
EXHIBIT F58

SERVICE AGREEMENT, DATED AUGUST 12, 2002,
BY AND AMONG CENTRAL DELAWARE COUNTY
AUTHORITY AND TOWNSHIP OF NEWTOWN

CC: Don Howard
Kevin McGarvey
John Pileggi
Joe Salvucci
Christine Volkay-Hilde
Caroline Wunsch
Mike Madden

SERVICE AGREEMENT

THIS AGREEMENT, MADE THIS 12th DAY August, 2002, BY AND
BETWEEN CENTRAL DELAWARE COUNTY AUTHORITY (HEREINAFTER CALLED
THE "AUTHORITY") AND THE TOWNSHIP OF NEWTOWN, DELAWARE COUNTY,
PENNSYLVANIA (HEREINAFTER CALLED "NEWTOWN").

WHEREAS, the Authority operates and maintains a certain sewage system, consisting of
trunk line sewers, a sewage pumping station and appurtenant equipment (hereinafter collectively
called the "SEWAGE SYSTEM") serving nine member municipalities;

WHEREAS, the Authority and the Delaware County Regional Water Quality Control
Authority (hereinafter called "DELCORA") entered into a Service Agreement dated December 1,
1973, and amendments thereto on April 21, 1981 and March 9, 1999 (hereinafter, as amended,
called the "DELCORA Service Agreement") which provides for conveyance of sewage from the
Authority's Sewage System through a pump station and trunk lines of DELCORA to the
Southwest Water Pollution Control Plant of the City of Philadelphia and/or DELCORA's
Western Regional Treatment Plant in the City of Chester;

WHEREAS, Newtown desires to convey sewage from certain limited areas located in the
Crum Creek watershed within its borders to and through the Authority's Sewage System for
conveyance and treatment pursuant to the DELCORA Service Agreement.

WHEREAS, Newtown, through a resolution duly passed by its Board of Supervisors, has
signified its desire to become a member of Authority; and

WHEREAS, the Authority is willing to accept within its Crum Creek Interceptor from
Newtown certain limited sewage flows pursuant to certain terms and conditions as set forth
herein until such time as Newtown shall become a member.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: that, for and in consideration of the premises and the mutual promises herein contained, the Authority and Newtown, intending to be legally bound, do hereby agree as follows:

1. Subject to the terms and conditions hereof, Newtown is authorized to connect a single municipal sewer line to an Authority sewer manhole located at Rt. 252 and Media Line Road on the Authority's Crum Creek Interceptor.

2. The Authority agrees to accept sewage flows from Newtown within its Crum Creek Interceptor during the Basic Term of this Agreement (and any Extended Term as provided in paragraph 7), provided that total sewage flows shall not exceed 250,000 gallons per day.

3. Newtown shall install a meter to measure all flows from its sewer line into the Crum Creek Interceptor. The interconnection with the Interceptor and the meter shall be subject to the approval of the Authority's consulting engineer. Newtown shall provide the Authority with reports for each calendar quarter containing the amount of flows for each day of the quarter and the total flow for the quarter from the meter. The Authority shall have the right to inspect the meter at all times and the meter shall, at the cost of Newtown, be inspected annually for accuracy by the maker thereof or some other person or entity agreed upon by the parties hereto. Should the Authority question any reading reported, it may require Newton to re-calibrate the meter, at the Authority's expense, by a mutually acceptable vendor.

4. The Authority's obligation to accept any initial flow of sewage from any area of Newtown shall not arise until Newton establishes, to the satisfaction of the Authority's consulting engineer, that the added sewage flow involved will not include inflow or infiltration (including flows during wet weather periods) which will lead to the capacity of the Authority's Sewage System, or any part thereof (including any trunk line segment or the Crum Creek Pumping Station) being exceeded.

5. Newton shall bear the full responsibility for all costs and expenses associated with the interconnection of its municipal sewer line with the Crum Creek Interceptor (including without limitation, all costs of installation, operation and inspection of the aforementioned meter and inspection of the connection and the meter by the Authority's consulting engineer), and any and all improvements relating in any manner to the conveyance or discharge of any sewage from within its borders into the Crum Creek Interceptor.

6. On or before January 1, 2004, Newtown shall execute an Agreement (acceptable to Newtown, the Authority and to each of its member municipalities) providing for Newtown to join as a member of the Authority and shall have submitted an Application to join the Authority (fully executed by Newtown, the Authority and its member municipalities) to the Secretary of the Commonwealth to effectuate such joinder.

7. This Agreement shall become effective upon execution by the parties and shall terminate on the earlier of (1) any date when Newtown shall become a member of the Authority or (2) June 30, 2004 (the "Basic Term"); provided, however, should Newtown for any reason not have become a member of the Authority by June 30, 2004, the term of this Service Agreement shall extend until such time as (1) Newtown shall become a member of the Authority, (2) the Authority shall cease to exist or (3) June 30, 2027 (the "Extended Term"), whichever first occurs. In the event of (3) above, Newtown shall have the option, exercisable by written notice to the Authority, to extend the term from June 30, 2027 for up to five (5) year extended periods, the last of which would expire June 30, 2052.

8. Newtown agrees to pay to the Authority upon the execution of this Agreement the sum of \$391,000 as a facilities capacity charge. This sum would be paid in escrow to the Authority to be released for the Authority's use when this Agreement becomes final, pursuant to paragraph 16, below, or to be returned to Township if this Agreement does not become final by

September 1, 2002. In the event Newtown requests return of deposit, this Agreement shall terminate. Upon Newtown becoming a member of the Authority, such payment shall be credited toward such amount as Newtown shall be obligated to pay as a buy-in charge to contribute toward the costs of existing facilities of the Authority ("Buy-in Charge"). Subject to the approval of the Authority's present member municipalities upon Newtown becoming a member, Newtown's Buy-in Charge shall not exceed \$621,609 (or shall not exceed \$515,828 should the Township of Upper Providence join the Authority).

9. For any sewage conveyed during the year 2002, Newtown shall pay the Authority a charge for service at the rate of \$1.20 per thousand gallons of flow as recorded at the meter referenced in paragraph 3. An invoice shall be rendered to Newtown each quarter based on the quarterly flow data received from Newtown. Payment of all invoices by Newtown shall be due within thirty (30) days.

10. For each year after 2002 during the Basic Term and any Extended Term of this Service Agreement, the charge which Newtown shall pay for service by the Authority shall increase or decrease at the same rate as the increase or decrease, if any, in the rate charged the Authority's present member municipalities for costs included within the Authority's General Account and Crum Creek Account annual budgets (combined) for the corresponding year. Newtown shall be notified of any increase or decrease by November 30 of the prior year. Invoices shall be rendered and paid as provided in paragraph 9.

11. Newtown shall provide specifically in its annual budgets for such estimated sums as it may be obligated to pay the Authority during the ensuing fiscal year under the terms of this Agreement taking into consideration expected flow additions. In the event that Newtown shall fail or refuse to pay any sums under this Agreement within thirty (30) days after the same shall become due and payable, the Authority may take such legal actions to enforce its rights under this Agreement or otherwise as may be permitted by law.

12. Newtown shall abide by the Standards, Rules and Regulations of DELCORA, and its industrial user Local Limitations, and any other applicable regulations of any governmental subdivision, department or agency relating to any discharge into its municipal sewer lines tributary to the Authority's Sewer System and shall enact an ordinance adopting the Standards, Rules and Regulations and Local Limitations of DELCORA, including enforce provisions.

13. Newtown shall enact and keep in full force and effect at all times one or more ordinances or resolutions, including enforcement provisions, which prohibit connection of municipal storm sewer systems, roof and storm drains, cellar drains or any other sources of underground, surface or storm waters to sewage collection systems and sewage lines tributary to the Authority's Sewage System.

14. If any analysis of samples pursuant to the DELCORA Service Agreement indicates that sewage discharge from the Authority's Sewage System into the system of DELCORA required special treatment or was harmful to or damaged the DELCORA system or was harmful to or damaged the aforementioned treatment facilities of the City of Philadelphia or DELCORA, and the Authority is required under the DELCORA Service Agreement to pay or otherwise incur any costs or expenses relating thereto, or indemnify DELCORA therefor, and such discharge of sewage is determined to have emanated from a sewer line of or other source in Newtown, then Newtown shall reimburse and indemnify the Authority against all said costs, expenses and damages.

15. If any sewer flow discharged into the Authority's Sewage System from Newtown is harmful to or damages said Sewage System, or any part thereof, or causes any personal injury or damage to the property of any third persons, Newtown shall reimburse and indemnify the Authority against all costs, expenses (including reasonable attorney's fees) or damages incurred by the Authority relating thereto.

16. In the event that it may be necessary, for the proper implementation or performance of this Agreement on the part of the Authority to apply to any governmental or other agency for any approval, permit or license to do or perform any act or thing, and if such application must be made or joined in by Newtown, Newtown agrees that it will execute the required application upon request by the Authority and otherwise cooperate with the Authority in connection with same, all incidental costs to be paid by the Authority. This Agreement is conditioned upon the approval of the Pennsylvania Department of Environmental Protection of all planning and permit approvals needed for implementation of this Agreement, including the facilities needed by Newtown to connect to the Authority's Crum Creek Interceptor. Until all such approvals are received, and unappealable, this Agreement shall not be deemed final.

17. If any one or more of the provisions of this Agreement for any reason is held to be illegal or invalid, such illegality or invalidity shall not effect any other provisions of this Agreement; and this Agreement shall in such circumstances be construed and enforced as if such illegal or invalid provision had not been contained herein.

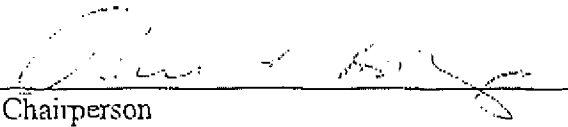
18. Failure of either the Authority or Newtown to exercise any right hereunder, or to insist upon strict compliance with any term, condition or covenant specified herein, shall not constitute a waiver of the Authority or Newtown's right to exercise such right or to demand strict compliance with any term, condition or covenant of this Agreement.

19. This Agreement contains the entire Agreement of the parties concerning the subject hercof. This Agreement may be modified or amended only by written instrument signed by both parties.

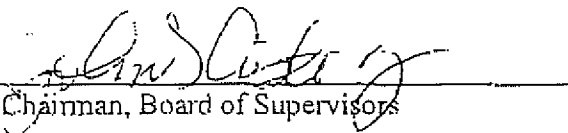
20. Each party represents that the individual executing this Agreement has the Authority to bind it and has been duly authorized to sign on its behalf.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers and attested with their respective seals the day and year first above written.

CENTRAL DELAWARE COUNTY AUTHORITY

By: 
Chairperson

TOWNSHIP OF NEWTOWN

By: 
Chairman, Board of Supervisors

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BOARD OF SUPERVISORS
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CHAIRMAN

DR. H. ROSS LAMBERT
VICE CHAIRMAN

DR. EDWARD J. DICESARE
PETER A. DELIBERTY, ESQ.
LINDA M. HOULDIN

TOWNSHIP OF NEWTOWN
DELAWARE COUNTY



209 BISHOP HOLLOW ROAD
NEWTOWN SQUARE, PENNSYLVANIA 19073
PHONE (610) 356-0200 FAX (610) 356-8722

JAMES M. SHELDRAKE
TOWNSHIP MANAGER
ROBERT J. SUGARMAN, ESQ.
TOWNSHIP SOLICITOR
PETER KRASAS
TOWNSHIP ENGINEER
JOHN D'ANNUNZIO
HARRY J. ROBINSON
BUILDING INSPECTORS

FAX TRANSMISSION COVER SHEET

TO: Rob Powell

COMPANY: _____

FROM: Jim Sheldrake

DATE: _____ FAX NUMBER: _____

NUMBER OF PAGES INCLUDING COVER SHEET: _____

SUBJECT: _____

COMMENTS: _____

If you have not received all the attached pages, please contact our office at
(610) 356-0200. Thank You.