially self-sufficient authority and would continue to operate relying only on income from its water operations.**

- a. Will water rates need to increase to allow the Authority to function?

**Response: Aside from any potential sale activity, the water rates are already scheduled to be adjusted in 2025 to accommodate additional debt incurred for assets unrelated to the sewer transaction. The last adjustment to water rates was in 2015.**

8. It is our understanding that residents who are not customers of BCWSA who choose to, or have to, connect to the BCWSA sewer system are responsible for all costs to do so. Whereas a private company, such as Essential Utilities/Aqua Pennsylvania, is permitted to cover those expenses for the resident. Is that accurate?

**Response: Aqua Pennsylvania is permitted to contribute up to a maximum allowable investment for customers who apply for service connection to a sewer main that already abuts their property or where the applicant(s) request a main extension to render service. Currently, at the Company's weighted average rate for all systems, the maximum contribution is approximately \$15,000 per customer. If the costs of the customer connection exceed the maximum allowable contribution, the customer(s) would be required to pay the difference. The calculations for the maximum allowable investment for a lateral (main to curb) or a main extension are performed in the same manner. However, the exact amount is dependent on the specific circumstances and details of each application.**

9. Please detail the number of BCWSA sewer customers by municipality, regardless of what County they are in.

**Response: Attachment #1 below includes a breakdown of BCWSA retail sewer customers by municipality and by county.**

10. When calculating its number of customers, is BCWSA including residents who pay their sewer bill to another authority that handles conveyance, which then pays BCWSA for treatment (i.e. Township of Falls Authority)?

**Response: BCWSA's total customer base includes retail customers in Bucks, Montgomery and Chester counties along with the gallons we process for**

**wholesale customers, which is translated into equivalent dwelling units (EDUs)**

- a. Will any rate freeze implemented by Essential Utilities/Aqua Pennsylvania extend to bulk customers (i.e. Township of Falls Authority) as well as to individual ratepayers?

**Response: Wholesale customers will have 2 options:**

- 1. assign their existing contract to Aqua and pay the same amount they would if BCWSA still owned the assets through the duration of the contact.**
- 2. negotiate a new contract prior to closing with Aqua including a new rate schedule.**

**As part of any negotiation of a new contract, Aqua would maintain the bulk customers rates at closing on similar terms as the retail customers (i.e. for the first year after the acquisition or until January 1, 2025, whichever occurs first).**

11. For municipalities who sold their sewer operations to BCWSA in recent years under the assumption that those operations would stay under the control of a public entity, does BCWSA have a plan to address any desire by those municipalities to re- acquire their systems?

**Response: BCWSA understands there are some municipalities that have a right of first refusal in their sale contracts with prior acquisitions. If the BCWSA Board decides to move forward with a sale, BCWSA would meet with each municipality and community to address any concerns or enter into negotiations to address their decision to repurchase the system under the terms of the contract.**

- a. If so, what impact would that have on the negotiations with Essential Utilities/Aqua Pennsylvania?

**Response: A few of the municipalities that have sold their sewer operations to BCWSA have communicated formally and informally with BCWSA about the potential sale. Talks with these municipalities are ongoing and BCWSA thinks it is premature at this stage to speculate about what impact this might have on negotiations with Aqua.**

12. Please detail the protections being put in place for the current employees of BCWSA.

**Response: The Asset Purchase Agreement from Aqua Pennsylvania stipulates the following:**

- Aqua Pennsylvania must offer employment to all active personnel who are employed by BCWSA in operating the wastewater system on terms substantially similar to those the personnel have at BCWSA.**
- Prior to closing, BCWSA will provide a Memorandum of Understanding to each union that no employee represented by the union shall be forced to permanently work from a location that is more than 25 miles away from the location to which they report on the date of closing.**

- **If a non-bargaining unit transferred employee is required to perform his or her job at a location in excess of 25 miles from where they work on the date of closing, the employee may terminate employment with the bidder for “good reason.” Aqua Pennsylvania must agree in the offer letters it provides to each non-bargaining employee at closing that upon termination for “good reason” Aqua will give the employee the right to 1.5 times their annual pay and continued medical and dental coverage at Aqua’s expense for up to 12 months.**
  - **Aqua must assume BCWSA’s collective bargaining agreements on the closing date.**
13. What impact will there be on the pensions of current and retired employees of BCWSA if the sale occurs and they go from being employed by a public entity to a private entity?

**Response: The proposed sale will not impact the pensions of current or retired employees. Please see Attachment #2 for a detailed breakdown of each pension plan.**

14. Will Essential Utilities/Aqua Pennsylvania recognize all the current bargaining units who represent current employees?

**Response: Aqua Pennsylvania must recognize all current bargaining units who represent current BCWSA employees. See answer above to question 12.**

15. Since the BCWSA was initially set up as joint authority, would the split caused by this sale void the original intent of the Bucks County Board of Commissioners? Who, if anyone, would have standing to challenge a sale on this basis?

**Response: The sale of the sewer system would not be in conflict with BCWSA’s original intent. BCWSA has the power to sell, lease as lessor, transfer and dispose of any property or interest therein at any time acquired by it. The Articles of Incorporation granted the BCWSA all powers under the Municipality Authorities Act.**

16. Would the sale of the sewer system ultimately require a vote of approval by the Bucks County Board of Commissioners to be finalized?

**Response: The BCWSA is a distinct legal entity from Bucks County. According to the Municipality Authorities Act, an authority that has been incorporated under the Act becomes an independent agency not subject to the control of the incorporating municipality. The Bucks County Commissioners have no legally required involvement to approve or deny the potential sale prior to BCWSA making a final decision.**

17. Why is Essential Utilities/Aqua Pennsylvania only interested in the wastewater system and not the entire authority?

**Response: BCWSA chose to only entertain a formal offer for the wastewater system and thus Aqua's potential interest in our water system was not a priority for BCWSA.**

18. Was a valuation done of each system (water and sewer) or both systems combined?

**Response: A valuation analysis was completed by an independent professional for each system to determine underlying values of each and combined.**

19. What will become of the BCWSA if the sale is complete?

**Response: The BCWSA currently exists to manage two separate operations - sanitary sewer system and water distribution system in Bucks County and other territories. If the BCWSA were to sell its sanitary sewer system, it would continue in existence. An authority must submit a request to terminate its existence from the municipality that created it. BCWSA would still have a purpose- managing, maintaining and operating its water distribution system project. It would have no reason to request termination by Bucks County.**

20. Does BCWSA believe that it would be required to be dissolved and recommissioned as a new entity only dealing with water? With references to statute and/or caselaw, please provide a legal basis for BCWSA's opinion.

**Response: The BCWSA's powers can be altered through amendments to its Articles of Incorporation. The language related to management, operation and maintenance of sanitary sewer systems can be removed. If the BCWSA, in agreement with the Bucks County Commissioners, believes that there are other projects it can undertake to help the people of Bucks County, those projects can be added to its enumerated powers. For instance, as a municipal authority, the BCWSA can take on projects related to stormwater planning, management and implementation.**

21. Please share feedback received by BCWSA from the public regarding the proposed sale (e-mails/correspondence/public comments).

**Response: BCWSA has pursued a comprehensive public outreach campaign to encourage feedback from residents, customers, stakeholders and any other interested parties. Outreach has included traditional and digital media platforms, along with utilizing letters and emails to reach as many individuals as possible. The authority has received similar feedback and questions that the Bucks County Commissioners presented in this list of questions, along**

**with the correspondence received by individual municipalities. It has been valuable feedback and an opportunity to address important questions and misinformation that has been circulated.**

22. When and where will additional public events/townhalls/open houses be held?

**Response: In addition to the public open house events and meetings with every municipality that BCWSA serves, BCWSA has been meeting with stakeholders, associations and residents as requested. BCWSA holds its regularly scheduled meetings every fourth Wednesday of the month, which the public is encouraged to participate and provide feedback.**

23. What is the likelihood of the PUC approving the dissolution of the BCWSA and allowing the county to create a new authority with additional purposes?

**Response: Since BCWSA was created pursuant to the Municipality Authorities Act, the PUC does not have jurisdiction over the dissolution or continued existence of BCWSA or any decision by Bucks County to create any new authority that the County might see fit to create.**

24. Can you provide us a specific historic example of when the PUC approved the sale of a water and sewer authority, the dissolution of that authority and then granted the creation of a new authority for a different purpose?

**Response: Please see Attachment #3 below for specific examples, including 17 recent acquisitions when the PUC approved the sale of a water and sewer authority.**

25. Are there examples of the PUC approving such a split in the past (selling off one system but keeping the other)?

**Response: As indicated above, BCWSA was created pursuant to the Municipality Authorities Act, and the PUC does not have jurisdiction over the dissolution or continued existence of BCWSA or any decision by Bucks County to create any new authority that the County might see fit to create.**

26. After a sale, would the remaining revenues in the BCWSA account be expendable for a purpose other than that for which the initial rate was collected? In other words, can a rate collected for water and sewer in turn be used for something like stormwater infrastructure or another purpose under a new authority?

**Response: Remaining revenue held by the BCWSA collected by operating the sewer system should first be used to pay of the BCWSA's outstanding debt for the sewer system. Any revenue remaining after paying off the debt could be transferred to Bucks County. The general rule is that fees collected must be consummate with the service provided.**

27. In terms of working with the PUC on projects, rates, etc., are there any advantages a public authority has over a private entity? Are there advantages a private entity has over a public one?

**Response:** It's important to note that municipal authorities are not subject to PUC approvals. A private entity such as Aqua Pennsylvania is subject to PUC oversight and regulation which provides for independent oversight of operating, financial, and administrative performance of the utility in its rendering of service to its customers. A private entity's advantage can be viewed by its depth of experience and size which provides access to technical staff that support local management, including a large internal state-certified laboratory, to address or react to issues or emergencies that may arise.

In addition, the PUC requires a lengthy process to approve changes such as rate increases, which include several public hearings. Any customer is given the right to have his or her opinion heard on the official docket before an administrative law judge. Municipal authorities, on the other hand, can raise rates at any time through a vote of its board without any review or public input.

28. Please define "tap-in fee" revenue and how it is to be captured and used.

**Response:** A tapping fee is charge to a new customer that wants access to BCWSA's wastewater system and the fees are intended to ensure new customers pay their "fair share" of the system that existing customers paid to have built and maintained.

- a. What would happen to that revenue if this sale goes through?

**Response:** If the sale transaction closes, BCWSA would maintain the revenues from the deferred capacity fees. Aqua will purchase the excess capacity over time from BCWSA as new connections are added at the negotiated amount.

29. Why would Essential Utilities/Aqua Pennsylvania be interested in purchasing a sewer system that, according to reports, will require \$245 million in repairs?

**Response:** One of Aqua Pennsylvania's core competencies is addressing capital repairs in the most cost effective and efficient manner by leveraging its size (economies of scale), depth of expertise, and competitive cost of capital. As a regulated company, Aqua Pennsylvania spends capital to improve service, reliability and long-term viability of water and wastewater systems. Regulated utilities enhance their systems by making capital improvements and receiving the opportunity to earn a regulated return (income) on those improvements that the PUC deems appropriate.

30. Why does BCWSA think it is a wise idea to sell the sewer system?

**Response:** The Board has made no decision with the proposed offer by Aqua Pennsylvania to acquire the wastewater system. When we are presented with an acquisition for any aspect of the BCWSA, we have a fiduciary responsibility to examine every detail and determine what is in the best interest of our customers, communities we serve, municipal partners, and our employees. This process has included obtaining an independent assessment of our entire operations, facilitating open houses for the public, meeting with every municipality we serve and with our employees, addressing questions by residents, regional associations and stakeholders (including the Bucks County Commissioners), and gathering feedback from individuals across every platform available. We look forward to the ongoing discussions and input.

**The remaining questions assume there is no sale of the sewer operations:**

31. Has BCWSA projected forward, any amount of time, to determine if sewer rates will need to be raised in the future?

**Response:** BCWSA has calculated estimated monthly rate projections from 2024 through 2034. A chart (included in Attachment #4 below) presenting the annual increases is on the BCWSACommitment.org page under “Resources”.

a. If so, how many years forward has BCWSA projected and what are the projected increases over that time?

**Response:** As indicated in the answer above, BCWSA’s projected rate increases will go from an average monthly rate of \$60.23 to \$77.57 from 2024 through 2034, marking a 29 percent increase over this period.

32. What sewer infrastructure projects would BCWSA need to undertake in the next 10 years?

**Response:** BCWSA will need to undertake several infrastructure projects over the next 10 years. A list of these projects and costs are included in Attachment #5 below.

a. What are the projected costs of those projects?

**Response:** The total projected cost is about \$254 million for all infrastructure projects.

b. How would BCWSA finance those projects?

**Response:** Infrastructure projects would be financed through a combination of service charges (customer rates) and debt instruments, such as bonds.

c. What, if any, impact would those improvements have on sewer rates?

**Response:** As indicated in previous answers, the infrastructure improvements have been factored into the estimated monthly rate projections from 2024 through 2034 (also presented in Attachment #4).

33. Will BCWSA be mandating that customers who are not currently connected to the BCWSA system connect to a public sewer?

**Response: The policy requiring connections to a public sewer system is under the purview of the municipalities in which BCWSA customers reside. The relevant Borough or Township Code grants municipal governing bodies the authority to adopt and enforce ordinances requiring property owners connect to public sewer systems.**

34. It has been suggested that BCWSA needs more than \$245 million in sewer repairs. Is that accurate and will the authority be in the position to be able to make the repairs?

**Response: BCWSA would be able to make the repairs and upgrades through a combination of service charges (customer rates) (see Attachment #5) and debt instruments.**

- a. What kind of rate increase would be required to begin and complete the aforementioned repairs?

**Response: The projected rate increases from 2024 through 2034 are included in the chart below (Attachment #4).**

- b. Would the BCWSA considering floating a bond to make any necessary repairs?

**Response: Debt instruments, such as bonds, would be utilized to make the necessary sewer repairs.**

# **ATTACHMENTS**

**ATTACHMENT #1**  
BCWSA Retail Sewer Customer Breakdown

**ATTACHMENT #2**  
Employee Pension Plan

**ATTACHMENT #3**  
List of approved PUC Acquisitions

**ATTACHMENT #4**  
Projected Rate Increases

**ATTACHMENT #5**  
Capital Costs – Projected Repairs & Projects

## ATTACHMENT # 1

### Bucks County

Bensalem Township	16,766
Bristol Borough	3,982
Buckingham Township	442
Doylestown Borough	3,118
Doylestown Township	3,160
Langhorne Borough	539
Middletown Township	10,018
New Britain Borough	1,435
New Hope Borough	1,012
Plumstead Township	3,350
Richland Township	4,189
Richlandtown Borough	424
Solebury Township	1,005
Warrington	8,446
Bensalem Township	16,766
Bristol Borough	3,982

### Montgomery County

Upper Dublin Township	8,906
Springfield Township	7,071

### Chester County

West Vincent Township	559
Birmingham Township	430

## ATTACHMENT #2

### Retired Employees

The sale will not affect the rights under the existing BCWSA retirement plans of employees who have retired or will retire before the sale closing date.

### Current Employees – the State System Plans

BCWSA maintains two defined-benefit pension plans (the “State System Plans”) as part of the Pennsylvania Municipal Retirement System (the “State System”). The Bucks County Water and Sewer Authority Defined Benefit Plan covers eligible union and non-union employees whose employment or reemployment by BCWSA commenced before October 1, 2018. The Bucks County Water and Sewer Cash Balance Plan covers eligible union and non-union employees whose employment or reemployment by BCWSA commenced on or after October 1, 2018.

BCWSA will amend the State System Plans to provide for full vesting of all transferred employees in their benefits as accrued through the sale closing date.

The transferred employees will have the same rights under the State System Plans as if they had terminated their employment with BCWSA otherwise than in connection with the sale. For example, any transferred employee who is eligible to take normal or early retirement as of the date of closing of the sale will be entitled to elect to receive a retirement annuity under the State System Plans. Any prior BCWSA employee who was eligible to receive a deferred vested benefit under a State System Plan would continue to have this right.

The transferred employees will cease to accrue additional benefits under the State System Plans when they are transferred to the buyer.

Because the buyer is not a municipal entity, it cannot become a participating employer under the State System. The buyer will be contractually required to adopt its own defined-benefit plan (or to amend its existing defined-benefit plan, if any) to provide retirement benefits to the transferred employees with respect to their post-sale service for the buyer which are “substantially similar” to the retirement benefits provided for the transferred employees under the State System Plans. The buyer will be required to recognize the transferred employees’ service with BCWSA as if such service were with the buyer for eligibility and vesting purposes under the buyer’s defined-benefit plan (as well as the buyer’s other employee benefit plans and programs).

The best way to achieve these goals might be for the buyer to establish a “wrap around” defined-benefit plan for the transferred employees which will provide to the transferred employees (a) at least the same retirement benefits they would have received if they had continued to be employed by BCWSA and continued to participate in the State System Plans, reduced by (b) any and all retirement benefits which they actually receive under the State System Plans. Under this arrangement, the transferred employees would receive retirement income from two sources—the State System Plan and the buyer’s wrap-around defined-benefit plan—with the combined income being the same as they would have received if they had continued to be employed by BCWSA.

### Current Employees - the Operating Engineers Fund

BCWSA is currently required to contribute \$1.25 per hour to the Operating Engineers Central Pension Fund (the “Operating Engineers Fund”), a multiemployer pension plan, for union employees who are covered by the Local 835 collective bargaining agreement.

The rights of transferred Local 835 employees to receive benefits from the Operating Engineers Fund as accrued through the sale closing date will not be affected by the sale.

Unless the buyer reaches an agreement to the contrary with Local 835, the buyer will become obligated to make contributions to the Operating Engineers Fund, and the transferred Local 835 employees will continue to accrue benefits under this plan.

### Current Employees - 457 Salary Deferral Plans

BCWSA maintains two “deferred compensation options” (the “457 Salary Deferral Plans”) to which participants may make salary-deferred contributions. BCWSA is required to make employer contributions to these plans for certain union employees covered by the Local 2939 collective bargaining agreement. Participants are 100% vested in their plan accounts.

Transferred employees will have the same rights under the 457 Plans as if they had terminated their employment with BCWSA otherwise than in connection with the sale. They will have the right to receive distribution their vested plan account balances, to roll over part or all of such distributions into the buyer’s 401(k) plan, or to direct that part or all of their lump sum distributions be transferred directly into the buyer’s 401(k) plan.

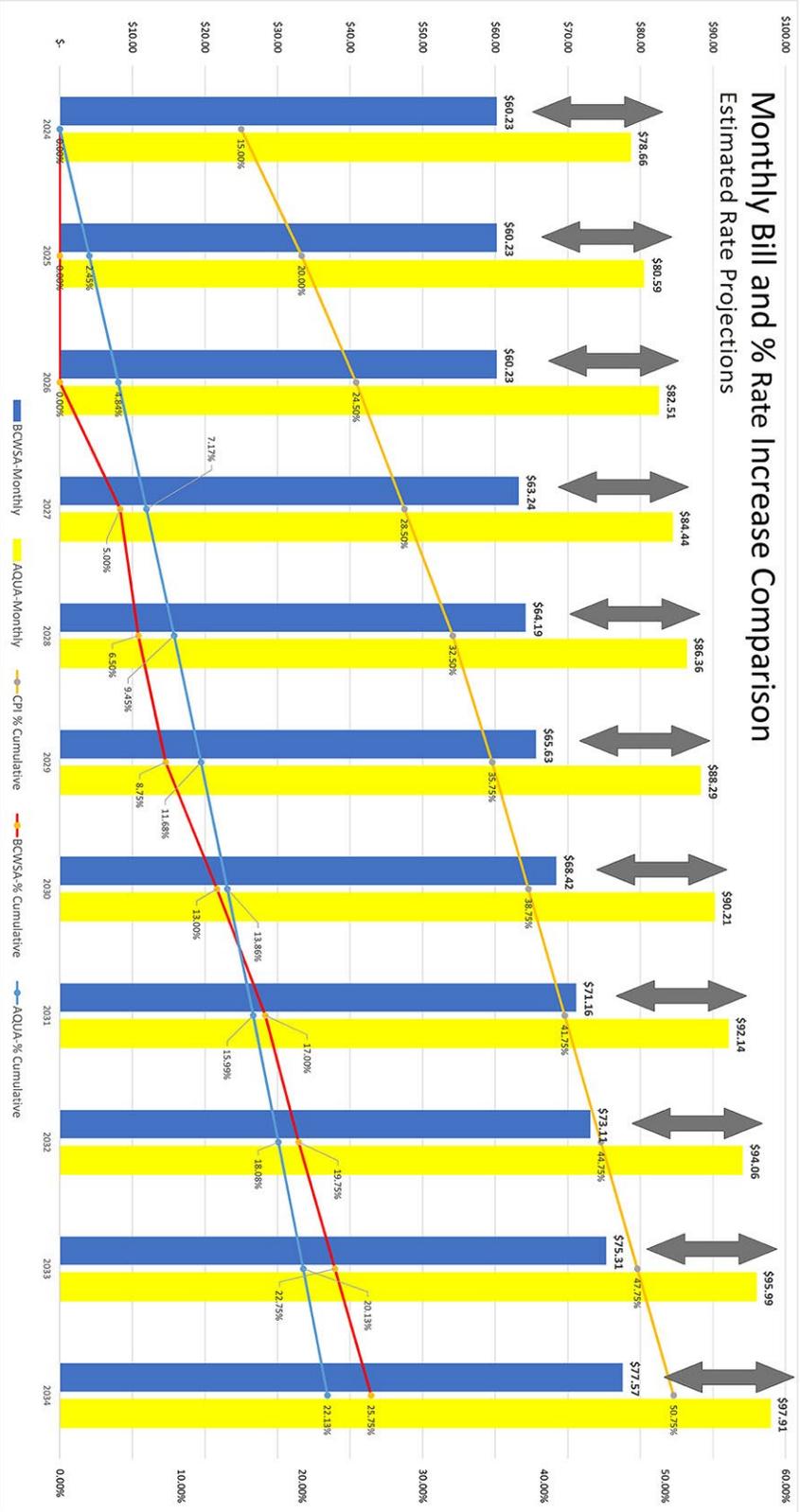
The buyer’s 401(k) plan will be amended to provide that service of the transferred employees with BCWSA will be credited under the buyer’s 401(k) plan for eligibility and vesting purposes, and to require the same employer contributions as are required under the Local 2939 collective bargaining agreement. If necessary, the buyer’s 401(k) plan will also be amended to accept rollovers and direct transfers from the 457 Salary Deferral Plans.

### ATTACHMENT #3

1. Application of Aqua Pennsylvania Wastewater, Inc. under Sections 1102 and 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1102(a) and 1329 to Acquire the Wastewater Assets of East Whiteland Township, Docket No. A-2021-3026132
2. Application of Aqua Pennsylvania Wastewater, Inc. under Sections 1102 and 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1102(a) and 1329 to Acquire the Wastewater Assets of Willistown Township, Docket No. A-2021-3027268
3. Application of Aqua Pennsylvania Wastewater, Inc. under Sections 1102 and 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1102(a) and 1329 to Acquire the Wastewater Assets of Lower Makefield Township, Docket No. A-2021-3024267
4. Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire the Wastewater System Assets of **the York City Sewer Authority** and operated by the City of York, Docket No. A-2021-3024681
5. Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire the Wastewater System Assets of Valley Township, Docket No. A-2020-3020178
6. Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire Water System Assets of Valley Township, Docket No. A-2020-3019859
7. Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire Wastewater System Assets of the Borough of Royersford, Docket No. A-2020-3019634
8. Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire Wastewater System Assets of the Upper Pottsgrove Township, Docket No. A-2020-3021460
9. Application of Aqua Pennsylvania Wastewater, Inc. under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire the Wastewater System Assets of Cheltenham Township, Docket No. A-2019-3008491
10. Application of Aqua Pennsylvania Wastewater, Inc. under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire the Wastewater System Assets of East Norriton Township, Docket No. A-2019-3009052
11. Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire Wastewater System Assets of **the Borough of Kane Authority**, Docket No. A-2019-3014248
12. Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire Water System Assets of **the Steelton Borough Authority**, Docket No. A-2019-3006880

13. Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire Wastewater System Assets of **the Exeter Borough Authority**, Docket No. A-2018-3004933
14. Application of Aqua Pennsylvania Wastewater, Inc. under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire the Wastewater System Assets of East Bradford Township, Docket No. A-2018-3001582
15. Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire the Wastewater System Assets of **the Municipal Authority of the City of McKeesport**, Docket No. A-2017-2606103
16. Application of Aqua Pennsylvania Wastewater, Inc. under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire the Wastewater System Assets of Limerick Township, Docket No. A-2017-2605434
17. Application of Aqua Pennsylvania Wastewater, Inc. under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a) And 1329 to Acquire the Wastewater System Assets of **the Municipal Authority of New Garden Township and the New Garden Township Sewer Authority**, Docket No. A-2016-2580061

# ATTACHMENT #4



Assumes estimated Aqua rate case awards based on independent analysis

BCWSA rate projection includes Bristol acquisition and anticipated projects for a total of \$254 MM

= Difference Subsidized with Customer Benefit Fund Over 10-Year Period

**ATTACHMENT #5**

<b>Project</b>	<b>Cost</b>
Systemwide Repairs <sup>(1)(2)(3)</sup>	\$50,000,000
Totem Rd Capacity 4 MGD	\$40,000,000
Repairs of EPA TV Mandate	\$25,000,000
Debt Serv on EPA Mandate Funds (Projected)	\$20,000,000
Springfield Capacity	\$20,000,000
Green Street Upgrade	\$20,000,000
Quakertown Plant Debt Service	\$15,000,000
CNB Expansion	\$15,000,000
Kings Plaza Upgrade	\$15,000,000
Lambertville Upgrade	\$15,000,000
Gen Sets 40 @ 350k	\$10,000,000
Pole Barn	\$2,500,000
Old Dublin Pumps	\$2,000,000
Misc Pumps etc.	\$1,700,000
Vactors	\$1,500,000
Utility Body Trucks 40 @ 35k	\$1,400,000
<b>Total</b>	<b>\$254,100,000</b>

- (1) Additional repairs based on EPA life expectancy of 1,200 miles of pipe
- (2) Based on 60-year life expectancy (25% of current facilities)
- (3) Additional repairs not yet included in the rate project as it is estimated that the video inspections of the entire system and subsequent repairs fall outside of the rate projection timeline.