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Seth A. Mendelsohn
Corporate Counsel

March 19, 2013

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility
Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

In Re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Franklin Township Municipal Sewer Authority properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in portions of Franklin Township, Adams County, Pennsylvania. Docket No. A-2013-2344624

Dear Ms. Chiavetta:

In response to H. Edwin Rodrock's letter dated February 22, 2013, attached please find Pennsylvania-American Water Company's answers to the data requests regarding the above referenced docket number.

Respectfully,

Seth A. Mendelsohn

blg
Enclosure

cc: H. Edwin Rodrock
J. Snyder
C. Johnston

**Bureau of Technical Utility Services
Water/Wastewater Industry Group**

Discovery I

**PAWC/FTMSA Acquisition Application
Docket No. A-2013-2344624
February 22, 2013**

Note: Restate the data request prior to providing a response, in addition, for each data response provide the name of the person(s) providing the response and/or information.

A-1 Provide a proof of publication for this filing.

Response: Proof of publication for this filing was filed with Commission on February 14, 2013, a copy of which is attached.

A-2 Provide reasons why FTMSA is selling its system to PAWC.

Response: FTMSA is selling its system to PAWC principally to provide rate relief to its customers. The FTMSA system has available capacity that is above the amount needed for its current customer base and reasonable growth in the foreseeable future. By regionalizing the Hamiltonban system via an interconnection to FTMSA, the available capacity can be utilized and the customer base increased, while eliminating the need for Hamiltonban to construct a new wastewater treatment plant within a few miles of the FTMSA system.

A-3 Provide a detailed description of system improvements planned following closing with FTMSA. Include a timeframe and related costs estimates.

Response: Within 18 months of closing, PAWC anticipates that the improvements on the attached schedule will be completed.

A-4 Regarding operation of the FTMSA system:

a) Indicate if PAWC will hire additional personnel for the system operations.

Response: No, PAWC will not be hiring additional employees.

b) State which of PAWC's existing systems will provide the resources to operate the system.

Response: The Mechanicsburg operations center will provide the resources to operate the system.

c) Provide the name and a copy of the operator's certificate for the Certified Operator that will be assigned to this system.

Response: The certified operator is Michael White. A copy of his Operator's Certificate is attached.

A-5 Provide a letter from Adams County in support of this acquisition.

Response: PAWC is in the process of obtaining a letter from Adams County and will file it with the Commission as soon as the Company receives it.

- A-6 The estimated net income for PAWC for the FTMSA wastewater system shows a negative \$79,000 for the year ending 2013. Provide an explanation of why PAWC is acquiring the system and how PAWC plans on addressing the revenue loss.
- Response: PAWC plans to interconnect FTMSA with another system, Hamiltonban in the future, gaining customers and further utilizing the existing Franklin Township Treatment Plant. The Company will also utilize its purchasing power to lower electrical KWH costs.
- A-7 Provide a comprehensive description to the FTMSA's wastewater systems.
- Response: The sanitary sewer system conveys wastewater via gravity to the Franklin Township Treatment Plant ("FTTP"). There are no lift stations in the Franklin Township wastewater collection system. The FTTP uses the sequence batch reactor ("SBR") treatment process and has a design capacity of 0.200 mgd and is permitted for 0.200 MGD under NPDES permit number 0248088. The FTTP includes influent fine screening, biological treatment using SBR technology, chemical phosphorus removal, chlorination, and dechlorination. Waste activated sludge is digested in the plant's digester. Digested sludge is hauled out for disposal by a private hauler.
- The Poplar Springs sandmound system serves 14 homes. The sand mound system consists of two 1,500 gallon septic tanks with a 1,800 gallon final settling tank, pump station, and 10,000 sq. ft. sand mound. The sanitary sewer collection system conveys wastewater via gravity to a series of septic tanks. Effluent from the septic tanks is pumped to the sand mound. There is no NPDES permit required for the sandmound system since there is no direct discharge.
- A-8 Indicate when the FTMSA's wastewater systems were installed.
- Response: The sand mound system was installed in late 2003. The main system went into service in late 2009.
- A-9 Provide information on how PAWC intends to provide wastewater service to the 297 customers of FTMSA.
- Response: PAWC will acquire and utilize the existing FTMSA's wastewater system to provide service.
- A-10 Indicate the entity that currently provides water service to FTMSA's customers.
- Response: No entity currently provides public water service within the applied for service territory of FTMSA.
- A-11 Indicate the number of acres of the requested territory.
- Response: The requested territory consists of approximately 1,200 acres.
- A-12 Indicate how the Sewer Fund and ACNS – Poplar Springs combined amount of \$261,455.55 shown on FTMSA's balance sheet will be treated in this transaction.
- Response: These amounts will remain with the seller at closing.

- A-13 Provide an explanation of the Township loan of \$150,000 shown in FTMSA's balance sheet as of November 9, 2012.
- Response: The \$150,000 loan was to provide the Authority with working capital. The loan has been repaid in full.
- A-14 Specify what the \$10,000 cash payment by PAWC to FTMSA is for and how PAWC intends to book the payment.
- Response: The \$10,000 cash payment is part of the consideration given as purchase price for the wastewater system. The Company intends to book the payment as outlined on page 5, paragraph 17 of the Application.
- A-15 Provide information on any customer advances and how they will be treated by PAWC.
- Response: PAWC is not aware of any expired or unexpired customer advances.
- A-16 Identify any contributions-in-aid-of-construction in this system and how they are or will be treated in this acquisition.
- Response: PAWC is unaware of any contributions-in-aid-of-construction.
- A-17 Please confirm that the 274 residential customers served by FTMSA include the 14 residential customers of Poplar Springs.
- Response: The 274 residential customers served by FTMSA includes the 14 residential customers of Poplar Springs.
- A-18 Confirm that the original PENNVEST loan dated July 22, 2008 is \$6,674,198 and the remaining balance of the loan is \$5,803,956.88.
- Response: The original amount of the PENNVEST loan was \$6,674,198 is correct as stated. The remaining balance on the loan is \$5,576,412.96.
- A-19 Provide an explanation of what the PENNVEST loan was used for.
- Response: The PENNVEST loan was used for the designing, permitting and constructing of the Franklin Township wastewater treatment plant and collection system.
- A-20 Provide information on the tap-in fee for FTMSA.
- Response: The tap-in fee is currently \$8,000 based on an Act 57 study performed July 3, 2008 (copy attached) and resolution 2010-09 adopted December 2, 2010 (copy attached).
- A-21 Provide an explanation of why FTMSA is keeping its tap-in ordinances after closing and how this will be addressed by PAWC going forward.
- Response: PAWC has required that the Township keep the ordinance in place after closing so that new homes will be required to tap-in when constructed.

A-22 Indicate if FTMSA will be able to charge a tap-in fee to a new customer in the areas served by FTMSA shown on the map on Exhibit L and described on Exhibit M.

Response: FTMSA will not be able to charge a tap-in fee to a new customer in the areas served by FTMA shown on the map at Exhibit L and described on Exhibit M.

A-23 Provide information on the Hamiltonban Township wastewater system and why PAWC is proposing to interconnect with the system.

Response: The Hamiltonban sanitary sewer system conveys wastewater via gravity to a single wastewater treatment facility. The collection system and treatment facility was constructed in the mid 1970s. The Hamiltonban Township Treatment Plant utilizes a lagoon system for treatment, utilizes a spray field for discharge, has a design capacity of 0.050 mgd and operates under Water Quality Management Permit 0172403. The Hamiltonban treatment plant has no provision for storage of plant effluent. Therefore, the plant discharges to the spray field regardless of the saturation of the spray field or freezing temperatures. Discharging to the spray field when it is saturated from heavy rain or when it is frozen has resulted in DEP documenting runoff from the spray field entering an unnamed tributary of Little Marsh Creek. This constitutes a violation of the Clean Streams Law. DEP has also noted the spray field is used in freezing temperatures which is a violation of its operating permit. DEP has drafted a Consent Order and Agreement (CO&A) to address these violations.

The FTMSA system has available capacity that is above the amount needed for its current customer base and reasonable growth in the foreseeable future. By regionalizing the Hamiltonban system via an interconnection to FTMAS, the available capacity can be utilized and the customer base increased, while eliminating the need for Hamiltonban to construct a new wastewater treatment plant within a few miles of the FTMSA system.

PAW and Hamiltonban entered into a purchase agreement on February 7, 2013. The Company filed the Hamiltonban application with the Commission on March 6, 2013.

A-24 Provide reasons why this interconnect is being included in the current application.

Response: The interconnection is mentioned, and therefore implicitly included in the application, under paragraph 6.2.4, 8.1.7 and 8.1.21 of the purchase agreement to acquire FTMSA dated November 12, 2012 and shown at Exhibit F to the application. To the extent the agreement is included in the application, the interconnection is referenced in the application and included in the application. However, we do not seek approval of the interconnection.

A-25 Indicate the estimated cost of the line extension for the interconnect and provide reasons why PAWC is paying for the line extension.

Response: The estimated cost of the interconnection form Hamiltonban to FTMSA is \$2.9 million. PAW will pay for the interconnection in a similar manner as it pays for any post closing improvements it makes to systems it acquires.

A-26 Indicate the timeline for this line extension and the estimated time for PAWC's main extension application with the Commission.

Response: We anticipate completing construction of the interconnecting pipeline within 12 - 18 months of closing on the Hamiltonban system. PAW and Hamiltonban entered into a purchase agreement on February 7, 2013.

A-27 In regards to Paragraph 8.1.20 concerning rates, please confirm that the current rates charged by FTMSA for wastewater is \$65.00 per month per EDU.

Response: The current rates for the 14 FTMA sand mound customers are \$117.73 per quarter per EDU and for the remaining customers are \$90.00 per month per EDU.

A-28 Also, please confirm that Hamiltonban Township customers will be charged \$85.00 per month per EDU for wastewater service.

Response: The rates to be adopted prior to closing by FTMSA are \$85.00 per month per EDU.

A-29 Provide a letter from Hamiltonban Township requesting wastewater service from PAWC and to interconnect with their system.

Response: Please see application filed for the acquisition of the Hamiltonban wastewater system at Docket A-2013-2352182.

A-30 Provide agreements with PAWC for the Transferred Liabilities (EDUs Reserved to Edward Spence, Thomas Norman and the Cashtown Community Fire Department).

Response: The FTMSA agreements are attached.

A-31 Provide any Capital Improvement Costs that have been expended since November 2012.

Response: There have been no Capital Improvement expenditures through the date of this response.

VERIFICATION

CHARLES W. JOHNSTON, subject to the penalties of 18 Pa. Cons. Stat. § 4904 relating to unsworn falsification to authorities, hereby avers that he is Senior Manger, Business Development, for PENNSYLVANIA-AMERICAN WATER COMPANY, that as such he is authorized to sign this Verification its behalf; and that the facts set forth in the foregoing Responses to Data Requests are true and correct to the best of his knowledge, information or belief.

Dated: 3/19/2012



Charles W. Johnston, Sr. Manager, Business Development



PENNSYLVANIA
PUBLIC UTILITY COMMISSION

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Your filing has been electronically received. Upon review of the filing for conformance with the Commission's filing requirements, a notice will be issued acknowledging such compliance and assigning a Docket Number. The matter will receive the attention of the Commission and you will be advised if any further action is required on your part.

Print this page for your records. The date filed on will be the current day if the filing occurs on a business day before or at 4:30 PM Harrisburg, PA time. It will be the next business day if the filing occurs after 4:30 PM Harrisburg, PA time or on weekends or holidays.

If your filing exceeds 250 pages, you are required to submit one paper copy of the filing within 3 business days of submitting the electronic filing. This paper copy can be mailed to: Secretary, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, 2nd Floor, Harrisburg, PA 17120 . Please print a copy of this page and attach it to the paper copy of your filing as the first page.

eFiling Confirmation	
Docket Number:	A-2013-2344624
Description:	Application of PAWC and Franklin Twp. Municipal Sewer Authority for acquisition of wastewater system
Transmission Date:	2/19/2013 8:36:34 AM
Filed On:	2/19/2013 8:36:34 AM
eFiling Confirmation Number:	1507799

Uploaded File List

File Name	Document Class	Document Type
Franklin Twp Municipal Sewer Authority Proof of Publication.pdf	Supporting Documentation	Proof of Publication

Response A-1



PENNSYLVANIA
AMERICAN WATER

Seth A. Mendelsohn
Corporate Counsel

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February 14, 2013

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility
Commission
Commonwealth Keystone Building
400 North Street
PO Box 3265
Harrisburg, PA 17105-3265

In Re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Franklin Township Municipal Sewer Authority properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in portions of Franklin Township, Adams County, Pennsylvania. Docket No. A-2013-2344624

Dear Ms. Chiavetta:

As directed in your letter of January 24, 2013 regarding the above-referenced application, attached is the proof of publication of the required notice.

Respectfully,

Seth A. Mendelsohn

blg
Attachment

Proof of Publication of Legal Notice

Under provisions of "Newspaper Advertising Act" of Pennsylvania and its Supplements.

STATEMENT

It is hereby stated and declared that the Gettysburg Times is a daily newspaper as defined under the "Newspaper Advertising Act" of the Commonwealth of Pennsylvania approved May 16, 1929, and its several supplements and amendments, published at its place of business in the Township of Cumberland, Adams County, Pennsylvania, and is of general circulation throughout said County. That it was established in the year 1902 and has been issued regularly and continuously circulated and distributed from its established place of business daily, from the date of its establishment to the present time; that said newspaper is owned and published by the Times and News Publishing Company, a corporate organized and existing under the laws of the State of Pennsylvania. That a legal notice, a true copy of which exactly as printed and published, is securely attached hereto, was published and appeared in the regular editions and issues of said newspaper on the following dates, viz. 02/05/2013, 02/12/2013

That all of the charges, costs and expenses, including the fee for the affidavit to this proof of publication has not been paid in full.

Michael J. Bentz
Advertising Clerk
of Times and News Publishing Company

Commonwealth of Pennsylvania } ss.:
County of Adams

On 02/12/13, before me, the subscriber, a Notary Public in and for said State and County personally came the above named Michael J. Bentz who having been by me duly sworn according to law on his/her oath doth depose and say that he/she is the Advertising Clerk of Times and News Publishing Company, a corporation, and is an officer duly authorized by resolution of the Board of Directors of said corporation to make the foregoing statement and this affidavit on its behalf; that the affiant is not interested in the subject matter of the notice or advertising referred to in the foregoing statement and that all of the allegations contained in the foregoing statement as to the time, place and character of publication therein referred to are true.

Copy PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE TO BE PUBLISHED
Pennsylvania-American Water Company- Wastewater for approval of: 1) the transfer, by sale, of substantially all of Franklin Township Municipal Sewer Authority properties and rights related to its wastewater system to Pennsylvania American Water Company, and 2) the rights of Pennsylvania American Water Company to begin to offer, render, furnish or supply wastewater service to the public in portions of Franklin Township, Adams County. Docket Number: A-2013-2344624.

Michael J. Bentz
Advertising Clerk

Sworn to and subscribed before me the day and year aforesaid.

Tammy A. Signor
Notary Public
My commission expires

Statement of Advertising Costs
Gettysburg Times
To Times and News Publishing Company,
for publishing notice or advertisement attached hereto

On the above dates \$177.10
Probating same \$10.00
Total \$187.10

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
TAMMY L. SIGNOR, Notary Public
Cumberland Twp., Adams County
My Commission Expires Aug. 26, 2013

Publisher's Receipt for Advertising Costs

Times and News Publishing Company, a corporation, publisher of the Gettysburg Times, a daily newspaper, hereby acknowledges the publication of costs and certifies that the same have been fully paid.

Times and News Publishing Company, a corporation
publisher of The Gettysburg Times, a daily newspaper

The documents filed in support of the Application are available for inspection and copying at the Office of the Secretary between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, on the Commission's website at www.puc.state.pa.us and at the Applicant's business address.
Applicant: Pennsylvania American Water Company
Through and by Counsel: Velma A. Redmond, Esquire
Susan Simms Marsh, Esquire
Seth A. Mendelsohn, Esquire
800 West Hersheypark Drive
Hershey, PA 17033
BY THE COMMISSION
Rosetmary Chiavetta
Secretary

Formal protests and petitions to intervene must be filed in accordance with Title 52 of the Pennsylvania Code, on or before February 25, 2013. All filings must be made with the Secretary of the Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the Applicant.

Year	2012	2013	2014	2015	2016
Capital Improvement					
Install remote monitoring	\$50,000				
Chemical room improvements	\$10,000				
Eyewash station	\$5,000				
Effluent chlorine analyzers	\$5,000				
Chemical containment	\$50,000				
Sub Total	\$120,000	\$0	\$0	\$0	\$0
O&C	\$24,000	\$0	\$0	\$0	\$0
Engineering	\$12,000	\$0	\$0	\$0	\$0
AFUDC	\$2,520	\$0	\$0	\$0	\$0
Total	\$158,520	\$0	\$0	\$0	\$0
Grand Total					\$159,000

Note: These costs do not include any cost for the purchase of treatment credits or plant upgrades if the NPDES permit is renewed with more stringent limits.

Commonwealth of Pennsylvania

Department of Environmental Protection

*In accordance with the
State Board for Certification of Water and Wastewater Systems Operators
and the Regulations of the
Department of Environmental Protection*

MICHAEL L WHITE

*Is Hereby Authorized to Operate
WASTEWATER SYSTEM*

Client ID: 197355

MICHAEL L WHITE
245 BELMONT RD
GETTYSBURG PA 17325-8443

Class: A,E
Subclass: 1,2,3,4

Issue Date Jul 01, 2012
Expiration Date Jun 30, 2015

Certificate No. T1189


Board Chairman

**Franklin Township
Adams County, PA**

**SEWER CAPITAL CHARGES STUDY PURSUANT TO
ACT 57 OF 2003**

July 3, 2008

**Prepared by:
KPI Technology
143 Carlisle Street
Gettysburg, PA 17325
(717) 339 - 0612**

1. Introduction

The purpose of this study and Report is to determine and document the appropriate magnitude of sewer system capital charges to be imposed by Franklin Township. Pennsylvania Act 209 of 1990, approved December 19, 1990 (Act 209), provides statutory authority for municipalities to impose impact fees. Impact fees are charges imposed by a municipality against new developments in order to generate revenue for the funding of capital improvements necessitated by and attributable to new developments. Act 209 also provides that the Municipality Authorities Act of 1945, as amended, shall regulate tapping fees or other similar charges imposed by municipally owned sewer and sewer systems. Pennsylvania Act 203 of 1990 amended the Pennsylvania Municipality Authorities Act of 1945, effective June 1991, with regard to the calculation and imposition of capital charges, including connection fees, customer facilities fees, and tapping fees. Pennsylvania Act 22 of 2001, signed into law June 2001, repealed the Pennsylvania Municipality Authorities Act of 1945 (Authorities Act) and placed the former stand-alone Authorities Act into the Pennsylvania Consolidated Statutes creating Chapter 56 in Title 53 (53 Pennsylvania C.S. Chapter 56-Municipality Authorities Act). Pennsylvania Act 57 of 2003, signed into law December 30, 2003, amended Title 53 of the Pennsylvania Consolidated Statutes with regard to the calculation and imposition of capital charges.

In general, Act 57 provides for three (3) fees; a connection fee, a customer facilities fee, and a tapping fee. Act 57 indicates that the connection fee and the customer facilities fee are to be based upon actual costs incurred by the Township for relevant facilities. Act 57 requires that the tapping fee be based upon historical cost trended to current cost or historical cost plus interest and other financing fees paid on bonds financing such facilities. In the absence of historical costs, engineer's estimated replacement costs may be used, in accordance with requirements of the Act. Itemization of calculations showing the manner in which the fees are determined is required.

This report is based on actual costs as provided from known construction costs.

2. Tapping Fee Components

According to Act 57, the tapping fee should be based on the sum of cost-based amounts established for four (4) individual tapping fee parts; (A) capacity, (B) Collection, (C) special purpose, and (D) reimbursement. All parts may or may not apply in each case, and in certain cases the municipality may opt for developer construction rather than fee payment. Specific calculation procedures are defined in the Act, and certain costs must be excluded from the cost-based calculations applicable to each part.

In general, tapping fees for new customers are designed to recover costs of existing or planned (only planned capacity-related facilities are permitted and with defined requirements) facilities necessary to serve those customers, excluding costs recovered by other means, such as through metered rates or other charges. Facilities considered in the Capacity Part include treatment plants, pumping stations, sewer interceptors, manholes & interconnections, and other related facilities. Facilities considered in the Collection Part include: collection mains, manholes and appurtenances. The special purpose part is limited to facilities applicable only to a particular group of customers, or serving a particular purpose or specific area. The reimbursement part is imposed when necessary to provide reimbursement to the property owner or owners who fund facilities that benefit new customers beyond the limits of their development interests.

Besides prescribing cost calculation methodology, and requiring that contributed or grant-funded facilities be excluded from cost calculations, Act 57 also specifies five (5) exclusionary rules for tapping fee calculations, as follows:

- No Double-Counting – The same cost shall not be included in more than one part of the tapping fee.
- No Existing Customer Upgrades - No tapping fee may be used upon or include the cost of expanding, replacing, updating, or upgrading facilities serving only existing customers in order to meet stricter efficiency, environmental, regulatory, or safety standards, or to provide better service to, or meet the needs of existing customers.
- No O & M Expenses - Tapping fees shall not include maintenance and operation expenses; i.e., expenditures made during the useful life of a Sewer system for labor, materials, utilities, equipment accessories, or appurtenances and other items that are necessary to manage and maintain the system capacity and performance and to provide the service for which the system was constructed.
- No Design Capacity Required for Residential Customers Above the Act Requirements - Except as otherwise provided for the calculation of a special purpose part, the design capacity required by a new residential customer used in calculating Sewer tapping fees shall not exceed an amount established by multiplying 90 gallons per capita per day times the average number of persons per household as established by the most recent census data provided by the United States Census Bureau. Alternatively, the design capacity required for a new residential customer shall be determined by a study, but shall not exceed the average Sewer usage per residential customer determined by a measured Sewer usage study. Requirements for completing the study and addressing challenges to the validity of the study results are provided in the Act.

Tapping fee part costs, which may include applicable costs of both existing and planned (only planned capacity-related facilities are permitted) facilities and are subject to certain provisions and/or tests, shall be based upon:

- Historical cost trended to current costs using published cost indices; or
- Historical cost plus interest and fees paid on debt financing such facilities.
- To the extent that historical cost is not ascertainable, tapping fees may be based on an engineer's reasonable written estimate of current replacement. Such written estimate shall be based upon and include an itemized listing of those components of the actual facilities for which historical cost is not ascertainable.

In the case of existing facilities, related outstanding debt related to the facilities shall be subtracted from the cost, except when calculating the initial tapping fee imposed for connection to facilities exclusively serving new customers.

The Act permits the reasonable estimated cost of capacity-related facilities that will provide future service to be included in the calculation of the capacity-related tapping fee parts, as long as certain tests are met to satisfy planning facility inclusion.

3. Capacity Part of Tapping Fee

The capacity part of the tapping fee is designed to recover from new customers their fair share of the costs of existing and planned capacity-related facilities that will provide them with service, and enable them to achieve the same standing as prior customers. The capacity part of the tapping fee per unit of capacity required by the new customer shall not exceed the applicable cost of such facilities divided by the design capacity of the facilities.

Schedule A presents the calculations of the maximum allowable Capacity Part of the Township's tapping fee.

The total net value of the existing capacity-related facilities divided by the total system design capacity results in a unit capacity value of \$19.29 per gallon per day capacity. The design capacity required by a new residential customer is calculated at 240.3 GPD/EDU in accordance with the provisions of Act 57. This value is based on 90 gallons per capita per day (GPCD) times the average number of persons per household in Franklin Township, Pennsylvania, by the most recent United States Census Bureau data. The 2000 census information for

number of persons per residential household was 2.67. The result of multiplying 90 GPCD times 2.67 persons per household is 240.3 GPD per household. The capacity-related cost per new residential customer is calculated by multiplying the unit capacity value of \$19.29 per GPD capacity by 240.3 GPD. The calculated maximum value for the capacity-related tapping fee is \$4,636.00 per EDU. Commercial and industrial customers are to be assessed the customer's calculated EDU's times \$2,010.00.

4. Collection Part of Tapping Fee

The Collection part of the tapping fee is designed to recover the cost of Collection facilities normally required to provide service, such as Sewer mains and associated appurtenances. The Collection part of the tapping fee, per unit of design capacity required by the new customer, as defined by Act 57, shall not exceed the applicable cost of such facilities divided by the system design capacity of the facilities. Developer constructed and dedicated Sewer lines are not included in the computation of this fee.

Schedule A present the calculations of the maximum allowable Collection Part of the Township's tapping fee.

The unit Collection value result is \$19.12 per gallon per day design capacity and the maximum value for the collection-related tapping fee is \$4,596.00 for new residential customer. Commercial and industrial customers are to be assessed the customer's calculated EDU's times \$1,990.00.

5. Special Purpose Part of the Tapping Fee

The special purpose part of the tapping tee is generally applicable to a particular group or class of customers. This part is designed to recover the Township's cost for facilities that service a special purpose for a particular area. This may include treatment, pump stations, transmission mains and collection mains that are provided exclusively to the group or class of customers being served. Such facilities may include only those that provide existing service. Fees are calculated separately for each group or class and applied. This special purpose fee is in addition to all other fees. No Special Purpose facilities have been identified in the Township's system. Therefore, a Special Purpose component of the tapping fee is not appropriate at this time.

6. Reimbursement Part of Tapping Fee

This part may be included in the tapping fee charged for new connections to facilities constructed by others for which a reimbursement is due to the persons constructing the facilities. Generally, this reimbursement is defined in a written reimbursement agreement between the Township and the person constructing the facilities. Reimbursement parts typically apply when an outside-development service line is directly connected to a developer-installed main extension. Act 57 requires that reimbursement provisions be defined in the Sewer service or main extension agreement between the municipality and the developer. The total amount to be reimbursed shall not exceed the actual cost of the main extension, which shall be confirmed by documentation supplied by the developer at the completion of construction, less the amount which would be chargeable to the developer based upon the Township's Collection part of the tapping fee applicable to all lands of the developer served directly or indirectly by the main extension if it were not funded by the developer. The reimbursement period is limited by the Act to 10 years from the date of the dedication of the facilities to the municipality.

When a fee, as set forth in a written agreement, is to be collected from users of certain specific facilities and reimbursed to the person at whose expense the facilities were constructed, the reimbursement part shall only be applicable to those users. No reimbursement facilities have been identified in the Township's system. Therefore, a reimbursement component of the tapping fee is not appropriate at this time.

7. Tapping Fee Summary

Original construction cost records were used in calculating the fees. The following is a summary of maximum allowable fees, per residential connection, as calculated herein:

	Maximum Allowable Fee per Residential Connections	Township Fee
Capacity Part	\$4,636.00	\$2,010.00
Collection Part	\$4,596.00	\$1,990.00
Special Purpose Part	\$0.00	\$0.00
Reimbursement Component	\$0.00	\$0.00
<u>Total</u>	\$9,232.00	\$4,000.00

8. Connection Fee

Act 57 provides for the collection of a connection fee, which is to be based on the Township's cost of extending a lateral line from the Sewer main to the property line or right-of-way line, including all appurtenances. The connection fee should cover the cost of the service line from the Township's main to the property line or right-of-way line, and all materials, labor, inspection, and administration costs required for the installation, including restoration requirements. The Township requires the construction of these facilities by, and at the cost of, the property owner requesting sewer service. If circumstances require construction of customer facilities by the Township, the Township will calculate the customer facilities fee based on the actual cost related to the individual installation.

9. Customer Facilities Fee

Act 57 provides for the collection of a customer facilities fee, which is based on the Township's cost to provide Sewer facilities from the property line to the proposed dwelling or building to be served. The Township requires the connection of these facilities by, and at the cost of, the property owner requesting sewer service. If circumstances require construction of customer facilities by the Township, then Franklin Township will calculate the customer facilities fee based on the actual cost and overhead related to the individual installation.

10. Reservation of Capacity Fee

A reservation of capacity fee or other similar charge may not exceed 60% of the average sewer bill for a residential customer in the same sewer service area for the same billing period. Any Authority/Municipality opting to collect a reservation of capacity fee or other similar charge may not collect the tapping fee until the time as the building permit fee is due.

Franklin Township Adams County

Sewer Tapping Fee Calculations

Dated: JULY 3, 2008

Historical Index (Not Used)

YEAR	Related Capacity Cost	Related Collection Cost	0 ENR Index	NOT USED Trend Factor	Trended Historical Capacity	Trended Historical Collection
2008	\$ 3,858,221.75	\$ 3,824,976.25			\$ 3,858,221.75	\$ 3,824,976.25
					\$ -	\$ -
					\$ -	\$ -
	\$ -	\$ -			\$ -	\$ -
Totals	\$ 3,858,221.75	\$ 3,824,976.25			\$ 3,858,221.75	\$ 3,824,976.25

	Capacity Part	Collection Part	Total
Total Trended Related Costs	\$ 3,858,221.75	\$ 3,824,976.25	\$ 7,683,198.00
Interest Paid on Debt	\$ -	\$ -	\$ 0.00
Total Net Related Cost	\$ 3,858,221.75	\$ 3,824,976.25	\$ 7,683,198.00

Design Capacity:	200,000	200,000	200,000
Cost per Gallon	\$ 19.29	\$ 19.12	\$ 38.42
Persons Per Household	2.67	2.67	2.67
Gal Per Person Per Day	90	90	90
Gal Per Day Per EDU	240.30	240.30	240.30
Tapping Fee Per edu	\$ 4,636.00	\$ 4,596.00	\$ 9,232.00

SCHEDULE A

		Cost	Grants	OTHER COSTS	Net Related Cost
Capacity (Treatment)	EST	\$ 3,386,178.00	\$ 510,600.87	\$ 982,644.62	\$ 3,858,221.75
Collection	EST	\$ 3,357,000.00	\$ 506,201.13	\$ 974,177.38	\$ 3,824,976.25
TOTAL		\$ 6,743,178.00	\$ 1,016,802.00	\$ -	\$ 1,956,822.00

RESOLUTION 2010 - 09

A RESOLUTION OF THE BOARD OF SUPERVISORS OF FRANKLIN TOWNSHIP, ADAMS COUNTY, PENNSYLVANIA, RE-ESTABLISHING SEWER SYSTEM TAPPING FEES

RECITALS

1. A Sewer Capital Charges Study Pursuant to Act 57 of 2003, dated July 3, 2008, was prepared for Franklin Township, Adams County, Pennsylvania ("Study") by the Township's Engineers, KPI Technology. The Study is the initial study performed. The purpose of the study is to determine the tapping fees that could be charged by Franklin Township to those who are required to connect to the central sewage transmission and treatment systems that were being built by the Township. Those systems are collectively known as the Cashtown McKnightstown Sanitary Sewer System ("System").
2. The Study made the following conclusions, pursuant to facts determined in accord with the applicable law:
 - a. the maximum allowable fee per residential connection (1 equivalent dwelling unit or "edu") for the "capacity part" could be \$4,636.00;
 - b. the maximum allowable fee per residential connection (1 equivalent dwelling unit or "edu") for the "collection part" could be \$4,596.00;
 - c. the allowable fee for the "special purpose part" was \$0.00;
 - d. the allowable fee for the "reimbursement component" was \$0.00; and,
 - e. the maximum allowable tapping fee, being a combination of the "capacity part" and the "collection part" for each edu was \$9,232.00.
3. All existing properties that were required to connect to the System as of the time of its initial service date have been connected.

4. No new or updated study of the permissible capital charges for the System has been performed.

5. Based upon information presented to the Township by its Engineers, the aforesaid Study continues to be an accurate and lawful portrayal of the tapping fees that could be charged for connection to the System.

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of Franklin Township, Adams County Pennsylvania that:

A. The aforesaid Recitals are incorporated in this Resolution as if repeated here.

B. The tapping fee for connection to the System as it is currently constructed (that is, without any subsequent and significant expansions of either the treatment system nor the collection system) shall be Eight Thousand Dollars (\$8,000.00) per equivalent dwelling unit.

C. The tapping fee established by this Resolution shall be effective immediately, and shall apply to all properties connected to the System on or after the effective date of this Resolution.

ADOPTED this 2nd day of December, 2010.

Attest:

FRANKLIN TOWNSHIP


Its Secretary


Its Chair

AGREEMENT

MADE THIS 15th day of June, 2000, by and between the Township of Franklin, Adams County, Pennsylvania, a township of the second class, with an office at 55 Scott's School Road, Orrtanna, PA, hereinafter referred to as "Township", AND SPECO, a Pennsylvania partnership, c/o Edward H. Spence, 1575 Mt. Carmel Road, Orrtanna, PA, hereinafter referred to as "Speco".

RECITALS

1. Township is charged with administering the Pennsylvania Sewage Facilities Act within the Township's borders.
2. A number of residential properties located along Poplar Springs Road in the township have experienced on-site sewage treatment malfunctions, and those properties have insufficient land area and unsuitable soil conditions with which to effect suitable repairs or replacement systems.
3. Speco owns undeveloped land surrounding the aforesaid residential properties, a portion of which would have sufficient area and soil composition to allow the construction and operation of a community sewage system as defined in the regulations of the Department of Environmental Protection.
4. Speco is willing to give to the Township a parcel of land, described hereinafter, for the purpose of locating a community sewage system, in exchange for the ability to connect the equivalent of three (3) dwelling units into the said system without any capacity part charges or other fees to have such capacity in the treatment facilities, as more fully detailed below, and in exchange for retention by Speco of a "panhandle" for a right of way for ingress, egress and regress to remaining lands of Speco.

NOW THEREFORE, in exchange for the promises made herein, and for other valuable consideration the receipt of which is hereby acknowledged, the parties agree as follows:

H - 2/6

**SECTION ONE
CONTINGENCY**

This Agreement shall not be enforceable by either party against the other unless the Department of Environmental Protection (hereinafter "DEP"), or its successors or assigns, and any other governmental agency or body with jurisdiction over the matter of sewage treatment for residences along Poplar Springs Road in the Township of Franklin, approves the plan to construct an community sewage system on the subject land for the treatment of sewage effluent for existing properties located in proximity to the subject land. Such approval shall be evidenced by a written approval of a revision to the Township Sewage Facilities Plan (sometimes known as an "Act 537 Plan") and by "Part I" and "Part II" approvals providing for the proposed community sewage system, allowing the Township to construct and operate the proposed system.

**SECTION TWO
DESCRIPTION OF LAND; TITLE**

2.01. Speco shall grant and convey to Township the following described parcel of land:

All that tract of land lying and being in Franklin Township, Adams County, Pennsylvania, bounded and described as follows:

BEGINNING at a railroad spike found in Poplar Springs Road at a corner of lands of Stephen L. Rebert, et ux. ("lot #13"); thence by land of said Rebert, North 03 degrees 45 minutes 18 seconds West, 278.07 feet to an iron pin found at the corner of land of Rebert and Speco; thence by land of Speco, North 03 degrees 46 minutes 49 seconds West, 165.45 feet to a point; thence by lands of Speco, North 86 degrees 13 minutes 11 seconds East, 189.98 feet to a point; thence continuing in land of Speco and parallel to and 30 feet from the eastern boundary of Speco land, South 03 degrees 46 minutes 49 seconds East, 415.36 feet to a point in Poplar Springs Road (which point is located, on a bearing of South 85 degrees 27 minutes 07 seconds West, 30 feet from a railroad spike found in Poplar Springs Road); thence in Poplar Springs Road, South 85 degrees 27 minutes 07 seconds West, 190.00 feet to the point and place of BEGINNING.

Containing 1.926 acres. The above description was taken from a draft of survey prepared by C.S. Davidson, Inc. for the Township of Franklin as a proposed subdivision for the CDBG Sewer Project, and dated 02/18/00.

2.02. Speco shall convey the title to the described property by a special warranty deed.

All costs of deed preparation, recording of the deed, subdivision fees and review costs, transfer taxes (if any), and any other costs associated with the conveyance of the title of the subject property to Township shall be paid by Township.

2.03. Right of way. The aforesaid description was laid out and prepared so that a thirty foot wide strip of land remains between the property to be conveyed and the eastern boundary line of the source tract owned by Speco so that a right of way to the remaining property of Speco could be established. In the event that the description is in error and the remaining strip of land is less than thirty feet wide, Township agrees to either revise the description at its cost to widen the strip to thirty feet, or to permit a right of way for ingress, egress and regress to the remaining property of Speco on the strip as actually provided.

SECTION THREE AVAILABLE CAPACITY

3.01. Three EDUs. Township shall provide Speco, its successors or assigns, with sufficient capacity in the community sewage system to be constructed and operated on the land described in Section Two above to allow three residential dwelling units, no matter where located, to be connected to the said system. A residential dwelling unit, for the purposes of this section, is a maximum of 400 gallons per day of sewage effluent, on average.

3.02. The three EDUs of capacity to be provided to Speco pursuant to Section 3.01 shall

H. 4/6

be provided to Speco without cost for that capacity, provided that the effluent is residential in nature and not industrial, commercial, or some variant thereof which would require pre-treatment or other handling not necessary for residential effluent.

3.03. Nothing herein requires the Township to pay the cost of any pipe, pump, line, main, grinder, manhole, or other conveyance item to convey residential sewage effluent to the proposed community sewage system so that Speco, its successors and assigns, may utilize the three EDUs of capacity provided pursuant to this Agreement.

SECTION FOUR FUTURE DEVELOPMENT

The parties acknowledge that the reason the thirty foot strip of land was not conveyed to the Township is to allow Speco to have access to the balance of the source tract from Poplar Springs Road so that it could be developed by Speco in the future. Nothing in this reservation and recognition of Speco's accessway to the source tract shall be deemed to limit Speco to the use of the three (3) equivalent dwelling units of capacity for the source tract. The parties recognize that Speco may use the said three e.d.u.s on any tract that Speco desires, as long as the effluent does not exceed the allotted amount nor vary in quality from that normally encountered in residential sewage.

SECTION FIVE GENERAL MISCELLANEOUS PROVISIONS

5.01. Interpretation. This Agreement shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania.

H. 5/6

5.02. Modification. No addition, alteration or modification of this Agreement shall be binding unless it is contained in a writing signed by the parties hereto, or their successors and/or assigns.

IN WITNESS WHEREOF, and intending to legally bind themselves, their successors and assigns, the parties have executed this Agreement on the day and year first above written.

Attest:

TOWNSHIP OF FRANKLIN

Josie A. Sott

Craig A. Hartley
Chairman

SPECO

By: Edward J. [Signature]
Partner

Edward J. [Signature]
Partner

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H-666

AGREEMENT FOR THE CONVEYANCE OF INTERESTS IN REAL ESTATE

BY AND BETWEEN **Thomas F. Norman**, a single man, of 2300 Chambersburg Road, Biglerville (Franklin Township, Adams County), PA 17307, hereinafter referred to as "Seller",

AND

the **Township of Franklin**, a Pennsylvania township of the second class, with an office at 55 Scott's School Road, Orrtanna, PA 17353 (and with a mailing address of P.O. Box 309, Cashtown, PA 17310-0309), hereinafter referred to as "Township".

RECITALS

1. Township is proposing to build a waste water treatment plant ("WWTP") and collection system to serve portions of Franklin Township, including McKnightstown, Cashtown, and properties lying along U.S. Route 30;

2. Seller owns land lying to the south of Route 30, and in an area where placement of the WWTP would be most beneficial for the proposed sewage collection and treatment systems;

3. The land owned by Seller that is desirable for the placement of the WWTP, and for an easement for discharge of the treated effluent to a stream, is part of a larger tract of land conveyed to Seller by a deed from Luther A. Norman, et ux, dated July 24, 1997, and recorded in the Office of the Recorder of Deeds of Adams County, Pennsylvania in Record Book 2825 at page 272 (sometimes referred to hereinafter as the "Parent Tract");

4. The Township has caused a draft to be prepared by KPI Technology showing the lands needed for the WWTP, an easement to run the discharge from the WWTP to a stream, and an access to the WWTP. The draft is titled "Property and Access Easement Acquisition Exhibit Thomas F. Norman Property", is dated 8/22/2006, and has "Exhibit 'A'" typed on it. A reduced copy of the said draft is attached hereto and made a part hereof. It shall be referred to hereinafter as "Exhibit A".

5. Pursuant to negotiations between the Seller and the Township, an agreement has been reached whereby the Township will acquire the land needed for the location of the WWTP, and easements for access and for a discharge pipe, all in exchange for the consideration to be provided to Seller as provided hereinafter.



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Fee Amt: \$28.50 Page 1 of 9
Instr# 20070002248
Adams County, PA
Patsv S. Gochenauer Recorder of Dees

NOW THEREFORE, in exchange for the mutual promises made herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties have agreed as follows:



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Page 2 of 9

**SECTION ONE
INCORPORATION OF RECITALS**

BK 4731 PG 111

The Recitals stated above are incorporated in this Agreement as if fully repeated herein.

**SECTION TWO
ACQUISITION OF LAND AND OF EASEMENTS**

2.01. Land for WWTP. Seller hereby agrees to sell and convey to Township the land shown on Exhibit A as "Proposed Lot 1 87118 Sq. Ft. 2.00 acres". The conveyance shall be by special warranty deed, and shall be free from all liens and encumbrances, except for the rights of way and easements being created pursuant to this agreement. Title shall be such as may be insured by a reputable title insurance company, authorized to conduct business in Pennsylvania, at its regular rates. Conveyance of the title to the land, and the grant of the rights of way and easements provided below, shall occur within 14 days of the Township's request for title. Possession shall be delivered at the time of conveyance; however, Township shall have the right prior to delivery of title to enter the said Land and easement areas for the purposes of tests, measurements, surveys, analyses, and other work in preparation of the plans for the construction of the WWTP.

2.02. Easement for Access to Parent Tract. Seller shall grant and convey to Township the right, in common with Seller and others, to access the Parent Tract from which the WWTP land is being subdivided, beginning at U.S. Route 30, and running in a southwesterly direction over a right of way partially shown on Exhibit A and labeled as "Existing 25' Private Road as Referenced in Record Book 640 at Page 1045" to another proposed right of way labeled "Proposed Access Easement". This access shall include the placement of utility lines (over and/or under ground) and sewage transmission lines to the WWTP Land.

2.03. Easement for Access Across Parent Tract. Seller shall grant and convey to Township the right, in common with Seller, to access the said WWTP tract over a proposed right of way labeled "Proposed Access Easement". This access shall include the placement of utility lines (over and/or under ground) and sewage transmission lines to the WWTP Land.

2.04. Easement for Location of WWTP Discharge Pipe. Seller shall grant and convey to Township the exclusive right of way and easement for the location of an underground discharge pipe or pipes, and any related subterranean facilities, to permit Township to discharge the treated effluent to the stream bed located to the south of the proposed WWTP. At the time that this Agreement is entered by the parties, the exact location of the twenty foot (20') wide easement for the discharge pipe and related facilities is not known. Exhibit A shows the approximate location. The exact location will not be know until the final design of the WWTP is prepared and approved. However, the width of the said easement will not exceed twenty feet (20'), and the facilities will all be underground when completed.

2.05. Construction Easement for Discharge Pipe. Seller shall grant to Township a construction easement on and over the Discharge Pipe Easement (see 2.04 above) for the purpose of construction, reconstruction, maintenance, repair, improvement, or other access that Township may need to the underground pipe and any related facilities. Township will have the duty to restore the surface after completion of the access to the underground facilities. Township, when possible, shall attempt to restrict any disturbance of the surface over the Discharge Pipe Easement to those times after any crops planted in the easement surface have been harvested. This restriction applies only for as long as the surface land is used as part of an agricultural business, and excludes winter wheat. Seller shall not plant any crop that is not annual or shorter in duration (that is, no Christmas trees, nursery stock, permanent landscaping, etc.) and shall not construct any structures of any kind over the Discharge Pipe Easement. Seller shall have the right to conduct normal farming operations on the surface of the Discharge Pipe Easment after initial construction of the discharge pipe and related facilities is completed.

**SECTION THREE
CONSIDERATION TO SELLER**



Image ID: 000001311646 Type: GEN
Page 3 of 9

BK 4731 PG 112

As consideration to Seller for performing all of his obligations stated in Section Two above, the Township will provide the following:

3.01. Sewer Connections. The Township will provide six (6) sewer connections (that is, capacity in the WWTP for six (6) equivalent dwelling units, and capacity in the collection system for six (6) equivalent dwelling units, and connection to the system at the point where the customer facilities meet the collection system [customer facilities will be at the expense of Seller or his assignee]) without cost to Seller). These connections may be used anywhere on the

sewage system, and are not limited to lands presently owned by Seller. The right to these six (6) connections may be transferred or assigned by Seller.

3.02. Construction of Access Across Parent Tract. The Township shall, at its own cost and expense, construct an access across the Parent Tract to the western boundary of the Parent Tract. The access shall be located as shown on Exhibit A and labeled as "Proposed Access Easement" and "25' Access Easement to be Retained by Grantor". The construction materials used shall be those determined suitable by the Township in its sole discretion; however, the access must be constructed of such a quality to allow Seller to transport his farm equipment over the accessway to the farm fields to the west.

3.03. Access Across WWTP Land. The Township shall provide to Seller an access across the Parent Tract and across the WWTP Land (see Section 2.01 above) so that Seller may transport vehicles and equipment from the eastern side of the Parent Tract to fields lying to the west of the WWTP. The access shall be no less than twenty five feet (25') wide, and shall be as shown on Exhibit A and labeled as "Proposed Access Easement" and "25' Access Easement to be Retained by Grantor". The land to the west of the WWTP to which Seller is to have access is shown on Exhibit A as "N/F Harry E. Bucher DB. 1667 PG. 59 Map D-11 Parcel 97" **[this land is known by Norman as "land now or formerly of Larry Little", and not Harry E. Bucher]**. This grant of access is personal to Seller, and is limited to access to the land to the west for agricultural purposes.

3.04 Maintenance of Access to Parent Tract and Across Parent Tract. The Township shall be responsible for repairs and maintenance to the Access to the Parent Tract where damage has been caused by the Township. The Township shall also maintain the Access Across the Parent Tract in a condition that permits Seller to use the easement for access to the farm fields to the west of the WWTP. The Township shall contribute a share equal to that of all other users of the Access to the Parent Tract for normal upkeep and maintenance occasioned by normal wear, tear and usage by all users, so that the said Access is kept in its present condition. (If Township desires to put the said access in better condition that it is at the time of the execution of this Agreement, then the cost of such an upgrade shall be solely at the Township's expense, as will any increased maintenance costs resulting therefrom.)

3.05. Repair of Damage to Seller's Property. Any property damage caused to Seller's property during the construction or operation of the WWTP and related facilities shall be repaired by Township at its sole cost and expense. Nothing herein is deemed to include 'damage



to property value' that may be claimed on account of the location of a WWTP on or near property of Seller.

3.06. Consideration of Re-zoning of Seller's Adjacent Properties. The Township hereby agrees to consider Seller's request for a re-zoning of Seller's remaining adjacent properties after completion of the sewage treatment project. Seller has requested that his lands be included in a re-zoning that would classify those lands in a zoning district more suitable for residential development. The parties acknowledge that the Township is not committing itself to re-zone the said lands, and that this is not a contract to zone.

SECTION FOUR PROJECT CONSTRUCTION A CONDITION

It is understood by the parties hereto that the performance of this Agreement is conditioned upon the Township receiving the necessary funding (grants, loans, or a combination thereof) to enable it to construct the sewage treatment project and to construct the WWTP on the WWTP Land (see Section 2.01). If for any reason the sewage treatment project cannot be constructed, or the WWTP is not to be built on the WWTP Land, then this Agreement shall terminate.

SECTION FIVE BINDING EFFECT

Except as provided in Section 3.03 (a personal grant of access to Seller), this Agreement shall be binding upon the parties hereto, their heirs, successors and assigns.

SECTION SIX ENTIRE AGREEMENT

This Agreement contains all of the promises and exchanges between the parties, and no other such promises or representations shall be binding upon them unless contained herein or in a writing amending this Agreement signed by the parties hereto, or their successors, heirs or assigns.

SECTION SEVEN INTERPRETATION

This Agreement shall be interpreted in accord with the laws of the Commonwealth of Pennsylvania.



Image ID: 000001311848 Type: GEN
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BK 4731 PG 114

**SECTION EIGHT
RECORDING**

Either party may cause this Agreement to be recorded in the Office of the Recorder of Deeds of Adam County, Pennsylvania. Should the sewage treatment project be discontinued, or should the WWTP be located at some place other than on the WWTP Land, each party hereto will sign a termination agreement ending this Agreement, and either party may then record such termination agreement in the said Office.

**SECTION NINE
FURTHER INSTRUMENTS AND DOCUMENTS**

The parties agree to sign such other instruments and documents as may be required to carry out the provision of this Agreement. Such documents may include, but not be limited to: the special warranty deed for the WWTP Land which may or may not contain the grant of easements in favor of the Township, and may or may not include the reservation of an easement in favor of Seller; and/or separate grants of easement in favor of Township and retention of an easement in favor of Seller; and, a certificate or certificates entitling the holder to connect to the sewage treatment system (as provided in Section 3.01).

**SECTION TEN
SURVIVAL OF PROVISIONS**

The provisions of this Agreement not directly related to the conveyance of title to land or the grant/retention of easements, and not specifically provided in the deed or grants and reservation of easements, shall survive the delivery of the deed and grants/reservation of easements. (For example, the grant of six connections (see Section 3.01) and the agreement to consider re-zoning (see Section 3.06) shall survive the delivery of the deed.)

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Agreement on the day and year first above written.

Witness:

Elizabeth Walker

Thomas F. Norman
Thomas F. Norman, Seller



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Page 6 of 9

BK 4731 PG 115



Attest:

Gar J. Killinger
Its Secretary

TOWNSHIP OF FRANKLIN

Craig A. Hartley
Craig A. Hartley, Chairman



Image ID: 000001311650 Type: GEN
Page 7 of 9

BK 4731 PG 116

COMMONWEALTH OF PENNSYLVANIA

SS:

COUNTY OF ADAMS

On this, the 5th day of JANUARY, 2007, before me, the undersigned officer, personally appeared Thomas F. Norman, single man, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

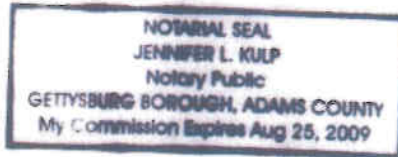
Jennifer L. Kulp
Notary Public



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Page 8 of 9

BK 4731 PG 117

My commission expires:



COMMONWEALTH OF PENNSYLVANIA

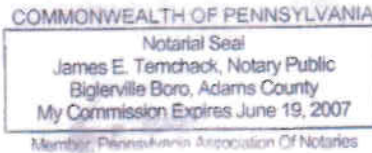
SS:

COUNTY OF ADAMS

On this, the 8th day of December, 2006, before me, the undersigned officer, personally appeared Craig A. Hartley, Chairman of the Board of Supervisors of Franklin Township, and acknowledged that he was authorized by the Board of Supervisors of Franklin Township, at a public meeting held in accordance with law, to execute the foregoing for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

James E. Temchack
Notary Public



My commission expires: June 19, 2007

SEWER SERVICE AGREEMENT

MADE THIS 14 day of August 2012, by and between FRANKLIN TOWNSHIP MUNICIPAL SEWER AUTHORITY, a municipal authority organized and existing pursuant to the Pennsylvania Municipality Authorities Act (53 Pa.C.S. §5601, et seq.), with an address of 55 Scotts School Road, Orrtanna, PA 17353, hereinafter "Authority,"

AND

CASHTOWN COMMUNITY Fire Co., a Pennsylvania Nonprofit Corporation, with an address of 1111 Old Route 30, Cashtown, PA 17310, hereinafter "CCFD."

RECITALS

1. Authority was organized for the purpose of owning and operating the Cashtown/McKnightstown Community Sewer System ("System");
2. CCFD was organized for the purpose of protecting life and property in the Cashtown/McKnightstown communities and surrounding regions, and its first due or primary service area includes the System;
3. CCFD, as required by Franklin Township Ordinance, Chapter 126, Section 126-16, et seq., connected to and is served by the System;
4. Since CCFD connected to the System, Authority and its predecessor operator of the System, Franklin Township, have provided, free of charge, one Equivalent Dwelling Unit ("EDU") of sewer service to CCFD;
5. Providing one EDU of sewer service at no cost to CCFD is appropriate in that Authority and System benefits from the fire protection provided by CCFD, and, further, in that the monies that CCFD would use to pay for the sewer service include public monies from Franklin Township; and

6. The parties desire to document this existing service arrangement for financial audit and other purposes.

NOW THEREFORE WITNESSETH, that in consideration for the services provided by each party to the other, and other good and valuable consideration, the adequacy of which is acknowledged by the parties, the parties agree that Authority shall provide to CCFD one EDU of sewer service at no cost to CCFD, on the following terms and conditions:

SECTION ONE INCORPORATION OF RECITALS

The Recitals stated above are incorporated into the Agreement as if fully repeated herein.

SECTION TWO TERM

The term of this Agreement shall continue until the System is decommissioned, or until CCFD ceases to have first due or primary response territory that includes all or a portion of the System, whichever shall come first.

SECTION THREE LOCATION OF THE SERVICE

One EDU of sewer service is provided to benefit the CCFD engine house only, by which term this Agreement means the main situs of the CCFD fire apparatus. The one EDU of sewer service shall not be transferrable to the CCFD community hall, or any other location except that which serves as the main situs of the CCFD's fire apparatus.

SECTION FOUR MAINTENANCE

Nothing in this Agreement shall be construed to impose upon the Authority any obligation to maintain any portion of the CCFD sewer system that would, absent this Agreement, be the responsibility of the CCFD or a property owner generally. CCFD agrees that it remains responsible for all provisions of Franklin Township ordinance and the Franklin Township

Sanitary Sewer System Rules & Regulations, dated July 2008, as amended from time to time, except for the payment of the monthly sewer service fee.

SECTION FIVE
NOTICES

Any notice that must be given by a party to this Agreement to the other party to this Agreement shall be given in writing to the other party at the address stated above. Any change in address must also be provided in writing.

IN WITNESS WHEREOF, intending to be legally bound, the authorized officers of the parties have, pursuant to authority given to them at a duly held meeting of their respective Board of Directors, signed this Agreement on the day and year first above written.

Attest:

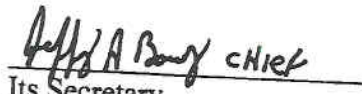
FRANKLIN TOWNSHIP MUNICIPAL SEWER
AUTHORITY


Its Secretary


Its President

Attest:

CASHTOWN COMMUNITY FIRE CO.


Its Secretary


Its Treasurer

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

Articles of Amendment-Domestic Corporation
(15 Pa.C.S.)

- Business Corporation (§ 1915)
- Nonprofit Corporation (§ 5915)

Name Cashtown Community Fire Co.		
Address PO Box 172		
City Cashtown	State PA	Zip Code 17310

Document will be returned to the name and address you enter to the left.
←

Fee: \$70

In compliance with the requirements of the applicable provisions (relating to articles of amendment), the undersigned, desiring to amend its articles, hereby states that:

1. The name of the corporation is:
Cashtown Community Fire Co.

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street 1111 Old Route 30	City Cashtown	State PA	Zip 17310	County Adams
(b) Name of Commercial Registered Office Provider c/o				County

3. The statute by or under which it was incorporated: Nonprofit

4. The date of its incorporation: March 9, 1964

5. Check, and if appropriate complete, one of the following.

- The amendment shall be effective upon filing these Articles of Amendment in the Department of State.
- The amendment shall be effective on: _____ Date _____ at _____ Hour

PA DEPT. OF STATE
NOV - 7 2006

PA DEPT. OF STATE
OCT 19 2006

Commonwealth of Pennsylvania
ARTICLES OF AMENDMENT-NONPROFIT 4 Page(s)



T0631164165

6. Check one of the following:

- The amendment was adopted by the shareholders or members pursuant to 15 Pa.C.S. § 1914(a) and (b) or § 5914(a).
- The amendment was adopted by the board of directors pursuant to 15 Pa. C.S. § 1914(e) or § 5914(b) membership present at the Oct 17, 2006 regular meeting

7. Check, and if appropriate, complete one of the following:

- The amendment adopted by the corporation, set forth in full, is as follows
- _____
- _____

- The amendment adopted by the corporation is set forth in full in Exhibit A attached hereto and made a part hereof.

8. Check if the amendment restates the Articles:

- The restated Articles of Incorporation supersede the original articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this

17th day of October

2006

Cashtown Community Fire Co.

Name of Corporation

Dawn R. Williams

Signature

President

Title

**Cashtown Fire Department
PO Box 172
Cashtown, PA 17310**

October 17, 2006

Exhibit A

Please add the following two paragraphs to our current articles.

This organization is organized exclusively for charitable, religious, educational, and scientific purposes under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Upon the dissolution of this organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, or for a public purpose.

Sincerely,

**Dawn R. Williams
President**