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EXHIBIT F108

AGREEMENT FOR CONTRACT OPERATION AND  
MAINTENANCE OF FACILITIES,  
DATED JANUARY 31, 2014, BY AND AMONG  
SOUTHERN DELAWARE COUNTY AUTHORITY AND DELCORA

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MCNICHOL, BYRNE  
& MATLAWSKI, P.C.  
ATTORNEYS AT LAW

Paul D. McNichol \*  
James J. Byrne, Jr.  
J. Adam Matlawski  
Kelly S. Sullivan  
James B. Halligan, III  
Kelly C. Pickhaver \*  
Juliann Schwegler \*

February 12, 2014

\* licensed to practice in PA and NJ

*Orig: Adm. Dept*  
**RECEIVED**  
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BY: *2014-0168*

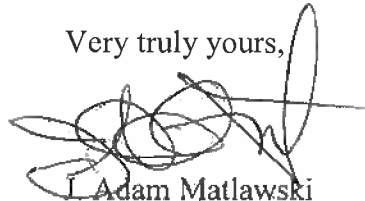
Robert Powell  
DELCORA  
100 East Fifth Street  
Post Office Box 0999  
Chester, PA 19016-0999

Re: SDCA/DELCORA O&M Agreement

Dear Rob:

Enclosed please find the executed original of the Agreement for Contract Operation and Maintenance of Facilities dated January 31<sup>st</sup>, 2014 by and between DELCORA and SDCA. This is an original and should be maintained in safe keeping. I have retained a copy for our files.

Very truly yours,



J. Adam Matlawski

JAM:mel  
Enclosure

**AGREEMENT FOR  
CONTRACT OPERATION AND MAINTENANCE  
OF FACILITIES**

THIS AGREEMENT, made and entered into this 31st day of **January, 2014**, by and between the DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY, a municipal authority in the Commonwealth of Pennsylvania, with offices at 100 East Fifth Street, Chester, Pennsylvania, 19016 (hereinafter referred to as "OPERATOR") and the SOUTHERN DELAWARE COUNTY AUTHORITY ("OWNER"), a Pennsylvania Municipal Authority, with offices at 101 Beech Street, Boothwyn, Pennsylvania 19061 (hereinafter referred to as "OWNER").

***RECITALS:***

- a. OWNER is the owner of the facilities described in Exhibit A.
- b. OWNER desires to engage OPERATOR to provide operations and maintenance services for the Facilities as more fully described herein and in accordance with the terms and conditions of this Agreement.
- c. OPERATOR desires to provide such services to OWNER in accordance with the terms and conditions of this Agreement.
- d. OWNER and OPERATOR have full legal capacity and authority to enter into this Agreement without the need for additional approval or authorization by any person.

**NOW THEREFORE**, in recognition of the above recitals, in exchange for the mutual consideration set forth herein, and intending to be legally bound, the parties agree as follows:

## ***ARTICLE #1 - DEFINITIONS:***

For purposes of this Agreement, the following terms shall have the meaning set forth below:

1.1 "Facilities" means those described in Exhibit A.

1.2 "Services" mean the Operation and Maintenance services set forth in Article 2 hereof.

## ***ARTICLE #2 - SCOPE OF SERVICES:***

In consideration of OWNER's timely payment of the compensation set forth herein, OPERATOR will provide OWNER with the Operation and Maintenance Services set forth in Exhibit A, attached hereto and made a part hereof, in accordance with the terms and conditions set forth herein.

## ***ARTICLE #3 - OWNER'S RESPONSIBILITIES:***

The OWNER shall provide OPERATOR with the items and assistance set forth in Exhibit B, attached hereto and made a part hereof.

## ***ARTICLE #4 - TERM OF AGREEMENT:***

4.1 This Agreement shall become binding and commence when signed by the authorized representatives of both parties hereto. This Agreement shall remain in effect until terminated as provided herein.

## ***ARTICLE #5 - COMPENSATION AND PAYMENT:***

5.1 In consideration of services to be provided by OPERATOR as set forth herein, OWNER shall pay OPERATOR the compensation set forth in Exhibit C, attached

hereto and made a part hereof, in accordance with the payment provisions set forth in Exhibit C.

5.2 OPERATOR will invoice OWNER for the Services in accordance with the payment provisions of Exhibit C. Invoices shall be paid by OWNER within 60 days of the invoice date. No payment to OPERATOR shall be withheld by OWNER for any reason while OPERATOR is providing the Services.

5.3 Interest at the rate of one (1.5%) percent per month shall accrue and be paid by OWNER on any amounts not paid in accordance with the payment provisions of this Agreement. OPERATOR's right to interest on any unpaid amounts shall be in addition to any other rights OPERATOR has under this Agreement or at law.

#### ***ARTICLE #6 - OWNERSHIP OF FACILITIES:***

6.1 Notwithstanding anything contained in this Agreement, OWNER shall be and remain the owner of the Facilities and any capital additions made thereto and paid for directly by OWNER.

#### ***ARTICLE #7 - INDEMNIFICATION AND INSURANCE:***

7.1 OPERATOR agrees to indemnify, defend and hold OWNER and its elected and appointed officials, contractors, employees, directors and agents harmless from and against liability for claims or damages from personal injury, including death, or property damage to the extent caused by the negligence, recklessness and/or intentional act(s) and/or omission(s) or other fault of OPERATOR, its employees, subcontractors and/or agents in connection with the performance of the services hereunder. OWNER agrees to indemnify, defend and hold OPERATOR and its officers, employees, subcontractors, directors, and agents harmless from and against liability damages from personal injury, including death, or property damage to the extent caused by the negligence, recklessness and/or intentional act(s) and/or omission(s) or other fault of OWNER, its officials, contractors, employees and/or agents. In the event that both OPERATOR and OWNER are finally determined to have jointly caused any liability for claims or damages as

aforesaid, such liability and damages shall be apportioned between the parties in accordance with their pro-rata percentage of fault.

7.2 OPERATOR warrants that it will exert the degree of care and skill in the performance of the Services ordinarily exercised, under similar circumstances, by similar professionals at the time such Services are rendered. THIS WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING ANY WARRANTY OF FITNESS FOR PARTICULAR PURPOSE, IF APPLICABLE.

7.3 OWNER will obtain and maintain adequate property insurance, naming the OPERATOR as an additional insured, on the Facilities and any other insurance coverage required under any financing agreement or regulatory requirements with respect to the Facilities and operation thereof. OWNER will provide OPERATOR with a certificate of insurance evidencing such coverage upon OPERATOR's request.

7.4 OPERATOR shall maintain the following types and amounts of insurance during the term of this Agreement. The OWNER shall be named as an additional insured in the applicable liability insurance policies for claims arising out of OPERATOR's negligence:

<u>Type of Coverage</u>	<u>Minimum Limits</u>
Worker's Compensation	Statutory in all states where services are rendered
Employer's Liability	\$100,000
Commercial General Liability	\$1,000,000 each occurrence and annual aggregate, combined single limit
Automobile Liability, Bodily Property Damage	\$2,000,000 any one Injury, and accident or loss
Pollution Legal Liability	\$1,000,000 per claim and \$2,000,000 aggregate

OPERATOR will provide OWNER with a certificate of insurance evidencing the required coverage upon OWNER's request.

7.5 The insurance obligations of both parties shall become effective upon execution of this Agreement.

#### ***ARTICLE #8 - TERMINATION:***

8.1 Either party may terminate the Agreement provided a 90-day written notice is provided to the other party in accordance with Article 17.

8.2 In the event of termination of this Agreement under the above paragraph, OWNER shall pay OPERATOR for the Services provided and invoiced by OPERATOR up to the effective date of termination.

#### ***ARTICLE #9 - SERVICE DELAYS:***

Neither OWNER nor OPERATOR shall be liable for any loss or damage, due to failure or delay in rendering any Service or performing any obligation required under this Agreement resulting from a strike, work stoppage, or slowdown on the part of OWNER's employees and from any cause beyond the reasonable control of OWNER or OPERATOR including, but not limited to: acts of God; acts or omissions of civil or military authority; acts or omissions of contractors or suppliers; fires; floods; epidemics; quarantine restrictions; severe weather; strikes; embargoes; wars; political strife; riots; delays in transportation; or fuel, power, materials, or labor shortages.

#### ***ARTICLE #10 - REPRESENTATIVES:***

Each party hereto will designate a person to serve as that party's Authorized Representative. All requests for changes to this Agreement shall be transmitted between the Authorized Representatives of the parties. The initially-designated Authorized

Representatives for the parties shall be:

**For OWNER:**

Southern Delaware County Authority  
101 Beech Street, Boothwyn  
Pennsylvania 19061

Attn: Elizabeth Brooks, Office Manager

**For OPERATOR:**

Delaware County Regional Water Quality Control Authority  
P. O. Box 999  
Chester, PA 19016-0999

Attn: Joseph Salvucci, Executive Director

Either party may change its Authorized Representative at any time by written notice to the other party.

***ARTICLE #11 - INDEPENDENT CONTRACTOR:***

The parties agree and acknowledge that OPERATOR is and shall act as an independent contractor in performing under this Agreement, not as an Employee of OWNER. OPERATOR shall not be an agent of OWNER, and nothing in this Agreement shall be construed as creating a partnership, joint venture or similar relationship of any kind between OWNER and OPERATOR. OPERATOR shall be responsible for payment, including any withholding, of any and all taxes payable by OPERATOR and, as applicable, any person employed by OPERATOR, with respect to monies paid to OPERATOR by OWNER in consideration for service performed hereunder.

***ARTICLE #12 - RECORDS:***

OPERATOR shall maintain a record of the operation and maintenance tasks performed for the Facilities in accordance with the Services described herein as prescribed by the Pennsylvania Municipal Records Act. These records shall be provided to the OWNER monthly. OPERATOR shall be the custodian of these records and all records are



the property of the OWNER. OPERATOR shall make these records available for inspection at all reasonable times during normal daylight office hours and upon twenty four (24) hours advanced notice to OPERATOR.

#### **ARTICLE #13 - CHANGES:**

13.1 This Agreement may only be modified by way of a written document executed by both parties.

13.2 In the event that any changes in the scope of operations of the Facilities shall occur, including but not limited to a change in applicable governmental regulations, permit requirements, reporting requirements, changes in influent or effluent volume or characteristics, or changes to conditions affecting the Facilities or the Services that impact on the cost or liability of providing the Services hereunder, OPERATOR will make a written request to OWNER for a modification to the Compensation due OPERATOR or to other provisions of this Agreement. Such notice shall specify the change required, the reasons therefore, and the effective date thereof. OWNER shall review such request within sixty days after receipt thereof and either approve or disapprove such request by written notice to OPERATOR within such sixty-day period. Such additional compensation shall be retroactive.

13.3 Any change properly justified and requested by OPERATOR which is necessary to meet the terms and conditions of this agreement including, but not limited to, permit requirements, and submitted in accordance with the terms and conditions of this agreement that may be disapproved by OWNER within such sixty-day period, may, at the discretion of OPERATOR, result in the termination of this agreement by OPERATOR in accordance with the termination provisions of this agreement.

#### **ARTICLE #14 - WAIVER:**

The failure of either party to enforce, at any time, the provisions of this Agreement shall not constitute a waiver of such provisions in any way or the right of OWNER or OPERATOR at any time to avail themselves of such remedies as either may have for any breach or breaches of such provisions.

**ARTICLE #15 - ASSIGNMENT:**

Neither party shall assign its rights, interests, or obligations under this Agreement without the expressed written consent of the other party. Any assignment made without such written consent shall be void; however, such consent shall not be unreasonably withheld. OWNER may make final determination on assignment by OPERATOR.

**ARTICLE #16 - APPLICABLE LAW/VENUE:**

This Agreement shall be subject to and construed in accordance with the laws of the Commonwealth of Pennsylvania. OPERATOR and OWNER agree to comply with all applicable laws and regulations related to the Facilities and the operations thereof. The parties consent to the exclusive jurisdiction of the Court of Common Pleas of Delaware County, Pennsylvania for the resolution of any dispute arising hereunder or in any way related hereto, and suit to resolve any such dispute may only be initiated in that Court.

**ARTICLE #17 - NOTICES:**

17.1 Any written notices required to be given hereunder shall be delivered by hand, or sent by overnight courier or registered U.S. mail, return receipt requested, and addressed to the receiving party as follows:

**For OWNER:**

Southern Delaware County Authority  
101 Beech Street, Boothwyn  
Pennsylvania 19061

Attn: Elizabeth Brooks, Office Manager

**For OPERATOR:**

Delaware County Regional Water Quality Control Authority  
P. O. Box 999  
Chester, PA 19016-0999  
Attn: Joseph Salvucci, Executive Director

17.2 All notices shall be deemed made when actually delivered to the receiving party.

***ARTICLE #18 - Nondiscrimination/Sexual Harassment Clause.***

During the term of this Agreement, Operator agrees as to itself and each person controlling, controlled by or under common control with the Operator (each, a "Contractor") as follows:

- (a) In the hiring of any employee(s) for the manufacture of supplies, performance of work or any other activity required under the contract or any subcontract, the Contractor, subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of the Commonwealth of Pennsylvania (the "Commonwealth") who is qualified and available to perform the work to which the employment relates.
- (b) Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.
- (c) Contractors or subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the practice. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
- (d) Contractors shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contract relates.

- (e) The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to their books, records, and accounts by the contracting agency and the Bureau of Contract Administration and Business Development, for purposes of investigation, to ascertain compliance with provisions of this Nondiscrimination/ Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, the Contractor or subcontractor shall furnish such information on reporting forms supplied by the contracting agency or the Bureau of Contract Administration and Business Development.
- (f) The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.
- (g) The Commonwealth may cancel or terminate the contract, and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.


**ARTICLE #19 - ENTIRE AGREEMENT:**

This Agreement shall constitute the entire and integrated understanding between the parties and supersedes all prior and contemporaneous negotiations, representations and agreements, whether written or oral, with respect to the subject matter herein.

**[EXECUTION TO FOLLOW]**

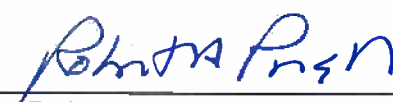
**IN WITNESS WHEREOF**, the parties hereto have signed this Agreement as of the date set forth above.

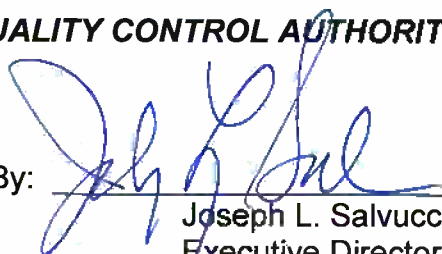
**SOUTHERN DELAWARE COUNTY AUTHORITY**

Witness:   
JOHN SCHUEREN  
(Print Name)

By:   
Michael Chermak  
President

**DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY**

Witness:   
Robert A. Powell

By:   
Joseph L. Salvucci  
Executive Director

<b>EXHIBIT A - SCOPE OF SERVICES</b>
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1.1 OPERATOR shall provide the services of qualified personnel to perform the following work:

a. Perform high pressure cleaning of Owner's sanitary sewer collection system as directed by the OWNER or the OWNER's Engineer;

b. Perform closed circuit television (CCTV) inspection of Owner's sanitary sewer collection system as directed by the OWNER or the OWNER's Engineer;

In accordance with the above, OPERATOR agrees to provide the above services to the following, defined as the FACILITIES:

Southern Delaware County Authority Sanitary Sewer Collection System

## **EXHIBIT B - OWNER'S RESPONSIBILITIES**

1. OWNER warrants that it has and shall maintain all permits, easements, license, and equipment warranties for the mutual benefit of both parties and necessary for the proper operation of the Facilities.

2. OWNER shall purchase and insure that standard fire insurance policies are maintained including extended coverage to the full insurable value of the Facilities as mutually agreed between the parties and shall name OPERATOR as an additional insured according to its insurable interest under these policies during the term of this Agreement.

3. OWNER shall pay for all capital improvements (capital improvements are defined herein as those purchases or improvement(s) and equipment or structures which may be depreciated, which extends service life and which represents a non-routine type of purchase). The OWNER shall purchase said capital improvement items where reasonable justification is provided by OPERATOR.

4. OWNER shall be responsible for any landscaping or vegetation related to its facilities.

5. Should Facilities hydraulic loadings exceed design parameters and conveyance capabilities or violate the OWNER Ordinances, and/or Federal or State Ordinances, OPERATOR does not accept responsibility for associated violations, fines or damages associated therewith. OPERATOR shall advise the OWNER of the abnormal situation and recommend an action plan.

6. In the event that labor stoppages by employee groups or any other person(s) not employed by OPERATOR cause a disruption with OPERATOR employees working at the facilities, the OWNER, with OPERATOR assistance, or OPERATOR at its own option, shall seek appropriate legal injunctions or court orders. During such a designated period, OPERATOR shall operate the Facilities on a best efforts basis until labor relations are normalized. OPERATOR shall not be liable for any fines or penalties associated with its responsibilities under this Agreement until labor stoppages are restored. OWNER shall be responsible for all expenses incurred in connection with any legal proceedings arising under this paragraph, including, but not limited to, any court costs or legal fees, regardless of whether such proceedings are initiated by OWNER or OPERATOR.

7. OWNER hereby authorizes OPERATOR to purchase emergency capital expense items which are identified and defined for the purpose of this Agreement as those items which are necessary for the safety of workers or the protection of public health and safety. OWNER will reimburse OPERATOR for such emergency purchases.

8. OWNER shall provide OPERATOR with a source of water to be used for high pressure cleaning of pipelines. The OWNER agrees to provide said water at no charge to OPERATOR.

<b>EXHIBIT C - COMPENSATION</b>
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**1. FEE SCHEDULE**

a) OPERATOR shall be entitled to compensation for services provided based upon the fee schedule set forth in the letter of January 7, 2014 from Joe Centrone, Sewer Maintenance Director, Delcora, attached hereto and incorporated herein by reference hereto (hereinafter, "Centrone Letter").

<b>CCTV Inspection</b> (7:00 A.M. to 3:30 P.M., Monday through Friday, excluding Holidays, includes labor and equipment)	<b>\$ per Centrone Letter</b>
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<b>High Pressure Cleaning</b> (7:00 A.M. to 3:30 P.M., Monday through Friday, excluding Holidays, includes labor and equipment)	<b>\$ per Centrone Letter</b>
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b) Invoices shall be payable within 60 days of the invoice date.





DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY  
P.O. BOX 999 • CHESTER, PA 19016-0999

January 7, 2014

Mike, we have looked over the plans and the line size. Below is a breakdown of cost for Cleaning, Televising and Reporting based on individual line size. We also will notify you immediately if while performing the inspection, we observe problems requiring immediate attention.

1. 8" Line Clean & Video with Report	\$1.90 per foot
2. 10" Line Clean & Video with Report	\$1.90 per foot
3. 12" Line Clean & Video with Report	\$1.90 per foot
4. 15" Line Clean & Video with Report	\$1.90 per foot
5. 18" Line Clean & Video with Report	\$1.90 per foot
6. 24" Line Clean & Video with Report	\$2.20 per foot
7. 33" Line Clean & Video with Report	\$2.20 per foot

Joe Centrone  
Sewer Maintenance Supervisor  
Delcora

ADMINISTRATION  
PHONE: 610-876-5523  
FAX: 610-876-2728

CUSTOMER SERVICE/BILLING  
PHONE: 610-876-5526  
FAX: 610-876-1460

PURCHASING & STORES  
PHONE: 610-876-5523  
FAX: 610-497-7959

PLANT & MAINTENANCE  
PHONE: 610-876-5523  
FAX: 610-497-7950

Proposal Date: January 7, 2014

			<b>DELCORA</b> P.O. Box 999 Chester, PA 19016-0999 Phone: 610-876-5523 Fax: 610-876-2728	
Item	Description	Qty	Unit Price	Total
1	8" Line Clean & Video with Report	53809 LF	\$1.90 LF	\$102,237.10
2	10" Line Clean & Video with Report	7,805 LF	\$1.90 LF	\$14,829.50
3	12" Line Clean & Video with Report	3467 LF	\$1.90 LF	\$6,587.30
4	15" Line Clean & Video with Report	1,660 LF	\$1.90 LF	\$3,154.00
5	18" Line Clean & Video with Report	1,092 LF	\$1.90 LF	\$2,074.80
6	24" Line Clean & Video with Report	3,782 LF	\$2.20 LF	\$8,320.40
7	33" Line Clean & Video with Report	789 LF	\$2.20 LF	\$1,735.80
<b>Total Base Cost</b>				<b>\$138,938.90</b>