

YORK WATER CO  
Form DEF 14A  
March 26, 2004

THE YORK WATER COMPANY  
130 EAST MARKET STREET  
YORK, PENNSYLVANIA 17401

March 30, 2004

***NOTICE OF ANNUAL MEETING OF SHAREHOLDERS***

***TO THE SHAREHOLDERS OF THE YORK WATER COMPANY***

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of The York Water Company will be held at The Yorktowne Hotel, 48 East Market Street, York, Pennsylvania, on Monday, May 3, 2004, at 1:00 P.M. for the purpose of taking action upon the following proposals:

- (1) To elect three (3) Directors to three-year terms of office;
- (2) To appoint independent accountants to audit the financial statements of the Company for the year 2004; and
- (3) To transact such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on March 15, 2004, as the record date for the determination of shareholders entitled to notice of and to vote at the meeting, and at any adjournment or adjournments thereof.

You are cordially invited to attend the meeting. In the event you will be unable to attend, you are respectfully requested to sign, date and return the enclosed proxy at your earliest convenience in the enclosed stamped return envelope. Returning your proxy does not deprive you of the right to attend the meeting and vote your shares in person.

By order of the Board of Directors,

JEFFREY R. HINES  
Secretary

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THE YORK WATER COMPANY  
130 EAST MARKET STREET  
YORK, PENNSYLVANIA 17401

March 30, 2004

## ***PROXY STATEMENT***

This Proxy Statement and the accompanying form of proxy are being furnished to the shareholders of The York Water Company (hereinafter referred to as the "Company") in connection with the solicitation of proxies by the Board of Directors of the Company, whereby shareholders would appoint John L. Finlayson, Chloé R. Eichelberger, and Thomas C. Norris, and each of them, as Proxies on behalf of the shareholders, to be used at the Annual Meeting of the Shareholders of the Company to be held at 1:00 p.m. at The Yorktowne Hotel, 48 East Market Street, York, Pennsylvania, Monday, May 3, 2004 (the "Annual Meeting"), and at any adjournment thereof.

Solicitation of proxies will be primarily by mail. Proxies may also be solicited personally and by telephone by regular employees of the Company. The expenses of the solicitation will be borne by the Company. Such expenses may also include ordinary charges and expenses of brokerage houses and other custodians, nominees and other fiduciaries for forwarding documents to shareholders. This Proxy Statement has been mailed to shareholders of the Company on or about March 30, 2004.

A shareholder who completes and forwards the enclosed proxy to the Company's transfer agent, American Stock Transfer & Trust Company, is not precluded from attending the Annual Meeting and voting his or her shares in person, and may revoke the proxy by delivering a later dated proxy or by written notification to the Company or to the transfer agent, at any time before the proxy is exercised.

## ***PURPOSE OF THE MEETING***

At the Annual Meeting, shareholders of the Company will consider and vote upon proposals: (i) to elect three (3) Directors to serve for a term of three (3) years; and (ii) to ratify the appointment of Beard Miller Company LLP as independent auditors for the fiscal year ending December 31, 2004. Shareholders may also consider and vote upon such other matters as may properly come before the Annual Meeting or any adjournment thereof.

## ***VOTING AT THE MEETING***

The outstanding securities of the Company entitled to vote at the meeting consist of 6,419,230 shares of Common Stock. The presence at the Annual Meeting in person or by proxy of shareholders entitled to cast a majority of the votes which all shareholders are entitled to cast will constitute a quorum for the Annual Meeting.

The record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting or at any adjournment or adjournments thereof was the close of business on March 15, 2004. Shareholders are entitled to one vote for each share on all matters coming before the meeting, except that shareholders have cumulative voting rights with respect to the election of Directors. Cumulative voting rights permit each shareholder to cast as many votes in the election of each class of Directors to be elected as shall equal the number of such shareholder's shares of Common Stock multiplied by the number of Directors to be elected in such class of Directors, and each shareholder may cast all such votes for a single nominee or distribute such votes among two or more nominees in such class as the shareholder may see fit. Discretionary authority to cumulate votes is not being solicited.

In accordance with Pennsylvania law, a shareholder can withhold authority to vote for all nominees for Directors or can withhold authority to vote for certain nominees for Directors. Directors will be elected by a plurality of the votes cast. Votes that are withheld will be excluded from the vote and will have no effect.

Any votes that are withheld on the proposal to ratify the selection of the independent accountants will have the effect of a negative vote because this proposal requires the affirmative vote of a majority of the shares present at the meeting in person or represented by proxy at the meeting and entitled to vote.

Brokers who have received no voting instructions from their customers will have discretion to vote with respect to election of directors and the proposal to ratify the Company's auditors.

## ***VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF***

No person, so far as known to the Company, beneficially owns five (5) percent or more of the Company's outstanding Common Stock as of March 15, 2004.

The following table sets forth certain information regarding the beneficial ownership of our common stock as of March 15, 2004, by (1) each director and other director nominee of the Company, (2) each executive officer named in the summary compensation table

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included elsewhere herein and (3) all executive officers and directors as a group.

The information appearing in the following table with respect to principal occupation and beneficial ownership of Common Stock of the Company has been furnished to the Company by the three nominees, the six directors continuing in office, and the five executive officers as of March 15, 2004.

NOMINEES FOR ELECTION TO THREE YEAR TERMS EXPIRING IN 2007

| Name                     | Age | Principal Occupation During Last Five Years  | Director or Officer Since | Full Shares Owned Beneficially (1) |     | Percent of Total Shares Outstanding (2) |
|--------------------------|-----|--|---------------------------|------------------------------------|-----|---|
| Irvin S. Naylor*         | 68  | Vice Chairman of the Board, The York Water Company, May, 2000 to date<br>Chairman of the Board, The York Water Company, September, 1993 to May, 2000<br>President/Owner, Snow Time, Inc., Owns and Operates Ski Areas, June 1964 to date<br>Vice Chairman/Owner, Cor-Box, Inc., Mfg. Corrugated boxes, June 1966 to November, 1999 | 10/31/1960                | 51,549                             |     | 0.81                                    |
| William T. Morris, P.E.* | 66  | Chairman of the Board, The York Water Company, November 2001 to date<br>President and Chief Executive Officer, The York Water Company, May, 1995 to December, 2002   | 4/19/1978                 | 28,735                             | (3) | 0.45                                    |
| Jeffrey S. Osman*        | 61  | President and Chief Executive Officer, January, 2003 to date<br>Vice President-Finance and Secretary-Treasurer, The York Water Company, May, 1995 to December, 2002  | 5/1/1995                  | 5,285                              | (4) | 0.09                                    |

TO CONTINUE FOR TERMS EXPIRING IN 2005

|                    |    |  |          |        |  |      |
|--------------------|----|--|----------|--------|--|------|
| John L. Finlayson* | 62 | Vice President-Finance and Administration, Susquehanna Pfaltzgraff Co., Manufacturing, Retailing, Radio Stations, Cable TV, August, 1978 to date | 9/2/1993 | 10,475 |  | 0.17 |
|--------------------|----|--|----------|--------|--|------|

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|                       |    |   |           |       |     |      |
|-----------------------|----|---|-----------|-------|-----|------|
| Chloé R. Eichelberger | 69 | Owner/President/Chief Executive Officer<br>Chloé Eichelberger Textiles, Inc., Dyeing<br>and Finishing Fabrics, September, 1987 to<br>date   | 9/15/1995 | 5,958 |     | 0.10 |
| Thomas C. Norris      | 65 | Retired, Chairman of the Board, P. H.<br>Glatfelter Company, Paper Manufacturer,<br>May, 2000 to date<br>Chairman of the Board, P.H. Glatfelter<br>Company, July, 1998 to May, 2000 | 6/26/2000 | 7,919 | (5) | 0.13 |

TO CONTINUE FOR TERMS EXPIRING IN 2006

| Name                          | Age | Principal Occupation During Last<br>Five Years  | Director<br>or Officer<br>Since | Full Shares<br>Owned<br>Beneficially (1) |     | Percent of<br>Total Shares<br>Outstanding (2) |
|-------------------------------|-----|---|---------------------------------|--|-----|---|
| George Hay Kain, III,<br>Esq. | 55  | Sole Practitioner, Attorney at Law<br>April, 1982 to date   | 8/25/1986                       | 31,311                                   | (6) | 0.49  |
| Michael W. Gang, Esq.*        | 53  | Partner/Attorney, Morgan, Lewis &<br>Bockius<br>LLP, Counselors at law, October, 1984<br>to<br>date. Morgan, Lewis & Bockius LLP is<br>counsel to the Company | 1/22/1996                       | 5,417                                    |     | 0.09  |
| George W. Hodges              | 53  | Office of the President, The Wolf<br>Organization,<br>Inc., Distributor of Building Products,<br>January, 1986 to date  | 6/26/2000                       | 64,724                                   | (7) | 1.01  |

EXECUTIVE OFFICERS

|                   |    |   |  |          |            |      |
|-------------------|----|---|--|----------|------------|------|
| Jeffrey R. Hines  | 42 | Vice President-Engineering and Secretary<br>The York Water Company, January 2003 to date<br>Vice President-Engineering, The York Water<br>Company, May, 1995 to December 2002 |  | 1/1/2003 | 12,810 (8) | 0.20 |
| Duane R. Close    | 58 | Vice President-Operations, The York Water<br>Company, May, 1995 to date   |  | 1/1/2003 | 5,369      | 0.09 |
| Bruce C. McIntosh | 51 | Vice President-Human Resources and  |  | 1/1/2003 | 497        | 0.01 |

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Assistant Treasurer, The York Water Company,  
 January, 2003 to date  
 Vice President-Human Resources, The York  
 Water Company, May, 1998 to December, 2002

|   |   |              |        |      |
|---|---|--------------|--------|------|
| Kathleen M. Miller                              | 41 Chief Financial Officer and Treasurer, The York Water Company, January, 2003 to date<br>Controller and Assistant Treasurer, The York Water Company, October 2001 to January 2003<br>Accounting Manager and Assistant Treasurer, The York Water Company, May, 2000 to October, 2001 | 1/1/2003     | 1,613  | 0.03 |
| Vernon L. Bracey                                | 42 Vice President-Customer Service, The York Water Company, March, 2003 to date   | 3/1/2003     | 68 (9) | 0.01 |
| All Directors and Executive Officers as a group |   | 231,730 (10) |        |      |