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Pennsylvania-American Water Company

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MAR 30 2001

March 30, 2001

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

A PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Mr. McNulty,

Attached are eight (8) copies of the original tariff to Tariff Wastewater-Pa P.U.C. No. 3 for the Pennsylvania-American Water Company which bear the issue of March 30, 2001, in accordance with the Pennsylvania Public Utility Commission Order A230073F0002 entered February 13, 2001.

Sincerely,

Paul T. Diskin
Asst. Director of Rates and Revenues

DOCUMENT FOLDER

RLB\jal

Pc: Office of Consumer Advocate
Office of Trial Staff
Office of Small Business Advocate
Robert Wilson
Audit Bureau (DSIC Filings Only)
Judy Carlson (FUS – Acquisitions Only)

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MAR 30 2001

PENNSYLVANIA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Pennsylvania-American Water Company
City of Coatesville Division
(Hereinafter referred to as the "Company")

RATES, RULES AND REGULATIONS
GOVERNING THE FURNISHINGS OF
WASTEWATER COLLECTION AND DISPOSAL SERVICE
IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED
THEREIN IN CHESTER COUNTY.

ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Filed in compliance with Commission Order
A-230073F0002 entered February 13, 2001.

DOCUMENT
FOLDER

Issued: March 30, 2001

Effective: March 22, 2001

By: R. M. Ross, President
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033

DOCKETED
APR 09 2001

LIST OF CHANGES

Changes

This tariff supplement is being originally filed as Tariff Wastewater PA P.U.C. No. 3 for the Pennsylvania-American Water Company in accordance with Commission approval at A-230073F0002 for the acquisition of the City of Coatesville Wastewater System by PAWC, entered February 13, 2001 and adopted February 8, 2001.

Indicates Increase, (D) Indicates Decrease, (C) Indicates Change

Issued: March 30, 2001

Effective: March 22, 2001

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Schedule of Consumption ChargesA. Residential/Commercial (Based on Water Usage)

Service Charge per quarter: \$5.59

3.023 per 1,000 gallons

B. Special Rate Charges

1. Bulk Metered Usage

Caln Township, Valley Township, V.A. Hospital and West Brandywine Township - Quarterly Service Charge of \$5.59 in addition to \$2.13 per 1000 gallons of metered water usage.

Lukens Steel - Quarterly Service Charge of \$5.59 in addition to \$1.94 per 1,000 gallons of metered water usage.

2. Unmetered Units

Valley District and East Fallowfield Township - \$148.00 annually.

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Schedule of Miscellaneous Fees and ChargesA. Capacity Fee

<u>Size of Water Meter</u>	
5/8" and 3/4"	\$ 525.00
1"	1,300.00
1 1/2"	4,300.00
2"	7,700.00
3"	* (1)
4"	* (1)
6"	* (1)
8"	* (1)

- (1) Capacity fee to be established by the Company for each case. The capacity charge for all meters larger than one inch will be computed on the basis of \$1.27 for each gallon of maximum daily capacity subject to the following rules, with a minimum fee of \$7,700:
- (a) Charges for 3" meters will be based on maximum daily capacity which shall be computed at a peak day factor of 1.8 times the requested average daily capacity;
 - (b) Charges for 4", 6" and 8" meters will be based on maximum daily capacity which shall be computed at a peak day factor of 1.4 times the requested average daily capacity.
 - (c) Should the customer exceed the average daily capacity during any calendar year, a new average and maximum daily capacity will be calculated by the Company. The average daily use during the year will become the new requested average daily capacity.
 - (d) The customer will be billed for the new maximum daily capacity differential at the \$1.27 per gallon rate. Such differential is the difference between the old and new maximum daily capacity. The customer will have thirty (30) days to pay the new charge.
 - (e) Should the size of the meter be increased after service is established, a capacity fee reflecting the difference will be charged.

If a property has a multiple unit dwelling with more than one meter, but only one service line, a capacity fee will be charged according to a meter size equivalent to the service line size.

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Schedule of Miscellaneous Fees and Charges

B. Connection Fee

Charge for the Company's time involved in the inspection of a lateral tie-in to the Company's wastewater system.

<u>Size of Water Meter</u>	
5/8" and 3/4"	\$ 50.00
1"	50.00
1 1/2"	50.00
2"	50.00
3"	50.00
4"	50.00
6"	50.00
8"	50.00

C. Sludge Waste Fees

The Fee to be paid by private contractors to the Company to dispose of private wastewater in the Company's Wastewater Treatment Plant.

1. The following rates shall be charged to haulers of septic waste who deliver waste between November 1 and March 31:

First daily load under 3% solids	-----\$0.0300/gallon
Second daily load under 3% solids	----- 0.0325/gallons
Third daily load under 3% solids	----- 0.0350/gallons
Fourth daily load under 3% solids	----- 0.0375/gallons
First daily load over 3% solids	-----\$0.0725/gallon
Second daily load over 3% solids	----- 0.0750/gallons
Third daily load over 3% solids	----- 0.0775/gallons
Fourth daily load over 3% solids	----- 0.0800/gallons

2. The following rates shall be charged to haulers of septic waste who deliver waste between April 1 and October 31:

First daily load under 3% solids	-----\$0.0325/gallon
Second daily load under 3% solids	----- 0.0350/gallons
Third daily load under 3% solids	----- 0.0375/gallons
Fourth daily load under 3% solids	----- 0.0400/gallons
First daily load over 3% solids	-----\$0.0750/gallon
Second daily load over 3% solids	----- 0.0775/gallons
Third daily load over 3% solids	----- 0.0800/gallons
Fourth daily load over 3% solids	----- 0.0825/gallons

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Schedule of Miscellaneous Fees and Charges

3. Any septic waste discharged which has a ph level less than 6.0 units or greater than 9.0 units will be charged \$0.07/gallon between November 1 and March 31, and will be charged \$0.0725/gallon between April 1 and October 31. Any septic waste discharged which has a solids content greater than 3% and a ph level less than 6.0 units or greater than 9.0 units, will be charged \$0.14/gallon between November 1 and March 31, and will be charged \$0.145/gallon between April 1 and October 31.

4. The Borough of Avondale's wastewater sludge will be charged the following rates:

Between November 1 and March 31

First daily load	-----	\$0.0725/gallon
Second daily load	-----	0.0750/gallon
Third daily load	-----	0.0775/gallon
Fourth daily load	-----	0.0800/gallon

Between april 1 and October 31

First daily load	-----	\$0.0750/gallon
Second daily load	-----	0.0775/gallon
Third daily load	-----	0.0800/gallon
Fourth daily load	-----	0.0825/gallon

C. Charge for Late Payment

A penalty of 1.5% per month will be added to all bills unpaid by the due date.

D. Parkesburg Area Wastewater Service District

Treatment Tapping Fee per EDU	-----	\$ 525.00
Lateral Inspection Fee	-----	50.00
Special Purpose (Conveyance) Tapping Fee per EDU		
For PAWC	-----	264.63
Special Purpose (Conveyance) Tapping Fee per EDU		
For Parksburg	-----	1,292.00
Total Fees/EDU	-----	\$2,131.63

All wastewater customers in Parkesburg and from surrounding municipalities whose wastewater flows through the Parkesburg Pump Station shall pay (in addition to the normal customer rate per/1,000 gallons and the applicable service charge) a debt service charge of \$35.00 per quarter per Equivalent Dwelling Unit (EDU) until such time as the Parkesburg Bond Payments have been completed. Properties with multiple dwelling units shall pay multiple tapping fees and multiple debt service charges.

RULES AND REGULATIONS**RULE 1 - INTRODUCTION**

Section 1.01 - The following Rules and Regulations shall be and are hereby declared to be a part of the Rules and Regulations of Pennsylvania-American Water Company (THE COMPANY) regarding the use of the Wastewater System and the nature of wastes to be discharged into THE COMPANY'S Treatment Works, either directly or indirectly.

Section 1.02

1. These Rules and Regulations replace all prior Rules and Regulations, and all such prior Rules and Regulations are hereby rescinded and on the effective date of these Rules and Regulations all such prior Rules and Regulations shall be null and void.
2. This Tariff may be revised, amended, supplemented and otherwise changed from time to time in accordance with the "Pennsylvania Public Utility Code," and such changes, when effective, shall have the same force and effect as the present Tariff.
3. The Tariff provisions apply to any party or parties applying for or receiving service from the Company.

RULE 2 - PURPOSE

Section 2.01. The purposes of these Rules and Regulations are as follows:

1. To provide the conditions of service by THE COMPANY including application and contracting for service connection to THE COMPANY facilities, rendering and payment of bills and discontinuance of service.
2. To prohibit the discharge into THE COMPANY'S Treatment Works of any wastewaters that are not in compliance with any Federal standards promulgated pursuant to the Federal Water Pollution Control Act Amendments of 1972, the Clean Water Act of 1977, or any subsequent Federal legislation.
3. To require that all wastewaters discharged to and from THE COMPANY'S Treatment Works are in compliance with the Federal Water Pollution Control Act Amendments of 1972, the Clean Water Act of 1977, and any subsequent amendments to this legislation.
4. To require the pretreatment of all wastewaters discharged into THE COMPANY'S Treatment Works for which pretreatment standards have been promulgated pursuant to Federal or State legislation required by the

Federal General Pretreatment Regulation (40 CFR, Part 403). Provided, however, that the THE COMPANY does not represent that it is the control authority referenced in 40 CFR ' 403.12(a).

5. To prohibit the discharge of any wastewaters of a flammable or explosive nature or which may create in any way a poisonous or hazardous environment for THE COMPANY's maintenance and operating personnel or the public.
6. To prohibit the discharge of any wastewaters into the THE COMPANY's Treatment Works which may cause operational or maintenance difficulties in it as it is now constructed or as it may be modified, expanded, or improved on in the future.
7. To prohibit or require pretreatment before introduction into the THE COMPANY's Treatment Works of any wastewaters which may adversely affect the integrity, operation and/or maintenance of THE COMPANY's Treatment Works by direct or indirect chemical or physical action, or which may interfere with the treatment process.
8. To regulate excessive volumes and/or inordinate rates of discharge of any wastewaters into the THE COMPANY'S Treatment Works.
9. To regulate the discharge of any wastewaters which require the levying of a surcharge for either their discharge into, or treatment by the THE COMPANY's Treatment Works.
10. To prohibit or require pretreatment before introduction into the THE COMPANY's Treatment Works of any wastewater which may adversely affect the disposal of sludge in any manner.
11. To provide procedures for the extension of sewer service.
12. To provide violation and enforcement procedures, provide for protection against damage to the wastewater collection system or treatment works and establishment of fees and charges for use of the wastewater disposal system for both domestic and industrial wastes and other miscellaneous regulations designed to bring about the safe and efficient operation of THE COMPANY's wastewater collection and treatment system.
13. To acknowledge that the Company has, by this tariff, provided that these Rules and Regulations are a proper means of protecting public health, safety and welfare.

RULE 3 - EFFECTIVE DATE

Section 3.01. These Rules and Regulations shall become effective at once and shall be applicable on or after March 22, 2001, to all properties then connected to, or as soon as they respectively become connected to and have the right to use, the sewer system.

RULE 4 - DEFINITIONSSection 4.01. Definitions

Unless the context specifically and clearly indicates otherwise, the meaning of terms used in these Rules and Regulations shall be as follows:

1. "Company" - Pennsylvania-American Water Company (also called "THE COMPANY").
2. "Applicant" - A customer who enters into a service agreement for sewer service at a premises.
3. "Authorized Representative of a User" - An authorized representative of a user may be: (1) A principal executive officer of at least the level of vice president, if the user is a corporation; (2) A general partner or proprietor if the user is a partnership or proprietorship, respectively; (3) A duly authorized representative of the individual designated above if such representative is responsible for the overall operation of the facilities from which the indirect discharge originates.
4. "B.O.D." (Biochemical Oxygen Demand) shall mean the quantity of oxygen, expressed in milligrams per liter, utilized in the biochemical oxidation of organic matter under standard laboratory procedure for five (5) days at twenty (20) degrees Centigrade. The standard laboratory procedure shall be that found in the latest approved edition of "Standard Methods for the Examination of Water and Sewage" published by the American Public Health Association.
5. "Building Sewer" shall mean the extension from the building sewer system to THE COMPANY's sewer main.
6. "Bypass" means the intentional or negligent diversion of industrial wastewater from any portion of an industrial user's pretreatment process through which the wastewater normally passes.
7. "Categorical Standards" - A Pretreatment Standard promulgated by the EPA as provided by Section 307 of the Clean Water Act (33 USC 1317) which applies to a specific category of Industrial Users, as provided in 40 CFR Chapter I, Subchapter N, Parts 405 through 471.

8. "Chlorine Demand" shall mean the quantity of chlorine absorbed in water, wastewater or other liquids, allowing a residual of 0.1 ppm by weight after fifteen (15) minutes of contact. The standard laboratory procedure shall be that found in the latest approved edition of "Standard Methods for the Examination of Water and Sewage" published by the American Public Health Association.
9. "Composite Sample" means a sample consisting of several effluent portions collected at intervals during a specific time period and combined to make a Representative sample. When special sampling techniques are required for a particular pollutant, e.g., volatile organic compounds requiring grab samples of fixed size, or when otherwise provided by a permit, the requirement that a composite sample be a Representative sample may be waived by the Company.
10. "Connection Fee" means a fee authorized under Act 203 of 1990 to recover the Company's cost for facilities installed between the sewer mains and the property line of the property to be connected to the system.
11. "Cooling Water" means any water used for the purpose of carrying away excess heat, both direct and indirect, and which may or may not contain biocides used to control biological growth. See also "Non-contact Cooling Water" in these definitions.
12. "Customer" means any individual, firm, company, partnership, corporation, association, group or society, including the Commonwealth of Pennsylvania, and agencies, districts, commissions and political subdivisions created by or pursuant to State law, and Federal agencies, departments or instrumentalities thereof, who have executed a Service Agreement with THE COMPANY.
13. "Customer Facilities Fee" means a fee permitted under Act 203 of 1990 to recover the Company's actual cost for facilities installed between the property line and the internal plumbing of the building being connected to the system.
14. "Daily Measurement" is the result obtained for a Composite Sample, or the average of the measurements of all grab samples, taken over the course of a calendar day or a similar period reasonably representative of one day of normal operation.
15. "Department" means the Pennsylvania Department of Environmental Protection (PADEP).
16. "Discharge" means an Indirect Discharge; "To discharge" means to cause or allow the introduction of material into the Treatment Works.

17. "Domestic Wastewater" means the liquid waste or liquid borne waste (1) resulting from the non-commercial preparation, cooking, and handling of food, (2) consisting of human excrement, or (3) consisting of washwater, non-commercial laundering waters, domestic housekeeping wastewater, and similar types of wastes from sanitary uses, whether generated in residences or sanitary facilities in commercial or industrial facilities, but does not include stormwater introduced from roof leaders, sump pumps, floor drains or industrial wastewater.
18. "EPA" means the United States Environmental Protection Agency.
19. "Federal Act" means the Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, 33 USC 1251, et. seq.
20. "Garbage" shall mean solid wastes resulting from preparation, cooking and dispensing of food and from handling, storage and sale of produce.
21. "Government" means the United States of America and the Commonwealth of Pennsylvania and any department or agency thereof.
22. "Grab Sample" means a sample, which is taken from a waste stream on a one-time basis with no regard to the flow in the waste stream and without consideration of time.
23. "Holding Tank Waste" means any waste from holding tanks such as vessels, chemical toilets, campers, trailers, septic tanks and vacuum pump tank trucks.
24. "Indirect Discharge" shall mean the discharge or the introduction of non-domestic pollutants from any source regulated under section 307(b) of the Act (33 USC 1317), into the POTW (including holding tank waste discharged into the POTW).
25. "Industrial User" means any person that causes, allows, or permits an Indirect Discharge or any Discharge of Industrial Wastewater.
26. "Industrial Wastewater" shall mean the liquid waste or liquid borne waste resulting from any industrial, manufacturing, trade, or business process or activity, or in the course of developing, recovering or processing of natural resources which, whether treated or untreated, is discharged into the Treatment Works, but not Non-contact Cooling Water or Domestic Wastewater unless such wastes are mixed with Industrial Wastewater; a mixture of any other water or wastewater with Industrial Wastewater is Industrial Wastewater.
27. "Industrial Pretreatment Program" means the provisions of this Resolution and any applicable law, regulation or ordinance of any government or municipality applicable to the control of Indirect

Discharges, and such rules, policies, procedures and administrative activities adopted or carried out by THE COMPANY in furtherance of the mandates and goals of such laws, Rules and Regulations.

28. "Industrial Waste Discharge Permit" is a permit issued to industrial users as provided by RULE 9 of these Rules and Regulations.
29. "Interference" means (i) inhibiting or disrupting a treatment works system or its treatment process or operation so as to contribute to, or cause a violation of any condition of a state or federal permit or any restriction, condition, or prohibition on the discharge from the treatment works established by any government statute, regulation, or policy, or (ii) discharging industrial process wastewater which, alone or in combination with existing domestic wastewater is of such volume or strength as to exceed the treatment process capacity; or (iii) preventing the use or disposal of sludge produced by the treatment works in accordance with any State rules or regulations or Section 405 of the Federal Clean Water Act (33 USC 1345) or the regulations adopted thereunder; or any regulations or criteria or guidelines developed pursuant to the Federal Resource Conservation and Recovery Act of 1976 (42 USC 6901 et. seq.), the Federal Clean Air Act (42 USC 7401 et. seq.), or the Federal Toxic Substances Control Act (15 USC 2601 et. seq.).
30. "Local Limits" means numerical or narrative requirements respecting the allowable concentration or mass of pollutants in industrial wastewater. Local limits are adopted by the THE COMPANY to implement the provisions of the pretreatment program.
31. "Main Extension" means extension of service requiring the construction of one or more additional sewers including pumping stations and force or pressure mains.
32. "Monthly Average" shall mean the arithmetic mean of all of the daily measurements taken during a calendar month. Should only one daily measurement be obtained during the month, that result is the Monthly Average.
33. "Municipality" means any city of any class, any borough, township, municipal authority, or any other municipality other than a county or a school district.
34. "National Pollutant Discharge Elimination System" (NPDES) means the system of discharge permits (NPDES) issued by PADEP pursuant to Section 402 of the Clean Water Act (33 USC 1342).
35. "National Prohibited Standards" means prohibited discharge standards established in 40 CFR Section 403.5.

36. "Non-Contact Cooling Water" means cooling water that does not contact any raw material, intermediate or finished product or waste.
37. "Owner" means the person in whose name the deed for a property is recorded.
38. "Pass Through" means the discharge of pollutants to the waters of the State either untreated or insufficiently treated so as to cause or contribute to pollution or a violation of the NPDES permit issued to the THE COMPANY; or the concentration of pollutants in the sludge produced by the treatment plant so that the end use of the sludge results in pollution, harm to the environment, or a violation of any State or Federal sludge disposal regulation, guideline or standard.
39. "pH" means the logarithm base 10 of the reciprocal of the concentration of hydrogen ions in grams per liter of solution. Solutions with a pH greater than 7 are said to be basic; solutions with a pH less than 7 are said to be acidic; pH equal to 7 is considered neutral.
40. "Person" means an individual, partnership, company, corporation, association, corporate political body, joint ownership, or any other entity capable of functioning in the context used herein.
41. "Pollutant" means any dredged spoil, solid waste, incinerator residue, sewage, garbage, refuse, oil, grease, sewage sludge, munitions, chemical wastes, biological materials, radioactive substance, thermal waste, wrecked or discarded equipment, rock, sand, cellar dirt, and industrial, municipal or agricultural waste or other residue, or any substance identified in these Rules and Regulations as regulated, restricted, or prohibited.
42. "Premises" means the property, building, or other site to which water service is furnished, including:
- a. A building under one roof, owned and leased by one person, and occupied as one residence or business;
 - b. Each combination of buildings owned or leased by one person, served by one service line and occupied by one family or business;
 - c. Each side of a double house or each housing unit;
 - d. Each apartment, office, or suite of offices located in a building having several such apartments, offices, or suites of offices and using in common one or more means of entrance; or
 - e. Such other situations as THE COMPANY shall deem proper and advisable.

43. "Pretreatment" means the application of physical, chemical and/or biological processes to reduce the amount of pollutants in, or alter the nature of the polluting properties of, an industrial process wastewater prior to discharging such wastewater into the Treatment Works.
44. "Pretreatment Standards and Requirements" means any applicable Federal or State rules and regulations implementing Sections 306 and 307 of the Clean Water Act (33 USC 1316 & 1317), as well as any non-conflicting standards or regulations adopted by the THE COMPANY.
45. "Publicly Owned Treatment Works" (or "POTW") defined by Section 212 of the Act (33 USC § 1292). For the purposes of these Rules and Regulations, "POTW" shall also include local collection systems of participants or other sewers that convey wastewaters to the POTW from persons outside the district who are, by contract or agreement with THE COMPANY, users of THE COMPANY's POTW.
46. "Regional Administrator" shall mean the Administrator of the applicable Region of the United States Environmental Protection Agency or his/her authorized representative.
47. "Representative Sample" means a sample obtained in such a way that the relative proportions of its constituents reliably approximates the proportions occurring in the total discharge from the facility during the course of a calendar day. A representative sample is normally obtained by means of a flow-proportioned Composite sample taken during the hours when a discharge is occurring. When sampling to determine compliance with a maximum instantaneous limit, a representative sample may be a grab sample. When conditions require, and with the approval of the THE COMPANY, a representative sample may be obtained as a series of grab samples, or using other non-proportionate methods.
48. "Service Line" means the service pipe extending from THE COMPANY's sewer main to a point immediately inside the portion of the customer's property, which abuts the street or road. Except, in cases where the customer did not dedicate to the Company the sewer service line between the main and the property line, the service line is the property of the Company.
49. "Sewer" shall mean a sewer of THE COMPANY or of the tributary sewer systems that discharge to the THE COMPANY system, which carries wastewater and to which storm, surface and groundwaters are not intentionally admitted.
50. "Sewer Connection Fee" means the "Connection Fee" as set forth in this section.

51. "Sewer Discharge Permit" means a permit issued by the THE COMPANY allowing a user to discharge wastewater to the THE COMPANY sanitary sewer system. See also, Industrial Waste Discharge Permit in these definitions.
52. "Sewer Service Application" means an application required for any customer requesting or receiving sewer service from THE COMPANY.
53. "Sewer Service Connection" means the fitting or manhole owned by THE COMPANY and installed or authorized to be installed in a THE COMPANY main by THE COMPANY, connecting a service line to a THE COMPANY sewer.
54. "Significant Industrial User" means any industrial user that discharges industrial wastewater which either (1) exceeds an average rate of 25,000 gallons per day, or (2) exceeds a BOD loading of sixty-three (63) pounds of BOD, one hundred four (104) pounds of Chemical Oxygen Demand, or sixty-three (63) pounds of TSS, (3) is regulated by Categorical Pretreatment Standards, or (4) is determined by the THE COMPANY to have the potential of adversely affecting the POTW, causing Pass Through or Interference, or of violating any Pretreatment Standard or Requirement.
55. "Slug" shall mean any discharge of water, wastewater or industrial waste which exceeds for any period of duration longer than fifteen (15) minutes, (1) more than five (5) times the average twenty-four (24) hour concentration of any constituent therein, or (2) more than five (5) times the average rate of flow(s) during normal operation.
56. "State" means the Commonwealth of Pennsylvania.
57. "State Act" means the Pennsylvania Clean Streams Law (35 P.S. 691.1-691.801).
58. "Storm Water" means any flow occurring during or immediately following any form of natural precipitation and resulting therefrom.
59. "Surcharge" shall mean the additional charge that will be levied against a user discharging wastewater whose BOD and suspended solids concentrations are in excess of the standard adopted for surcharges, or which contain constituents in concentrations for which THE COMPANY has determined an additional charge is required for their treatment.
60. "Suspended Solids" or "Total Suspended Solids (TSS)" means the Total Filterable Residue as defined by 40 CFR 136.
61. "Tapping Fee" means the fees authorized to be established by Act 203 of 1990, including four components: the Capacity Part, the Collection Part, the Special Purpose Part and the Reimbursement Component.

62. "Tenant" means a user who leases or rents premises from an owner.
63. "Toxic Pollutant" means any pollutant so designated by the EPA in accordance with the provisions of Section 307(a) of the Clean Water Act (33 USC 1317).
64. "Treatment Works" means POTW as defined herein and any device or system, whether public or private, used in the storage, treatment, recycling, or reclamation of domestic or industrial waste of a liquid nature, including: intercepting sewers, outfall sewers, systems served by the THE COMPANY, sewage collection, cooling towers and ponds, pumping, power and other equipment and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof; elements essential to provide a reliable recycling supply such as standby treatment units and clear well facilities; any other works including sites for the treatment process or for ultimate disposal of residues resulting from such treatment.
65. "Treatment Plant" means that portion of the Treatment Works designed to provide treatment to wastewater and thence to discharge treated wastewater to the environment.
66. "User" means any person, corporation or institution who discharges, causes, or permits the discharge of wastewater into the Treatment Works, either directly or indirectly.
67. "Wastewater" means the liquid and water-carried industrial or domestic wastes from dwellings, commercial facilities, industrial facilities, and institutions, together with any groundwater, surface water, and storm water that may be present, whether treated or untreated, which is discharged into or permitted to enter the THE COMPANY Treatment Works.

Section 4.02. Abbreviations

The following abbreviations shall have the designated meaning:

BOD	- Biochemical Oxygen Demand
THE COMPANY	- Pennsylvania-American Water Company
CFR	- Code of Federal Regulations
COD	- Chemical Oxygen Demand
EPA	- Environmental Protection Agency
L	- Liter
mg	- Milligrams

mg/L	-	Milligrams per Liter
NH3-N	-	Ammonia Nitrogen
P	-	Phosphorus
NPDES	-	National Pollutant Discharge Elimination System
PADEP	-	Pennsylvania Department of Environmental Protection
POTW	-	Publicly Owned Treatment Works
ppb	-	parts per billion
ppm	-	parts per million
SS	-	Suspended Solids
TSS	-	Total Suspended Solids
USC	-	United States Code

RULE 5 - SEWER SERVICE

Section 5.01. Sewer Service Agreements

1. An agreement for sewer service must be made and sewer discharge permit obtained where domestic wastewater is proposed to be introduced through a connection of a service line to a sewer owned and maintained by THE COMPANY and approved by THE COMPANY for introduction of new sewer service including where there is any change in ownership of property or in tenancy where tenant is the user. THE COMPANY shall have the right, upon seven (7) days notice, to discontinue existing sewer service until such a new agreement has been made and approved. If industrial waste is proposed to be introduced into any sewer system tributary to THE COMPANY's Treatment Works, whether the sewer system is owned and maintained by THE COMPANY or by any municipality or private party, the customer or user shall obtain a sewer discharge permit from THE COMPANY and enter into a sewer service agreement with THE COMPANY before commencing the discharge of such waste.
2. All agreements for sewer service are made subject to approval of THE COMPANY.
3. The agreement for sewer service must be signed by the applicant, which shall together with the Rules and Regulations of THE COMPANY, regulate and control the provision of sewer service to the premises.

4. All agreements for sewer service shall continue in force from day to day, but either party may cancel the contract by giving seven (7) days written notice that the contract shall terminate at the expiration date contained in the notice. If the minimum charge is not exceeded at the time of termination, it shall be pro-rated on a daily basis for the quarter in which sewer service is terminated.

5. For purposes of the sewer service agreement, the term Customer shall include user as defined by RULE 4 of these Rules and Regulations. Service agreements shall be made between customers and THE COMPANY and the customer will be responsible for all users tributary to a customer service line.

6. Separate agreements for sewer service must be made for:

- a. Each building under one roof owned or leased by one party, and occupied as one residence or business;
- b. Each combination of buildings owned or leased by one party in one common enclosure and occupied by one family or business;
- c. Each side of a double house having a solid vertical partition wall; or

Such other cases as THE COMPANY shall deem proper and advisable under the circumstances.

7. All sewer service provided by THE COMPANY must be entered through approved connections. Any wastewater discharged through unapproved connections to THE COMPANY sewers will cause the discontinuance of service and the imposition of penalties and other charges as described herein.

Section 5.02. Sewer Discharge Permits

1. Any person desiring the introduction of a new service line or lines from THE COMPANY's main into the premises must first enter into an agreement for sewer service as provided in Section 5.01 above on the form furnished by THE COMPANY. At least seven (7) days before service is required, application for sewer service must also be made. The application shall state the time when the trench to THE COMPANY's sewer will be ready for completing the connection to the THE COMPANY sewer. The applicant shall guarantee that such service will continue for at least one (1) year.

2. The agreement will not be approved until THE COMPANY receives payment of the appropriate tapping fee and connection fee, as stipulated in the Schedule of Rates and Charges and other charges stipulated by THE COMPANY in duly adopted schedules of charges.

Section 5.03. Deposits

1. Deposits may be required from customers as deemed necessary by THE COMPANY.
2. Deposits will be returned to the depositor when he has paid bills for service over a period of twelve (12) consecutive months; or upon discontinuance of service by the customer and payment of all charges due. Any customer having secured the return of a deposit will not be required to make a new deposit unless the service has been discontinued or the customer's credit standing is impaired through failure to comply with the Rules and Regulations.
3. Interest will be paid on deposits.
4. Any customer having a deposit shall pay bills for sewer service as rendered in accordance with the Rules and Regulations of THE COMPANY and the deposit shall not be considered as payment on account of a bill during the time the customer is receiving sewer service.

RULE 6 - CONDITIONS OF INSTALLATION, DISCONNECTION AND USESection 6.01. Service Limited to Premises

No customer or any premises supplied with sewer service by THE COMPANY shall be allowed to supply said service to other persons or families or other premises except by written permission from THE COMPANY. Customers who violate this rule shall have their sewer service discontinued after a notice of five (5) days, and it shall remain off until THE COMPANY is satisfied that the Rules and Regulations are observed.

Section 6.02. Customer Service Connection/Disconnection

1. After a customer applies for and obtains a sewer discharge permit, pays all applicable tapping fees, connection fees, and other charges, and enters into an agreement for sewer service, the customer will construct a complete building sewer (see definition) which shall be air tested by the installer under the supervision of THE COMPANY's representative, and subsequently approved through a service line inspection form completed by said THE COMPANY representative.
2. The customer or owner is responsible for excavation, backfill, street restoration and any street opening permits at the location where the new sewer service or the disconnection of the old sewer service is made.
3. Building sewers, including all fittings, manholes, meter locations and sampling points, shall be constructed in accordance with THE COMPANY specifications.

RULE VII - USE OF THE TREATMENT WORKSSection 7.01. General Prohibitions on Wastewater Discharge

No person shall discharge, deposit, cause or allow to be discharged or deposited into the THE COMPANY Treatment Works any Wastewater which contributes to a violation of any of the parameters in the THE COMPANY NPDES permit, or which contains any of the following:

1. Stormwater, surface water, groundwater, roof runoff, subsurface drainage, or foundation or basement sump drainage;
2. Oils, tar, grease, combustible gases and liquids, insoluble solids of any kind, or other substances which may impair, impede, affect, interfere with or endanger the Treatment Works or any part thereof;
3. Gasoline, benzene, naphtha, paints, lacquers, fuel oil, or other flammable or explosive liquid, solid, or gas which by reason of its nature or quality may cause fire or explosion or which, in any way, may be injurious to personnel or the Treatment Works;
4. Substances of such a nature as to form noxious or malodorous gases or substances which either singularly or through interaction with other wastes or substances found in wastewater treatment processes may create a public nuisance, hazard to life, or prevent entry into any portion of the Treatment Works for operational duties, maintenance or repair;
5. Solids or viscous substances in quantities or of such size capable of causing obstruction of the flow in sewers, or other interference with the proper operation of the treatment works, such as, but not limited to, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch manure, hair, fleshings, offal, entrails and paper products.
6. Garbage from any institutional, commercial or domestic source not properly shredded.
7. Septic tank or cesspool wastes. These wastes may, however, be accepted directly at the THE COMPANY's wastewater treatment facilities at charges and during times prescribed by the THE COMPANY. The THE COMPANY reserves the right, however, to discontinue the acceptance of such wastes without notice should such wastes result in any operational problems.
8. Wastewaters having an objectionable color which is not removable in the wastewater treatment facility.

Section 7.02. Specific Prohibitions

No person shall discharge or permit to be discharged the following

described substances, materials or wastewater, in amounts, rates, or concentrations that will or may cause or contribute to pass through, interference, risk to human health or environment, or a public or private nuisance. The prohibited substances are:

1. Any wastewater having a temperature higher than 150°F (65°C).
2. Any wastewater containing fats, wax, grease, or oils of such concentration or consistency that would cause or contribute to obstructions in the sewer, or increased removal or treatment costs at the Treatment Works. Unless shown by the discharger that a higher concentration will not violate this standard, it is presumed that a concentration of hexane extractable materials (as defined by 40 CFR Part 136) in excess of 100 mg/L is a prohibited concentration.
3. Wastewater having a pH less than 6.0 or greater than 9.0 or found to be excessively corrosive.
4. Wastewater containing any radioactive substances.
5. Wastewater having a flash point lower than 235° F (113° C) as determined by the TAG or Pensky-Martins closed cup method, as applicable.
6. All wastes containing toxic pollutants or corrosive substances in sufficient quantity or concentration to cause or contribute to injury, damage or hazard to personnel, structures or equipment, interference or pass through.
7. Any constituent in industrial wastewater in excess of the limits imposed by an industrial waste discharge permit issued by THE COMPANY, or in excess of applicable Categorical Standards.
8. Unusual volume of flow or concentration of wastes constituting "slugs" as defined herein.
9. Substances interfering with Sludge Management - Any substance which may cause the POTW's sludge to be unsuitable for disposal or to interfere with the reclamation process where the POTW is pursuing a reuse and reclamation program. In no case shall a substance discharged to the POTW cause the POTW to be in non-compliance with sludge use or disposal criteria, guidelines or regulations developed under Section 405 of the Clean Water Act (33 USC 1345) including 40 CFR Section 503; any criteria, guidelines, or regulations affecting sludge use or disposal developed pursuant to the Solid Waste Disposal Act, the Clean Air Act, the Toxic Substances Control Act, or any State statute, regulation or guideline.

Section 7.03. Local Limits and Discharge Limitations

1. Appendix A presents the local limits for certain pollutants. The local limits are the allowable wastewater discharges to the treatment works by all industrial users, including both significant industrial users and other (non-significant) industrial users.
2. Discharge limits in Industrial Waste Discharge Permits may be in terms of mass, concentration, flow volume, or a combination of these to be determined by THE COMPANY.
3. For local limits that are expressed as a total allowable mass, discharges by Significant Industrial Users shall be limited by means of Industrial Waste Discharge Permits so that the total mass of pollutants allowed to be discharged by Significant Industrial Users, plus that expected to be discharged by non-significant industrial users, shall not exceed the local limits. In such a case, the THE COMPANY may allocate the allowable mass of limited pollutants among industrial dischargers as is appropriate to reflect the nature of the industrial wastes, flow rates, and other considerations. The allocation may be changed administratively from time to time as the THE COMPANY sees fit, without action of the Company or amendment of this rule.
4. When local limits are expressed in terms of concentration, such limits shall be included in all Industrial Waste Discharge Permits, subject to the provisions of Section 7.11 of this RULE.

Section 7.04. Federal Categorical Pretreatment Standards

1. Upon the effective date of the Federal Categorical Pretreatment Standard for a particular industrial subcategory, the Federal Standard, if more stringent than limitations imposed under these Rules and Regulations for sources in that subcategory, shall become the industrial wastewater discharge standard for any industrial user subject to the standard.
2. THE COMPANY shall endeavor to notify all affected users of the applicable reporting requirements in 40 CFR, Section 403.12. Whether notified or not, any industrial user subject to national pretreatment standards shall be responsible for compliance with all such standards and associated national reporting requirements, and failure or inadequacy of notice by THE COMPANY shall not be reason for any non-compliance by the industrial user, nor grounds for a claim at law or in equity against THE COMPANY.
3. THE COMPANY is not the "Control authority" for purposes of industrial user reporting under the provisions of 40 CFR Section 403.12, and industrial users subject to Categorical Pretreatment Standards shall submit required reports to EPA, as provided in Section 10.01 of these Rules and Regulations.

Section 7.05. State Requirements

State requirements and limitations on discharges shall apply in any case where they are more stringent than Federal requirements and limitations or those in these Rules and Regulations.

Section 7.06. THE COMPANY's Right of Revision

THE COMPANY reserves the right to establish more stringent limitations or requirements on discharges to the Treatment Works if deemed necessary by THE COMPANY to comply with objectives of these Rules and Regulations.

Section 7.07. Excessive Discharge

No user shall ever increase the use of process water or in any way attempt to dilute a discharge as a partial or complete substitute for adequate treatment to achieve compliance with the limitations for adequate treatment, to achieve compliance with the limitations contained in the Federal Categorical Pretreatment Standards, or to achieve compliance with any other pollutant-specific limitation developed by the State or THE COMPANY.

Section 7.08. Unacceptable Wastes

If any wastewaters are discharged, or are proposed to be discharged to the Treatment Works which wastewaters contain the substances or possess the characteristics enumerated or referred to in Section 7.01 or 7.02 of this RULE, THE COMPANY will exercise one or more of the following options:

1. Reject the wastes permanently, in which case any discharge of the wastewater to the POTW is a violation of this resolution for which THE COMPANY may take such actions as are allowed by law to abate.
2. Reject the wastes and bar the discharge of the rejected wastes until such time as the discharger of such wastes provides a detailed report (prepared by a professional engineer registered in the Commonwealth of Pennsylvania with recognized expertise in the treatment of industrial wastes) containing recommendations as to the method of pretreatment and acceptability of such wastes into the Treatment Works. Upon the THE COMPANY'S acceptance of said report, said wastes may be accepted on a trial basis under such terms and conditions as THE COMPANY may impose, and subject to termination by THE COMPANY for any reason.
3. Require pretreatment to an acceptable condition for discharge to the Treatment Works.

4. Require control over the quantities, rates and times of discharge.
5. Accept the wastes as provided in Section 7.11 of this RULE.

Section 7.09. Design of Pretreatment Facilities

If THE COMPANY permits the pretreatment or equalization of discharge of wastes which are to be accepted in the Treatment Works, the design and installation of the pretreatment facilities shall be reviewed and approved by THE COMPANY, and are subject to the requirements of the Pretreatment Standards and all other applicable codes, ordinances and laws. Such review and approval of proposed pretreatment facilities shall not be an endorsement or warranty of the effectiveness, efficiency or capability of such pretreatment facilities, and shall not act as a waiver of any applicable Pretreatment Standard or Requirement.

Section 7.10. Maintenance of Pretreatment Facilities

Where pretreatment or flow equalization or time of discharge control facilities are provided for any wastewaters discharged to the Treatment Works, it shall be maintained continuously in satisfactory and effective operation by the user or the Owner, as appropriate, at the expense of said user or owner.

Section 7.11. High Strength Wastes

No statement contained in this RULE shall be construed as preventing any special agreement or arrangement between THE COMPANY and any user whereby a wastewater with high BOD or suspended solids concentrations, a high chlorine demand or with unusual strength or characteristics may be accepted by THE COMPANY for treatment at an additional charge, provided THE COMPANY has determined, at the expense of the user, that the wastewater can be adequately conveyed and treated by the Treatment works without any deleterious effects, and provided further that such waste discharges do not violate any State or National Pretreatment Standards, including National Prohibited Standards and applicable Categorical Pretreatment Standards.

RULE VIII - NOTIFICATION, INSPECTION, TESTING AND CONTROL FOR INDUSTRIAL WASTES

Section 8.01. Industrial Waste Analysis

All users desiring to discharge industrial wastes to the THE COMPANY Treatment Works must file with THE COMPANY a complete physical and chemical analysis of the wastes proposed to be discharged into the Treatment Works. This information shall be filed on forms prescribed by THE COMPANY.

Section 8.02. Notification of Change

Any industry which is connected to the Treatment Works, either directly or indirectly, and is discharging industrial wastes thereto, which shall change its method of operation so as to alter the nature of the wastes previously discharged, either in quality or quantity, shall notify the THE COMPANY at least thirty (30) days in advance of any such change, if such a change is planned, otherwise, immediately upon becoming aware of such a change. The industrial user shall report on the expected changes in the waste, and shall sample and analyze the waste for any substances expected to be found therein, or as directed by the THE COMPANY. The THE COMPANY may require that the industry apply for an Industrial Waste Discharge Permit or for an amendment of an existing permit, as provided in RULE 9 of these Rules and Regulations.

Section 8.03. Admission to Property

Whenever it shall be necessary for the purposes of implementing the requirements of these Rules and Regulations, any duly authorized employees or representatives of THE COMPANY, upon the presentation of credentials and identification, shall at any time be permitted to enter all properties to inspect, observe, measure, sample, test or monitor any discharge of wastewater to the Treatment Works or records thereof, in accordance with the provisions of these Rules and Regulations.

Section 8.04. User Held Harmless

While performing the necessary work on private properties referred to in Section 8.03, duly authorized employees or representatives of THE COMPANY shall observe all reasonable safety rules applicable to the premises established by the user or owner of which employees or representatives have been provided notice.

Section 8.05. Control Manhole

When required by the THE COMPANY, the user shall install a suitable control manhole together with such necessary meters and other appurtenances in the building sewer as may be approved by THE COMPANY to facilitate observation, sampling, and measurement of the wastewater. Such manhole or other appurtenances, when required, shall be accessibly and safety located, and shall be constructed in accordance with plans approved by the THE COMPANY. The control manhole shall be installed by the user at his expense, and shall be maintained by him so as to be safe and accessible to THE COMPANY representatives at all times. If the user does not maintain the control manhole and the equipment in it in a satisfactory condition as determined by THE COMPANY, THE COMPANY shall maintain them at the user's expense.

Section 8.06. Measurements and Tests

All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in these Rules and Regulations shall be determined in accordance with Section 10.03 of these Regulations and shall be determined at the control manholes provided. In the event that no special control manhole has been required, the control manhole shall be considered to be the nearest downstream manhole in the public sewer to the point at which the building sewer is connected. Sampling shall be carried out by standard test methods in the waste treatment industry, to reflect the effect of constituents upon the Treatment Works and to determine the existence of hazards to life, limb and property.

Section 8.07. Submission of Plans

Where pretreatment or equalization of wastewater flows or control of time of discharge prior to discharge into any part of the Treatment Works is required, the user shall notify the THE COMPANY, and plans, specifications, and other pertinent data prepared by an Engineer licensed in the Commonwealth of Pennsylvania or information relating to such pretreatment or flow-control facilities shall be submitted by the user to the THE COMPANY for review and approval. Such approval shall not exempt the discharge of such facilities from compliance with any applicable code, ordinance, rule, regulation or order of any governmental authority. Any subsequent modifications to such pretreatment or flow-control facilities shall not be made without due notice to and prior approval of THE COMPANY.

Section 8.08. Pretreatment Facilities Operations

Pretreatment facilities shall be maintained in good working order and operated efficiently by the user at his/her own costs and expense, subject to the requirements of these Rules and Regulations and all other applicable local, State and Federal codes, ordinances, and laws.

Section 8.09. Accidental Discharges

Each user shall provide protection from accidental discharge of prohibited materials or other substances regulated by these Rules and Regulations to the Treatment Works. Facilities to prevent accidental discharge of prohibited materials shall be provided and maintained at the user's own expense. Detailed plans showing facilities and operating procedures to provide this protection shall be submitted to THE COMPANY for review and shall be approved prior to construction of the facility. All existing users shall complete such a plan at least sixty (60) days before scheduled start of construction of the facility. If any pretreatment or control facilities are in existence when these Regulations are adopted, the user shall submit drawings along with the plan mentioned above. No user who commences contribution to the Treatment Works after the effective date of

these Rules and Regulations shall be permitted to introduce pollutants into the system until accidental discharge procedures have been approved by the THE COMPANY. Review and approval of such plans and operating procedures shall not relieve the user from the responsibility of modifying the facility as necessary to meet the requirements of these Rules and Regulations.

1. Telephone Notice: In the case of an accidental discharge to the THE COMPANY Treatment Works or, if for any reason a user does not comply, or will be unable to comply, with any prohibition or limitation in these Rules or Regulations, the user responsible for such discharge shall immediately telephone and notify THE COMPANY of the incident or non-compliance. (See telephone numbers and addresses in Appendix B). The notification shall include location of discharge, type of waste, concentration and volume. Furthermore, such user shall take immediate action to prevent interference with the treatment process or damage to the Treatment Works.
2. Written Notice: Within five (5) days following an accidental or non-complying discharge to the THE COMPANY Treatment Works, the user shall submit to THE COMPANY a detailed written report describing the date, time and cause of the discharge, the quantity and characteristics of the discharge and corrective action taken at the time of the discharge, and the measures to be taken by the user to prevent similar future occurrences. Such notification shall not relieve the user of any expense, loss, damage, or other liability which may be incurred as a result of damage to the Treatment Works, fish kills, or any other damage to person or property; nor shall such notification relieve the user of any fines, civil penalties, or other liability which may be imposed by this RULE or other applicable law.
3. Notice to Employees: A notice shall be permanently posted on the user's bulletin board or other prominent place advising user's employees whom to call in the event of a dangerous discharge to the THE COMPANY Treatment Works. Employers shall insure that all employees who may cause or suffer such a dangerous discharge to occur are advised of the emergency notification procedure.

RULE 9 - DISCHARGE PERMIT SYSTEM

Section 9.01. Permitted Discharges

No significant industrial user shall discharge industrial wastes into the Treatment Works without first obtaining an Industrial Waste Discharge Permit from THE COMPANY. Issuance or denial of an Industrial Waste Discharge Permit shall be a final administrative action of the THE COMPANY.

Section 9.02. New Users

New users which desire to discharge industrial wastewater into the Treatment Works or existing industrial users which desire to commence operations of a new facility or a new or different process that will affect the characteristics of the industrial wastewater discharging into the Treatment Works, shall notify THE COMPANY prior to the commencement of the new or different operations at the facility and provide such other information regarding the proposed discharge as THE COMPANY may request, including an application for an Industrial Waste Discharge Permit when deemed necessary.

Section 9.03. Compliance with Permit Conditions

Any user issued an Industrial Waste Discharge Permit or other permit provided for by these Rules and Regulations shall abide by all of the provisions, conditions and terms of the permit, and a violation thereof shall be a violation of these Rules and Regulations. If a user objects to any term or condition of a permit it may appeal the specific terms and conditions to the THE COMPANY as provided in RULE 13 of these Rules and Regulations.

Section 9.04. Types of Permits

THE COMPANY may issue wastewater discharge permits other than Industrial Waste Discharge Permits to special classes of dischargers in order to regulate the wastewater characteristics, duration, time of discharge, or other things necessary to achieve the purposes of these Rules and Regulations. The terms and conditions of such permits may be determined by THE COMPANY at its sole discretion. These special permits may be denoted by any appropriate caption except "sewer discharge permit" or "Industrial Waste Discharge Permit" so as to distinguish them from these types of permits. Issuance of a special permit under this section shall be a final administrative action; denial of a special permit shall not be a final administrative action and a user may, upon such a denial, apply for an Industrial Waste Discharge Permit. When determined to be appropriate or necessary, THE COMPANY may, in lieu of issuing a permit, enter into a contract or agreement with a discharger for the control of the discharge. Special permits shall not be issued to Significant Industrial Users.

Section 9.05. Renewal of Industrial Waste Discharge Permit

1. If a permittee wishes to continue discharging Industrial Wastewater to the Treatment Works, it shall request a renewal of its Industrial Waste Discharge Permit no less than three (3) months prior to the expiration

date of the permit then in force. The request shall be contained in a form prepared by THE COMPANY. Renewal of the permit shall be contingent upon the permittee having complied with the terms and conditions of the expired permit. Renewal or denial of renewal of a permit is a final administrative action.

2. If a request for renewal is timely made and complete, and the permit is not renewed by the expiration date by reason of delay caused by THE COMPANY, then the existing permit shall continue in full force and effect until THE COMPANY issues a new permit or notifies the user that the permit has expired and will not be renewed. Failure to timely renew an Industrial Waste Discharge Permit is not a final administrative action.

Section 9.06. Duration of Industrial Waste Discharge Permits

The Permit expiration date will be as indicated in the permit. Permits will not be issued for a term of more than five (5) years. Except as provided in Section 9.05 (relating to extension of permits upon delay in renewal), upon expiration of a permit the right to discharge industrial wastewater ceases and such a discharge is a violation of these Rules and Regulations as if the permit had not been obtained. Expiration of a permit is not a final administrative action.

Section 9.07. Changes to Industrial Waste Discharge Permits

Any user that proposes to make any changes in its facility or processing which significantly affects either the quality or quantity of its discharge to the Treatment Works shall notify THE COMPANY as provided in Section 8.02 of these rules. Upon notice from THE COMPANY, the user shall apply for an amended permit. Forms may be procured from THE COMPANY.

Section 9.08. Transfer of Industrial Waste Discharge Permits

Industrial Waste Discharge Permits are issued to a specific user for a specific operation and are not transferable. An Industrial Waste Discharge Permit shall not be reassigned or transferred or sold to a new user, or a new or changed operation. The permittee shall notify THE COMPANY of any plans to transfer a facility to a new owner or operator, and shall notify the new owner or operator of the existence of an Industrial Waste Discharge Permit and the requirements of this resolution. The new user shall be governed by the provisions of Section 9.02 of this RULE.

Section 9.09. Procedure for Obtaining an Industrial Waste Discharge Permit

Persons required to obtain an Industrial Waste Discharge Permit shall complete a THE COMPANY application form and forward it to THE COMPANY. The application shall be approved if the THE COMPANY, in its sole judgment,

determines that applicant has complied with all applicable requirements of these Rules and Regulations and furnished to THE COMPANY all requested information, and if THE COMPANY determines that there is adequate hydraulic and/or treatment capacity in the Treatment Works to convey, treat and dispose of the wastes. An application submitted shall be signed by an Authorized Representative of a user. An application signed by an individual other than an Authorized Representative shall include a corporate resolution or other evidence of authorization satisfactory to THE COMPANY granting the individual the authority to make the application on behalf of the user and to commit to compliance with the Rules and Regulations.

Section 9.10. Industrial Waste Discharge Permit Conditions

Discharge permits shall be issued with the following applicable conditions:

1. Monitoring requirement for surcharge;
2. Monitoring requirements for pretreatment;
3. Monitoring requirements for flow;
4. Prohibitions and limitations on wastewaters discharged to the sewer (including pretreatment requirements);
5. Compliance schedules;
6. Reporting requirements;
7. Management requirements and responsibilities;
8. Special conditions applicable to users on a case-by-case basis.

The terms and conditions of the permit may be subject to modification and change by THE COMPANY during the life of the permit, as limitations or requirements as identified in Section 7.04 are modified and changed. The user shall be informed of any proposed changes in his permit at least thirty (30) days prior to the effective date of change. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.

Section 9.11. Suspension or Revocation of Permits

THE COMPANY may suspend or revoke a Sewer Discharge Permit or an Industrial Waste Discharge Permit in accordance with RULE 13, Violation and Enforcement Procedures, of these Rules and Regulations.

RULE X WASTEWATER MONITORING AND REPORTING REQUIREMENTS FOR USERS WITH INDUSTRIAL WASTE DISCHARGE PERMITSSection 10.01. Reporting Requirements

1. All users subject to pretreatment standards and requirements shall comply with the applicable reporting requirements contained in 40 CFR 403.
2. Compliance Reports for Industrial Users Subject to Categorical Standards. Any user subject to Categorical pretreatment standards shall submit to THE COMPANY and to EPA the reports required by 40 CFR Section 403.12, including a baseline monitoring report and a report on compliance with the Categorical Standard deadline. For purposes of reporting compliance with Categorical Pretreatment Standards, EPA is the "Control authority" described in the Federal regulations, but copies of all such reports shall be provided to THE COMPANY.
3. Periodic Discharge Reports. Every Significant Industrial User shall submit a periodic discharge report to THE COMPANY during the months of June and December, unless required more frequently in a pretreatment standard or by THE COMPANY. At the discretion of THE COMPANY and in consideration of such factors as local high or low flow rates, holidays, budget cycles, and similar matters, THE COMPANY may alter the months during which the above reports are to be submitted. THE COMPANY may require any other industrial users discharging or proposing to discharge into the treatment works to file such periodic reports. The discharge report shall include such information regarding the operation of the facility, quality and quantity of discharge, permit compliance status, planned changes in the process or operation, and other information as THE COMPANY may require. THE COMPANY shall provide a form for use in submitting periodic reports.

Section 10.02. Records and Monitoring

1. All users who discharge or propose to discharge Industrial Wastewater to the Treatment Works shall maintain such records of production and related factors, effluent flows, and pollutant amounts or concentrations as are necessary to demonstrate compliance with the requirements of these Rules and Regulations and any applicable State or Federal pretreatment standards and requirements.
2. Such records shall be made available upon request by THE COMPANY. All such records relating to compliance with pretreatment standards shall be made available to officials of the Department and the EPA upon demand. A summary of such data indicating the user's compliance with

these Rules and Regulations shall be prepared and submitted to THE COMPANY. All records shall be retained for a minimum of three (3) years.

3. Any user discharging Industrial Wastewater into the treatment works shall install at the user's own cost and expense suitable monitoring equipment to facilitate the accurate observation, sampling, and measurement of wastewater, as required. Such equipment shall be maintained in proper working order and kept safe and accessible at all times. THE COMPANY shall determine what, if any, equipment is required.
4. Whether constructed on public or private property, the monitoring facilities shall be constructed in accordance with THE COMPANY requirements and all applicable construction standards and specifications. Plans and specifications for all such work will be submitted to THE COMPANY for approval prior to construction.

Section 10.03. Inspection, Sampling and Analysis

1. Representative Sampling Point. All users proposing to discharge or intending to continue to discharge industrial wastewater to any part of the Treatment Works must make available a sampling point representative of the discharge, which is acceptable to, and approved by, THE COMPANY. This point must be available to THE COMPANY, the Department, or EPA for purposes of conducting sampling inspections, compliance monitoring and/or metering operations.
2. Compliance Determination. Compliance determinations by THE COMPANY with respect to RULE 7 of these Rules and Regulations shall be made on the basis of representative samples obtained and analyzed as provided by these Rules and Regulations and the Industrial Waste Discharge Permit. THE COMPANY may obtain the necessary samples or may, by means of a requirement in an Industrial Waste Discharge Permit or other permit, require an industrial user to obtain samples and report the results.
3. Analysis of Industrial Wastewaters. Sampling, sample handling and preservation, and laboratory analyses of industrial wastewater samples shall be performed in accordance with EPA regulations in 40 CFR Part 136. Analysis of those pollutants not provided for in the EPA rules shall be performed in accordance with procedures approved by THE COMPANY.
4. Sampling Frequency. Sampling of industrial wastewater for the purpose of compliance determinations with respect to RULE 7 of these Rules and Regulations will be done at such intervals as THE COMPANY may designate. Sampling to determine compliance with Categorical

Pretreatment Standards shall be performed as required by the applicable standard. However, it is the intention of THE COMPANY to conduct compliance sampling or to cause such sampling to be conducted for all significant industrial users at least once in every calendar year.

Section 10.04. Pretreatment; Facility Operation; Regulation of Bypasses

1. Users shall provide necessary wastewater pretreatment as required to comply with these Rules and Regulations and shall achieve compliance with all applicable Federal Categorical Pretreatment Standards within the time limitations as specified by the Federal Pretreatment Regulations. Any facilities required to pretreat wastewater to a level acceptable to THE COMPANY shall be provided, operated and maintained at the user's expense. Detailed plans showing the pretreatment facilities and operating procedures shall be provided as prescribed by Section 8.07 of these Regulations. The review of such plans and operating procedures by THE COMPANY will in no way relieve the user from the responsibility of modifying the facility as necessary to produce an effluent acceptable to THE COMPANY under the provisions of these Rules and Regulations. Any subsequent changes in the pretreatment facilities or method of operation shall be reported to and be acceptable to THE COMPANY prior to the user's initiation of the changes.
2. If pretreatment facilities are necessary to achieve the limitations imposed by an industrial wastewater discharge permit, such facilities shall be properly operated at all times, and Bypass of a pretreatment system that will result in a violation of any Pretreatment Standard or Requirement is prohibited unless the Bypass is necessary to protect or preserve human life, or to avoid severe property damage. If such a Bypass occurs, the reporting requirements for an accidental spill, set forth in Section 8.09 of these Rules and Regulations shall be followed.
3. A Bypass is not permitted for maintenance or repair purposes, unless:
 - a. the Industrial Waste discharged during the period of Bypass will continue to meet all applicable requirements and limitations, and
 - b. The planned Bypass is reported to THE COMPANY at least three (3) calendar days prior to the activity, and observation and sampling of the discharge is provided by the user as may be requested by THE COMPANY.

Section 10.05. Confidential Information

Information and data on a user obtained from reports, questionnaires, permit applications, permits and monitoring programs and from inspections shall be available to the public or other governmental agency without restriction unless the user specifically requests and is able to demonstrate to the satisfaction of THE COMPANY that the release of such

information would divulge information, processes or methods of production entitled to protection as trade secrets of the user. When requested by the person furnishing a report, the portions of a report which might disclose trade secrets or secret processes shall not be made available for inspection by the public but shall be made available upon written request to the EPA and/or the Department for uses related to these Rules and Regulations, the National Pollutant Discharge Elimination System (NPDES) and the State or Federal Pretreatment Programs; provided, however, that, such portions of a report shall be available for use by the State in judicial review or enforcement proceedings involving the person furnishing the report. Wastewater constituents and characteristics will not be recognized as confidential information. Information accepted by THE COMPANY as confidential shall not be transmitted to any governmental agency by THE COMPANY until and unless a ten-day notification is given to the user. Provided, however, that in no event shall THE COMPANY be required to maintain any information received from a user as confidential if THE COMPANY shall be required by law, ruling, court order, statute or other legal authority to disclose such information.

RULE 11 - TERMS OF PAYMENT

1. All bills will be rendered quarterly for the period immediately preceding the date of the bill. Bills shall be determined according to the rates in the Schedule of Rates and Charges based upon metered water consumption or in the case of municipal interconnections as mutually agreed upon. In every case where a meter fails to register, a bill will be rendered based on average consumption for the previous twelve (12) months, or average consumption for the total period of service, whichever is shorter.
2. Bills for new services and final bills will be computed for the initial or final period of water use according to the Schedule of Rates and Charges on the actual consumption or a pro-rated minimum, whichever is greater. The minimum charge shall be pro-rated on a daily basis for the quarter in which service is established or terminated.
3. Where special service rates are fixed, or cost of service of any kind is estimated, payment must be made at the time application is submitted and before the service is granted.

Section 11.02. Bills Due and Payable

1. All sewer bills must be paid within thirty (30) days of the date of the bill.
2. Charges for connections, uses, and special services shall be payable on demand.

3. A penalty of 1.5 percent will be added to all bills unpaid by the due date.
4. The use of sewer service by the same customer in different premises or localities will not be combined and each installation shall be billed separately.

Section 11.03. Bills of Doubtful Accuracy

Any customer, upon receipt of any bill, having reason to doubt its accuracy, shall bring or mail such bill, within seven (7) days of its date, to THE COMPANY's office for investigation. THE COMPANY will thereupon check the billing in question and either confirm the original billing or issue a corrected bill. In either case, the due date will be adjusted by the time required to check and re-issue the bill.

Section 11.04. Failure to Receive Bill

Failure to receive a bill shall not exempt any customer from the obligation to pay the bill.

Section 11.05. No Waiver or Reduction of Rates or Fees

THE COMPANY will not waive or reduce any rate or fee set forth in its Schedule of Rates and Charges as established now or in the future unless such waiver or reduction is necessitated by an act for which THE COMPANY has direct responsibility.

RULE 12 - EXTENSION OF SERVICE

(RESERVED)

RULE 13 - VIOLATIONS AND ENFORCEMENT PROCEDURESSection 13.01. Notice of Violation

Whenever THE COMPANY finds that any user has violated or is violating these Rules and Regulations, or any prohibition, limitation or requirement contained herein or in an Industrial Waste Discharge Permit, THE COMPANY may serve upon such user a written notice stating the nature of the violation and providing a reasonable time for the satisfactory correction thereof. The requirements and conditions of such a notice shall be a

pretreatment requirement under these Rules and Regulations, and shall be subject to such enforcement action as allowed by law for the enforcement of the pretreatment program. Issuance of a notice of violation shall be final administrative action of THE COMPANY when it requires action on the part of the user.

Section 13.02. Damages

Any user violating any of the provisions of these Rules and Regulations shall become liable to THE COMPANY for any expense, loss, or damage occasioned by THE COMPANY by reason of such violation, whether incidental or consequential.

Section 13.03. Suspension of Service or Permit

1. THE COMPANY may suspend the wastewater treatment service, an Industrial Waste Discharge Permit, or the sewer discharge permit of a user where:
 - a. The user neglects to make payments of any charges against the property.
 - b. In the opinion of THE COMPANY it is necessary to stop an actual or threatened discharge which:
 - (1) presents, or may present, an imminent or substantial endangerment to the health, safety or welfare of any person, including THE COMPANY personnel, any property, or to the environment;
 - (2) causes or contributes to any Interference or Pass Through; or
 - (3) causes, or could cause, THE COMPANY to violate any condition of its NPDES permit.
 - c. The user fails to factually report the wastewater constituents and characteristics of its discharge;
 - d. The user fails to report significant changes in its operations, or wastewater constituents and characteristics;
 - e. The user fails to provide reasonable access to its premises for the purpose of inspection or monitoring; or,
 - f. There is a violation of provisions of these Rules and Regulations or applicable Federal or State regulations pertaining to the reporting, discharging, treatment or pretreatment of wastewater.The suspension shall be a final administrative action

2. Any user notified of a suspension of its wastewater treatment service and/or a discharge permit shall immediately stop or eliminate the endangering discharge or otherwise correct the violation which prompted the suspension. In the event of a failure of a person to comply voluntarily to correct the violation, THE COMPANY shall take such steps as deemed necessary, including severance of the sewer connection without prior notice, to prevent or minimize damage to the POTW system or endangerment to the health, safety or welfare of any persons. THE COMPANY shall reinstate the suspended permit and/or the wastewater treatment service upon proof of the elimination of the non-complying discharge. A detailed written statement submitted by the user describing the causes of the harmful discharge and the measures taken to prevent any future occurrence shall be submitted to THE COMPANY prior to reinstatement.

Section 13.04 Publication of Industrial Users in Significant Non-compliance

THE COMPANY may, at its discretion, annually publish in the largest newspaper published in THE COMPANY's service area, or in such other public forums as may be appropriate, a list of the users which, during the previous twelve (12) months, were in significant non-compliance, as defined by 40 CFR ' 403.8(f)(2)(vii).

Section 13.05. Legal Action

Any user violating any of the provisions of these Rules and Regulations or falsifying any information required by THE COMPANY of the user pursuant to these Rules and Regulations shall be subject to the following actions:

1. A civil suit may be instituted in the Court of Common Pleas of Chester County for injunctive or other equitable relief to prohibit and prevent such violation; or
2. A penalty may be collected in a civil action by summary proceeding under the laws of the City of Coatesville or the Commonwealth of Pennsylvania.

RULE 14 - PROTECTION FROM DAMAGE

Section 14.01. Damage

No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, or tamper with any structure, appurtenance, or equipment which is a part of the sewer system. THE COMPANY will take appropriate action against any person violating this provision.

Section 14.02. Emergency Termination of Service

If a violation consists of the discharge of an explosive or flammable material or any other material which is highly toxic or creates a toxic gas so that there is imminent danger to the personnel, property or treatment process of THE COMPANY, or to the public or the environment, then THE COMPANY shall take whatever action is necessary to halt service and to protect life and property.

RULE 15 - FEES

Section 15.01. Purpose

It is the purpose of this section to establish fees for users of THE COMPANY's wastewater treatment and sludge disposal system and to provide for the recovery of costs associated with the implementation. The applicable charges or fees shall be set forth in THE COMPANY's Schedule of Charges and Fees.

Section 15.02. Charges and Fees

THE COMPANY may adopt charges and fees, which may include:

1. Fees for reviewing accidental discharge procedures and construction;
2. Fees for permit applications;
3. Tapping fees;
4. Connection fees;
5. Fees to compensate THE COMPANY for the cost of testing, monitoring and/or inspection required at the user's property;
6. Other fees as THE COMPANY may deem necessary to carry out the requirements contained herein.

These fees relate solely to the matters covered by these Rules and Regulations and are separate from all other fees chargeable by THE COMPANY.

RULE XVI - SURCHARGESSection 16.01. Surcharges

1. Any user discharging wastewater into the Treatment Works in which the concentrations of any of the substances listed in this section shall be greater than the indicated value when measured at the user's metering station(s) or at the user's control manhole, shall be subject to a Surcharge for the acceptance and treatment of such wastewater. In addition, THE COMPANY may establish concentration limits for the Surcharge of any other constituent, which requires special or excessive expenditures by THE COMPANY to adequately accept or treat.
2. The amount of the Surcharge for each constituent shall be as determined by THE COMPANY, taking into account the flow and concentration of the constituent in the wastewater and the costs of treatment, solids handling, pumping, energy, manpower and other costs associated with the acceptance and treatment of the constituents in excess of the Surcharge concentration limit. The Surcharge for the acceptance, conveyance, and treatment of the Wastewater shall be in addition to any other charges and fees billed to the user and shall be included in the total bill for the billing period.

3. Surcharge Limits. Surcharges shall be imposed for the following:
- a. BOD - 400 mg/L
 - b. TSS - 400 mg/L
 - c. Ammonia-nitrogen - 35 mg/L
 - d. Phosphorus - 8 mg/L

RULE XVII - MISCELLANEOUS

Section 17.01. Access by THE COMPANY Personnel

Any authorized employee of THE COMPANY, upon presentation of credentials, shall be provided with access at all reasonable hours to any premises supplied with sewer service, for the purpose of reading meters, making inspections or repairs and securing such other information as may be deemed necessary by THE COMPANY. Upon neglect or refusal on the part of the customer to provide such access to the premises, service may be discontinued, and in that case, THE COMPANY will not be liable for any damages or inconveniences suffered by the customer.

Section 17.02. Discontinuance of Service at Customer's Request

1. When the premises are vacated, the customer must make a written request to THE COMPANY for discontinuance of sewer service. The customer will be responsible for payment of all sewer charges until the water service is disconnected. THE COMPANY has the right to require installation of such valves at the customer's expense before discontinuing service. When service is discontinued, the water meter will be removed. Meters will be re-installed upon the completion of a new contract for water and sewer service for the premises involved.
2. The customer may request a temporary discontinuance of sewer service without removal of meter at no charge but the monthly minimum sewer service charge shall continue during the period of discontinuance. The customer may request the removal of the water meter and discontinuance of sewer service in order to suspend minimum charges during the period of discontinuance in accordance with THE COMPANY Rules and Regulations relating to water service.

Section 17.03. Policy and Standards for Plumbing Fixtures and Fittings

1. General Policy. No public sewer service shall be provided to, supplied to, or utilized for internal or external use to or by any residential, commercial, industrial, agricultural, recreational, governmental, or public building or structure of any kind or nature whatsoever, which are, constructed or remodeled and in which plumbing, water piping or

water fixtures are to be installed, extended or altered in any way, and for which a permit for such construction or remodeling is to be obtained from a municipality served by THE COMPANY (or for public or governmental agencies) unless the new, extended or altered plumbing, water piping and/or other water using fixtures therein conform to the requirements and standards set forth herein.

2. Water Conservation and Performance Standards for Plumbing Fixtures and Fittings
 - a. Toilets, Water Closets, and Associated Flushing Mechanisms. The water consumption of toilets, water closets, and/or other associated flushing mechanisms shall not exceed an average of 1.6 gallons per flush cycle over a range of test pressures from 20 to 80 psi, and, in addition, all such fixtures shall perform in accordance with the test requirements of the American National Standards Institute (ANSI) A112.19.2M and ANSI A112.19.6M.
 - b. Urinals and Associated Flushing Mechanisms. The water consumption of urinals and associated flushing mechanisms shall not exceed an average 1.5 gallons per flush cycle over a range of test pressures from 20 to 80 psi. The fixtures shall perform in accordance with the requirements of ANSI A 112.19.2M and ANSI A112.19.6M.
 - c. Shower Heads. The maximum discharge rate of shower heads shall not exceed 3.0 gallons of water per minute over a range of test pressures from 20 to 80 psi. The fixtures shall perform in accordance with the test requirements of ANSI A112.18.1 M.
 - d. Faucets. Sink and lavatory faucet discharge rates shall not exceed 3.0 gallons of water per minute over a range of test pressures from 20 to 80 psi. The fixtures shall perform in accordance with the test requirements of ANSI A112.18.1 M.
3. Special Provisions. These performance standards, shall not apply to fixtures and fittings for emergency purposes, including but not limited to emergency showers, aspirator faucets, blowout fixtures, etc., which, in order to perform a specialized function, cannot meet the standards specified above.
4. Exemptions. Any person or entity (through its duly authorized agent or representative) may apply in writing to THE COMPANY for an exemption from any provision herein, which said exemption may, but need not be, granted by THE COMPANY upon proper proof that some other device, system or procedure will save as much (or more) water as those set forth herein, or that compliance with those set forth herein cannot be effectuated without undue hardship. No exemption shall be granted unless the municipality having jurisdiction over the applicant has first granted the same exemption from its ordinance.

5. Certifications. The plumbing fixtures and fittings required by this Resolution shall be certified and labeled by the manufacturer as meeting the Water Conservation Performance Standards of this Resolution. All certifications shall be based on independent test results and plumbing fixtures and fittings shall be labeled in accordance with ANSI A112.18.1 M and ANSI A112.19.2M.
6. Municipal Compliance by Ordinance. Municipalities provided public sewer service by THE COMPANY shall document that regulations consistent with the above standards have been adopted with their jurisdictions. Such documentation shall be a condition for continued service, sewer service contract extension, or increased sewer treatment allocation. Reference to this Policy and these Standards shall be included in all sewer service agreements to which THE COMPANY is a party.

RULE 18 - ENACTMENT OF THIS RESOLUTION

Section 18.01. Amendments

THE COMPANY reserves the right to amend these Rules and Regulations or to adopt additional Rules and Regulations from time to time as it shall deem necessary for the operation, maintenance and protection of the sewer system, for meeting revised standards of influent or effluent quality of any regulatory agencies having jurisdiction in this regard, or for any other reason THE COMPANY deems is desirable or necessary for performing its functions. Any such amendments or additions shall become effective within fifteen (15) days of their issuance by THE COMPANY or as may specifically be required by any Federal or State regulatory agency having jurisdiction.

Section 18.02. Savings Clause

In the event that any provisions, section, sentence, clause or part of these Rules and Regulations shall be held to be invalid, such invalidity shall not affect or impair any remaining provisions, section, sentence, clause or part of these Rules and Regulations, it being the intent of THE COMPANY that such remainder shall be and shall remain in full force and effect.

LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

NEW YORK
WASHINGTON, D.C.
ALBANY
BOSTON
DENVER
HARRISBURG
HARTFORD
HOUSTON
JACKSONVILLE
LOS ANGELES
NEWARK
PITTSBURGH
SALT LAKE CITY
SAN FRANCISCO

200 NORTH THIRD STREET
SUITE 300
P.O. BOX 12105
HARRISBURG, PA 17108-2105
(717) 232-8199
FACSIMILE: (717) 232-8720

LONDON
(A LONDON-BASED
MULTINATIONAL PARTNERSHIP)
PARIS
BRUSSELS
MOSCOW
RIYADH
(AFFILIATED OFFICE)
TASHKENT
BISHKEK
ALMATY
BEIJING

DOCUMENT
FOLDER

DIAGONAL

April 24, 2001

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120-3265

A-212285 F71

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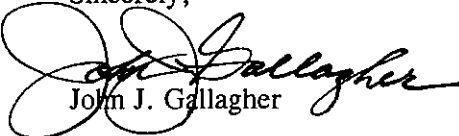
Re: Application of Pennsylvania-American Water Company
Docket Nos. A-212285F0071, A-230073F0002

Dear Secretary McNulty:

Pursuant to Paragraph 23 of the Commission's Order in the above captioned matter, issued February 13, 2001, Pennsylvania-American Water Company ("PAWC") was directed to prepare and submit a map and a metes and bounds description of the territory acquired from the City of Coatesville Authority. Said map and description was to be submitted within sixty (60) days of the closing date, which occurred on March 22, 2001. Enclosed please find three (3) copies of said map and metes and bounds description. These documents comport with the Stipulation of Partial Settlement between PAWC and Philadelphia Suburban Water Company which was approved by the Commission in its February 13, 2001 Order.

Copies of the maps and accompanying metes and bounds description have been forwarded to the parties listed on the attached certificate of service. Should you have any questions concerning this matter please contact me at your convenience.

DOCUMENT
FOLDER

Sincerely,

John J. Gallagher

JJG/klf

Enclosure

cc: Certificate of Service
Ms. Velma Redmond, Esquire
Mr. Bernie Grundusky

37

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American Water :
 Company for Approval of (1) The Transfer, By Sale, :
 of Substantially All of the Water Works Property :
 And Rights of the City of Coatesville Authority :
 Water System to Pennsylvania- American Water :
 Company, and (2) The Rights of Pennsylvania- :
 American Water Company to Begin to Offer or :
 Furnish Water Service to the Public in all of the City :
 of Coatesville, Parkesburg Borough, and South :
 Coatesville Borough, Chester County, Pennsylvania :
 and Portions of Sadsbury Township, Caln Township, :
 East Fallowfield Township, Valley Township, Atglen :
 Borough, West Sadsbury Township, and West Caln :
 Township, Chester County, Pennsylvania and :
 Quarryville Borough, Bart Township, Colerain :
 Township, Eden Township and Sadsbury Township, :
 Lancaster County, Pennsylvania; and (3) Certain :
 Additional Regulatory Approvals :

Docket No. A-212285F0071

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 SECRETARY'S BUREAU

Application of Pennsylvania-American Water :
 Company for Approval of (1) the Transfer, by :
 Sale, of Substantially All of the City of :
 Coatesville Authority's Assets, Properties and :
 Rights Related to its Wastewater System to :
 Pennsylvania-American Water Company; and (2) :
 The Right of Pennsylvania-American Water :
 Company to Begin to Offer or Furnish :
 Wastewater Service to the Public in the City of :
 Coatesville and Parkesburg Borough, Chester :
 County, Pennsylvania and Portions of Caln :
 Township, East Fallowfield Township, Valley :
 Township, Sadsbury Township, and West :
 Sadsbury Township, Chester County, :
 Pennsylvania; and (3) Certain Additional :
 Regulatory Approvals :

Docket No. A-230073F0002

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing documents was served upon the participants listed below on April 24th, 2001, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54:

One (1) copy via First Class Mail on April 24, 2001:

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Pennsylvania Public Utility Commission
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Harrisburg, PA 17105-3265

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Senior Assistant Consumer Advocate
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West Chester, PA 19380-3090

Wayne G. Reed, Executive Director
City of Coatesville Authority
114 East Lincoln Highway
P.O. Box 791
Coatesville, PA 19320

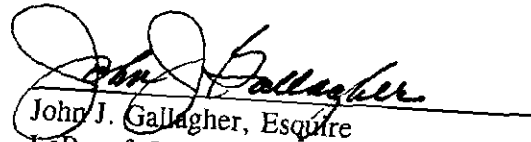
Paul G. Janssen, Jr., City Manager
City of Coatesville
One City Hall Place
Coatesville, PA 19320

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P.O. Box 3449
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Ronald C. Nagle, Esq.
Kristin C. Camp, Esq.
Buckley, Nagle, Gentry, Brion, McGuire and
Morris, LLP
304 North High Street
West Chester, PA 19380-2688

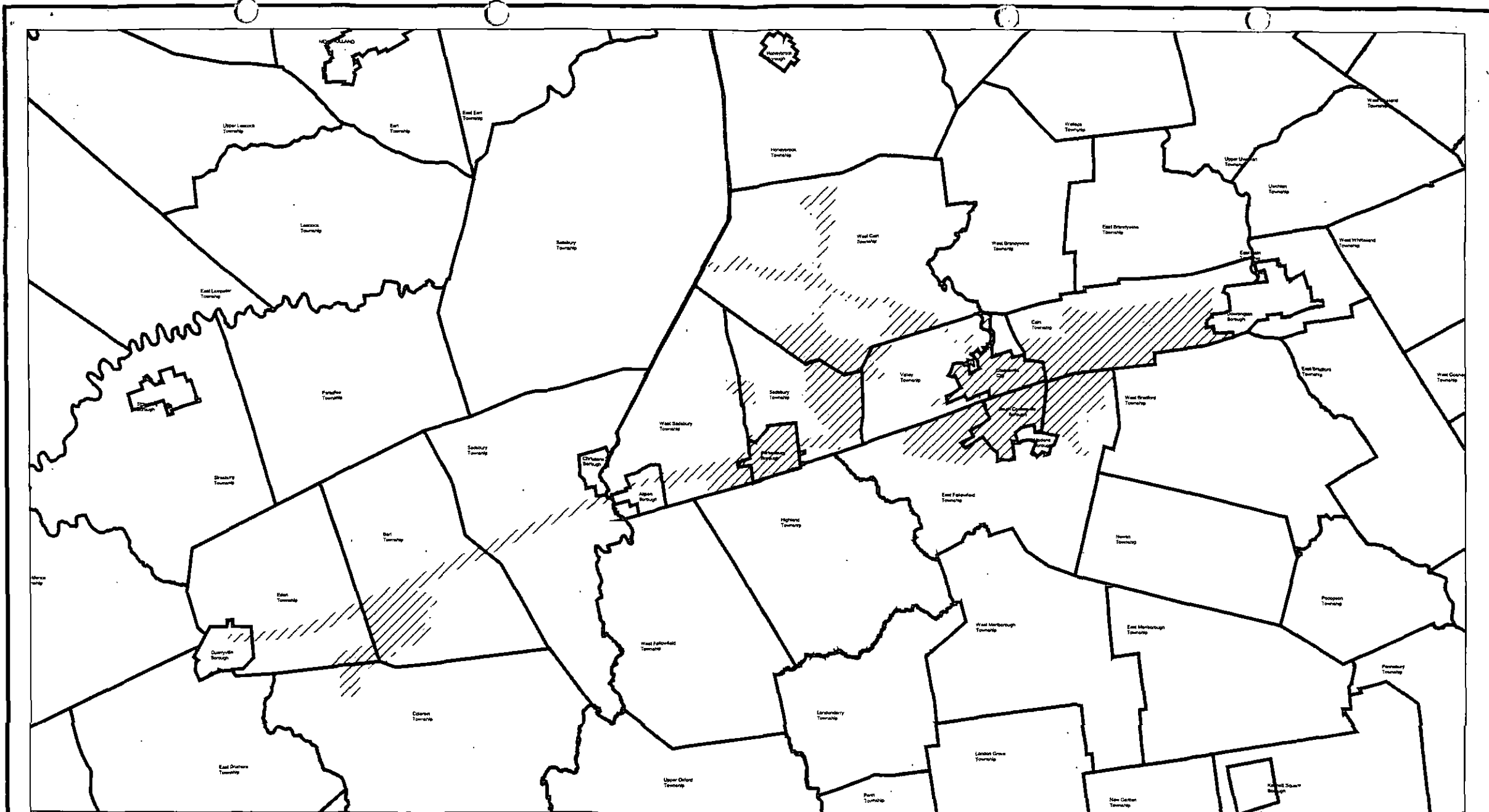
Ernest E. Campos, Sr.
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P.O. Box 495
Coatesville, PA 19320

Mark Kropilak, Esq.
Philadelphia Suburban Water Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010-3489


John J. Gallagher, Esquire
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-12105
(717) 232-8199

**Counsel for Pennsylvania-American Water
Company**

DATE: April 24, 2001



Water System Service Area

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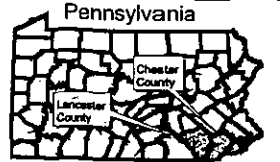
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2. East Fallowfield Township
3. West Caln Township
4. Coatesville City / Coatesville Borough / Valley Township
5. Atglen Borough / Sadsbury Township / West Sadsbury Township / Parkesburg Borough
6. Bart Township / Sadsbury Township
7. Eden Township / Colerain Township / Quarryville Borough

GIS Map prepared by

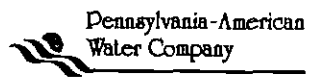
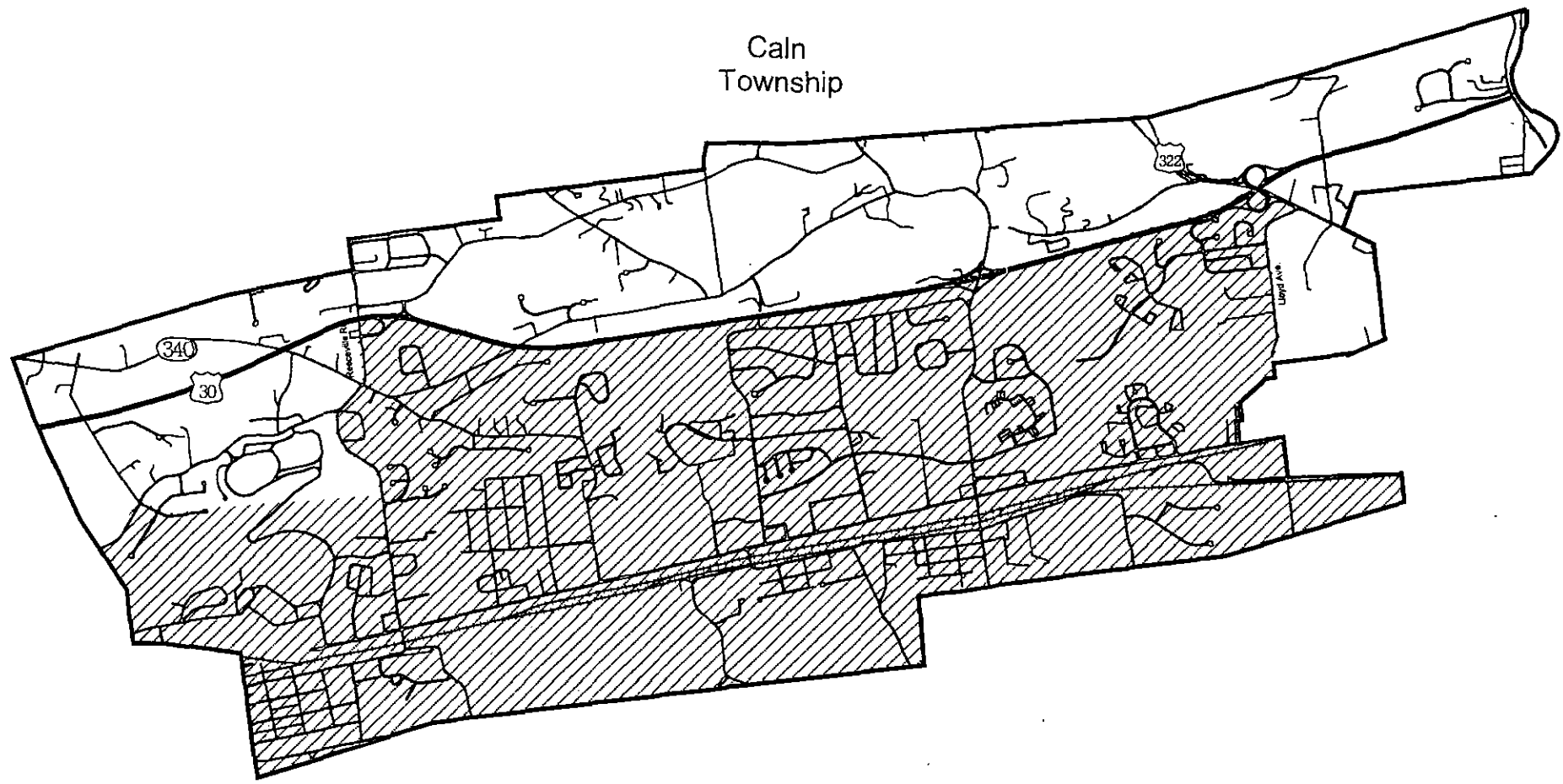


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




Cain
Township



Cain Township
Water System Service Area

Map Features

-  Municipal Boundary
-  Railroad
-  Road, Street
-  Service Area

GIS Map prepared by

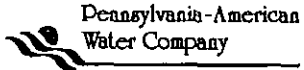
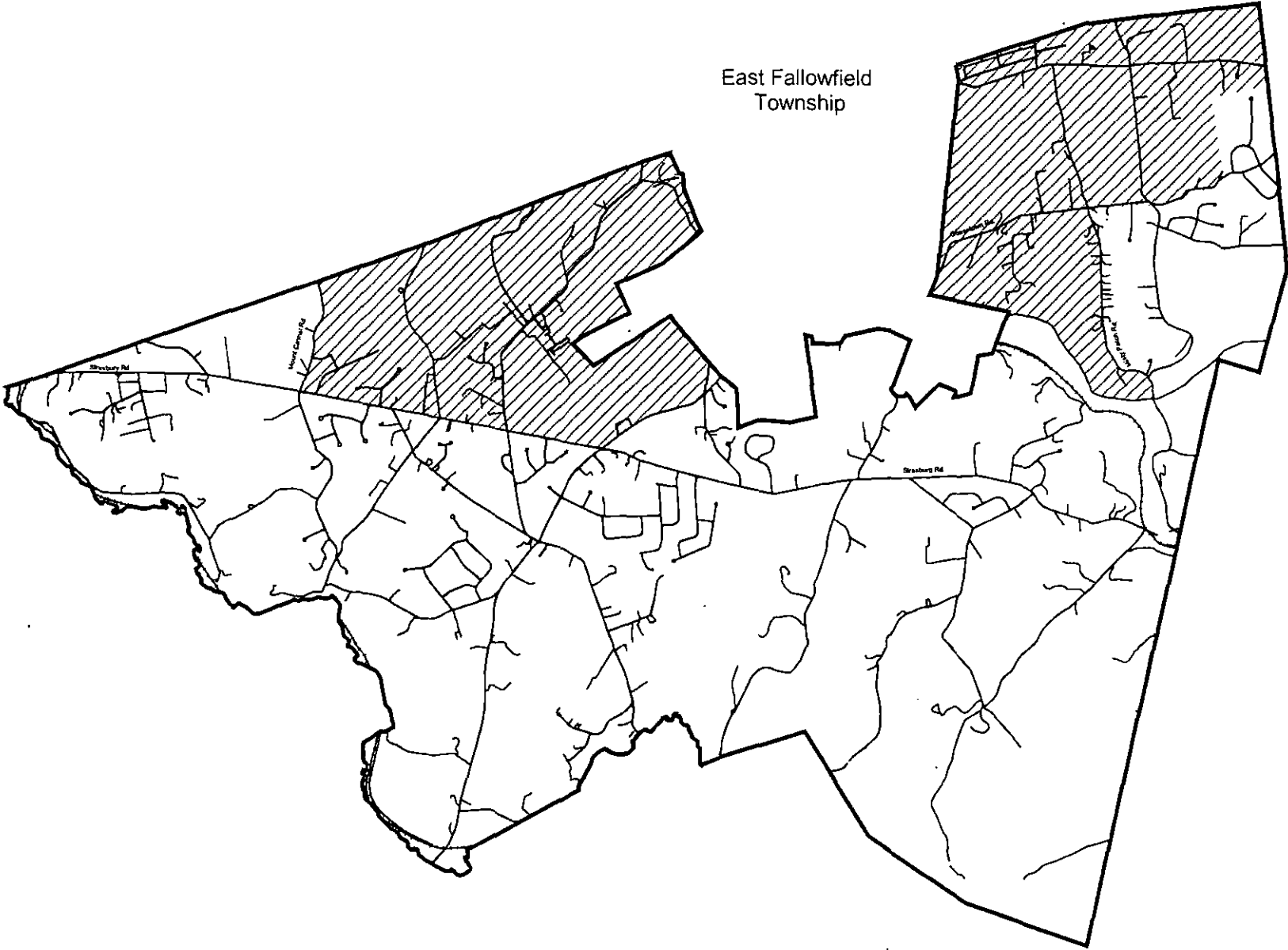


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Service Territory



East Fallowfield Township



East Fallowfield Township
Water System Service Area

- Map Features
- Municipal Boundary
 - Railroad
 - Road, Street
 - Service Area

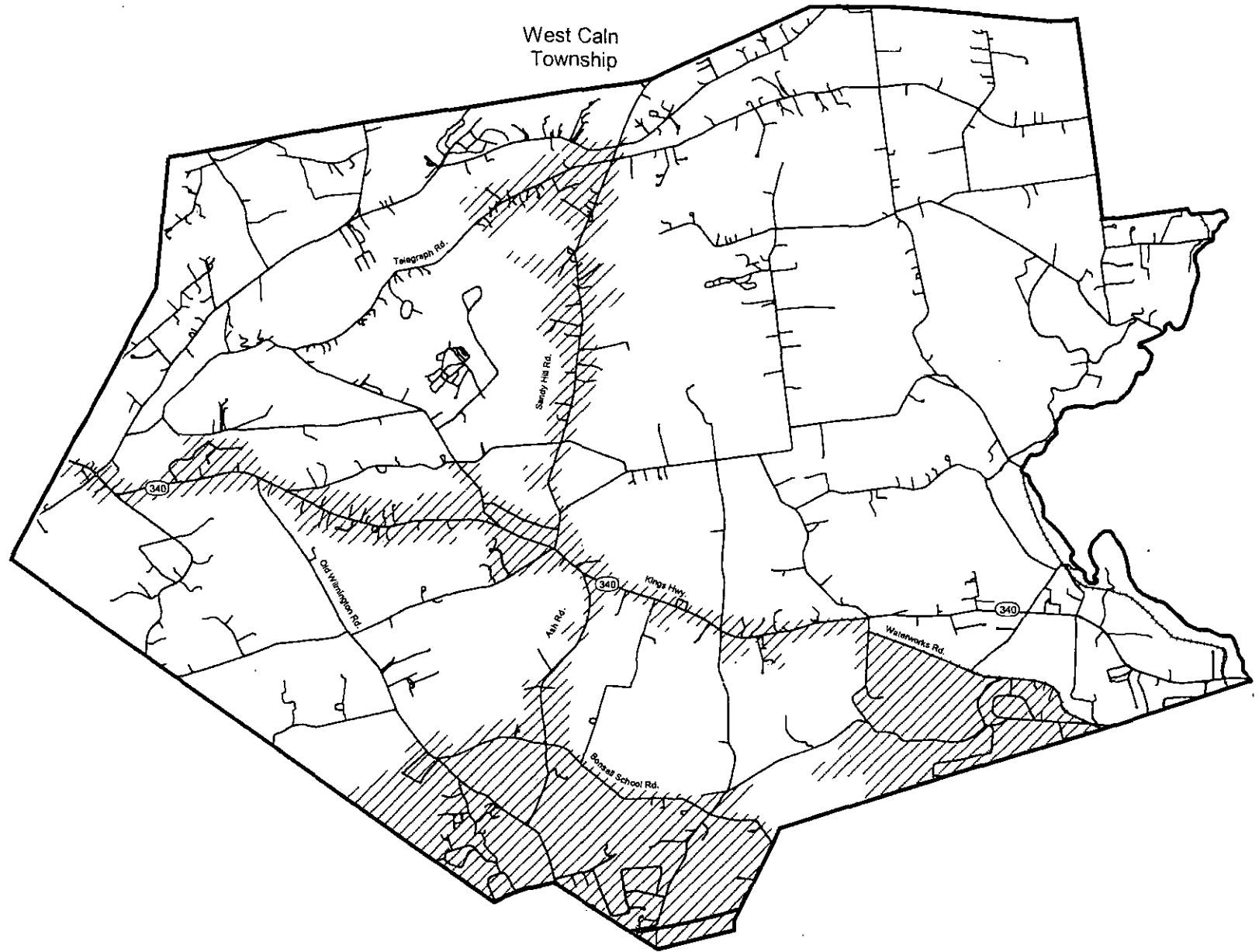
GIS Map prepared by



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Service Territory





West Cain
Township

Telegraph Rd.

Sway Hill Rd.

Old Wilmington Rd.

Ash Rd.

Longs Hwy. (72)

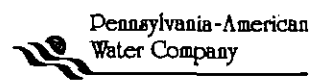
Bones School Rd.

Waterworks Rd.

340

340

340



West Cain Township
Water System Service Area

- Map Features
- Municipal Boundary
 - Railroads
 - Road, Street
 - Service Area

GIS Map prepared by



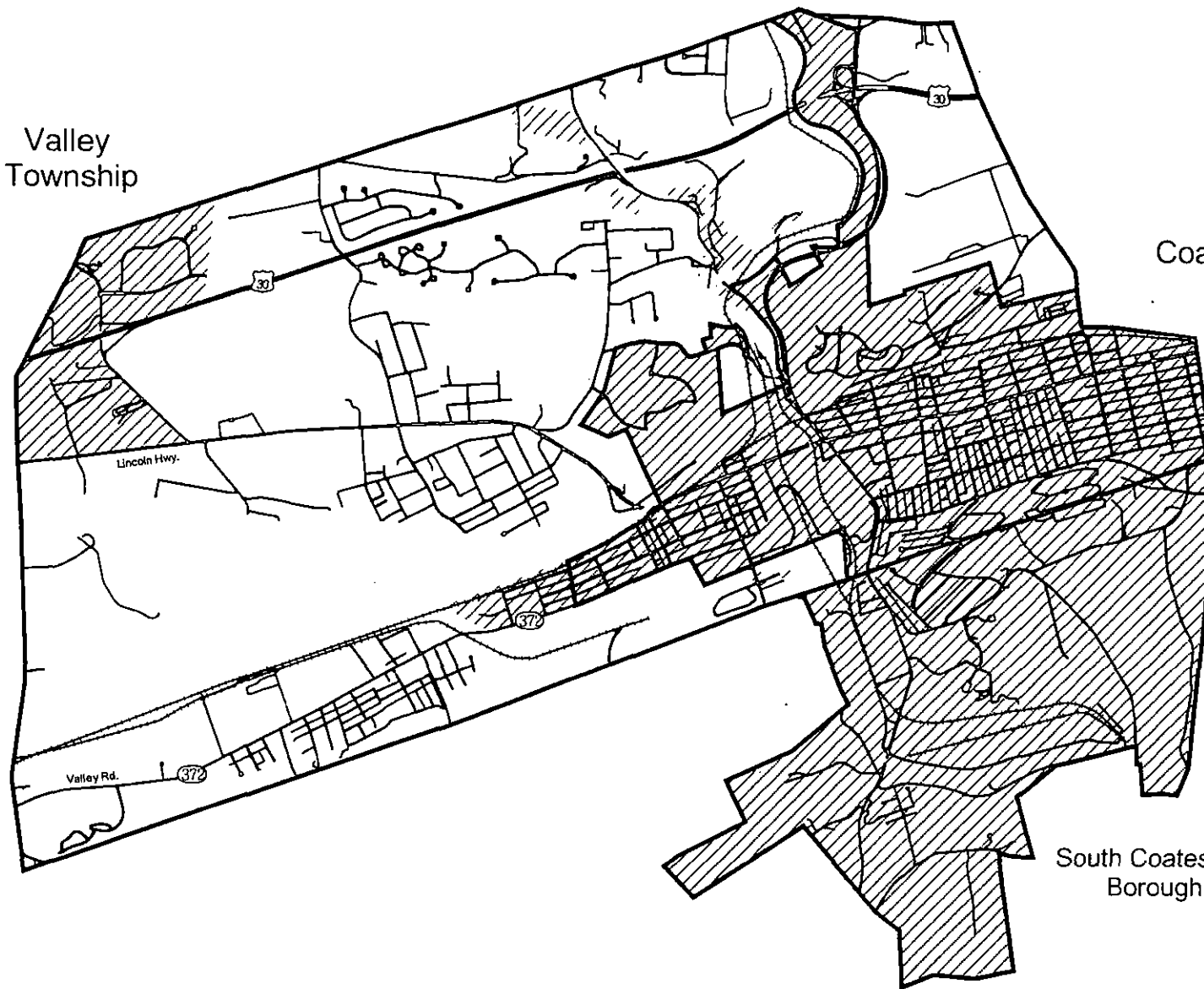
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Service Territory



Valley
Township

Coatesville
City



South Coatesville
Borough



Coatesville City / Borough, Valley Township
Water System Service Area

- Map Features
- Municipal Boundary
 - Railroad
 - Road, Street
 - Service Area

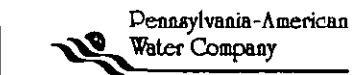
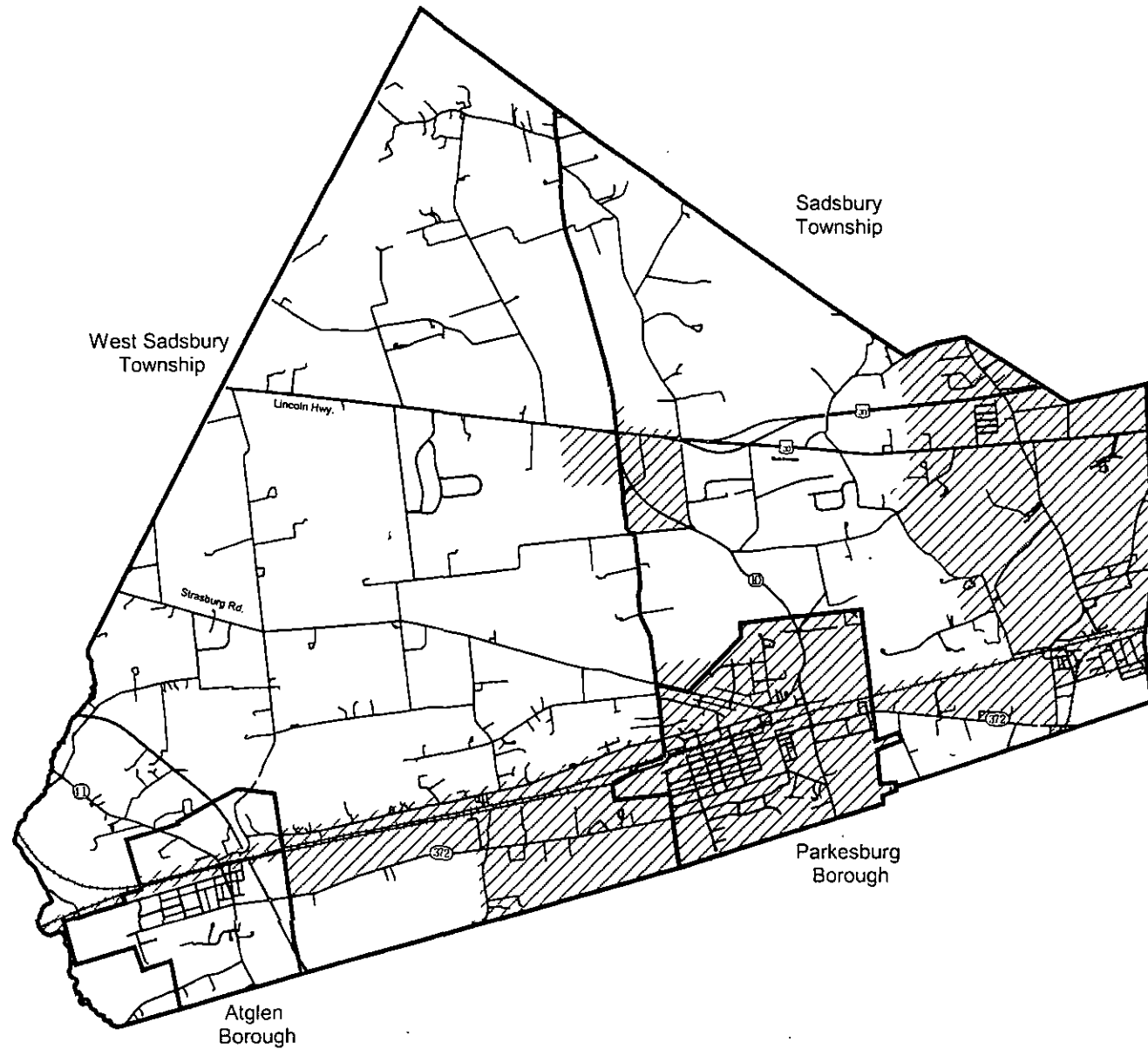
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


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Service Territory



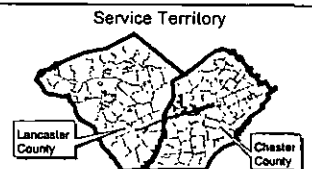


Sadsbury Township / West Sadsbury / Atglen Borough / Parkesburg Borough
Water System Service Area

- Map Features
-  Municipal Boundary
 -  Railroad
 -  Road, Street
 -  Service Area

GIS Map prepared by

 A Division of Gannett Fleming, Inc.


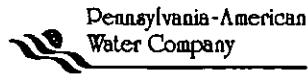

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Sadsbury
Township

Bart
Township



Bart Township / Sadsbury Township
Water System Service Area

- Map Features
-  Municipal Boundary
 -  Railroad
 -  Road, Street
 -  Service Area

GIS Map prepared by



Not To Scale

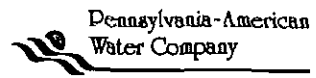
Service Territory



Eden
Township

Quarryville
Borough

Colerain
Township



Eden Township / Colerain Township / Quarryville Borough
Water System Service Area

- Map Features
- Municipal Boundary
 - Railroad
 - Road, Street
 - Service Area

GIS Map prepared by



Not To Scale

Service Territory



**DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania**

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Caln, East Fallowfield, Sadsbury, West Sadsbury, West Caln and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

West Caln Township, Chester County, Pennsylvania

Serving portions of West Caln Township as follows:

Beginning at a point, said point being along the common boundary between West Caln and Valley Townships, and 50 feet northeast of the centerline of Water Works Road, thence in a southwesterly direction along the boundary between West Caln and Valley Townships to a point, said point being the intersection of the boundary between West Caln and Valley Townships and Country Club Road, thence along the boundary between West Caln and Valley Townships in a southwesterly direction approximately 2,100 feet to a point, said point being on the boundary between West Caln and Valley Townships, thence in a northerly direction approximately 825 feet to a point, thence in a northwesterly direction approximately 1,350 feet to a point, said point being the centerline of Neal Road (a.k.a. Phillipsville Road), thence parallel to the centerline of Neal Road to a point, said point being 150 feet west of the intersection of the centerline of Neal Road, Country Club Road and Reservoir Road, thence parallel to the centerline of Reservoir Road in a northwesterly, northeasterly, northerly direction to a point, said point being 50 feet northwest of the intersection of the centerline of Reservoir Road, Creamery Road and Kings Highway (S.R. 340), thence parallel to the centerline of Kings Highway in an easterly direction to a point, said point being 50 feet northeast of the intersection of the centerline of Kings Highway, Creamery Road and Reservoir Road, thence parallel to the centerline of Reservoir Road in a southerly direction to a point, said point being 50 feet northeast of the intersection of the centerline of Reservoir Road and Water Works Road, thence parallel to the centerline of Water Works Road in a southeasterly direction to the point of beginning.

Beginning at a point, said point being 50 feet north of the intersection of the centerline of Kings Highway (S.R. 340) and Creamery Road, thence parallel to the centerline of Kings Highway in a westerly direction to a point, said point being 50 feet north of the intersection of the centerline of Kings Highway, N. Sandy Hill Road and S. Sandy Hill Road, thence across Kings Highway in a southerly direction to a point, said point being 50 feet south of the intersection of the centerline of Kings Highway and S. Sandy Hill Road, thence parallel to the centerline of Kings Highway in an easterly direction to a point, said point being 50 feet south of the intersection of the centerline of Kings Highway and Creamery Road, thence across Kings Highway in a northerly direction to the point of beginning.

Beginning at a point, said point being 150 feet west of the intersection of the centerline of Kings Highway (S.R. 340) and Ash Road, thence parallel to the centerline of Ash Road in a southeasterly, southwesterly, southerly direction to a point, said point being 150 feet northwest of the intersection of the centerline of Ash Road and Airport Road, thence parallel to the centerline of Airport Road in a westerly direction to a point, said point being 150 feet northwest of the intersection of Airport Road and Old Wilmington Road, thence parallel to the centerline of Old Wilmington Road in a northwesterly direction to a point, said point being 150 feet northwest of the intersection of the centerline of Old Wilmington Road and Northwood Drive, thence parallel to the centerline of Northwood Drive in a southwesterly direction to a point, said point being the common boundary between West Caln and Sadsbury Townships, thence along the boundary between West Caln and Sadsbury Townships in a southeasterly, easterly, southeasterly, easterly direction to a point, said point being the common corner of Sadsbury and Valley Townships and also along the West Caln boundary line, thence along the boundary between West Caln and Valley Townships in a northerly, northeasterly direction to a point, said point being 150 feet northeast of the intersection of the centerline of Airport Road and the West Caln and Valley Townships boundary, thence parallel to the centerline of Airport Road in a northwesterly direction to a point, said point being 150 feet northeast of the intersection of the centerline of Airport Road and S. Bonsall Road, thence parallel to the centerline of S. Bonsall Road in a northeasterly direction to a point, said point being 150 feet southeast of the intersection of the centerline of S. Bonsall Road and Neal Road, thence parallel to the centerline of Neal Road in a northeasterly direction approximately 650 feet to a point, said point being 150 feet south of the centerline of Neal Road, thence in a northerly direction across Neal Road to a point, said point being 150 feet north of the centerline of Neal Road, thence parallel to the centerline of Neal Road in a southwesterly direction to a point, said point being 150 feet north of the intersection of the centerline of Neal Road and Airport Road, thence parallel to the centerline of Airport Road in a westerly, northwesterly direction to a point, said point being 150 feet northeast of the intersection of the centerline of Airport Road and Ash Road, thence parallel to the centerline of Ash Road in a northerly, northeasterly, northwesterly direction to a point, said point being 150 feet east of the intersection of the centerline of Kings Highway (S.R. 340) and Ash Road, thence parallel to the centerline of Kings Highway in a westerly direction to the point of beginning.

DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Caln, East Fallowfield, Sadsbury, West Sadsbury, West Caln and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

West Caln Township, Chester County, Pennsylvania

Serving portions of West Caln Township as follows:

Beginning at a point, said point being 150 feet south of the intersection of the centerline of Kings Highway and Sandy Hill Road, thence parallel to the centerline of Sandy Hill Road approximately 2,300 feet to a point, thence in a northerly direction approximately 1,600 feet to a point, said point being 150 feet south of the centerline of Kings Highway, thence parallel to the centerline of Kings Highway in a westerly direction to a point, said point being 150 feet southeast of the intersection of the centerline of Kings Highway and McCorkle Lane, thence parallel to the centerline of McCorkle Lane in a southerly, westerly, northerly direction to a point, said point being 150 feet southwest of the centerline of Kings Highway, thence parallel to the centerline of Kings Highway in a westerly direction to a point, said point being 150 feet southeast of the intersection of the centerline of Kings Highway and Christ Ophers Lane, thence parallel to the centerline of Christ Ophers Lane in a southerly, westerly, northerly direction to a point, said point being 150 feet southwest of the centerline of Kings Highway, thence parallel to the centerline of Kings Highway in a westerly direction to a point, said point being 150 feet southeast of the intersection of the centerline of Kings Highway and Heidi Lane, thence parallel to the centerline of Heidi Lane in a southerly, westerly, northerly direction to a point, said point being 150 feet southwest of the centerline of Kings Highway, thence parallel to the centerline of Kings Highway in a westerly direction to a point, said point being 150 feet southeast of the intersection of the centerline of Kings Highway and Leslie Lane, thence parallel to the centerline of Leslie Lane in a southerly, westerly, northerly direction to a point, said point being 150 feet southwest of the centerline of Kings Highway, thence parallel to the centerline of Kings Highway in a westerly direction to a point, said point being 150 feet southwest of the intersection of the centerline of Kings Highway and State Route 10 (Octorara Trail Road), thence parallel to the centerline of Kings Highway in a northwesterly direction to a point, said point being 150 feet southwest of the intersection of the centerline of Kings Highway and the common boundary between West Caln Township and Salisbury Township, Lancaster County, thence along the boundary between West Caln Township and Salisbury Township, Lancaster County in a northeasterly direction to a point, said point being 150 feet northeast of the intersection of the centerline of Kings Highway and the common boundary between West Caln Township and Salisbury Township, Lancaster County, thence parallel to the centerline of Kings Highway in a southwesterly, westerly direction to a point, said point being 150 feet northwest of the intersection of the centerline of Kings Highway and Nevins Way, thence parallel to the centerline of Nevins Way in a northwesterly, northeasterly direction to a point, said point being 150 feet north of the centerline of the western most end of Nevins Way, thence in a southwesterly direction to a point, said point being 150 feet north of the centerline of Kings Highway, thence parallel to the centerline of Kings Highway in a southeasterly direction to a point, said point being 150 feet northwest of the intersection of the centerline of Kings Highway and Peirce Lane, thence parallel to the centerline of Peirce Lane in a northerly, easterly, southerly direction to a point, said point being 150 feet northeast of the centerline of Kings Highway, thence parallel to the centerline of Kings Highway in a southeasterly direction to a point, said point being 150 feet northwest of the intersection of the centerline of Kings Highway and Kirber Lane, thence parallel to the centerline of Kirber Lane in a northerly, easterly, southerly direction to a point, said point being 150 feet northeast of the centerline of Kings Highway, thence parallel to the centerline of Kings Highway in a southeasterly direction to a point, said point being 150 feet northwest of the intersection of the centerline of Kings Highway and Hardy Lane, thence parallel to the centerline of Hardy Lane in a northerly, easterly, southerly direction to a point, said point being 150 feet northeast of the centerline of Kings Highway, thence parallel to the centerline of Kings Highway in a southeasterly direction to a point, said point being 150 feet northwest of the intersection of the centerline of Kings Highway and Cambridge Road, thence parallel to the centerline of Cambridge Road in a northwesterly direction to a point, said point being 150 feet west of the intersection of the centerline of Cambridge Road and Coffroath Road, thence parallel to the centerline of Coffroath Road across Cambridge Road to a point, said point being 150 feet east of intersection of the centerline of Coffroath Road and Cambridge Road, thence parallel to the centerline of Cambridge Road in a southeasterly direction to a point, said point being 150 feet northeast of the intersection of the centerline of Cambridge Road and Woodland Drive, thence parallel to the centerline of Woodland Drive in a southeasterly direction to a point, said point being 150 feet northwest of the intersection of the centerline of Woodland Drive and Sandy Hill Road, thence in a easterly direction to a point, said point being 150 feet east of the centerline of Sandy Hill Road, thence parallel to the centerline of Sandy Hill road in a southerly direction to the point of beginning.

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DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Cain, East Fallowfield, Sadsbury, West Sadsbury, West Cain and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

West Cain Township, Chester County, Pennsylvania

Serving portions of West Cain Township as follows:

Beginning at a point, said point being 150 feet east of the intersection of the centerline of Sandy Hill Road and Martins Corner Road, thence across Sandy Hill Road in a westerly direction to a point, said point being 150 feet west of the intersection of the centerline of Sandy Hill Road and Martins Road, thence parallel to the centerline of Sandy Hill Road in a northerly direction to a point, said point being 150 feet southwest of the intersection of the centerline of Sandy Hill Road and Wallace Lane, thence parallel to the centerline of Wallace Lane in a westerly, northerly, easterly direction to a point, said point being 150 feet west of the centerline of Sandy Hill Road, thence parallel to the centerline of Sandy Hill Road in a northerly direction to a point, said point being 150 feet southwest of the intersection of the centerline of Sandy Hill Road and Shank Lane, thence parallel to the centerline of Shank Lane in a westerly, northerly, easterly direction to a point, said point being 150 feet west of the centerline of Sandy Hill Road, thence parallel to the centerline of Sandy Hill Road in a northerly direction to a point, said point being 150 feet southwest of the intersection of the centerline of Sandy Hill Road and Jelke Road, thence parallel to the centerline of Jelke Road in a southwesterly, northerly, northeasterly direction to a point, said point being 150 feet west of the centerline of Sandy Hill Road, thence parallel to the centerline of Sandy Hill Road in a northeasterly direction to a point, said point being 150 feet southwest of the intersection of the centerline of Sandy Hill Road and Gerber Lane, thence parallel to the centerline of Gerber Lane in a northwesterly, northerly, southeasterly direction to a point, said point being 150 feet west of the centerline of Sandy Hill Road, thence parallel to the centerline of Sandy Hill Road in a northeasterly direction to a point, said point being 150 feet southwest of the intersection of the centerline of Sandy Hill Road and Telegraph Road, thence parallel to the centerline of Telegraph Road in a westerly direction to a point, said point being 150 feet south of the intersection of the centerline of Telegraph Road and Callum Lane, thence parallel to the centerline of Callum Lane in a southerly, easterly, southerly, westerly, northerly direction to a point, said point being 150 feet south of the centerline of Telegraph Road, thence parallel to the centerline of Telegraph Road in a southwesterly direction approximately 2,700 feet to a point, said point being 150 feet south of the centerline of Telegraph Road, thence in a northerly direction across Telegraph Road to a point, said point being 150 feet north of the centerline of Telegraph Road, thence parallel to the centerline of Telegraph Road in a easterly direction to a point, said point being 150 feet northwest of the intersection of the centerline of Telegraph Road and Sandy Hill Road, thence parallel to the centerline of Sandy Hill Road in a northeasterly direction to a point, said point being 150 feet southwest of the intersection of the centerline of Sandy Hill Road and Hill Road, thence parallel to the centerline of Hill Road in a westerly direction approximately 1,300 feet to a point, said point being 150 feet south of the centerline of Hill Road, thence in a northerly direction across Hill Road to a point, said point being 150 feet north of the centerline of Hill Road, thence parallel to the centerline of Hill Road in a easterly direction to a point, said point being 150 feet northeast of the intersection of the centerline of Hill Road and Sandy Hill Road and along the centerline of Sandy Hill Road, thence along the centerline of Sandy Hill Road in a southwesterly direction 100 feet to a point, said point being 50 feet northeast of the intersection of the centerline of Sandy Hill Road and Hill Road, thence in easterly direction 50 feet to a point, said point being 50 feet northeast of the intersection of Sandy Hill Road and Hill Road, thence parallel to the centerline of Sandy Hill Road in a southerly direction to a point, said point being 150 feet east of the intersection of the centerline of Sandy Hill Road and Telegraph Road, thence parallel to the centerline of Sandy Hill Road in a southeasterly direction to a point, said point being 150 feet northeast of the intersection of the centerline of Sandy Hill Road and Mellot Lane, thence parallel to the centerline of Mellot Lane in a northeasterly, southerly, southwesterly direction to a point, said point being 150 feet west of the centerline of Sandy Hill Road, thence parallel to the centerline of Sandy Hill Road in a southerly direction to the *point of beginning*.

DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Cain, East Fallowfield, Sadsbury, West Sadsbury, West Cain and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

Cain Township, Chester County, Pennsylvania

Serving all of Cain Township, except the following:

Beginning at a point, said point being fifty feet north of the intersection of the centerline of Black Horse Hill Road and the common boundary line between Cain and Valley Townships, thence parallel to the centerline of Black Horse Hill Road in a northeasterly direction to a point, said point being fifty feet northeast of the intersection of the centerline of Black Horse Hill Road, Moore Road and Scott Drive, thence parallel to the centerline of Scott Drive in a southeasterly direction to a point, said point being fifty feet north of the centerline of the cul-del-sac on Scott Drive, thence due east to a point said point being fifty feet west of the centerline of Cain Road, thence parallel to the centerline of Cain Road in a northwesterly, northerly direction to a point, said point being fifty feet west of the centerline of Cain Road and along the centerline of Black Horse Hill Road, thence due north to a point said point being fifty feet north of the centerline of Black Horse Hill Road, thence parallel to the centerline of Cain Road in a northeasterly direction to a point, said point being fifty feet northwest of the intersection of Cain Road, State Route 340(a.k.a. Kings Highway) and Reeceville Road, thence parallel to the centerline of Reeceville in a northeasterly, northerly direction to a point said point being fifty feet west of the intersection of the centerline of Reeceville Road and U.S. Route 30, thence along the centerline of U.S. Route 30 in an easterly direction to a point, said point being the intersection of the centerlines of U.S. Route 30 and U.S. Route 322; thence along the centerline of U.S. Route 322 in a southeasterly direction to a point, said point being one hundred fifty feet southeast of the intersection of the centerline of U.S. Route 322 and Lloyd Avenue, thence parallel to the centerline of Lloyd Avenue in a southwesterly, southerly direction to a point, said point being one hundred fifty feet east of the intersection of the centerline of Lloyd Avenue and the common boundary line between Cain Township and Downingtown Borough, thence along the boundary line between Cain Township and Downingtown Borough in a easterly, northerly, northwesterly, northeasterly, easterly direction to a point, said point being on the common boundary line between Cain Township, East Cain Township and Downingtown Borough, thence along the common boundary line between Cain and East Cain Townships in a northeasterly, northwesterly, northerly direction to a point, said point being the common corner between Cain and East Brandywine Townships and also along the common boundary of East Cain Township, thence along the common boundary between Cain and East Brandywine Townships in southwesterly direction to a point, said point being the common corner between East Brandywine and West Brandywine Townships and also along the boundary of Cain Township, thence along the common boundary between Cain and West Brandywine Townships in a southwesterly, southerly, southwesterly direction to a point, said point being the common corner between Cain and Valley Townships and also along the boundary of West Brandywine Township, thence along the common boundary line between Cain and Valley Townships in a southerly direction to the point of beginning.

**DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania**

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Caln, East Fallowfield, Sadsbury, West Sadsbury, West Caln and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

East Fallowfield Township, Chester County, Pennsylvania

Serving portions of East Fallowfield Township as follows:

Beginning at a point, said point being thirty five feet west of the intersection of the centerline of the Mount Carmel Road and the common boundary line between East Fallowfield and Valley Townships; thence along the boundary line between East Fallowfield and Valley Townships in a northeasterly direction to a point, said point being the common corner between East Fallowfield Township and South Coatesville Borough and also along the Valley Township boundary line, thence along the boundary between East Fallowfield Township and South Coatesville Borough in a southerly, westerly, southerly, westerly, southeasterly, easterly, southeasterly direction to a point, said point being thirty five feet southeast of the intersection of the centerline of Upper Gap Road and the boundary line between East Fallowfield Township and South Coatesville Borough, thence parallel to the centerline of Upper Gap Road in a southwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Upper Gap Road, Youngsburg Road and Buck Run Road, thence parallel to the centerline of Buck Run Road in a southwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Buck Run Road and Strasburg Road, thence parallel to the centerline of Strasburg Road in a northwesterly direction to a point, said point being thirty five feet west of the intersection of the centerline of Strasburg Road and Mount Carmel Road, thence parallel to the centerline of Mount Carmel Road in a northerly direction to the point of beginning.

Beginning at a point, said point being the common corner of West Bradford and East Fallowfield Townships and also being on the boundary line with Caln Township; thence, in a southerly direction along the boundary line between West Bradford and East Fallowfield Townships to a point, said point being on the northern property line of the Fox Knoll development; thence, in a westerly and southerly direction along the northern and western property lines of the Fox Knoll development to a point, said point being fifty feet south of the centerline of Bailey Road, thence parallel to the centerline of Bailey Road in a westerly direction to a point, said point being fifty feet south of the intersection of the centerline of Bailey Road, Mortonville Road and Goosetown Road, thence parallel to the centerline of Goosetown Road in a westerly direction to a point said point being fifty feet south of the intersection of the centerline of Goosetown Road and 18th Avenue (a.k.a. Misty Patch Road), thence along the centerline of 18th Avenue in a southerly, southeasterly direction to a point, said point being thirty five feet south of the intersection of the centerline of 18th Avenue, Saw Mill Road and Mortonville Road, thence parallel to the centerline of Mortonville Road in a northwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Mortonville Road and the boundary line between East Fallowfield Township and Modena Borough, thence along the boundary between East Fallowfield Township and Modena Borough in a northerly, northwesterly direction to a point, said point being the common corner of East Fallowfield Township and South Coatesville Borough and also along the Modena Borough boundary line, thence along the boundary between East Fallowfield Township and South Coatesville Borough in a northerly direction to a point, said point being the common corner between, East Fallowfield Township, South Coatesville Borough, the City of Coatesville and Caln Township, thence along the boundary between East Fallowfield and Caln Townships in a easterly direction to the point of beginning.

**DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania**

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Caln, East Fallowfield, Sadsbury, West Sadsbury, West Caln and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

Sadsbury Township, Chester County, Pennsylvania

Serving portions of Sadsbury Township as follows:

Beginning at a point, said point being one hundred fifty feet north of the intersection of the centerline of the Amtrak Railroad tracks and the common boundary between Sadsbury Township and Parkesburg Borough; thence along the boundary between Sadsbury Township and Parkesburg Borough in a southerly direction to a point, said point being fifty feet south of the intersection of the centerline of Valley Road (State Route 372) and the boundary between Sadsbury Township and Parkesburg Borough; thence parallel to the centerline of Valley Road in a southeasterly direction to a point, said point being thirty five feet southwest of the intersection of the centerline of Valley Road and Timacola Road; thence parallel to the centerline of Timacola Road in a southerly direction to a point, said point being thirty five feet west of the intersection of the centerline of Timacola Road and the common boundary between Sadsbury and East Fallowfield Townships; thence along the boundary between Sadsbury and East Fallowfield Townships in a easterly direction to a point, said point the intersection of the centerline of Strasburg Road and the boundary between Sadsbury and East Fallowfield Townships; thence parallel to the centerline of Strasburg Road in a northwesterly direction to a point, said point being eight hundred feet southeast of the intersection of the centerline of Strasburg Road and Valley Road; thence parallel to the centerline of Valley Road in a northeasterly direction to a point, said point being eight hundred feet east and thirty five feet south of the intersection of the centerline of Valley Road and Oak Street; thence parallel to the centerline of Valley Road in a easterly direction to a point, said point being thirty five feet southwest of the intersection of the centerline of Valley Road and Newport Avenue; thence parallel to the centerline of Newport Avenue in a southerly direction to a point, said point being thirty five feet southwest of the intersection of the centerline of Newport Road and Penn Street; thence parallel to the centerline of Penn Street in a easterly direction to a point, said point being the common boundary between Sadsbury and Valley Townships; thence along the common boundary between Sadsbury and Valley Townships in a northerly direction to a point, said point being along the common corner of Sadsbury, Valley and West Caln Townships; thence along the common boundary between Sadsbury and West Caln Townships in a westerly, northwesterly, westerly direction to a point, said point being thirty five feet north of the intersection of the centerline of Petka Road and the common boundary between Sadsbury and West Caln Townships; thence parallel to the centerline of Petka Road in a southwesterly direction to a point, said point being thirty five feet north of the intersection of the centerline of Petka Road and the northeast corner of tax parcel 17, shown on Sadsbury Township Tax Map 37-2; thence along the eastern boundary of tax parcel 17 in a southerly, easterly, southerly direction to a point, said point being thirty five feet south of the intersection of the centerline of U.S. Route 30 and the southeast corner of tax parcel 17; thence parallel to the centerline of U.S. Route 30 in a westerly direction to a point, said point being, the northeast corner of tax parcel 16 shown on Sadsbury Township Tax Map 37-2; thence along the eastern boundary of tax parcel 16 in a southerly direction to a point, said point being the intersection of the southeast corner of tax parcel 16 and Business Route 30 (aka Lincoln Highway); thence parallel to the centerline of Business Route 30 in a westerly direction to a point, said point being the intersection of the northeast corner of tax parcel 17 shown on Sadsbury Township Map 37-4 and Business Route 30; thence along the eastern boundary of tax parcel 17 in a southerly, westerly, southerly direction to a point, said point being the southeastern corner of tax parcel 17; thence along the southern boarder of tax parcel 17 in a westerly direction to a point, said point being the intersection of tax parcel 17 and the western bank of the Buck Run Creek; thence along Buck Run Creek in a southerly, southeasterly direction to a point, said point being thirty five feet northeast of the intersection of Buck Run Creek and the centerline of Quarry Road; thence parallel to the centerline of Quarry Road in a southerly, westerly direction to a point, said point being thirty five feet northeast of the intersection of the centerline of Quarry Road, Green Belt Drive and the western boundary of tax parcel 35.6 as shown on Sadsbury Tax Map 37-4, thence along the western boundary of tax parcel 35.6 and the centerline of Green Belt Drive in a northerly direction to a point, said point being thirty five feet east of the intersection of the centerline of Green Belt Drive and the northeast corner of tax parcel 35.6 and the southeast corner of tax parcel 35.5; thence along the eastern boundary of tax parcel 35.5 and the centerline of Green Belt Drive in a northerly direction to a point, said point being thirty five feet north of the intersection of Green Belt Drive and the northeast corner of tax parcel 35.5, thence along the boundary of tax parcel 35.5 in a southwesterly, southerly direction to a point, said point being the southwest corner of tax parcel 35.5 and the northwest corner of tax parcel 35.6A, thence along the western boundary of tax parcel 35.6A in a southerly direction to a point, said point being thirty five feet south of the intersection of the southeast corner of tax parcel 35.6A and the centerline of Hilltop Drive, thence parallel to the centerline of Hilltop Drive in a easterly direction to a point, said point being thirty five feet east of the intersection of the centerline of Hilltop Drive and Greenbelt Drive, thence parallel to the centerline of Greenbelt Drive in a southerly, easterly direction to a point, said point being one hundred fifty feet north of the intersection of the centerline of Green Belt Drive and the centerline of the Amtrak Railroad tracks; thence parallel to the centerline of the Amtrak Railroad tracks in a westerly direction to the point of beginning.

**DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania**

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Cain, East Fallowfield, Sadsbury, West Sadsbury, West Cain and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

Sadsbury Township, Chester County, Pennsylvania

Serving portions of Sadsbury Township as follows:

Beginning at a point, said point being thirty five feet south of the intersection of the centerline of Leike Road and the common boundary between Sadsbury and West Sadsbury Township; thence parallel to the centerline of Leike Road in a easterly direction to a point, said point being thirty five feet east of the intersection of Leike Road and Old Route 10 (aka Old Octoraro Trail); thence parallel to the centerline of Old Route 10 in a northerly direction to a point, said point being one hundred fifty feet north of the intersection of the centerline of Old Route 10, State Route 30 and Compass Road; thence parallel to the centerline of State Route 30 in a westerly direction to a point, said point being thirty five feet east and one hundred fifty feet north of the intersection of the centerline of State Route 10 (aka Octoraro Trail) and State Route 30; thence parallel to the centerline of State Route 10 approximately eight hundred feet to a point, said point being thirty five feet east of the centerline of State Route 10; thence in a westerly direction across State Route 10 to a point, said point being the common boundary between Sadsbury and West Sadsbury Townships; thence along the boundary between Sadsbury and West Sadsbury Townships in a southerly direction to the point of beginning.

Beginning at a point, said point intersection of the northwest property line of tax parcel 24.3 shown on Sadsbury Tax Map 37-3 and the common boundary between Sadsbury and West Sadsbury Townships; thence along the boundary between Sadsbury and West Sadsbury Townships in a southerly direction to a point, said point being the common corner between Sadsbury and West Sadsbury Townships and along the common boundary of Parkesburg Borough; thence along the boundary between Sadsbury Township and Parkesburg Borough in a southeasterly, northeasterly direction to a point, said point being the intersection of the boundary between Sadsbury Township and Parkesburg Borough and the southeast corner of tax parcel 24.3; thence along the eastern boundary of tax parcel 24.3 to a point, said point being the northeast corner of tax parcel 24.3; thence along the northern border of tax parcel 24.3 in a westerly direction to the point of beginning.

**DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania**

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Caln, East Fallowfield, Sadsbury, West Sadsbury, West Caln and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

Valley Township, Chester County, Pennsylvania

Serving those portions of Valley Township pursuant to the terms of the March 6, 1990 Water Service Agreement between the City of Coatesville Authority and Valley Township (See Exhibit M-1).

West Sadsbury Township, Chester County, Pennsylvania

Serving portions of West Sadsbury Township as follows:

Beginning at a point, said point being five hundred feet north of the intersection of the centerline of the Amtrak Railroad tracks and the common boundary between West Sadsbury Township and Parkesburg Borough; thence parallel to the centerline of the Amtrak Railroad tracks in a southwesterly direction to a point, said point being the common boundary between West Sadsbury Township and Atglen Borough; thence in a southerly direction along the boundary line between West Sadsbury Township and Atglen Borough to a point, said point being five hundred feet south of the intersection of the boundary line between West Sadsbury Township and Atglen Borough and the centerline of Lower Valley Road (S.R. 372); thence parallel to the centerline of Lower Valley Road in a northeasterly direction to a point, said point being five hundred feet southwest of the intersection of the centerline of Lower Valley Road and Lenover Road; thence parallel to the centerline of Lenover Road in a southerly direction to a point, said point being the common boundary line between West Sadsbury and Highland Townships; thence in a northeasterly direction along the boundary line between West Sadsbury and Highland Townships to a point, said point being the common corner between West Sadsbury Township and Parkesburg Borough and along the boundary of Highland Township, thence along the boundary between West Sadsbury Township and Parkesburg Borough in a northerly, westerly, northerly, easterly, northerly direction to the point of beginning.

Beginning at a point, said point being five hundred feet north of the intersection of the center line of the Amtrak Railroad tracks and the common boundary between West Sadsbury Township and Atglen Borough; thence parallel to the centerline of the Amtrak Railroad tracks in a southwesterly direction to a point, said point being the common boundary between West Sadsbury Township, Chester County and Christiana Borough, Lancaster County; thence in a southwesterly direction along the boundary between West Sadsbury Township and Christiana Borough to a point, said point being the common corner between Christiana Borough and Sadsbury Township, Lancaster County and along the boundary between West Sadsbury Township, continuing in a southerly, southeasterly direction along the boundary between West Sadsbury Township, Chester County and Sadsbury Township, Lancaster County to a point, said point being five hundred feet south of the intersection of the centerline of the Amtrak Railroad tracks and the common boundary between Sadsbury Township, Lancaster County and West Sadsbury Township, Chester County; thence parallel to the centerline of the Amtrak Railroad tracks to a point, said point being the common boundary between West Sadsbury Township, and Atglen Borough, thence in a northerly, easterly, northerly direction along the boundary between West Sadsbury Township and Atglen Borough to the point of beginning.

Those portions of West Sadsbury Township to be developed under the name Sadsbury Commons and as fully described on the attached Metes and Bounds Description. (See Exhibit M-2).

**DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania**

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Caln, East Fallowfield, Sadsbury, West Sadsbury, West Caln and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

Atglen Borough, Chester County, Pennsylvania

Beginning at a point, said point being three hundred feet north of the intersection of the centerline of the Amtrak Railroad tracks and the eastern common boundary between West Sadsbury Township and Atglen Borough; thence parallel to the centerline of the Amtrak Railroad tracks in a southwesterly direction to a point, said point the center line of Main Street; thence parallel to the centerline of Main Street in a northwesterly direction to a point, said point being the intersection of the centerline of Main Street and Rosemont Avenue; thence in a northerly direction along a private easement containing a ten inch water line serving West Coast Roller Skating Warehouse Company to a point, said point being the meter connection to the West Coast Roller Skating Warehouse Company; thence in a southerly direction along said private easement to a point, said point being the intersection of the centerline of Main Street and Rosemont Avenue; thence parallel to the centerline of Main Street to a point, said point being three hundred feet north of the centerline of the Amtrak Railroad tracks; thence parallel to the centerline of the Amtrak Railroad tracks to a point, said point being the common boundary between Atglen Borough and West Sadsbury Township; thence along the boundary between Atglen Borough and West Sadsbury Township in a southerly, southwesterly, southerly direction to a point, said point being fifty feet north of the centerline of Valley Avenue; thence parallel to the centerline of Valley Avenue in a northeasterly direction to a point, said point being the centerline of Main Street; thence in a northerly direction along the centerline of Main Street to a point, said point being one hundred feet south of the centerline of the Amtrak Railroad tracks; thence parallel to the centerline of the Amtrak Railroad tracks in a northeasterly direction to a point, said point being the common boundary between Atglen Borough and West Sadsbury Township, thence along the boundary between Atglen Borough and West Sadsbury Township in a northerly direction to the point of beginning.

**DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania**

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Caln, East Fallowfield, Sadsbury, West Sadsbury, West Caln and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

Sadsbury Township, Lancaster County, Pennsylvania

Beginning at a point, said point being five hundred feet north of the intersection of the centerline of the Amtrak Railroad tracks and the common boundary between West Sadsbury Township, Chester County and Sadsbury Township, Lancaster County; thence parallel to the centerline of the Amtrak Railroad tracks in southwesterly direction to a point, said point being the common boundary between Sadsbury and Bart Townships, Lancaster County, thence in a southeasterly direction along the boundary between Sadsbury and Bart Townships, Lancaster County to a point, said point being five hundred feet south of the intersection of the boundary line of Sadsbury and Bart Townships, Lancaster County and the centerline of the Amtrak Railroad tracks; thence parallel to the centerline of the Amtrak Railroad tracks in a northeasterly direction to a point, said point being the boundary line between Sadsbury Township, Lancaster County and West Sadsbury Township, Chester County; thence in a northerly direction along the boundary line between Sadsbury Township, Lancaster County and West Sadsbury Township, Chester County to the point of beginning.

Bart Township, Lancaster County, Pennsylvania

Beginning at a point, said point being five hundred feet north of the intersection of the centerline of the Amtrak Railroad tracks and the common boundary between Bart and Sadsbury Townships; thence parallel to the centerline of the Amtrak Railroad tracks in southwesterly direction to a point, said point being the common boundary between Bart and Eden Townships; thence in a southeasterly direction along the boundary between Bart and Eden Townships to a point, said point being the common corner of Bart and Eden Townships and also the boundary of Colerain Township; thence in a easterly direction along the boundary between Bart and Colerain Townships to a point, said point being five hundred feet east of the intersection of the boundary line of Bart and Colerain Townships and the bed of the Octoraro Creek; thence parallel to the bed of the Octoraro Creek in a northeasterly direction to a point, said point being five hundred feet east of the confluence of the Octoraro Creek, the Meetinghouse Creek and the Nickel Mines Run Creek; thence parallel to the bed of the Nickel Mines Run Creek in a northwesterly direction to a point, said point being five hundred feet south of the intersection of the centerline of the Amtrak Railroad tracks and the bed of the Nickel Mines Run Creek; thence parallel to the centerline of the Amtrak Railroad tracks in a northeasterly direction to a point, said point being the common boundary between Bart and Sadsbury Townships; thence in a northwesterly direction along the boundary between Bart and Sadsbury Townships to the point of beginning.

Eden Township, Lancaster County, Pennsylvania

Beginning at a point, said point being five hundred feet north of the intersection of the centerline of the Amtrak Railroad tracks and the common boundary line between Bart and Eden Townships; thence parallel to the centerline of the Amtrak Railroad tracks in southwesterly direction to a point, said point being the common boundary between Eden Township and Quarryville Borough; thence in a southerly direction along the common boundary between Eden Township and Quarryville Borough to a point, said point being five hundred feet south of the intersection of the centerline of the Amtrak Railroad tracks and the common boundary between Eden Township and Quarryville Borough; thence parallel to the centerline of the Amtrak Railroad tracks in northeasterly direction to a point, said point being the common boundary line between Bart and Eden Townships; thence in a northwesterly direction along the common boundary line between Bart and Eden Townships to the point of beginning.

Beginning at a point, said point being five hundred feet north of the intersection of the centerline of Cherry Hill Road and the common boundary line between Bart and Eden Townships; thence parallel to the centerline of Cherry Hill Road in a southwesterly direction to a point, said point being five hundred feet west of the intersection of the centerline of Cherry Hill Road and Pumping Station Road, thence parallel to the centerline of Pumping Station Road in a southerly direction to a point, said point being the common boundary between Eden and Colerain Townships; thence in a easterly direction along the common boundary between Eden and Colerain Townships to a point, said point being the common corner between Eden and Bart Townships and also along the Colerain Township Boundary; thence in a northwesterly direction along the boundary between Eden and Bart Townships to the point of beginning.

**DESCRIPTION OF WATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County and Lancaster County, Pennsylvania**

Serving all of the City of Coatesville, the Boroughs of South Coatesville and Parkesburg, Chester County. Also serving portions of the Townships of Cain, East Fallowfield, Sadsbury, West Sadsbury, West Cain and Valley and the Borough of Atglen, Chester County and portions of the Townships of Sadsbury, Bart, Eden and Colerain and the Borough of Quarryville, Lancaster County as described below.

Colerain Township, Lancaster County, Pennsylvania

Beginning at a point, said point being five hundred feet west of the intersection of the centerline of Fairview Road and the common boundary line between Eden and Colerain Townships; thence parallel to the centerline of Fairview Road in southwesterly direction to a point, said point being five hundred feet southeast of the intersection of the centerline of Fairview Road and Pumping Station Road; thence parallel to the centerline of Pumping Station Road in a southerly direction to a point, said point being five hundred feet west of the intersection of the centerline of Pumping Station Road and a private road owned by the City of Coatesville Authority ("Private Road"); thence in a southerly direction to a point, said point being five hundred feet south of the bed of the West Branch of the Octoraro Creek; thence in a easterly direction to a point, said point being five hundred feet east of the centerline of Pumping Station Road; thence parallel to the centerline of Pumping Station Road in a northerly direction to a point, said point being five hundred feet east of the intersection of the centerline of Pumping Station Road and Fairview Road; thence parallel to the centerline of Fairview Road in a northeasterly direction to a point, said point being the intersection Fairview Road and the common boundary between Eden and Colerain Townships; thence parallel to the boundary between Eden and Colerain Townships in a westerly direction to the point of beginning.

Quarryville Borough, Lancaster County, Pennsylvania

Beginning at a point, said point being five hundred feet north of the intersection of the centerline of the Amtrak Railroad tracks and the common boundary between Eden Township and Quarryville Borough; thence parallel to the centerline of the Amtrak Railroad tracks in westerly direction to a point, said point being the centerline of Lime Street; thence parallel to the centerline of Lime Street in a southerly direction to a point, said point being five hundred feet south of the intersection of the centerline of Lime Street and the centerline of the Amtrak Railroad tracks; thence parallel to the centerline of the Amtrak Railroad tracks in a easterly direction to a point, said point being the intersection of the centerline of the Amtrak Railroad tracks and the common boundary between Eden Township and Quarryville Borough; thence along the common boundary between Eden Township and Quarryville Borough in a northerly direction to the point of beginning.

WATER SERVICE AGREEMENT
VALLEY TOWNSHIP

THIS AGREEMENT, dated the 6th day of MARCH, 1990, by and between CITY OF COATESVILLE AUTHORITY (CCA), a Pennsylvania Municipal Authority organized and existing under the Pennsylvania Municipal Authorities Act of 1945, located at 114 East Lincoln Highway, Coatesville, Pennsylvania, and the Township of Valley (Township), a Second Class Township organized and existing under the laws of the Commonwealth of Pennsylvania with its principal office located at 890 West Lincoln Highway, Coatesville, Pennsylvania.

WITNESSETH:

WHEREAS, the City of Coatesville has caused to be incorporated the City of Coatesville Authority, a Pennsylvania Municipal Authority; and

WHEREAS, CCA, pursuant to the authority vested in it by law has developed water resources and is in the process of developing additional water resources in the Coatesville region, is treating such water as needed and is providing for the transmission and distribution of such water to general areas of need in the Coatesville region; and

WHEREAS, the Board of Supervisors of Valley Township has ordained and enacted a resolution requesting CCA to provide bulk water service to the Township pursuant to the terms of this Agreement; and

WHEREAS, there is need for a safe and adequate supply of public water in parts of the Township; and

WHEREAS, the Township desires to acquire bulk water from CCA and provide said water directly to its residents pursuant to the terms of this Agreement; and

WHEREAS, the parties hereto desire to set forth the terms and conditions which shall be applicable to the sale and delivery of water by CCA to the Township and within the Township; and

WHEREAS, CCA and the Township have agreed to areas as shown on Exhibit "A" and listed on Exhibit "B" within the Township where CCA will provide water directly to water users in the Township pursuant to the terms of this Agreement.

NOW, THEREFORE, CCA and the Township for and in consideration of covenants, promises and agreements contained to be kept and observed, each intending to be legally bound hereby, covenant and agree as follows:

1. CCA covenants and agrees to sell bulk water to the Township to enable the Township to directly serve public water to all users within the boundaries of the Township, except those locations indicated by the shaded areas on the map of Valley Township attached hereto as Exhibit "A" and incorporated herein by reference and those tax parcels listed on a Schedule of Tax Parcels Serviced by CCA attached hereto as Exhibit "B" and incorporated herein by reference as if fully set forth herein. Those shaded areas on Exhibit "A", except as hereafter modified, and those tax parcels appearing on Exhibit "B" are and will during the term of this Agreement be served by CCA. In addition, that shaded area of Exhibit "A" west of Airport Road and north of Lincoln Highway, as well as Highlands Corporate Center shall be served by CCA.

It is understood and agreed between CCA and Valley Township that with respect to Exhibit "A" attached hereto that the shaded surface area south of Valley Road and north of Valley Crossing contains a present customer or customers of CCA. That customer or those customers shall continue to be serviced by CCA. All new customers in this shaded area, however, are to be served by public water from Valley Township.

2. Bulk water will be served to the Township for this purpose through connections made to existing CCA mains generally shown on Exhibit "A" and through meter pits to be constructed at each connection point, said connection points are also listed on Exhibit "A". Said meter pits shall be constructed in accordance with designs provided by CCA and in accordance with CCA specifications. The meter pits and other equipment will be purchased and installed by the Township including the construction of all connecting lines. The construction of connecting lines shall include excavation around the CCA main to be tapped and the provision and installation of the appropriate tapping sleeve. All work performed by the Township will be subject to inspection by CCA. Valley Township will pay a \$2,500.00 connection fee to CCA for each of the three taps agreed upon in this agreement. CCA will perform the connections. The size of the meters at each connection point shall be mutually determined by CCA and the Township engineers. Thereafter, CCA will own and maintain the meters. The Township will own and maintain connecting lines, meter pit, and appurtenant facilities except for facilities installed on the CCA system.

With respect to the connection fee(s) of \$2,500.00 due from the Township to CCA for each of the three taps specifically mentioned in this Agreement, namely (1) Red Road North, (2) Airport Road and Route 30 and (3) Highlands, the parties do hereby acknowledge that the connections may already be in place for one or more of the three taps. For any such connection that is currently in place the Township shall not be obligated for the payment of \$2,500.00 to CCA at the time of the tap.

3. In order to determine the continuing adequacy of supply at the various tapping points undertaken between the Township and CCA as new development and/or interconnections are made within the Township system, the Township, through its' engineer, will supply plans relative to serving additional areas of the Township or for interconnections internally within the system which may reinforce, loop or otherwise affect the flow of water from CCA's system. Any plans for extension of the Township system should be accompanied by a summary of additional units to be connected and of any additional substantial fire demands which may be imposed upon the system. Water System design and inspection of the Township water system shall be performed by, or as directed by the Township's engineer. Design will be in accordance with standard practice, looping systems where possible and practical. Distribution design and drawings will be made available at no cost to CCA; however, any review costs by CCA or its engineer will be at CCA's expense.

4. The first tap CCA will provide Valley Township will be located on Red Road north of Valley Road in Valley Township, and this tap shall be known as the Red Road tap. Valley Township will pay CCA a capacity fee of \$116,000.00 for this tap, and said sum shall be payable in five equal annual installments of \$23,200.00. The first of the 5 equal annual installments of \$23,200.00 shall be due immediately prior to the time the tap is performed, or by December 30, 1990, whichever date occurs first. The capacity fee shall be due and payable to CCA regardless of whether the tap has been actually made as of December 30, 1990. The Township will receive a bill for \$23,200.00 on the anniversary month in each of the four years following the initial payment of the capacity fee pursuant to this tap. Payment shall be due thirty days after the invoice date and the prevailing CCA penalty rate will be applied to late payments.

With respect to the Red Road Tap, once the peak daily usage exceeds 150,000 gallons per day, individual users in excess of 10,000 gallons per day will be assessed an additional capacity fee by Valley Township, said fee to be determined according to CCA's rate schedule and Valley Township will pay said capacity fee to CCA. Valley shall notify CCA of any user of more than 10,000 gallons per day when such a user comes onto the Valley system, at which time the user shall be obligated to pay the additional capacity fee to Valley Township, which will, in turn, pay such additional capacity fee to CCA.

5. CCA shall provide a second tap to Valley Township and said tap shall be located at Airport Road and Route 30 and said tap shall be known as the Lincoln Highway tap. Valley Township shall pay CCA a capacity fee of \$100,000.00 for this tap, payable in five equal annual installments of \$20,000.00 each. The first of the five equal annual installments of \$20,000.00 shall be due immediately prior to the time the tap is made or by August 30,

1991, which ever date occurs first regardless of whether the tap has been made or not. The Township will receive a bill for \$20,000.00 on the anniversary month in each of the four years following the initial installment payment of the capacity fee with respect to this tap. Payment shall be due thirty days after the invoice date and the prevailing CCA penalty rate will be applied to late payments.

With respect to the Lincoln Highway tap, once the peak daily usage exceeds 400,000 gallons per day, individual users in excess of 10,000 gallons per day will be assessed an additional capacity fee by Valley Township, said fee to be set according to CCA's rate schedule, and Valley Township shall pay said capacity fee to CCA. Valley shall notify CCA of any user or more than 10,000 gallons per day when such a user comes onto the Valley system, at which time the user shall be obligated to pay the additional capacity fee to Valley Township, which will, in turn, pay CCA such additional capacity fee.

6. CCA shall provide a third tap to Valley Township and said tap shall be known as the Highlands tap, and said tap shall be located as indicated on Exhibit "A". Valley Township shall pay CCA a capacity fee of \$116,000.00 for this tap, said capacity fee shall be payable in five equal annual installments of \$23,200.00 each. The first of the five equal annual installments of \$23,200.00 shall be due immediately prior to the time the tap is made, or by December 30, 1993, whichever date occurs first, regardless of whether the tap has been made. The Township will receive a bill for \$23,200.00 in the anniversary month in each of the four years following the year the initial installment payment was made for the capacity fee for this Highlands tap. Payment shall be due thirty days after the invoice date and the prevailing CCA penalty rate will be applied to late payments.

With respect to the Highlands tap, once the peak daily usage exceeds 400,000 gallons per day, individual users in excess of 10,000 gallons per day will be assessed an additional capacity fee by Valley Township, said fee to be according to CCA's rate schedule and Valley Township shall pay said capacity fee to CCA. Valley shall notify CCA of any user of more than 10,000 gallons per day when such a user comes onto the Valley system, at which time the user shall be obligated to pay the additional capacity fee to Valley Township, which will, in turn pay CCA such additional capacity fee.

7. CCA and the Township agree that any service area east of Route 82 will be served by a fourth tap and the Township will pay CCA an additional capacity fee to be negotiated by Township and CCA for this tap. Said capacity fee shall be negotiated at a future date when the details of this tap have been disclosed.

8. Unless otherwise provided by subsequent agreement, CCA shall have available to the Township for emergency purposes a fire flow of 1,500 gallons per minute to be sustained for a two hour period with a minimum residual pressure at the point of connection of 40 psi at the Red Road tap. Available fire flows at the Lincoln Highway tap will be 750 gallons per minute for a two hour duration at a minimum residual pressure of 40 psi and 500 gallons per minute for a two hour duration at a minimum residual pressure of 40 psi at the Highlands tap. The Township shall be responsible for providing adequate system capacity for fire protection purposes beyond the interconnection point. The provision of emergency fire protection water for hydrants owned and maintained by the Township within the Township service territory shall be at rates for water service applying to the bulk metering points. Charges for hydrants owned and maintained by CCA in CCA service territory shall be billed to the Township at rates provided in Paragraph 9 below.

9. In all instances where fees are required or use rates are applicable (except the capacity fees established pursuant to this Agreement in paragraphs 4, 5, and 6 and future capacity fees to be negotiated pursuant to paragraph 7 hereof), these rates and fees shall be such as are provided in the published rate and fee schedule of CCA prevailing at the time.

Whenever CCA increases rates by more than 10% in the aggregate over a 3 year period, or in excess of 6% in any given year, Township shall have the option of requesting that CCA engage a qualified third party rate consulting engineer to review the rationale for the rate increase and the appropriateness of said increase. CCA shall advise the Township of the consulting engineer or firm it desires to engage within thirty days of receipt of the request from Township. Township shall have thirty days to either accept the third party engineer or firm selected by CCA or provide CCA with the name of another qualified third party rate consulting engineer. If CCA does not accept Township's suggested consulting engineer, CCA and Township shall submit the choice of the consulting rate engineer to arbitration within thirty days. CCA and Township shall each select one arbitrator and the two arbitrators shall select a third arbitrator and this arbitration panel shall select the third party consulting engineer from lists submitted by CCA and the Township. Whenever either party fails to exercise its right to select the consulting engineer or to invoke the arbitration process within any of the thirty day periods specified above, such failure by that party to act shall constitute a waiver of the right.

In the event that the process of selecting a third party rate consulting engineer shall extend into the time period for which the increased rate would go into effect, CCA shall maintain its previous rates and fees. In the event that the third party

rate consulting engineer concurs or recommends a rate increase, Township shall pay CCA the difference between the new rate retroactive to the initial date of rate increase less the amount already paid CCA by the Township under the previous rate. In the event of sums owed CCA by the Township, said sums shall be paid to CCA within thirty days of the date the rate has been determined and recommended by the third party rate consulting engineer without penalty or interest. After thirty days, CCA's prevailing penalty and interest rates shall apply.

10. CCA agrees to read the bulk meter(s) on a monthly basis and to submit bills to the Township on said monthly basis. The Township agrees to pay promptly in accordance with said bulk meter reading subject to provisions of this Agreement. CCA agrees to maintain and calibrate the meters in accordance with standard practice of CCA for maintenance and operation of bulk meters. The Township may request at any time a special accuracy test to be performed by a certified meter testing laboratory to verify the accuracy of the meter(s). Should meters as a result of such tests be found to be inaccurate and require recalibration, the test and calibration will be the responsibility of CCA. If meters are found to be accurate or to read low, the Township will pay the testing costs. CCA agrees to maintain the accuracy limits of the meters to within normal allowable industry standards. The Township and CCA shall have full and complete access to all meters to read meters and to verify their accuracy. Duplicate keys shall be issued to each party. All fee or rate changes during the term of this Agreement, or any extension thereof, shall be in accordance with paragraph 9. At least sixty days prior to the implementation of any rate increase, CCA shall notify the Township of its intent to change rates. In no event shall a disputed rate increase be justifiable cause for the Township to withhold payment for bulk water provided to the Township by CCA. At a minimum, should the Township dispute or challenge a rate increase, the Township shall be obligated to pay the previous rate until said dispute or challenge is resolved.

11. In order to maintain control of pipe installations and maintenance thereof within its boundaries, the Township requires that CCA apply for all permits and easements in public streets or roads and rights of way owned by the Township. The Township agrees to issue permits to CCA for access to easements in Township streets, roads and in rights of way in other properties owned by the Township, necessary for maintaining, improving and constructing of new water mains and appurtenances within its service areas of the Township (reference Exhibit "A"). The Township will also issue permits to CCA upon applications for excavation to repair existing water mains and appurtenances. The Township will require that permits be obtained in all cases and that the requisite permit fee be paid prior to work being performed. A permit for emergency work shall be obtained on the

next normal work day for work done on weekends or after office hours. It is also necessary that all trench repairs be made in accordance with the Township Standard Specifications.

12. In recognition of the fact that the policy of the Commonwealth of Pennsylvania through the Municipality Authorities Act and the Pennsylvania Public Utility Commission (PUC) is to avoid competition among providers of public utility services within given service areas, the Township covenants and agrees that it will not extend its lines beyond its Township borders to service any customers in other municipalities. CCA covenants that it will not extend its lines within the Township to directly serve customers within the Township in areas other than those areas CCA is entitled to serve pursuant to the terms of this Agreement as said areas are indicated on Exhibits "A" or "B" as mentioned in Section 1 hereof unless specifically requested by the Township and upon signed amendment to this Agreement. Further, Township agrees to enter into mutually agreeable conveyancing agreements with CCA where necessary to facilitate CCA's service of areas outside the borders of Valley Township.

13. In the event that CCA finds that it is necessary to curtail deliveries to its customers within CCA's service areas, the quantities of water to be delivered to the Township shall be curtailed in the same proportion and to the same extent and in common with all other customers purchasing water from CCA. In the event of drought restrictions either imposed by CCA or imposed upon CCA by the Department of Environmental Resources, the Delaware River Basin Commission, or other regulatory commissions and agencies regulating water supply, CCA covenants to impose said restrictions within the Township in the same manner and the same proportion as said restrictions are imposed throughout CCA's water service system and territories.

14. It is hereby specifically agreed by the Township and CCA that there will be occasions when, because of failure of facilities, leaks, required repairs to facilities, strikes, acts of God, and other emergency circumstances beyond the control of CCA when interruptions or fluctuations in service will occur, and that during the period of such interruption or fluctuations, it is hereby specifically agreed that the only obligation CCA shall have is to use ordinary and reasonable care to maintain the water service and supply herein provided, and that CCA shall not be liable in any way to the Township for any interruption or diminishing of water service or supply caused by circumstances beyond its control. CCA shall make every effort to work without interruption to repair the problem causing the service interference and take steps to notify the affected customers of the reason for the interruption, the expected length of time of interruption, recommended safe steps to be taken, and any special instructions necessary following resumption of service. For bulk

water sales, notification of the interruption shall be made to at least one of the Township officials listed on Exhibit "C" attached hereto and incorporated herein by reference.

15. CCA agrees that the water to be furnished by it hereunder shall be potable and meet all required standards of federal and Commonwealth of Pennsylvania Regulatory Agencies.

16. CCA and the Township agree that their respective systems will be maintained in good operating order and any leaks detected on such systems will be promptly repaired in order to conserve water and to reduce the cost of operating the system. CCA and the Township further agree that any restrictions imposed upon CCA by any governmental regulatory agency with respect to requiring the use of water saving devices in all new construction will likewise be imposed by the Township on its customers and that the Township will adopt such rules and regulations as are customarily imposed upon the use of water in public water systems, particularly as they relate to the use of water saving devices, back flow prevention, and other measures intended to protect the integrity and quality of public water supply. CCA and the Township agree that neither party will operate valves, perform excavations or otherwise take actions that might affect the operation and integrity of the other party's system.

17. This Agreement shall remain in effect for a period of fifteen (15) years from the date hereof and shall automatically be renewed for additional periods of five (5) years each after the initial term hereof, unless terminated at the expiration of the original term or at the expiration of any renewed term by either party giving written notice to the other of its intention to terminate at least twenty-four (24) months prior to the expected termination date.

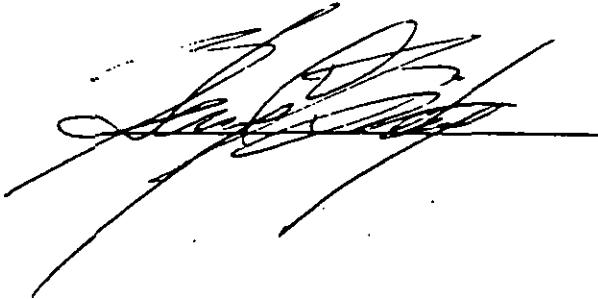
18. This Agreement shall be binding upon the respective successor and assigns of the parties hereto and the benefits hereunder shall inure to the same.

19. This Agreement embodies the entire agreement between the parties hereto with reference to the subject matter and there are no agreements, understandings, conditions, warranties or representations, oral or written, expressed or implied, with reference to the subject matter hereof that are not merged in this Agreement and superseded hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered, and their respective corporate seals to be hereunto affixed by their respective duly authorized officers, the day and year first above mentioned.

ATTEST:

CITY OF COATESVILLE
AUTHORITY



By: William D. Battye
Chairman, Board of
Directors and all members

Herbert S. ...
Charles T. Williams
John D. Fouse
[Signature]

ATTEST:

Alvin G. ...

VALLEY TOWNSHIP

By: [Signature]
Chairman, Board of
Supervisors and all
Supervisors

Paul M. Jeffers
[Signature]
John Emerich [Signature], Esq.
Grover E. Roon

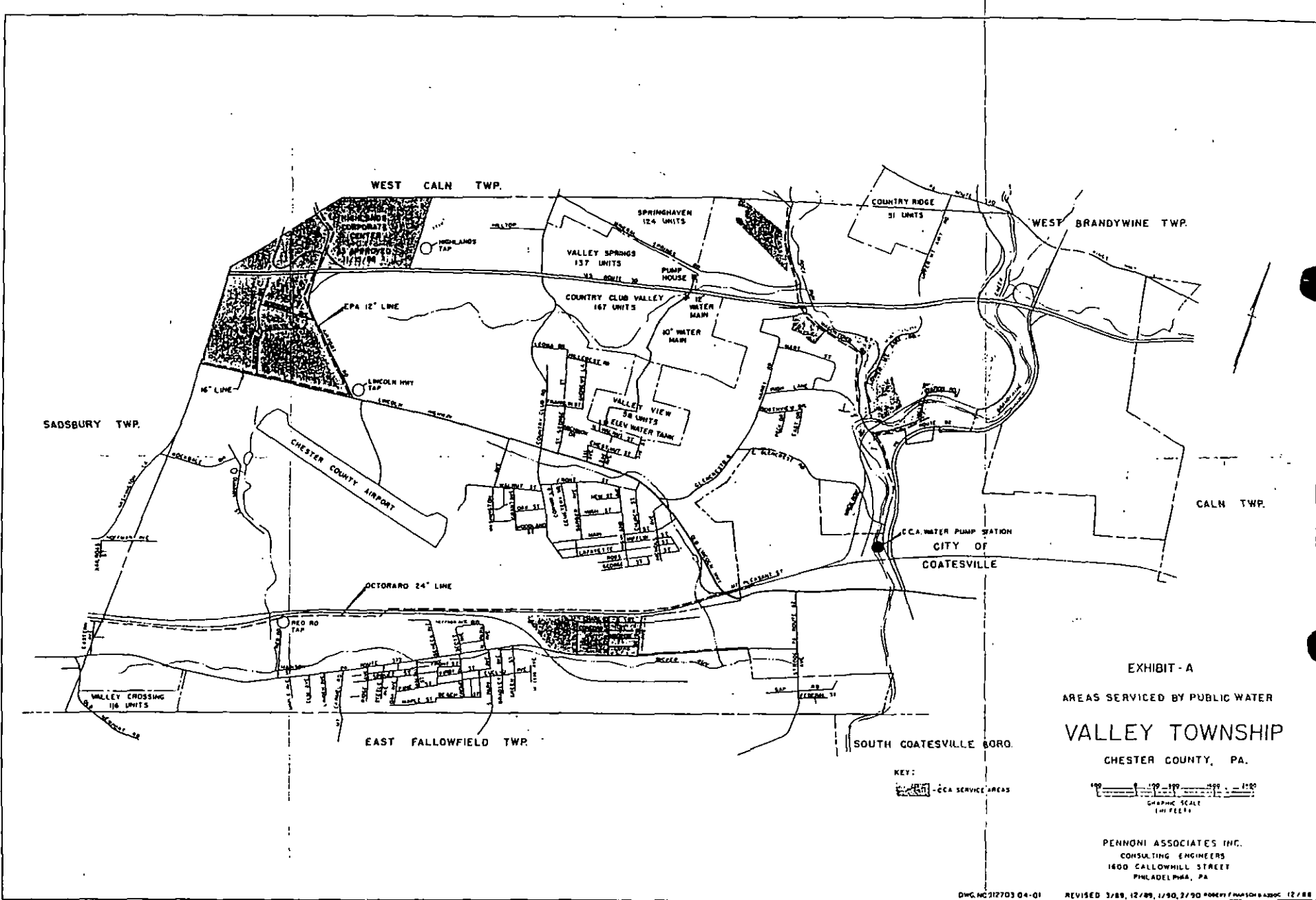
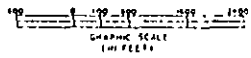


EXHIBIT - A
 AREAS SERVICED BY PUBLIC WATER
VALLEY TOWNSHIP
 CHESTER COUNTY, PA.

KEY:
 - CCA SERVICE AREAS



PENNONI ASSOCIATES INC.
 CONSULTING ENGINEERS
 1800 CALLOWMILL STREET
 PHILADELPHIA, PA.

VALLEY TOWNSHIP CUSTOMERS

<u>ADDRESS</u>	<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>PARCEL NO.</u>
1407 Brick Row	Donald Campbell	43265023	38-2-192
1408 Brick Row	Leon Peszko	43270033	38-2-193
1409 Brick Row	Lisa Marie Jordan	43257023	38-2-194
1410 Brick Row	William Chernecky	43240013	38-2-195
1411 Brick Row	New Account	43232033	38-2-196
1412 Brick Row	New Account	43224033	38-2-197
1413 Brick Row	New Account	43216043	38-2-198
1414 Brick Row	New Account	43208033	38-2-199
900 Charles St.	Edward Wright	33340013	38-5C-83
902 Charles St.	Patricia Restrepo	33357013	38-5C-82
903 Charles St.	Robert Weinrich	33360013	38-5C-86-13
904 Charles St.	Denise Garrett	33365023	38-5C-81
905 Charles St.	Christie Burrell	33367013	38-5C-86-12
906 Charles St.	Beanie & Gary Bogush	30076502	38-5C-80
907 Charles St.	Mary Durham	33349027	38-5C-86-11
908 Charles St.	Havard Townsend	33381013	38-5C-79
909 Charles St.	Larry Dovin	33385013	38-5C-86-10
910 Charles St.	New Account	33399043	38-5C-78
911 Charles St.	David Smith	33405013	38-5C-86-9
912 Charles St.	Dale Collins	33407033	38-5C-77
913 Charles St.	Joseph Scheider	33410023	38-5C-86-8
914 Charles St.	Mark Welsh	33415013	38-5C-76
915 Charles St.	Philip Hemcher	33417023	38-5C-86-7
916 Charles St.	Sarah Miller	33423013	38-5C-75
918 Charles St.	Marlene B. Jones	33431013	38-5C-74
920 Charles St.	Eugene Sabatini	33449023	38-5C-73
922 Charles St.	Gloria Lyons	33456013	38-5C-72
924 Charles St.	Thomas Wayne	33464013	38-5C-71
926 Charles St.	Albert G. Hanna Jr.	33472013	38-5C-70
928 Charles St.	Nicholas Kirylyck	33480013	38-5C-69
1000 Charles St.	Allen Armentrout	33498013	38-5C-68
1002 Charles St.	Steve & Anita Wood	33506043	38-5C-67
1004 Charles St.	Wayne Aungst	33514013	38-5C-66
1006 Charles St.	Catherine McCarraher	33522013	38-5C-65
1008 Charles St.	William Killian	33530013	38-5C-64
1009 Charles St.	Roxanne Barnes	33606013	38-5C-86-6
1010 Charles St.	William Eshleman	33548023	38-5C-63
1011 Charles St.	Bernard Kefer	33549013	38-5C-86-5
1012 Charles St.	Russell Hayes	33555013	38-5C-62
1013 Charles St.	Robert D. Cruickshank	33607013	38-5C-86-4
1014 Charles St.	Joseph Lemire	33563013	38-5C-61
1016 Charles St.	Jos. J. Dray	33571013	38-5C-60
1017 Charles St.	Osborn Gen. Cont.	98039006	38-5C-86-2
1018 Charles St.	Carmen Vergara	33589013	38-5C-59
1020 Charles St.	Charles E. Holston	33597023	38-5C-59.1
1022 Charles St.	Jeffrey Hoffman	33605013	38-5C-59.2

ADDRESS

NAME

ACCOUNT NO.

PARCEL NO.

1110 W. Eleventh Ave.	New Account	033639023	38-5C-93
Eleventh Ave.	Paulson Serv & Equip.	33613013	38-5C-17.1
W. Eleventh Ave.	Harry Johnston	33621033	38-5C-94
W. Eleventh Ave.&Valley	Delaware Container	98035506	38-5-17
W. Eleventh Ave.&Valley	Delaware Container	98036006	38-5-17
225 N. First Ave.	Ralph Henry	43174013	38-3-35
Gap & Strode Ave.	BVM Catholic Church	33035013	38-6A-6
46 Gap Road	Robert Beard	32870033	38-6A-19
50 Gap Road	Bruce Reese	32888033	38-6A-18
52 Gap Road	Joseph&Arlene Rubincam	32896013	38-6A-17
54 Gap Road	Warren Butler	32904023	38-6A-16
56 Gap Road	Hudson Beard	32920013	
58 Gap Road	William Grubb	32938023	38-6A-14
60 Gap Road	New Account	32946023	38-6A-13
61 Gap Road	New Account	32854023	16-6A-3
62 Gap Road	Hudson Beard	32953013	38-6A-13-1
63 Gap Road	Stephen Kocik	32862013	38-6A-2
64 Gap Road	New Account	32961023	38-6A-12
70 Gap Road	Paul Gregor	32979013	38-6A-11
72 Gap Road	Richard L. Bard	32987053	38-6A-11-1
74 Gap Road	Steve Mudry	32995013	38-6A-10
76 Gap Road	Irene Pashesnik	33001013	38-6A-9
82 Gap Road	BVM Greek Cath. Ch.	33019013	38-6A-8
84 Gap Road	Donald Yeoman	33027013	38-6A-7
1251 Hefner St.	John Gill	98021006	38-5B-36
23 Irish Lane	Edward Clark	42838013	38-2M-111
Irish Lane&Wagontown Rd	Soloman Drawhorn	44180013	38-2M-71
1046 Manor Road	William Robinson	430000101	38-2M-133
608 Old Lincoln Hwy.	Alberta White	29421012	38-5-36
612 Old Lincoln Hwy.	Robert Shesko	16493012	16-6-451
614 Old Lincoln Hwy.	Albert Steen	29447012	38-5-34
615 Old Lincoln Hwy.	B. Schwartzentruber		38-5-35
901 W. Madison St.	Francis Seyman	33928013	38-5C-84.1
903 W. Madison St.	Steve Miller	33910033	38-5C-84.2
905 W. Madison St.	Durphey Poe	33902023	38-5C-84.3
907 W. Madison St.	Dominick Angradl	33894013	38-5C-84.4
909 W. Madison St.	Charles Beems	33886023	38-5C-84
911 W. Madison St.	George Ray Siver	33878023	38-5C-85-1
913 W. Madison St.	Eric Sitler	33860033	38-5C-86-8
915 W. Madison St.	Gary Leslie	33852023	38-5C-85
917 W. Madison St.	Mary Lou Fisher	33845023	38-5C-87.2
919 W. Madison St.	Bernard Soloman	33837043	38-5C-87.1
921 W. Madison St.	Linda Shank	33829013	38-5C-87.3
923 W. Madison St.	Joseph Misiewicz	33811013	38-5C-87
925 W. Madison St.	David Bicking	33803013	38-5C-88.2
927 W. Madison St.	Robert Newlin	33795013	38-5C-88.1
929 W. Madison St.	James Kauffman	33787013	38-5C-88.3
931 W. Madison St.	Mike Murray	33779033	38-5C-88

<u>ADDRESS</u>	<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>PARCEL NO.</u>
933 W. Madison St.	Andrew Kissel	33761013	38-5C-89.2
935 W. Madison St.	Debra Taylor	33753013	38-5C-89.1
937 W. Madison St.	Catherine Daniels	33746023	38-5C-89
939 W. Madison St.	Lawrence Urbine	33738013	38-5C-89.3
941 W. Madison St.	Frederick Kerr	33720023	38-5C-90.1
943 W. Madison St.	Charles S. Thompson III	33712033	38-5C-90.2
945 W. Madison St.	Joseph Sabasteau	33704013	38-5C-90.3
947 W. Madison St.	Edward Kasian	33696013	38-5C-90
949 W. Madison St.	Robert Lasak	33688013	38-5C-91.2
951 W. Madison St.	Kathleen Zaleski	33670033	38-5C-91.3
953 W. Madison St.	Mark Quinn	33662033	38-5C-91.4
955 W. Madison St.	Betty Miller	33654013	38-5C-91
957 W. Madison St.	Gerald Weaver	33647013	38-5C-91.1
1033 Manor Road	Edgar Baynard	4500123	
1033 1/2 Manor Road	Lydia Sims	4500213	
1038 Manor Road	Ronald Delahoy	42952013	38-2M-127
1039 Manor Road	Willard Middleton	42960013	38-2M-128
1045 Manor Road	Wesley James	42994013	38-2M-132
1046 Manor Road	William Robinson	43000013	38-2M-133
1047 Manor Road	Philip Cline	43018013	38-2M-134
1049 Manor Road	George Taylor	43034013	38-2M-136
1050 Manor Road	Margaret Clark	43042013	38-2M-137
1051 Manor Road	Joe Brown	43059013	38-2M-138
1052 Manor Road	Clifford Pittman	43067013	38-2M-139
1053 Manor Road	Paul Schlimme	43075013	38-2M-140
1054 Manor Road	Steven Deveaux	43083013	38-2M-141
1055 Manor Road	Loretta Wilson	43091013	38-2M-142
1056 Manor Road	Helen Lawrence	43109013	38-2M-143
1058 Manor Road	Willie Jackson	43125013	38-2M-145
Mt. Airy Road	New Account	42879043	38-2-38-1
Mt. Airy Road	Roll Form Inc.	42861033	38-2-38-2
174 Mt. Airy Road	William Heath	42945023	38-2-18
176 Mt. Airy Road	Frederick Shuler	43422013	38-2-34
166 Mt. Airy Road	Samuel & Ruth Alston	43414013	38-2-37
172 Mt. Airy Road	Stephen Olinick	43430013	38-2-35.1
173 Mt. Airy Road	Thomas & Ethel Middleton	44172013	38-2-35
178 Mt. Airy Road	Calvin Stokes	43588013	38-2-33
171 Mt. Airy Road	Witmer Middleton	43539013	
1066 Mt. Airy Road	Ossie Brown	42804013	38-2M-84
1072 Mt. Airy Road	George Grove Sr.	42895013	38-2M-152
1073 Mt. Airy Road	Sherman Taltoan	42903013	38-2M-151
1074 Mt. Airy Road	Arnold Mattson	42911013	38-2M-150
1075 Mt. Airy Road	Eugene Clark	42929013	38-2M-149
1076 Mt. Airy Road	Joanne Prouse	42937023	38-2M-148
Mt. Airy Road & Wagontown Rd	Soloman Drawhorn	44180013	38-2M-71
Telegraph Road (44 Beech St.)	John London	40436013	9-10-63
10 W. 10th Ave.	Shirley Fryberger	33326013	
20 W. 10th Ave.	Susan Woodcock	33327013	38-5C-97

<u>ADDRESS</u>	<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>PARCEL NO.</u>
22 W. 10th Ave.	David Coladonato	33324133	
24 W. 10th Ave.	Mario Charriez	33325023	38-5C-97.4
26 W. 10th Ave.	Charles Hughes III	33251013	
1403 Valley Road	Westwood Fire Co.	98003006	
Valley Road	L.F. Lambert Spawn Co.	85024007	
Valley Road	Eileen Lake	89086816	38-4-13
Valley Road	Samuel Smoker	89087016	38-4-16.1
1009 Valley Station Rd.	Lewis Rokins Jr.	43140013	38-3-3
1010 Valley Station Rd.	Harry Osbeck	43133013	38-3-4
1011 Valley Station Rd.	Martin Scull	43141023	38-3-5
1012 Valley Station Rd.	Robert Irwin	43158013	38-3-6
1013 Valley Station Rd.	Douglas Lambert Sr.	43331033	38-3-7
1014 Valley Station Rd.	Mousa&Lorraine Shihadeh	43349013	38-3-18
1015 Valley Station Rd.	Patricia Root	43356023	
1016 Valley Station Rd.	Daniel Fellenbaum	43364013	
1018 Valley Station Rd.	Tenant	43372013	
1019 Valley Station Rd.	B.J. Skiles	43380013	38-3-9
1020 Valley Station Rd.	Marvin McGinnis	43398013	38-3-22
1021 Valley Station Rd.	James D. Collins	43406013	
1022 Valley Station Rd.	Patricia Wilson	43166013	38-3-14
1201 Valley Rd.	New Account	85026027	
1251 Valley Rd. & (Heffner St.)	John Gill	98021006	38-5B-34
1059 Wagontown Rd.	T.H. & P.M. Fairbanks	44175013	38-2M-164
1060 Wagontown Rd.	New Account	42788023	
145 Wagontown Rd.	Harry Mackey	42713013	38-2H-1
1064 Wagontown Rd.	Scott DiBerardinis	42796023	38-2M-82
1080 Wagontown Rd.	Benjamin Wilson	42846013	38-2-22.2
150 Wagontown Rd.	Jonathan Inslee	42762013	38-2-22.1
Wagontown Rd.	Rudy Mareno	42721013	38-2H-2
147 Wagontown Rd.	Robert Clifton	42747013	38-2H-5
146 Wagontown Rd.	Charles Rodgers	42739013	38-2H-4
119 Waterworks Rd.	James Burke	42697013	28-9-50
117 Waterworks Rd.	Candace Thompson	42663033	
Wagontown Rd.	John MacDonald	43455013	
1094 Rock Run Road	Cornetta Miller	42820013	38-2-5
150A Wagontown Rd.	Peter Knecht	43521013	38-2M-163
1079 Wagontown Rd.	Edward Clark	42821013	38-2M-120
149 Wagontown Rd.	John March	42754013	38-2-22

LIST OF VALLEY TOWNSHIP OFFICIALS

The following officials of Valley Township shall be contacted in the order of priority listed whenever an interruption of bulk service to the Township occurs:

1. Lloyd Simmers
Coatesville, Pa 19320
383-5562 business telephone
380-1405 home telephone
350-4314 truck telephone
2. John E. High, Esquire
245 Glencrest Road
Coatesville, Pa 19320
431-7155 business telephone
431-4929 business telephone
384-3167 home telephone
3. Paul Neff
1603 Valley Road
Coatesville, Pa 19320
384-3199 home telephone
4. Doris Darlington, Township Secretary
6 Betsy Lane
Thorndale, Pa 19372
384-4071
5. Gary Swiger, Chief of Police
1035 B West Lincoln Highway
Coatesville, Pa 19320
384-8133 office telephone
380-1429 home telephone

Exhibit "C"

ADDENDUM NO. 1

AMENDMENT TO
WATER SERVICE AGREEMENT
VALLEY TOWNSHIP

WHEREAS, the City of Coatesville Authority (CCA) and the Township of Valley (Township) entered into a Water Service Agreement dated March 6, 1990, which set forth the terms and conditions which are to be applicable to the sale and delivery of water by CCA to the Township and within the Township; and

WHEREAS, Paragraph 5 of said Agreement provides for a water tap to be located at Airport Road and Route 30 to be known as the Lincoln Highway tap and, further, requires the Township to pay a capacity fee of \$100,000 for this tap in five equal annual payments of \$20,000 each to be due immediately prior to the time of the tap or by August 30, 1991; and

WHEREAS, Paragraph 6 of said Agreement provides for a water tap to be known as Highlands tap and, further, requires the Township to pay a capacity fee of \$116,000 for this tap in five equal annual payments of \$23,200 each to be due immediately prior to the time of the tap or by December 30, 1993; and

WHEREAS, it is the desire and intent of CCA and the Township to modify this agreement solely for the purpose of changing the dates by which the capacity fees for the Lincoln Highway and the Highlands taps shall be due unless the actual tap for each location occurs prior to the specified dates.

NOW, THEREFORE, CCA and the Township agrees that Paragraphs 5 and 6 of the said Agreement are hereby amended to read as follows:

5. CCA shall provide a second tap to Valley Township and said tap shall be located at Airport Road and Route 30 and said tap shall be known as the Lincoln Highway tap. Valley Township shall pay CCA a capacity fee of \$100,000.00 for this tap, payable in five equal annual installments of \$20,000.00 each. The first of the five equal annual installments of \$20,000.00 shall be due immediately prior to the time the tap is made or by August 30, 1994, whichever date occurs first regardless of whether the tap has been made or not. The Township will receive a bill for \$20,000.00 on the anniversary month in each of the four years following the initial installment payment of the capacity fee with respect to this tap. Payment shall be due thirty days after the invoice date and the prevailing CCA penalty rate will be applied to late payments.

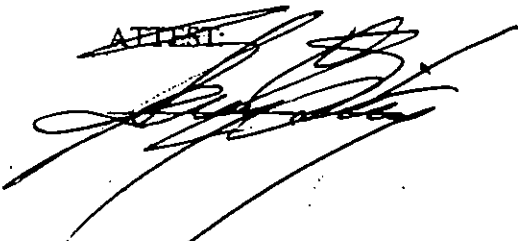
With respect to the Lincoln Highway tap, once the peak daily usage exceeds 400,000 gallons per day, individual users in excess of 10,000 gallons per day will be assessed an additional capacity fee by Valley Township, said fee to be set according to CCA's rate schedule, and Valley Township shall pay said capacity fee to CCA. Valley shall notify CCA of any user of more than 10,000 gallons per day when such a user comes onto the Valley system, at which time the user shall be obligated to pay the additional capacity fee to Valley Township, which will, in turn, pay CCA such additional capacity fee.

6. CCA shall provide a third tap to Valley Township and said tap shall be known as the Highlands tap, and said tap shall be located as indicated on Exhibit "A". Valley Township shall pay CCA a capacity fee of \$116,000.00 for this tap, said capacity fee shall be payable in five equal annual installments of \$23,200.00 each. The first of the five equal annual installments of \$23,200.00 shall be due immediately prior to the time the tap is made, or by December 30, 1996, whichever date occurs first, regardless of whether the tap has been made. The Township will receive a bill for \$23,200.00 in the anniversary month in each of the four years following the year the initial installment payment was made for the capacity fee for this Highlands tap. Payment shall be due thirty days after the invoice date and the prevailing CCA penalty rate will be applied to late payments.

With respect to the Highlands tap, once the peak daily usage exceeds 400,000 gallons per day, individual users in excess of 10,000 gallons per day will be assessed an additional capacity fee by Valley Township, said fee to be according to CCA's rate schedule and Valley Township shall pay said capacity fee to CCA. Valley shall notify CCA of any user of more than 10,000 gallons per day when such a user comes onto the Valley system, at which time the user shall be obligated to pay the additional capacity fee to Valley Township, which will, in turn pay CCA such additional capacity fee.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered, and their respective corporate seals to be hereunto affixed by their respective duly authorized officers, this 23rd day of May, 1991.

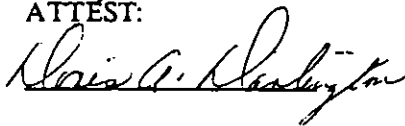
ATTEST:



CITY OF COATESVILLE AUTHORITY

By: William J. Rattigan
Chairman, Board of Directors, CCA

ATTEST:



VALLEY TOWNSHIP

By: Stephen J. Jones
Chairman, Board of Supervisors



**CONTROL POINT
ASSOCIATES, INC.**

Gwynedd Corp. Center
1120 Welsh Road
Suite 200
North Wales, PA 19454
215.412.9055
215.412.0861 fax

776 Mountain Boulevard
Watchung, NJ 07060
908.668.0099
908.668.9595 fax

January 28, 2000
CP97047

**METES AND BOUNDS DESCRIPTION
SADSBURY COMMONS
LOTS 86, 87 & 151 AND PART OF LOT 10, TAX MAP SHEET 36-3
TOWNSHIPS OF SADSBURY & WEST SADSBURY
CHESTER COUNTY, COMMONWEALTH OF PENNSYLVANIA**

BEGINNING AT A POINT ON THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 10 (A.K.A. OCTORARO TRAIL, A.K.A. LR 274-4, A.K.A. SR 0010, 80 FOOT WIDE RIGHT-OF-WAY), SAID POINT BEING LOCATED AT THE SOUTHEASTERLY TERMINUS OF AN ARC HAVING A RADIUS OF 65.00 FEET, CONNECTING THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 10 WITH THE SOUTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30 (A.K.A. LINCOLN HIGHWAY, A.K.A. LR 142, A.K.A. SR 0030, VARIABLE WIDTH RIGHT-OF-WAY), AND FROM SAID POINT OF BEGINNING RUNNING, THENCE;

- 1. ALONG THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 10, SOUTH 04 DEGREES 09 MINUTES 12 SECONDS EAST, A DISTANCE OF 318.53 FEET TO A POINT OF CURVATURE, THENCE;**
- 2. CONTINUING ALONG THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 10, ALONG THE ARC OF A CIRCLE CURVING TO THE LEFT, HAVING A RADIUS OF 2,478.12 FEET, TURNING A CENTRAL ANGLE OF 23 DEGREES 42 MINUTES 55 SECONDS, AN ARC LENGTH OF 1,025.72 FEET, A CHORD BEARING SOUTH 16 DEGREES 00 MINUTES 40 SECONDS EAST AND A CHORD DISTANCE OF 1,018.41 FEET TO A POINT, THENCE;**
- 3. LEAVING THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 10, AND RUNNING ALONG THE DIVIDING LINE BETWEEN LOT 87 & LOT 11, SOUTH 62 DEGREES 07 MINUTES 53 SECONDS WEST, A DISTANCE OF 882.26 FEET TO A POINT, THENCE;**
- 4. ALONG THE DIVIDING LINE BETWEEN LOT 10 & LOT 11, SOUTH 04 DEGREES 53 MINUTES 25 SECONDS EAST, A DISTANCE OF 90.90 FEET TO A POINT, THENCE;**

BOUNDARY & TOPOGRAPHIC SURVEYS • SUBDIVISIONS • CONSTRUCTION STAKEOUT



5. ALONG THE PROPOSED SUBDIVISION LINE THROUGH LANDS OF LOT 10, SOUTH 85 DEGREES 06 MINUTES 35 SECONDS WEST, A DISTANCE OF 983.31 FEET TO A POINT, THENCE;
6. ALONG THE DIVIDING LINE BETWEEN LOT 10 & LOT 149, NORTH 05 DEGREES 28 MINUTES 42 SECONDS WEST, A DISTANCE OF 464.05 FEET TO A POINT, THENCE;
7. ALONG THE DIVIDING LINE BETWEEN LOT 151 & LOT 88, NORTH 05 DEGREES 29 MINUTES 33 SECONDS WEST, A DISTANCE OF 1,289.43 FEET TO A POINT, THENCE;
8. ALONG THE DIVIDING LINE BETWEEN LOT 151 & LOT 82, SOUTH 82 DEGREES 29 MINUTES 37 SECONDS EAST, A DISTANCE OF 51.31 FEET TO A POINT, THENCE;
9. CONTINUING ALONG THE DIVIDING LINE BETWEEN LOT 151 & LOT 82, NORTH 05 DEGREES 29 MINUTES 33 SECONDS WEST, A DISTANCE OF 481.82 FEET TO A POINT IN THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 30, THENCE;
10. ALONG THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, SOUTH 82 DEGREES 30 MINUTES 33 SECONDS EAST, A DISTANCE OF 102.62 FEET TO A POINT, THENCE;
11. LEAVING THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30 AND RUNNING ALONG THE DIVIDING LINE BETWEEN LOT 86.7 & LOT 87.1, SOUTH 05 DEGREES 29 MINUTES 33 SECONDS EAST, A DISTANCE OF 511.51 FEET TO A POINT, THENCE;
12. ALONG THE COMMON DIVIDING LINE BETWEEN LOT 86 & LOTS 87.1 & 87.2, SOUTH 82 DEGREES 30 MINUTES 43 SECONDS EAST, A DISTANCE OF 300.00 FEET TO A POINT, THENCE;
13. CONTINUING ALONG THE DIVIDING LINE BETWEEN LOT 86 & LOT 87.2, NORTH 05 DEGREES 29 MINUTES 33 SECONDS WEST, A DISTANCE OF 511.51 FEET TO A POINT IN THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, THENCE;
14. ALONG THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, SOUTH 82 DEGREES 30 MINUTES 43 SECONDS EAST, A DISTANCE OF 576.71 FEET TO A POINT, THENCE;
15. LEAVING THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, SOUTH 04 DEGREES 53 MINUTES 25 SECONDS EAST, A DISTANCE OF 71.17 FEET TO A POINT ON THE SOUTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, THENCE;
16. ALONG THE SOUTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, SOUTH 82 DEGREES 26 MINUTES 18 SECONDS EAST, A DISTANCE OF 582.65 FEET TO A POINT OF CURVATURE, THENCE;
17. ALONG THE ARC OF A CIRCLE CURVING TO THE RIGHT CONNECTING THE SOUTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30 WITH THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 10, SAID ARC HAVING A RADIUS OF 65.00 FEET, TURNING A CENTRAL ANGLE



OF 78 DEGREES 17 MINUTES 06 SECONDS, AN ARC LENGTH OF 88.81 FEET, A CHORD BEARING SOUTH 43 DEGREES 17 MINUTES 45 SECONDS EAST AND A CHORD DISTANCE OF 82.06 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 3,028,057 SQUARE FEET OR 69.515 ACRES

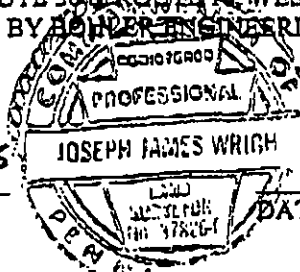
THIS PROPERTY MAY BE SUBJECT TO RESTRICTIONS, COVENANTS AND/OR EASEMENTS, EITHER WRITTEN OR IMPLIED.

THIS DESCRIPTION IS WRITTEN IN ACCORDANCE WITH A MAP ENTITLED "AMENDED PRELIMINARY FINAL LAND DEVELOPMENT PLANS, RECORD PLAN, WOLFSON-VERRICCHIA GROUP, INC., SADSBUARY COMMONS, ROUTE 30 & ROUTE 10, WEST SADSBUARY & SADSBUARY TOWNSHIPS, PA", PREPARED BY HENDER ENGINEERING, INC., FILE NO. P6117SR0, SHEET 2 OF 38, DATED 8/25/99.

[Handwritten signature]

JOSEPH J. WRIGHT, P.L.S.
PENNSYLVANIA PROFESSIONAL
LAND SURVEYOR NO. SU-037826-E

JWS/or
CPA/97047LD3



1/28/00

DATE

**DESCRIPTION OF WASTEWATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County, Pennsylvania**

Serving all of the City of Coatesville and the Borough of Parkesburg. Also serving portions of the Townships of Caln, East Fallowfield, Valley, Sadsbury and West Sadsbury as described below.

Caln Township, Chester County, Pennsylvania

Serving portions of Caln Township through the receipt of bulk sewer service from the Caln Township sewage collection system at a meter connection located approximately 175 feet north of the intersection of Caln Road and Lincoln Highway and a meter connection located approximately 150 feet east of the intersection of 11th Avenue and Foundry Street.

Also serving the United States Veterans Administration Hospital located in Caln Township.

East Fallowfield Township, Chester County, Pennsylvania

Serving portions of East Fallowfield Township as follows:

Beginning at a point, said point being thirty five feet west of the intersection of the centerline of the Mount Carmel Road and the common boundary line between East Fallowfield and Valley Townships; thence along the boundary line between East Fallowfield and Valley Townships in a northeasterly direction to a point, said point being the common corner between East Fallowfield Township and South Coatesville Borough and also along the Valley Township boundary line, thence along the boundary between East Fallowfield Township and South Coatesville Borough in a southerly, westerly, southerly, westerly, southeasterly, easterly, southeasterly direction to a point, said point being thirty five feet southeast of the intersection of the centerline of Upper Gap Road and the boundary line between East Fallowfield Township and South Coatesville Borough, thence parallel to the centerline of Upper Gap Road in a southwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Upper Gap Road, Youngsburg Road and Buck Run Road, thence parallel to the centerline of Buck Run Road in a southwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Buck Run Road and Strasburg Road, thence parallel to the centerline of Strasburg Road in a northwesterly direction to a point, said point being thirty five feet west of the intersection of the centerline of Strasburg Road and Mount Carmel Road, thence parallel to the centerline of Mount Carmel Road in a northerly direction to the point of beginning.

Beginning at a point, said point being the common corner of West Bradford and East Fallowfield Townships and also being on their boundary line with Caln Township; thence, in a southerly direction along the boundary line between West Bradford and East Fallowfield Townships to a point, said point being on the northern property line of the Fox Knoll development; thence, in a westerly, southerly, and easterly direction along the northern, western, and southern property lines of the Fox Knoll development to a point, said point being the boundary line between West Bradford and East Fallowfield Townships; thence, in a southerly and southwesterly direction along the boundary line between West Bradford and East Fallowfield Townships to a point, said point being the thirty five feet south of the intersection of the centerline of Saw Mill Road and the boundary between West Bradford and East Fallowfield Townships, thence parallel to the centerline of Saw Mill Road in a southwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Saw Mill Road and Mortonville Road, thence parallel to the centerline of Mortonville Road in a northwesterly direction to a point, said point being thirty five feet south of the intersection of the centerline of Mortonville Road and the boundary line between East Fallowfield Township and Modena Borough, thence along the boundary between East Fallowfield Township and Modena Borough in a northerly, northwesterly direction to a point, said point being the common corner of East Fallowfield Township and South Coatesville Borough and also along the Modena Borough boundary line, thence along the boundary between East Fallowfield Township and South Coatesville Borough in a northerly direction to a point, said point being the common corner between, East Fallowfield Township, South Coatesville Borough, the City of Coatesville and Caln Township, thence along the boundary between East Fallowfield and Caln Townships in a easterly direction to the point of beginning.

**DESCRIPTION OF WASTEWATER APPLICATION TERRITORY
CITY OF COATESVILLE AUTHORITY
Chester County, Pennsylvania**

Serving all of the City of Coatesville and the Borough of Parkesburg. Also serving portions of the Townships of Caln, East Fallowfield, Valley, Sadsbury and West Sadsbury as described below.

Valley Township, Chester County, Pennsylvania

Serving those portions of Valley Township pursuant to the terms of the January 7, 1992 "Sewage Treatment Agreement" between the City of Coatesville Authority and Valley Township (See Exhibit N-1).

Serving portions of Valley Township through the receipt of bulk sewer service from the Valley Township sewage collection system at three metering points, two metering points are located within the municipal boundary of the City of Coatesville and one metering point is located within Valley Township.

West Sadsbury Township, Chester County, Pennsylvania

Serving portions of West Sadsbury Township as follows:

Beginning at a point, said point being five hundred feet north of the intersection of the centerline of the Amtrak Railroad tracks and the common boundary between West Sadsbury Township and Parkesburg Borough; thence parallel to the centerline of the Amtrak Railroad tracks in a southwesterly direction to a point, said point being the common boundary between West Sadsbury Township and Atglen Borough; thence in a southerly direction along the boundary line between West Sadsbury Township and Atglen Borough to a point, said point being five hundred feet south of the intersection of the boundary line between West Sadsbury Township and Atglen Borough and the centerline of Lower Valley Road (S.R. 372); thence parallel to the centerline of Lower Valley Road in a northeasterly direction to a point, said point being five hundred feet southwest of the intersection of the centerline of Lower Valley Road and Lenover Road; thence parallel to the centerline of Lenover Road in a southerly direction to a point, said point being the common boundary line between West Sadsbury and Highland Townships; thence in a northeasterly direction along the boundary line between West Sadsbury and Highland Townships to a point, said point being the common corner between West Sadsbury Township and Parkesburg Borough and along the boundary of Highland Township, thence along the boundary between West Sadsbury Township and Parkesburg Borough in a northerly, westerly, northerly, easterly, northerly direction to the point of beginning, between West Sadsbury Township and Parkesburg Borough and along the boundary of Highland Township, thence in a northerly direction along the common boundary between West Sadsbury Township and Parkesburg Borough to the point of beginning.

Those portions of West Sadsbury Township to be developed under the name Sadsbury Commons and as fully described on the attached Metes and Bounds Description. (See Exhibit N-2)

Sadsbury Township, Chester County, Pennsylvania

Serving portions of Sadsbury Township through the receipt of bulk sewer service from the Sadsbury sewage collection system at a point of connection at the intersection of Newport Avenue and Valley Road within Sadsbury Township.

SEWAGE TREATMENT AGREEMENT

THIS AGREEMENT, is made on 7th day of January, 1991⁹², between the CITY OF COATESVILLE AUTHORITY, Chester County, Pennsylvania (CCA) and VALLEY TOWNSHIP AND THE VALLEY TOWNSHIP AUTHORITY, Chester County, Pennsylvania (hereinafter referred to collectively as Township).

WHEREAS, CCA is a municipal corporation, organized and existing under the laws of the Commonwealth of Pennsylvania, and owns and operates a sewage treatment plant for service providing public sewer service to various municipalities in and near the City of Coatesville; and

WHEREAS, the Township is also a municipal corporation, organized and existing under the laws of the Commonwealth of Pennsylvania, and desires to provide sewage collection service to residential, commercial, and industrial users within the Township and to connect its collection system to CCA's sewage treatment plant so that sewage and industrial wastes discharged by said users may be received in said plant for treatment and disposal; and

WHEREAS, a Sanitary Sewerage Agreement was reached between the City of Coatesville and the Township, said agreement dated October 22, 1959, which provided for sewer service to the Valley Township sewer district consisting of areas of the Township fronting on Gap Road and Strode Avenue; and

WHEREAS, a second agreement was reached between the City of Coatesville, the Coatesville Sewage Plant Authority and the Township, said agreement dated May 6, 1970, providing for receipt and treatment of sewage flows from other locations in the Township; and

WHEREAS, it is the intent that this agreement shall supercede those earlier agreements; and

WHEREAS, the sewage treatment and collection system was acquired from the City of Coatesville by CCA on July 7, 1988, along with all the obligations related to the ownership of the system; and

WHEREAS, it is in the public interest of both CCA and the Township that a new agreement to provide for the treatment of sewage from the Township at the CCA treatment plant be reached; and

WHEREAS, it is in the interests of both CCA and the Township that their respective facilities be used in the most feasible manner to provide for public sewer service to adjoining municipalities.

NOW THEREFORE, it is agreed as follows:

ARTICLE I - DEFINITIONS.

The terms defined in this Article, wherever used or referred to in this Agreement, shall have the following respective meanings unless a difference clearly appears from the context.

Average Daily Flow - Average number of gallons per day of sanitary sewage determined by taking the total quantity of flow delivered to a point during a ninety (90) day period of time, and dividing by ninety (90) days.

Five Day Biochemical Oxygen Demand (BOD) - Quantity of oxygen expressed in milligrams per liter (mg/l), utilized in the biochemical oxidation of organic matter under standard laboratory procedures for five days at 20 degrees Centigrade.

Cost of Operation and Maintenance - A term used in the calculation of conveyance cost of jointly used sewage facilities in Valley Township. All costs incident to the operation of sewage collection lines and pumping stations which are commonly used by the parties for the conveyance of sewage from and by Valley Township as well as the conveyance of sewage through Valley Township by CCA, said operation to be performed in an efficient and economical manner and to the maintenance thereof in a state of good repair during such period. Such costs shall include the cost of all maintenance labor, repairs, normal recurrent replacements, and reconstruction (repairs to basic construction) as may be necessary, all taxes, engineering, legal and superintendence expenses, and casualty and other insurance premiums during the previous calendar year divided by four (4) for the purpose of calculating quarterly billing.

Domestic Waste - Customary wastes from kitchens, water closets, lavatories and laundries.

Industrial User - Any user or users identified in the Standard Industrial Classification Manual, 1972, Office of Management and Budget, as amended and supplemented under one of the following divisions:

- Division A. Agriculture, Forestry, and Fishing
- Division B. Mining
- Division D. Manufacturing
- Division E. Transportation, Communications, Electric,
Gas, and Sanitary Services
- Division I. Services

Industrial Waste - The liquid waste or liquid borne waste resulting from the processing employed by an industrial user, whether treated or untreated, is discharged into the Treatment Works.

pH - Logarithm of the reciprocal of the concentration of hydrogen ion, indicating the degree of acidity or alkalinity of a substance.

Point of Connection - Point or points at which CCA receives and conducts sanitary sewage or industrial waste from the Township's system to a point for treatment or disposal or where the Township receives sanitary sewage or industrial waste from CCA for conveyance through the Township's system.

Sanitary Sewage - All water-carried domestic waste from residences, offices, hotels, stores, restaurants, commercial establishments, industrial establishments, and similar users within the Township.

Slug - Any sanitary sewage discharge which, for a period of fifteen minutes, shall exceed five times the average daily flow. The term particularly applies to the sudden emptying of large vats, tanks or swimming pools into the sewerage system.

Standard Laboratory Procedure - For any laboratory analyses herein listed, it shall be that found in the latest edition of "Standard Methods for the Examination of Water and Sewerage" published by the American Public Health Association.

Total Kjeldahl Nitrogen (TKN) - Sum of free ammonia and organic nitrogen compounds which are converted to ammonium sulfate, as determined by Standard Laboratory Procedure; it does not include nitrite and nitrate nitrogen.

Total Solids - Solids that either float on the surface of or are in suspension or dissolved in water, sanitary sewage or other liquids, as determined by Standard Laboratory Procedure.

Total Suspended Solids - Quantity of material deposited when a

quantity of sanitary sewage is filtered; it includes settleable and all suspended (including volatile) solids.

Treatment Plant - Existing sewage treatment plant and facilities owned and operated by CCA, together with any additions, modifications and/or improvements thereto.

Unmetered Unit - With respect to individual units or areas of Valley Township connected to CCA facilities without measurement of total flows through metering facilities, each single-family residential customer connected to a sewage collection system shall be considered an unmetered unit. With respect to nonsingle-family dwellings, flats, or apartments having the use of the sewage collection system through one sewer lateral, each and every residential unit, flat, or apartment shall be considered an unmetered unit as if each such unit had a direct and separate connection to the sewage collection system. For commercial or industrial properties, the number of unmetered units shall be equal to the daily water usage divided by two hundred (200). The daily water usage shall be determined from metering or, where this is not possible, a mutually acceptable means of estimating daily water usage shall be determined by the Township and CCA.

ARTICLE II - STATEMENT OF INTENT.

The parties hereto agree that it is the intent of this Agreement to provide for the conveyance and treatment of sanitary sewage and industrial waste from within the Township to a treatment plant owned by CCA for treatment and disposal of those wastes in common with other wastes flowing from and through the CCA system; and where appropriate, to further provide for the conveyance of wastes from municipalities or other customers of CCA beyond the boundaries of Valley Township to and through the system of sewage

lines within and belonging to Valley Township for discharge and treatment within the CCA system.

ARTICLE III - TERMS OF AGREEMENT

Section 1 - This Agreement shall be effective as of the above date and shall continue for a period of thirty (30) years from said date and thereafter it shall continue until CCA shall have given the Township, or vice versa, five years' written notice of intention to terminate this Agreement. Any conveyance agreements reached between the Township and CCA shall be affected by this Agreement in that, should CCA terminate this Agreement, any conveyance agreement between CCA and the Township shall be subject to renegotiation at that time, but the Township shall have no obligation to continue the conveyance agreements. Should the Township terminate this agreement, the conveyance agreement between CCA and the Township shall continue in full force and effect.

Section 2 - At any time during the term of this Agreement, a meeting or meetings may be held at the request of either party to discuss such matters as may be of mutual interest and concern, particularly any inequities which are alleged to exist under the terms of the Agreement. If such inequities are found to exist, the parties agree to correct them promptly by means of the procedure set forth in Article XII, Section 6.

Section 3 - CCA hereby grants to the Township the right to discharge sanitary sewage up to 550,000 gallons average daily flow, subject to the limitations and payment of charges set forth in this Agreement. CCA agrees to convey and treat and dispose of such sewage in a manner approved by the Pennsylvania Department of Environmental Resources and in accordance with the terms and provisions set forth herein. The above limitation shall not include flows at the unmetered connections provided for by the City of Coatesville/Township agreement of October 22, 1959.

Section 4 - It is agreed that, once connection has been made from the Township collection system, which results in sanitary sewage or industrial waste being delivered therefrom to the point of connection to the CCA conveyance system, and from there to the CCA treatment plant for final disposition, such sanitary sewage shall not thereafter be diverted therefrom by the Township unless mutually agreed upon by the parties hereto in writing. However, the right shall be reserved by the Township to establish such other treatment of sanitary sewage originating in the Township which, by good engineering practice, cannot be delivered to the CCA treatment plant on a practical and economical basis, or which in the event CCA cannot provide additional treatment capacity, exceeds the 550,000 gallons per day limitation imposed by this Agreement.

Section 5 - The Township hereby grants to CCA the right to connect at mutually agreeable points on its system for the purpose of conveying sanitary sewage or industrial wastes through the Valley Township system from municipal or other customers of CCA beyond the boundaries of Valley Township, subject to the provision of adequate conveyance capacity and further subject to the payment of equitable fees to provide for the operation and maintenance of the jointly used lines as provided herein. Such connections shall be subject to separate conveyance agreements prepared in compliance with the terms of this agreement and may include provisions for improvements to the Valley Township system to be paid for by CCA where increased capacity of facilities are required to accommodate the additional flows to be imposed by CCA in the Valley Township system. Where reimbursement agreements are in effect involving the Township or its Authority, CCA shall be subject to the provisions of the reimbursement agreements. Sewage flows conveyed through the Township system for CCA shall be deducted from, and not included in, the limitation on the Township's right to discharge sanitary sewage as provided in Section 3 of Article 3 and shall not be included in the

calculation of any tapping fees as provided in Section 7 of Article 7.

Section 6 - The Township agrees that it will not offer sewage service to customers or other municipalities beyond its borders. Any request for sewage service originating outside Township borders shall be directed to CCA.

Section 7 - If the Township, at any future time, shall transfer title to its sewage system to any municipality or authority by deed or otherwise, it shall assign all its rights and interests in and under this Agreement to said municipality or authority and, upon such assignment, the assignee shall be subject to all obligations and entitled to receive all the rights and benefits of this Agreement, and the Township thereafter shall cease to be a party to this Agreement. This Agreement also shall be binding upon and inure to the successors and assigns of any party to this Agreement. However, any such transfer shall not be made without notice to CCA. In the event of transfer of title of the sewage system to a private, non-municipal party, in addition to the requirements stated above, such transfer shall not be made without the written consent of CCA.

Section 8 - The Township agrees that, within sixty (60) days of execution of this Agreement, it will adopt an ordinance or ordinances establishing rules and regulations for the making of connections, and use of the sewage system in conformance with this Agreement. The Township also agrees to enforce the provisions of such ordinance or ordinances at all times, and the Township agrees that CCA or its duly authorized representative shall have the right, at all reasonable times, to inspect the said sewage system connections, other than those connections to residential properties, and Township agrees to compel the discontinuance of any connection which CCA finds to be in violation of this Agreement, such inspection shall be made without cost to Valley Township or Valley Township customers.

Section 9 - CCA agrees that, within sixty (60) days of execution of this Agreement, it will adopt rules and regulations for the making of connections, and use of the sewage system in conformance with this Agreement. CCA also agrees to enforce the provisions of such rules and regulations at all times, and CCA agrees that the Township or its duly authorized representative shall have the right, at all reasonable times, to inspect sewage systems connected to Valley Township for conveyance and to compel the discontinuance of any connection which it finds to be in violation of this Agreement. Insofar as the Rules and Regulations adopted by the requirements of this section and Section 8 above apply to the use of the sanitary sewer system are concerned, the Township and CCA agree that the provisions of said Rules and Regulations shall be the same for both parties.

Section 10 - The parties hereto agree to comply with all applicable present and future Pennsylvania or United States laws, rules, regulations, permits, orders and requirements lawfully made by any governmental body having jurisdiction and all applicable grant agreements, unless the same are being contested in good faith by appropriate proceedings.

Section 11 - It is understood and agreed by both parties that the rights and responsibilities of the respective parties under the provisions of this Agreement are not in any way contingent upon the execution of other agreements between CCA and other municipalities; moreover, the Township understands and agrees that CCA may find it prudent and necessary to enter into sewage treatment agreements with other municipalities; it is further agreed by the Township that such other agreements may differ materially from the provisions of this Agreement.

ARTICLE IV - CONSTRUCTION OF COLLECTION AND CONVEYANCE FACILITIES
- INTERCONNECTION

Section 1 - The parties hereto understand and agree it is and will be necessary for the Township to design, layout, finance, and construct sanitary sewers within Valley Township as needed. Said sewers will be owned by the Township, will be the sole responsibility of the Township, and will be maintained by the Township.

Section 2 - The Township shall have control over assessments charged each property owner with regard to the Township sewage collection system. The Township shall also have control as to all manner and means of procuring financing for the construction of said sanitary sewers.

Section 3 - The Township covenants to use its best efforts to obtain the necessary approvals and financing and thereafter to use its best efforts to construct its sanitary sewers, all in accordance with plans and specifications prepared by its consulting engineer at its own cost and approved by the Department of Environmental Resources of the Commonwealth of Pennsylvania.

Section 4 - The parties hereto understand and agree it is and will be necessary for CCA to design, layout, finance, and construct sanitary sewers within CCA areas of service other than Valley Township as needed. Said sewers will be owned by CCA and will be the sole responsibility of CCA, and will be maintained by CCA.

Section 5 - CCA shall have control over the assessments charged each property owner with regard to the CCA sewage collection system within the CCA areas of service other than Valley Township. CCA shall also have control as to all manner and means

of procuring financing for the construction of said sanitary sewers.

Section 6 - CCA covenants to use its best efforts to obtain the necessary approvals and financing and thereafter to use its best efforts to construct its sanitary sewers within the CCA areas of service other than Valley Township, all in accordance with plans and specifications prepared by its consulting engineer at its own cost and approved by the Department of Environmental Resources of the Commonwealth of Pennsylvania.

Section 7 - Sanitary sewage from the respective sewage collection systems shall be collected and conveyed to points of connection, as outlined on the final plans, approved by the consulting engineers for both parties to this Agreement.

Prior to the institution of a construction program by either party which would result in a new point of interconnection or upon the cumulative increase in flow of more than five (5) percent at any existing connection between CCA and the Township sewage collection systems, the following activities will be carried out to determine the practicality of such an interconnection or increase in flow:

- A. The respective engineers of each party will meet to exchange technical data regarding the proposed interconnection. This data will include:
1. The proposed point of connection.
 2. Anticipated initial flow.
 3. Rate and frequency of discharge.
 4. Anticipated ultimate flow.

5. Adequacy of receiving sewer.
 6. Type of control and/or metering device.
 7. Available capacity of receiving sewers.
 8. Estimated cost of downstream improvement, if required.
- B. No point of interconnection or increase in flow will be approved where the proposed discharge will overload the receiving sewer or pumping station(s) unless the party delivering the sewage agrees to compensate adequately the party receiving the flow for corrective measures necessary to make the receiving sewer or pumping station(s) adequate for the proposed discharge. If the receiving sewer or pumping station(s) is limited in capacity, discharge will be limited to the available capacity until such time as adequate capacity is made available.

The Township shall secure all necessary easements, rights-of-way, and permits from all sources whatsoever as may be required to deliver sewage to the points of connection to the CCA sewage collection system. The consulting engineer of CCA shall have the right to approve the plans and to inspect the manner of the making of such connections between CCA and the Township sewers; the same shall not be used until such time as CCA shall receive written notice from CCA's consulting engineer that the construction of such connections has been accomplished in accordance with the approved plans and specifications relating thereto. Neither CCA nor its consulting engineer shall unnecessarily delay approval.

CCA shall secure all necessary easements, rights-of-way, and permits from all sources whatsoever as may be required to deliver sewage to the points of connection to the Township sewage collection system. The consulting engineer of the Township shall

have the right to approve the plans and to inspect the manner of the making of such connections between CCA and the Township sewers; the same shall not be used until such time as the Township shall receive written notice from the Township's consulting engineer that the construction of such connections has been accomplished in accordance with the approved plans and specifications relating thereto. Neither the Township nor its consulting engineer shall unnecessarily delay approval.

Section 9 - At or before the commencement of actual sewage disposal service and at each and every point of connection (at which point it has been mutually agreed by the parties to this Agreement that metering is feasible), the party making the connection shall cause to have installed and thereafter at all times maintain (a) sewage meter(s) or provide such other means of measuring flows as shall be agreed upon between the Township and CCA. Where appropriate, said meter(s) shall employ a flow recorder using seven-day charts, and shall be subject to the approval of the receiving party. The expense of procurement, installation, and maintenance thereof shall be borne by the party making the connection. Said meter(s) shall be placed at each point of connection as may be mutually agreed upon by the parties hereto and subject to the following conditions:

- A. The device(s) shall be inspected and calibrated, and tested for accuracy at least once every six months by a person or entity competent in the inspection and testing of such devices. Certified reports of such inspections shall be mailed directly to the receiving party. The cost of such inspection and the cost of any repair or replacement shall be borne by the party delivering wastewater. All repairs of meters of any type shall be accomplished within 30 calendar days of receipt of the inspection company's report attesting to the meter's malfunction.

- B. In the case of missing flow records due to faulty meter registration or otherwise, an estimate of flows will be made for the purposes of determining volume of sewage discharged. This estimate will be based on an evaluation of past flow records as applied to present conditions, and as reviewed and approved by the engineers for both CCA and the Township.
- C. Meter records and meter installations of the Township shall be made available and accessible to CCA and conversely meter records and installations of CCA shall be made available and accessible to the Township. The record of sewage flow through recording meters operated and maintained by the party delivering wastewater will be read by CCA upon 24 hours telephone notice on the first days of January, April, July and October, showing the total and daily sewage flows discharged during the previous three-month period.
- D. Either party shall have the right, upon written request, to a calibration check of the other's meter(s) at any time outside the normal scheduled calibration time for the purpose of checking its accuracy. This non-scheduled calibration will be carried out as described in Section 9.A hereof. If results of such non-scheduled calibrations show that the meter(s) was malfunctioning by variations from actual flow of more than five (5) percent, then all costs of the non-scheduled calibration and any repair or replacement will be paid by the party delivering wastewater. If no violation is found, then the receiving party shall pay all costs for the calibration.

Section 10 - Where it has been mutually agreed upon by the parties to this Agreement that in making a new point of interconnection where metering of total sewage flow is not feasible, a calculation will be made to determine the number of unmetered units which contribute to the wastewater flow at that connection. Any nonresidential customer may be required by CCA

or the Township to install, at its own expense, a water meter or other approved measuring device to determine volume for billing purposes. If water source is from a well, the meter shall measure water flows from the well. Meters shall conform to meter requirements of the billing agency, Township or CCA. The number of unmetered units to be billed for nonresidential customers shall be equal to the daily water usage divided by two hundred (200). The sewer consumption charges for residential unmetered units shall be as provided in the rates and charges of the City of Coatesville Authority (CCA), Section IV.B as the same may be published from time to time, subject nevertheless to the provisions of Article VII, Section 4 of this Agreement. The provisions of this Section 10 shall also apply to the existing sanitary sewer district established by the agreement between the City of Coatesville and the Township dated October 22, 1959. This district is denoted by Exhibits "A" and "B" attached hereto and incorporated herein by reference.

Section 11 - Maximum flow rates at any point of interconnection shall not exceed 3.0 times the average daily flow rate at any time. Maximum flow rates equal to 3.0 times the average flow rate shall be limited to a duration of not more than 30 minutes in any day.

Section 12 - In the event that CCA requests a connection point for conveyance of domestic sewage or industrial wastes through a conveyance agreement from an adjoining municipality regardless of whether the collection system connecting thereto is owned and operated by the connecting municipality, CCA or a private party, then the connection point and metering facilities shall be owned and maintained by CCA and all matters relative to the design of the connecting system and metering points shall be in accordance with this Agreement. The Township reserves the right to inspect and read meters upon notice to CCA.

ARTICLE V - TREATMENT PLANT.

Section 1 - The parties hereto understand and agree that in order to attain or maintain the quality of sewage effluent required by CCA's NPDES Permit, it may become necessary for CCA to modify the treatment plant and to make additions and improvements thereto. To accomplish the purposes herein contemplated, the parties hereto agree that additions, improvements, and/or modifications to the treatment plant shall be undertaken and shall be the sole responsibility of CCA. The existing treatment plant and any additions thereto shall be maintained exclusively by CCA.

Section 2 - CCA covenants and agrees to acquire and construct or cause to be acquired and constructed, from time to time, such additions, improvements, and/or modifications to the sewage treatment plant, if determined by CCA to be financially feasible. Provisions for determination of the need for such additions, improvements, and/or modifications shall be made by CCA. The Township shall be notified thereof in writing. In the event that the construction of additional facilities is necessitated by a change in the degree of treatment as required by the Pennsylvania Department of Environmental Resources and is financed by cash appropriations of CCA, then the rates provided for in Article VII, Section 3 hereof may be increased to the Township to reflect the Township's portion of the additional capital expenditures of CCA. In the event the construction of additional facilities is necessitated:

- A. By the increase in demand or by the necessity to treat industrial wastes emanating from Valley Township, the Township shall pay the full cost thereof under conditions of an amendment to this Agreement. The Township shall have the right of engineering review and audit of construction costs.
- B. By an increase in demand or by the necessity to treat industrial wastes emanating partially from Valley Township,

then Township shall pay its proportionate share thereof under conditions of an amendment to this Agreement.

- C. By an increase in demand or by the necessity to treat industrial wastes for the sole benefit of CCA or customers other than Valley Township, Township shall not be required to participate in the cost of expansion.

Section 3 - The parties hereto authorize CCA to apply for and accept any grants or contributions from any federal, state, or local government having such funds at their disposal for projects of this type.

ARTICLE VI - MAINTENANCE, SAVE HARMLESS AGREEMENT, INSURANCE.

Section 1 - CCA and the Township agree, in regard to their respective collection systems, to operate continuously and keep and maintain the same at all times in first-class repair and order, and in good and efficient operating condition, and to meet the standards prescribed by the Pennsylvania Department of Environmental Resources or of any other governmental authority having jurisdiction thereof.

Section 2 - The Township agrees to indemnify and save harmless CCA against all losses, costs, or damages on account of any injury to persons or property occurring in the performance of this Agreement because of the negligence of the Township, its respective servants, agents, or employees, or resulting from the failure of the treatment plant and lines leading thereto to function properly because of such negligence.

Section 3 - CCA agrees to indemnify and save harmless the Township against all losses, costs, or damages on account of any injury to persons or property occurring in the performance of this Agreement because of the negligence of CCA, its respective servants, agents, or employees, or resulting from the failure of

the treatment plant and lines leading thereto to function properly because of such negligence.

Section 4 - In the event of damage to the sewage treatment plant of CCA resulting from the discharge of improper sewage from the sewage collection system of the Township into the sewage treatment plant of CCA, the discharge of improper sewage to be determined in accordance with the Rules and Regulations of CCA and Township, the Township agrees to act in concert with CCA in enforcing their respective Rules and Regulations to cause the abatement of the violation and to require reimbursement of CCA for the full cost of damage done to CCA's sewage treatment plant, by the offending user. In order to minimize the likelihood of discharge of waste which may cause damage to the operation of the sewage treatment plant, the provisions of Article VIII, Sections 4 through 7 shall apply. To resolve any dispute as to improper sewage having been or so being discharged, the procedure set forth under Article XII, Section 6 of this Agreement, shall be used. The Township shall not be responsible if it is determined that improper sewerage originated from outside the Township and was merely conveyed through the Township lines pursuant to a conveyance agreement.

Section 5 - CCA and the Township shall insure or cause to be insured their respective facilities (i.e., including but not limited to treatment plant, capital additions and interceptors) in a responsible company or companies authorized and qualified to do business under the laws of the Commonwealth of Pennsylvania against loss or damage by fire and against such other risks in such amounts as usually are carried upon, or with respect to, like property in Pennsylvania. Immediately after any loss or damage to either parties' facilities or any part thereof, the affected party will commence and duly prosecute the repair, replacement, or reconstruction of the damaged or destroyed portion of its facilities, all according to the provisions as previously defined. Both parties will also maintain liability

insurance against any loss or injury to third persons or property of third persons as a result of fire, explosion, and other risk and casualty occurring to their respective facilities.

ARTICLE VII - CHARGES AND PAYMENTS.

Section 1 - In all instances where fees are required or use rates are applicable (including the tapping fees established pursuant to this Agreement in Paragraph 8 of this Article VII), these rates and fees shall be such as are provided in the published rate and fee schedule of CCA prevailing at the time.

Whenever CCA increases rates by more than 10 percent in the aggregate over a 3 year period, or in excess of 6 percent in any given year, the Township shall have the option of requesting that CCA engage a qualified third party rate consulting engineer to review the rationale for the rate increase and the appropriateness of said increase. CCA shall advise the Township of the consulting engineer or firm it desires to engage within thirty (30) days of receipt of the request from the Township. The Township shall have thirty (30) days to either accept the third party engineer or firm selected by CCA or provide CCA with the name of another qualified third party rate consulting engineer. If CCA does not accept the Township's suggested consulting engineer, CCA and the Township shall submit the choice of the consulting rate engineer to arbitration within thirty (30) days. CCA and the Township shall each select one arbitrator and the two arbitrators shall select a third arbitrator and this arbitration panel shall select the third party consulting engineer from lists submitted by CCA and the Township. Whenever either party fails to exercise its right to select the consulting engineer or to invoke the arbitration process within any of the thirty (30) day periods specified above, such failure by that party to act shall constitute a waiver of the right.

In the event that the process of selecting a third party rate consulting engineer shall extend into the time period for which the increased rate would go into effect, CCA shall maintain its previous rate and fees. In the event that the third party rate consulting engineer concurs or recommends a rate increase, the Township shall pay CCA the difference between the new rate retroactive to the initial date of rate increase less the amount already paid CCA by the Township under the previous rate. In the event of sums owed CCA by the Township, said sums shall be paid to CCA within thirty (30) days of the date the rate has been determined and recommended by the third party rate consulting engineer without penalty or interest. After thirty (30) days, CCA's prevailing penalty and interest rates shall apply.

Section 2 - Quarterly billings to the Township under this Agreement for the conveyance and treatment of Township sewage shall commence upon the first discharge into the CCA system. Said billings will be based on the total gallonage of wastewater discharged by the Township, as measured by the flow meters located at the points of connection which are metered, after deduction of all flows from points connected to the Township system for conveyance of sewage for CCA from sources outside of the Township which readings shall be shown on Township bills, calculated in the same manner. To this billing, CCA will add charges calculated for unmetered connections in agreement with Section 10, Article IV.

Section 3 - Bills shall be delivered by CCA to the Township on or about the tenth day of January, April, July and October, reflecting the appropriate charges for the preceding calendar quarters.

Section 4 - Bills shall be payable to the office of CCA by the last business day of the month in which the bill is issued. There shall be added a penalty of five percent to bills remaining unpaid after the close of the last business day of the month.

Section 5 - If sewer rentals or charges imposed upon other users of CCA facilities shall be increased, the rates provided in Section 1 hereof shall be increased in accordance with the same percentage as the percentage of increase of the sewer rentals or charges imposed upon other users of CCA facilities. Such increase shall take effect concurrently with increase of sewer rentals or charges imposed upon users of CCA facilities subject to Paragraph 1 of this Article VII.

Section 6 - Before the Township shall permit connection to the Township collection system of any sewer user who has an average anticipated daily sanitary sewage flow greater than 10 percent of the Township's allocation, the Township shall notify CCA of such potential connection.

Section 7 - This Agreement contemplates an average daily flow of sewage of not more than 550,000 gallons. Furthermore, at no time shall the average sewage flow during a 24-hour period exceed 825,000 gallons. If the aforementioned allotment is exceeded by the Township, CCA shall give written notice to the Township. The Township, in turn, will have thirty (30) days to commence investigations and ninety (90) days to correct the causes of such excess flow. The Township may request and CCA may grant approval of the use of additional capacity, subject to Section 8 of this Article VII or an extension of time for compliance with the Agreement. If the Township does not comply within the time limitations above, or any extension thereof, CCA shall have the right to deny the Township increased use of CCA's system. The aforementioned allotment of 550,000 gallons shall be available for use by the Township until December 31, 2010 when, at such time, if the Township shall have not used 90 percent of this allotment, then the remaining portion of the allocation over the then existing use as determined below shall revert to CCA and the provisions of Paragraph 8 below shall apply to increased capacity granted to the Township over the then existing use. The term

"then existing use" shall be the total average daily flow emanating from the Township to CCA (not including sewage conveyed by the Township for CCA) from all connection points as measured over the four quarters prior to December 31, 2010.

Section 8 - In the event that the Township requests an increase in allotment of sewage capacity over that set forth in Paragraph 6 above, said increased allotment shall be subject to the payment of a tapping fee which shall be calculated on the capacity portion of CCA's sewage collection and treatment system in the amount of the current tapping fee rate per gallon of increased daily usage of the CCA sewage treatment capacity. Said increases shall also be subject to the provisions of Section 7 of Article IV of this Agreement, relating to interconnection between the systems and to the provisions of Article V of this Agreement, relating to the treatment plant. If under the provisions of Section 2 of Article V, the Township contributes to the cost of increase of plant capacity to accommodate their needs, then the tapping fee required by this paragraph shall be waived. Unless the tapping fee as calculated exceeds the amount of contribution for plant improvements, then the Township shall pay the difference plus the improvement contribution.

Section 9 - The above-mentioned sewage treatment charges pertain to the treatment of domestic waste only. Industrial wastes may be more concentrated in nature and, as a result, the treatment thereof becomes more complex. It is understood and agreed that additional charges shall be made for all sewage treated at the CCA plant having total suspended solids, biochemical oxygen demand, or ammonia nitrogen, in excess of the following concentrations:

- A. Total Suspended Solids (TSS) - 250 mg/l
- B. Five-Day Biochemical Oxygen Demand (BOD)- 250 mg/l
- C. Ammonia Nitrogen as N (AN) - 25 mg/l
- D. Phosphorus as P (P) - 4.5 mg/l

The additional charge for wastewater having concentrations in excess of the foregoing shall be assessed against the cost of treating that portion of the total of sewage flows from Valley Township attributed to the measured flow or water usage of the industrial facility discharging such waste times an industrial waste treatment factor (IWTF) to be calculated as follows:

$$IWTF = BOD/250 \times .35 + TSS/250 \times .30 + AN/25 \times .175 + P/4.5 \times .175$$

Additional charge equals (IWTF - 1) x quarterly flow from industrial facility/total quarterly flow from Valley Township x quarterly bill.

Where mutually agreed upon by the parties, in cases where the suspended solids and/or ammonia nitrogen do not represent the true characteristics of the solids or nitrogen loading respectively, CCA reserves the right to use total solids in the surcharge formula instead of suspended solids and total kjeldahl nitrogen (TKN), instead of ammonia nitrogen.

Additional charges for treatment of special industrial wastes or for damages or upsets caused by the discharge of industrial wastes inimical to the sewage treatment and disposal process shall be in accordance with the Rules and Regulations established by CCA as provided in Section 2, Article VIII of this Agreement.

Section 10 - CCA hereby covenants that rates for sewage treatment, fees and charges, and the capacity portion of tapping fees imposed hereunder will be in conformation with its schedule of rates, fees and charges, and tapping fees charged in other similar areas throughout its system, and will not be greater than the rates, fees and charges, and the capacity portion of tapping fees charged similar customers under similar circumstances in CCA's system. The Township shall have the right to review the business records of CCA with regard to the establishment of rates, fees and charges, and the capacity portion of tapping fees

as the same affect these rates, fees and charges, or the capacity portion of tapping fees charged in the Township from time to time to substantiate the same. Likewise, with respect to rules and regulations of CCA which affect the Township, CCA covenants that said rules and regulations will be the same that are imposed upon other uses throughout its system, and the same shall be applied to the Township as they are applied to other users throughout the CCA system.

Section 11 - Quarterly billings to CCA for the conveyance of CCA sewage through the Township system shall be delivered by the Township and shall be payable according to the same terms as provided in Article VII, Sections 2 and 3 above. Billing shall be based upon the proportionate share of the operating and maintenance costs of the commonly used lines to be determined by the following formula:

$$\text{Cost of Conveyance} = \text{OM} \times \text{L1/L2} + \text{OM} \times \text{F1/F2}$$

OM is the cost of operating and maintenance for sanitary sewage collection lines in Valley Township. OM shall be determined by the Township subject to the review of the appropriate financial records by CCA.

L1 is the total length of commonly used lines.

L2 is the total length of all sewage collection lines in Valley Township.

L1 and L2 shall be determined from the mapping of the Township sewer system.

F1 is the flow into Valley Township as metered by CCA meters at connecting points for conveyance of sewage. F1 shall be determined by meter readings.

F2 is the total flow in the commonly used lines. F2 shall be calculated by the Township subject to review and approval by CCA and using where appropriate metering records at the downstream Township points of connection with the CCA system.

The cost of conveyance shall be calculated on an annual basis or at the time of any connection made by CCA to the Township system or where significant changes (more than 10% of total connected daily flow) occur within the Valley Township system. Calculation for cost of conveyance shall be available for confirmation no less than thirty days before taking effect.

ARTICLE VIII - INFILTRATION AND INDUSTRIAL WASTES.

Section 1 - The Township and CCA agree that the sewage and wastes discharged by any user into either of their collection systems shall not contain stormwater, roof, subsurface, or surface drainage. Both CCA's and the Township's sewer construction specifications shall require infiltration, exfiltration, and/or air pressure tests made at the time of construction. The infiltration or exfiltration of the sewer system at the time of the test shall not exceed 100 gallons per one-inch diameter of pipe per mile in 24 hours. Air test results for acceptance shall be in accordance with techniques for new pipe systems current at the time of construction.

Section 2 - CCA and the Township shall enact rules and regulations and/or ordinances, within 60 days of execution of this Agreement, prohibiting the discharge of surface and/or subsurface stormwater into their respective systems. Such rules and regulations and/or ordinances shall prohibit the construction, installation, or use of any facility which causes surface and/or subsurface stormwater or groundwater to be discharged to the sanitary sewer system. Facilities prohibited shall include, but not be limited to, sump pumps, area drains, yard drains, perimeter drains, foundation drains, roof leaders,

downspouts, street inlets, storm sewers, cross connections, etc. Restrictions contained within the ordinances enacted through the Township shall be equal to or stricter than those enacted by CCA.

Section 3 - The Township agrees to take appropriate measures to prohibit any connection to the Township collection system of any industrial establishment from which industrial waste is or may be discharged into the system, except in accordance with the Sewer Use Rules and Regulations adopted by CCA which Sewer Use Rules and Regulations are made a part of this Agreement as if appended thereto.

Section 4 - Whenever an existing or new user of the Valley Township sewer system proposes to alter the character of a waste from that previously discharged to introduce industrial waste or proposes to discharge any new industrial waste into the sewer system, CCA shall be so notified in writing by the Township and such notification shall be made prior to such change or new discharge to enable the waste to be analyzed by CCA to determine its acceptability before such change or new discharge takes place, and such discharge shall not occur prior to the granting of approval by CCA.

Section 5 - In order to facilitate the control of industrial waste into the sewage collection system and thus to the treatment plant, the rules and regulations of CCA and Valley Township shall contain the provision "If industrial waste is proposed to be introduced into any sewer system tributary to CCA's Treatment Works, whether the sewer system is maintained by CCA or by any other municipality or private party, the customer or user shall obtain a sewer service agreement with CCA before commencing the discharge of such industrial waste". In issuing such permits and requiring such an agreement, CCA shall incorporate the provisions of the Rules and Regulations requiring the provision of control manholes, testing, reports and other relevant controls over the discharger of industrial waste. The agreement shall provide,

among other things, that CCA shall be reimbursed a reasonable cost of monitoring, testing and otherwise determining the character of wastes which are to be discharged. Charges imposed by CCA for the testing and monitoring of waste discharges shall be separate and apart from charges imposed by Valley Township for the collection and conveyance of sewage and for payment for treatment by CCA. It is not intended by this provision that CCA shall in any way alter the customer relationship between the party discharging the waste and Valley Township. Sewer use rates shall be continued to be paid by the user to Valley Township and in all respects the user shall be a customer of the Township. If as a result of testing conducted by CCA it is determined that the wastes are concentrated in nature, then CCA shall so advise the Township of any additional charges which will be made for sewage treatment at the CCA plant in accordance with the measures adopted by Section 9 of Article VII of this Agreement.

Section 6 - After examination of all relevant information as required by this article above, CCA reserves the right to refuse acceptance, and the Township will not permit the discharge of any industrial or other process waste whose quality may be deemed to have a harmful effect on the sewage treatment or sludge handling process and which cannot be processed by the treatment plant in the normal and ordinary course of operation.

Section 7 - CCA shall provide to the Township copies of all test information, reports, conclusions made by CCA, and any other relevant information relating to the acceptance or denial of discharges of industrial wastes.

ARTICLE IX - PARTICULAR COVENANTS OF VALLEY TOWNSHIP

Upon the execution of this Agreement, the Township covenants as follows:

- A. To design and construct modifications and extensions to the sewage collection system so as to contain no stormwater thereof or subsurface drainage whatsoever.
- B. To maintain its collection system in good repair and operating condition and to operate it continuously as provided in other sections of this Agreement.
- C. To take any and all action by ordinance, or in any otherwise necessary and appropriate manner, to fulfill the provisions of this Agreement.

ARTICLE X - PARTICULAR COVENANTS OF CITY OF COATESVILLE
AUTHORITY.

Section 1 - Upon the execution of this Agreement, CCA covenants as follows:

- A. To maintain the interceptor, sewers, and treatment plant in good repair and operating condition and to operate them continuously.
- B. To readily accept and treat up to 550,000 gallons per day of sewage coming into CCA from the Township, subject to the provisions of this Agreement.

ARTICLE XII - MISCELLANEOUS.

Section 1 - The failure of any party hereto to insist upon strict performance of this Agreement or any of the terms or conditions thereof shall not be construed as a waiver of any of its rights hereunder.

Section 2 - This writing constitutes the entire Agreement between the parties, and there are no other representations or agreements, verbal or written, other than those contained herein.

Section 3 - Whenever a notice is required to be given by mail, the following addresses shall be used unless a different address is specifically called for:

City of Coatesville Authority
114 East Lincoln Highway
Coatesville, Pennsylvania 19320

Valley Township
890 West Lincoln Highway
Coatesville, Pennsylvania 19320

Section 4 - This Agreement may be executed in any number of counterparts, each of which shall be properly executed by the Township and CCA, and all of which shall be regarded for all purposes as the original.

Section 5 - In the event that the Department of Environmental Resources of the Commonwealth of Pennsylvania, or any other regulatory body or governmental agency, shall fail or refuse to issue any permits for conveyance or treatment which may be necessary to accomplish the intent and purpose of this Agreement, the parties shall be relieved from further compliance with the terms of this Agreement until such time when such permit or permits shall be issued.

Section 6 - In the event that any disputes shall arise relative to the interpretation and/or application of the terms of this Agreement, the parties hereof do hereby agree to the following procedure to settle such matters:

- A. The parties, operators, and/or managers will attempt to discuss and solve the problem.

- B. If Step "A" does not prove satisfactory, a joint committee comprised of three members (the solicitor, engineer, and a councilman or supervisor) for each party will meet to attempt to solve the problem.

- C. If neither of the above steps proves successful, the dispute shall be resolved by decision of a panel consisting of the consulting engineer of each of the respective parties to the dispute, and an additional consulting engineer chosen by and acceptable to the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their appropriate officers and their respective seals to be hereunto affixed on the day and year first above written.

CITY OF COATESVILLE AUTHORITY

Attest: *[Signature]* By: *Charles T. Williams*

VALLEY TOWNSHIP

By: *[Signature]*
Grover E. [Signature]

Attest: *Shirley A. [Signature]*

John T. [Signature]
Walter Johnson

PLOT PLAN
 Showing
8" T.C. SAN. SEWER LINE
 STRODE AVE. & GAP RD.
 VALLEY TWP. - CHESTER Co, Pa.
 Oct. 22, 1959 Scale 1" = 60' Dwg. - E.C.H.
 JOHN H. KOEHLER, JR.
 CITY ENGINEER
 Coatesville, Penna.

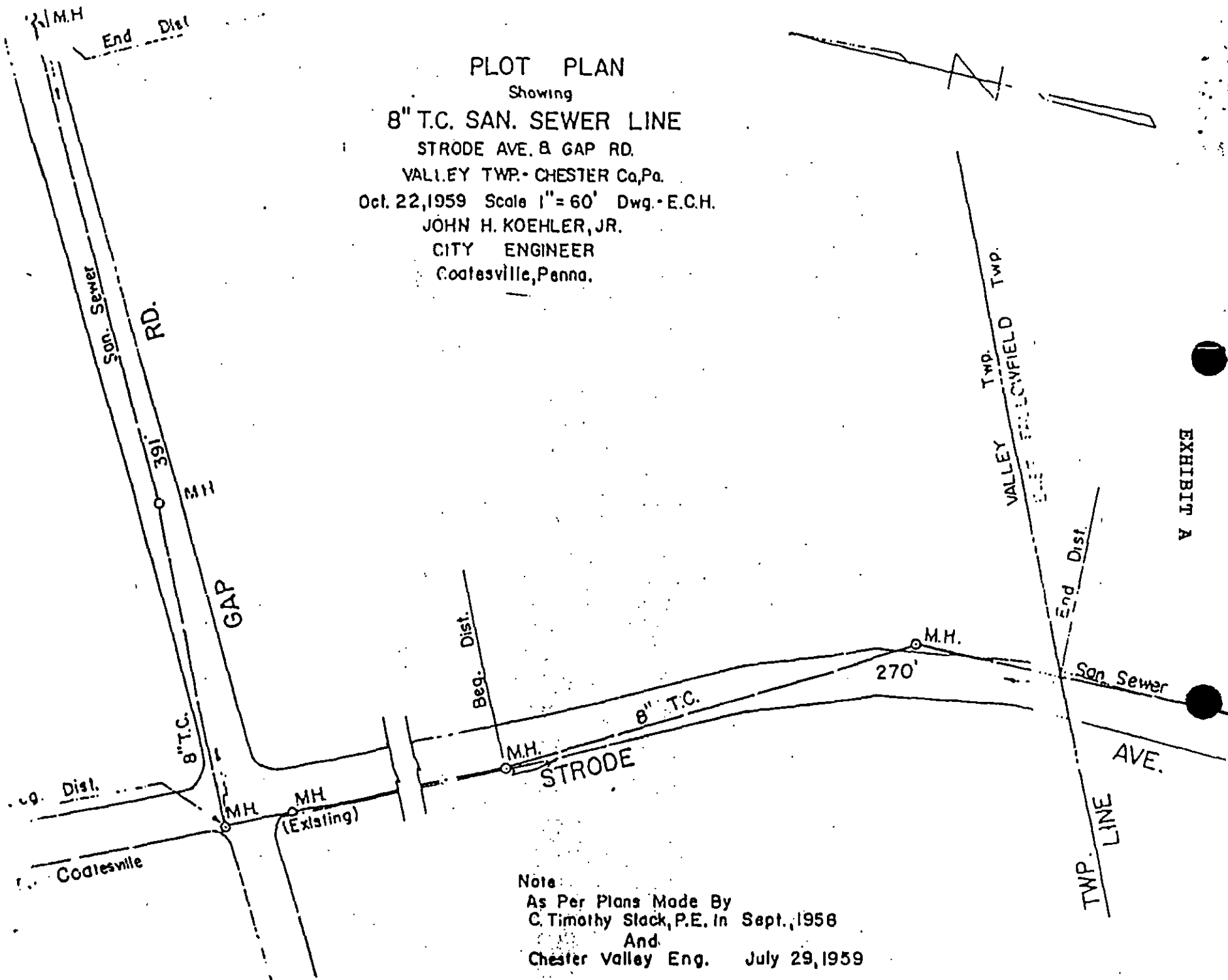


EXHIBIT A

Note:
 As Per Plans Made By
 C. Timothy Slack, P.E. in Sept., 1956
 And
 Chester Valley Eng. July 29, 1959

ANNEX "A"

VALLEY TOWNSHIP

BEGINNING on the westerly side of Strode Avenue, where the Strode Avenue line intersects with the line of Gap Road; thence along Gap Road in a northeasterly direction three hundred ninety one feet more or less to the end of the trunk line, and the second line BEGINNING at a point on Strode Avenue, said point being two hundred three feet in a southeastwardly direction from the intersection of Strode Avenue and Gap Road; thence along Strode Avenue in a southerly direction two hundred seventy feet to the East Fallowfield Township line.



CONTROL POINT ASSOCIATES, INC.

Gwynedd Corp. Center
1120 Welsh Road
Suite 200
North Wales, PA 19454
215.412.9055
215.412.0861 fax

776 Mountain Boulevard
Watchung, NJ 07060
908.668.0099
908.668.9595 fax

January 28, 2000
CP97047

METES AND BOUNDS DESCRIPTION
SADSBURY COMMONS
LOTS 86, 87 & 151 AND PART OF LOT 10, TAX MAP SHEET 36-3
TOWNSHIPS OF SADSBURY & WEST SADSBURY
CHESTER COUNTY, COMMONWEALTH OF PENNSYLVANIA

BEGINNING AT A POINT ON THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 10 (A.K.A. OCTORARO TRAIL, A.K.A. LR 274-4, A.K.A. SR 0010; 80 FOOT WIDE RIGHT-OF-WAY), SAID POINT BEING LOCATED AT THE SOUTHEASTERLY TERMINUS OF AN ARC HAVING A RADIUS OF 65.00 FEET, CONNECTING THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 10 WITH THE SOUTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30 (A.K.A. LINCOLN HIGHWAY, A.K.A. LR 142, A.K.A. SR 0030, VARIABLE WIDTH RIGHT-OF-WAY), AND FROM SAID POINT OF BEGINNING RUNNING, THENCE;

1. ALONG THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 10, SOUTH 04 DEGREES 09 MINUTES 12 SECONDS EAST, A DISTANCE OF 318.53 FEET TO A POINT OF CURVATURE, THENCE;
2. CONTINUING ALONG THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 10, ALONG THE ARC OF A CIRCLE CURVING TO THE LEFT, HAVING A RADIUS OF 2,478.12 FEET, TURNING A CENTRAL ANGLE OF 23 DEGREES 42 MINUTES 55 SECONDS, AN ARC LENGTH OF 1,025.72 FEET, A CHORD BEARING SOUTH 16 DEGREES 00 MINUTES 40 SECONDS EAST AND A CHORD DISTANCE OF 1,018.41 FEET TO A POINT, THENCE;
3. LEAVING THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 10, AND RUNNING ALONG THE DIVIDING LINE BETWEEN LOT 87 & LOT 11, SOUTH 62 DEGREES 07 MINUTES 53 SECONDS WEST, A DISTANCE OF 882.26 FEET TO A POINT, THENCE;
4. ALONG THE DIVIDING LINE BETWEEN LOT 10 & LOT 11, SOUTH 04 DEGREES 53 MINUTES 25 SECONDS EAST, A DISTANCE OF 90.90 FEET TO A POINT, THENCE;



5. ALONG THE PROPOSED SUBDIVISION LINE THROUGH LANDS OF LOT 10, SOUTH 85 DEGREES 06 MINUTES 35 SECONDS WEST, A DISTANCE OF 983.31 FEET TO A POINT, THENCE;
6. ALONG THE DIVIDING LINE BETWEEN LOT 10 & LOT 149, NORTH 05 DEGREES 28 MINUTES 42 SECONDS WEST, A DISTANCE OF 464.05 FEET TO A POINT, THENCE;
7. ALONG THE DIVIDING LINE BETWEEN LOT 151 & LOT 88, NORTH 05 DEGREES 29 MINUTES 33 SECONDS WEST, A DISTANCE OF 1,289.43 FEET TO A POINT, THENCE;
8. ALONG THE DIVIDING LINE BETWEEN LOT 151 & LOT 82, SOUTH 82 DEGREES 29 MINUTES 37 SECONDS EAST, A DISTANCE OF 51.31 FEET TO A POINT, THENCE;
9. CONTINUING ALONG THE DIVIDING LINE BETWEEN LOT 151 & LOT 82, NORTH 05 DEGREES 29 MINUTES 33 SECONDS WEST, A DISTANCE OF 481.82 FEET TO A POINT IN THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 30, THENCE;
10. ALONG THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, SOUTH 82 DEGREES 30 MINUTES 33 SECONDS EAST, A DISTANCE OF 102.62 FEET TO A POINT, THENCE;
11. LEAVING THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30 AND RUNNING ALONG THE DIVIDING LINE BETWEEN LOT 86.7 & LOT 87.1, SOUTH 05 DEGREES 29 MINUTES 33 SECONDS EAST, A DISTANCE OF 511.51 FEET TO A POINT, THENCE;
12. ALONG THE COMMON DIVIDING LINE BETWEEN LOT 86 & LOTS 87.1 & 87.2, SOUTH 82 DEGREES 30 MINUTES 43 SECONDS EAST, A DISTANCE OF 300.00 FEET TO A POINT, THENCE;
13. CONTINUING ALONG THE DIVIDING LINE BETWEEN LOT 86 & LOT 87.2, NORTH 05 DEGREES 29 MINUTES 33 SECONDS WEST, A DISTANCE OF 511.51 FEET TO A POINT IN THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, THENCE;
14. ALONG THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, SOUTH 82 DEGREES 30 MINUTES 43 SECONDS EAST, A DISTANCE OF 576.71 FEET TO A POINT, THENCE;
15. LEAVING THE CENTERLINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, SOUTH 04 DEGREES 53 MINUTES 25 SECONDS EAST, A DISTANCE OF 71.17 FEET TO A POINT ON THE SOUTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, THENCE;
16. ALONG THE SOUTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30, SOUTH 82 DEGREES 26 MINUTES 18 SECONDS EAST, A DISTANCE OF 582.65 FEET TO A POINT OF CURVATURE, THENCE;
17. ALONG THE ARC OF A CIRCLE CURVING TO THE RIGHT CONNECTING THE SOUTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30 WITH THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 10, SAID ARC HAVING A RADIUS OF 65.00 FEET, TURNING A CENTRAL ANGLE



OF 78 DEGREES 17 MINUTES 06 SECONDS, AN ARC LENGTH OF 88.81 FEET, A CHORD
BEARING SOUTH 43 DEGREES 17 MINUTES 45 SECONDS EAST AND A CHORD
DISTANCE OF 82.06 FEET TO THE POINT AND PLACE OF BEGINNING.

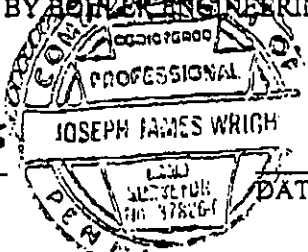
CONTAINING 3,028,057 SQUARE FEET OR 69.515 ACRES

THIS PROPERTY MAY BE SUBJECT TO RESTRICTIONS, COVENANTS AND/OR EASEMENTS,
EITHER WRITTEN OR IMPLIED.

THIS DESCRIPTION IS WRITTEN IN ACCORDANCE WITH A MAP ENTITLED "AMENDED
PRELIMINARY FINAL LAND DEVELOPMENT PLANS, RECORD PLAN, WOLFSON-VERRICCHIA
GROUP, INC., SADBURY COMMONS, ROUTE 30 & ROUTE 10, WEST SADBURY &
SADBURY TOWNSHIPS, PA", PREPARED BY ~~HOWLER ENGINEERING, INC.~~, FILE NO.
P6117SR0, SHEET 2 OF 38, DATED 8/25/99.

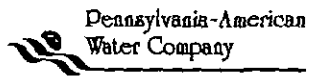
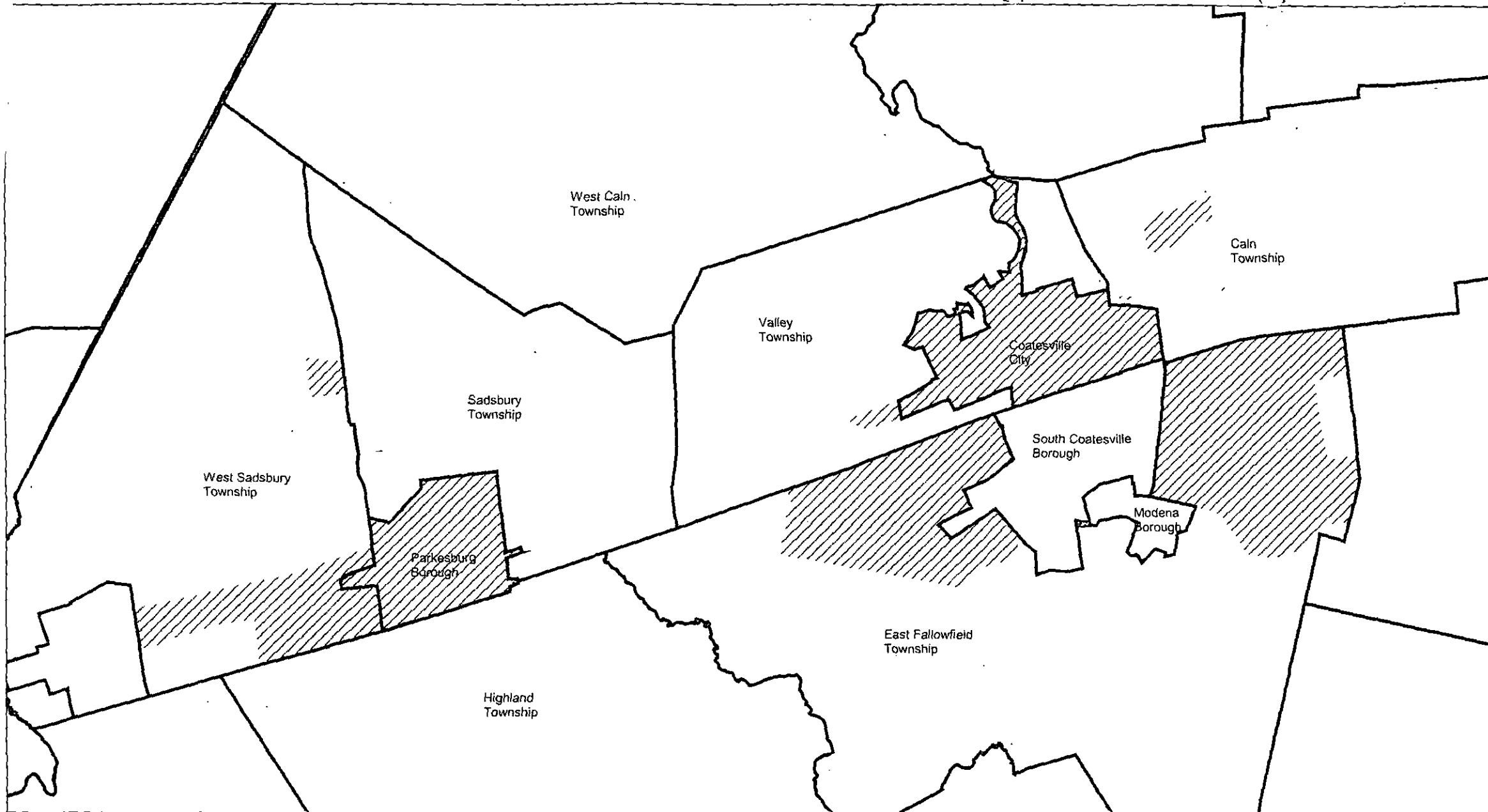
Joseph J. Wright

JOSEPH J. WRIGHT, P.L.S.
PENNSYLVANIA PROFESSIONAL
LAND SURVEYOR NO. SU-037826-E



DATE 1/28/00

JWS/br
CPA/97047LD3



Sewer System Service Area

Table of Contents

1. Caln Township
2. East Fallowfield Township
3. Coatesville City / Coatesville Borough / Valley Township
4. Atglen Borough / Sadsbury Township / West Sadsbury Township / Parkesburg Borough

GIS Map prepared by



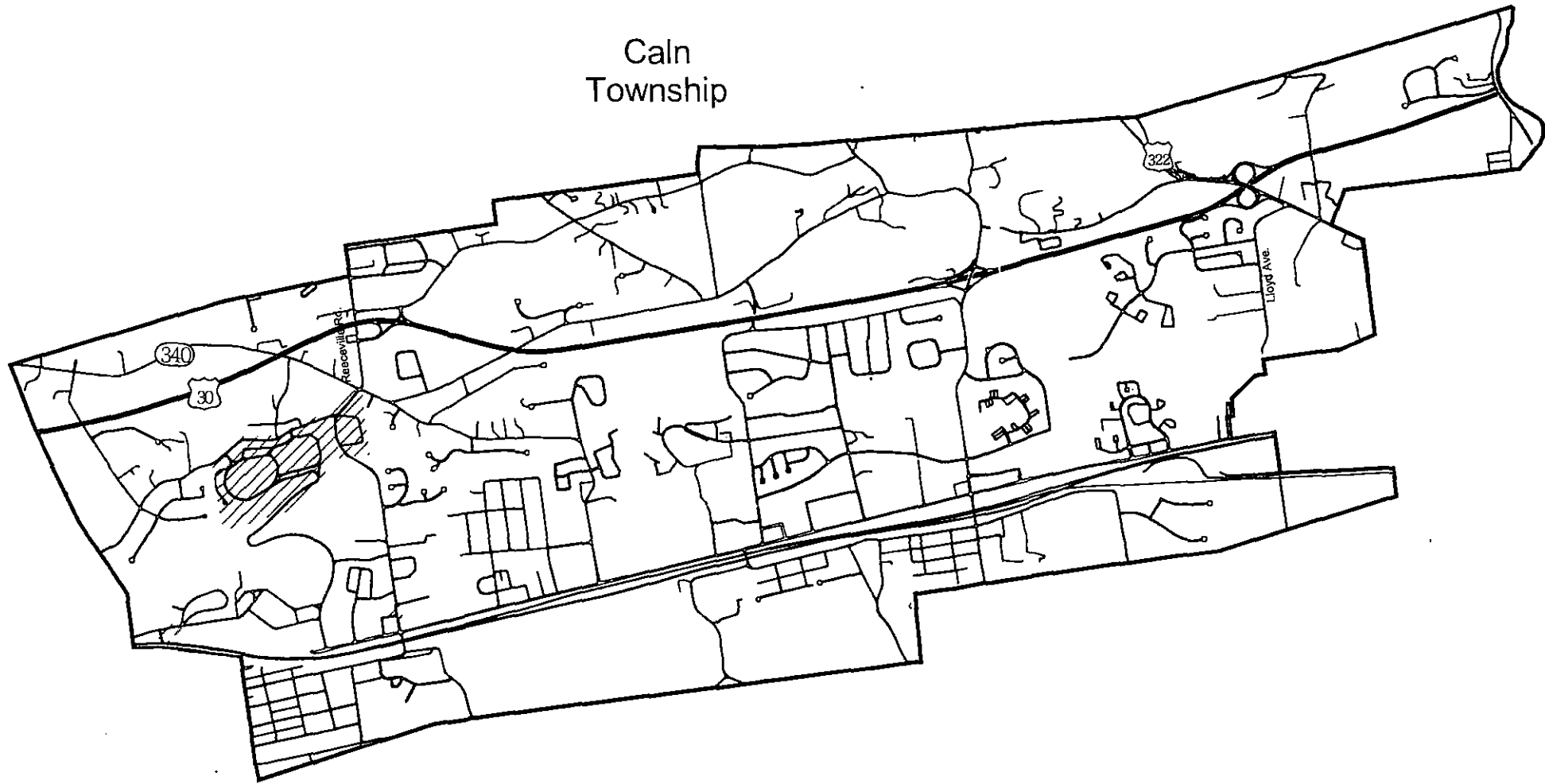
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//// Service Area

Pennsylvania



Caln Township



Pennsylvania-American
Water Company

Caln Township
Sewer System Service Area

- Map Features
- Municipal Boundary
 - Railroad
 - Road, Street
 - Service Area

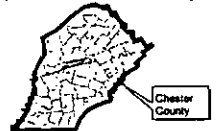
GIS Map prepared by

Geo Decisions
A Division of Gannett Fleming, Inc.
Gannett Fleming

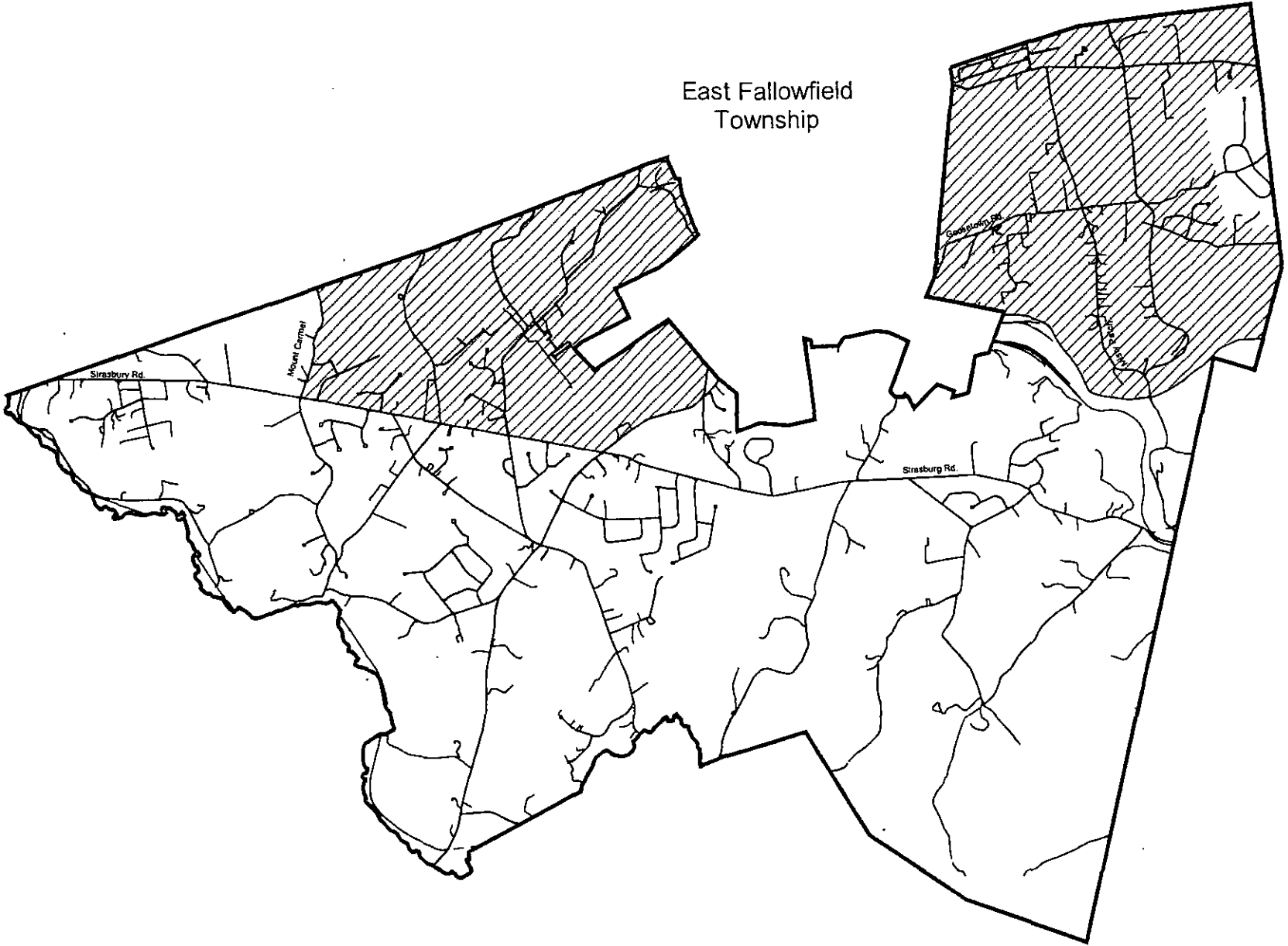


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Applied for service territory



East Fallowfield Township



East Fallowfield Township
Sewer System Service Area

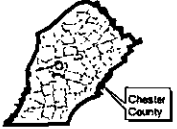
- Map Features
-  Municipal Boundary
 -  Railroad
 -  Road, Street
 -  Service Area

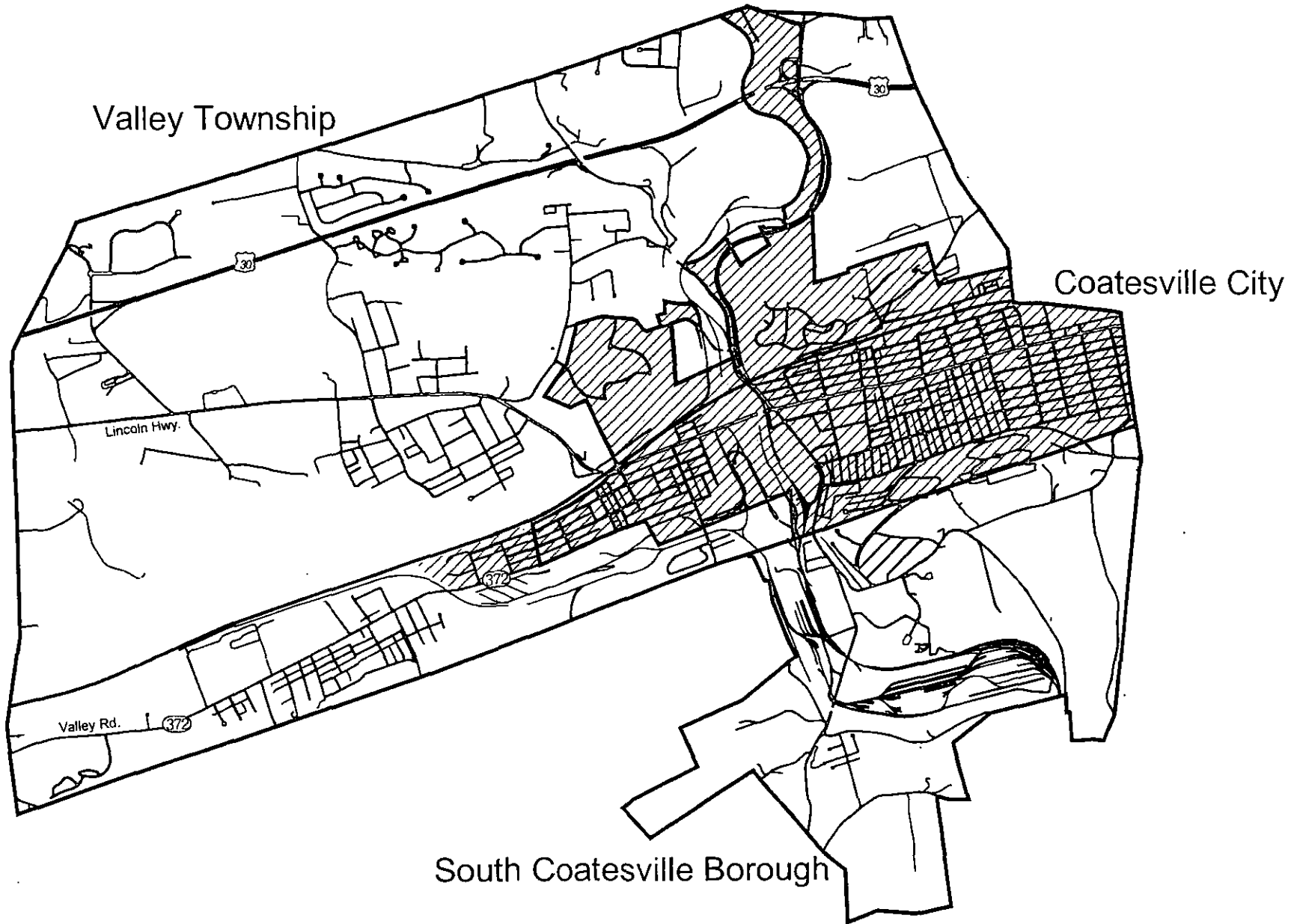
GIS Map prepared by

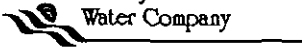






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Service Territory



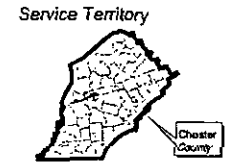


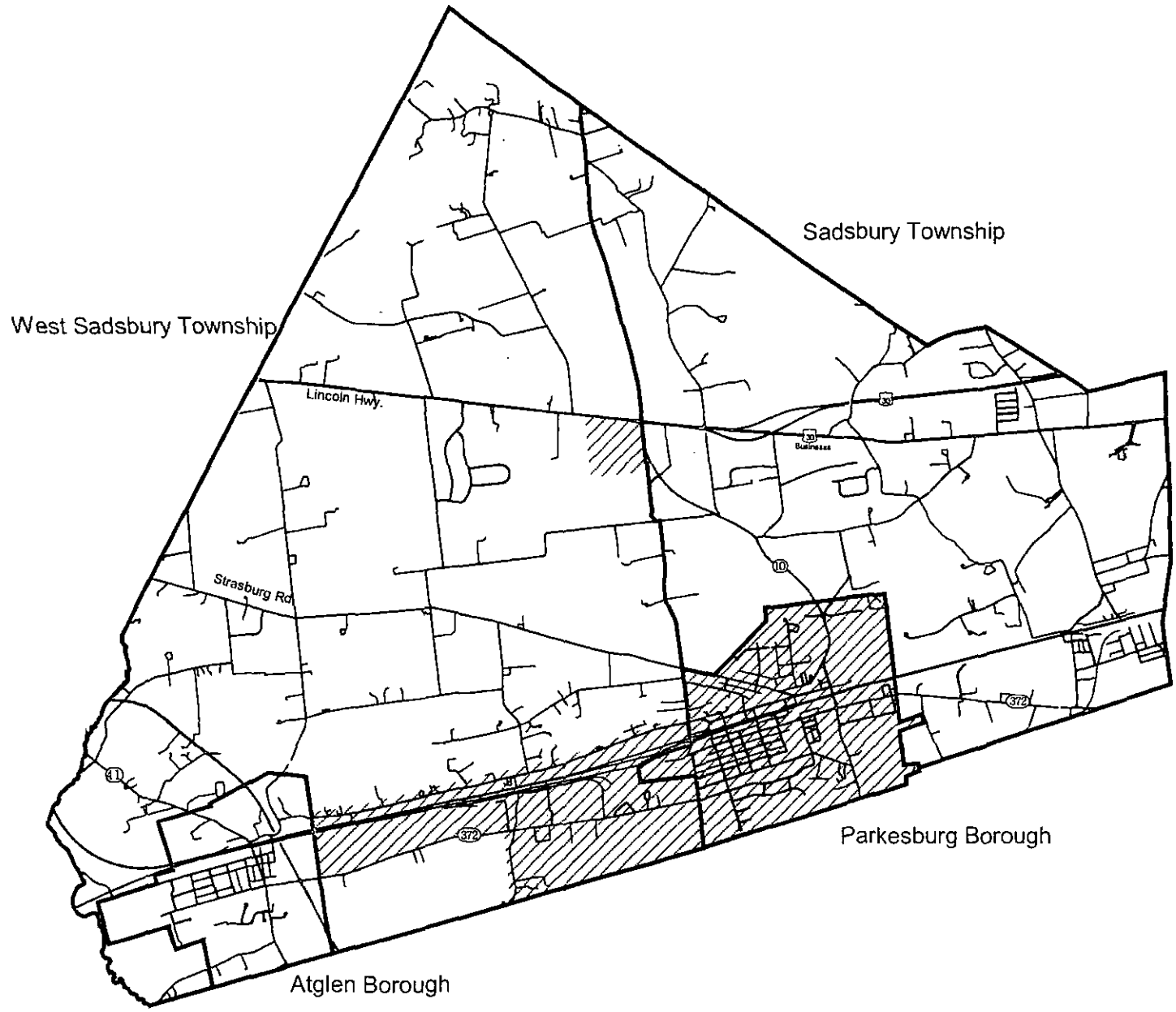

 Pennsylvania-American
 Water Company
 Coatesville City/ Borough, Valley Township
 Sewer System Service Area

- Map Features
-  Municipal Boundary
 -  Railroad
 -  Road, Street
 -  Service Area

GIS Map prepared by

 Geo Decisions
 A Division of Gannett Fleming, Inc.

 Gannett Fleming


 Not To Scale



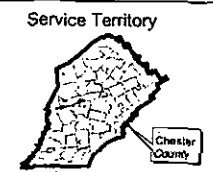


Sadsbury Township / West Sadsbury / Atglen Borough / Parkesburg Borough
Sewer System Service Area

- Map Features
- Municipal Boundary
 - Railroad
 - Road, Street
 - Service Area

GIS Map prepared by
 Geo Decisions
 A Division of Gannett Fleming, Inc.
 Gannett Fleming

Not To Scale



City of Coatesville Authority v. PA American Water
Company

A-212285F0071, A-230073F0002, and U-00004550-62

NOTICE OF PETITION by Philadelphia Suburban Water
Company, at No. 616 C.D. 2001, Commonwealth Court of
Pennsylvania, from the order of the Commission dated
February 13, 2001 in the above-captioned proceeding.

B-00013855

Filed: March 15, 2001

DOCKETED
APR 23 2001

DOCUMENT
FOLDER



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

May 30, 2001

PENNSYLVANIA AMERICAN WATER COMPANY
ATTN SUSAN SIMMS MARSH
800 WEST HERSHEY PARK DRIVE
HERSHEY PA 17033

DOCUMENT
FOLDER

Re: Pennsylvania-American Water Company compliance wastewater tariff filing for
Coatesville Division, relating to Application docketed at A-230073F0002.

Dear Ms. Marsh:

In order for us to complete our review of Pennsylvania-American's compliance tariff filing, answers to the enclosed data requests, along with associated tariff language changes, are required by the Water/Wastewater Industry Group.

An early and expeditious conclusion of this review process is dependent upon full and responsive answers to the enclosed data requests, which should be received by this office no later than ten working days from the date of this letter.

Answers to these data requests need not be typed but restate each data request and its corresponding number before answering. Internal and informal worksheets, as long as they are legible, will suffice. It is requested that three copies of the data requests be provided to:

Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P O Box 3265
Harrisburg, PA 17105-3265

Attention: Robert Horensky- (717) 783-6181
Office of Fixed Utility Services
Water/Wastewater Industry Group

RECEIVED
2001 MAY 31 AM 8:25
PA P.U.C.
SECRETARY'S BUREAU

If any problems should arise that prevent a full response within ten working days or any clarification of these data requests is required, please contact the above staff person. Thank you for your cooperation in the foregoing matter.

Sincerely,

Judith A. Koch Carlson, Manager
Water/Wastewater Industry Group
Bureau of Fixed Utility Services

JKC:rdh
Enclosure

Cc: Paul Diskin, PAWC
Kerry Klinefelter, PA PUC - Tariffs
Peter Frederick, PA PUC - BCS

**BUREAU OF FIXED UTILITY SERVICES
WATER/WASTEWATER INDUSTRY GROUP
DISCOVERY
PENNSYLVANIA-AMERICAN WATER COMPANY
DOCKET NO. A-230073F0002 (Compliance Tariff)**

DOCKETED

JUN 06 2001

May 30, 2001

NOTE: Restate the data request prior to providing a response. Also, provide the name of the person providing the response.

DOCUMENT
FOLDER

COMPLIANCE TARIFF

After reviewing this tariff, it was discovered that many items contained within the tariff are not in conformance with the Commission's policies and regulations. Tariff Wastewater – PA P.U.C. No. 3 will be referred to as tariff for the purpose of this document.

- T-1 On Original Page 8 of the tariff, Schedule of Miscellaneous Fees and Charges, B, Connection Fees:
- a) The term "Connection Fee" needs to be removed. The Commission does not permit charging Connection Fees.
 - b) Assuming the term connection fee actually refers to an inspection fee, provide an explanation of when and to whom the inspection fees are charged. Justify this fee and include any calculations.
 - c) Explain the billing of connection fees, or inspection fees, when Pennsylvania-American personnel make the lateral tie-in.
 - d) Explain the process for billing of connection fees, or inspection fees, when a private contractor makes a lateral tie-in.
- T-2 On Original Page 9 of the tariff, Schedule of Miscellaneous Fees and Charges, D, Parkersburg Area Wastewater Service District:
- a) Explain the treatment tapping fee per EDU for \$525. Justify this cost and include any calculations used to derive this value.
 - b) Explain the lateral inspection fee by answering all questions in T-1, above.
 - c) Explain the reason for charging the special purpose (Conveyance) tapping fee per EDU for \$264.63 and provide the reasoning, including any calculations, used to arrive at this amount.
 - d) Explain the reason for charging the special purpose (Conveyance) tapping fee per EDU for \$1,292 and provide the reasoning, including any calculations, in arriving at this amount.
 - e) Provide an explanation of to whom and when Parkersburg Area Wastewater Service District charges apply.
- * Tapping fees are not allowable by the Commission.
- T-3 On Original Page 2 of the tariff, definition No. 5, Building Sewer, should state that the building sewer should include the extension from the building sewer system to the property line, or vault.
The Customer's responsibility of a service line stops at the property line or vault.

- T-4 On Original Page 13 of the tariff, definitions No. 10, Connection Fee, and No.13, Customer Facilities Fee, need to be removed. The Commission does not allow such fees.
- T-5 Regarding Original Page 16 of the tariff, definition No. 42, Premise, part “d”, provide an explanation of PAWC’s process of billing customers in multi-unit buildings. Include situations where only one “master water meter” is present.
- T-6 On Original Page 17 of the tariff, definition No. 48, Service Line, should be titled Company Service Line, in order to avoid confusion when referring to the customers service line.
On this same page, definition No. 50, Sewer Connection Fee, should be removed, since such fees are not permitted by the Commission.
- T-7 On Original Page 18 of the tariff, definition No. 53, Sewer Service Connection, is confusing and includes a typographical error. Please correct this definition so it reads as the Company intends.
Definition No. 61 on the same page, Tapping Fee, should be removed since the Commission does not permit tapping fees to be charged to customers.
- T-8 Regarding Original Page 20 of the tariff, Section 5.01, state if the Company requires residential customers to receive a permit for sewer service. Include an explanation of the application and permitting process and any associated fees.
- T-9 Regarding Original Page 21 of the tariff, Section 5.02, 1, the Company can not require the Applicant to guarantee that service will continue for at least one year.
On this same page, remove No. 2 of Section 5.02, since tapping and connection fees are not permitted by this Commission.
- T-10 On Original Page 22, Rule 6, Section 6.01, we recommend that the fifth line include language similar to “ discontinued after proper notification, and remain off...”
On this same page, Section 6.02, 1, line 2, the terms tapping fee and connection fee should be removed. Line 4 of this section should relate to a definition for the customer service line, which includes the line from the building to the property line or vault.
On this same page, Section 6.02, No. 2, should be removed. Customer is not responsible for street repairs, etc.
- T-11 On Original Page 28, Rule 8, Section 8.03, line 4, we recommend that the phrase “shall at any time” be changed to “shall at all reasonable times”.
- T-12 Regarding Original Page 31, Rule 9, Section 9.04, explain the permitting process and the terms of a permit and how the permit relates to the Application process. Residential customers with normal use should not be permitted by the utility.
- T-13 On Original Page 37, Rule 11, Section 11.02, No.1, we recommend including language similar to “... paid within 30 days of the date of transmittal of the bill.”
On this same page, Section 11.01, 2, the phrase “charges for connections” should be removed.

- T-14 Regarding Original Page 38 of the tariff, pages dealing with payments and accrual of late payment charges should include language in conformance with 52 Pa. Code §56.21 and §56.22, while language not in conformance should be removed. Sections 11.03 and 11.04 on Original Page 38 should be removed since they do not comply with §56.
- T-15 On Original Page 38, Rule 12, Extension of Service, needs to include language required in all tariffs for line extensions. See attached.
- T-16 Regarding Original Page 42, Section 15.02, No. 2, describe any fees charged.
On this same page, Section 15.02, Nos. 3 and 4, remove tapping fee and connection fee language.
On this same page, Section 15.02, No. 5, provide an explanation of any testing, monitoring and/or inspection fees currently charged, or expected to be charged. If none are currently charged, or expected to be, remove this language.
- T-17 On Original Page 43, Section 17.01, we recommend that the last sentence be reworded by adding "after proper notification" following the phrase " service may be discontinued".
On this same page, Section 17.02, 1, the word "written" should be omitted since written permission is not required.

Section G - Line Extensions

1. Requests by Bona Fide Service Applicant: Each Company shall file with the Commission a rule setting forth the conditions under which facilities will be extended to supply service to an applicant within its service area. Upon request by a bona fide service applicant, the Company shall construct line extensions within its franchised territory consistent with the following directives:

- (a) Line extensions to bona fide service applicants shall be funded without customer advance where the annual revenue from the line extension will equal or exceed the Company's annual line extension costs.
- (b) If the annual revenue from the line extension will not equal or exceed the Company's annual line extension costs, a bona fide service applicant may be required to provide a customer advance to the Company's cost of construction for the line extension. The Company's investment for the line extension shall be the portion of the total construction costs which generate annual line extension costs equal to annual revenue from the line extension. The customer advance amount shall be determined by subtracting the Company's investment for the line extension from the total construction costs.
- (c) The Company's investment for the line extension shall be based on the following formula, where X equals the Company's investment attributed to each bona fide applicant:

$$X = [AR - OM] \text{ divided by } [I + D] ; \text{ and,}$$

AR = the Company's annual revenue
OM = the Company's operating and maintenance costs
I = the Company's current debt ratio multiplied by the
Company's weighted long-term debt cost rate
D = the Company's current depreciation accrual rate

2. Customer advance financing, refunds and facilities on private property:

[Subsection (a) is for use by companies with gross annual receipts of \$10 million or more]

- (a) When a customer advance is required from a bona fide service applicant for service and the bona fide applicant is unable to advance the entire amount due, the Company shall either:
 - (i) Allow the applicant to pay the advance plus the financing costs equal to the Company's weighted cost of long-term debt, over a period of not less than three years; or
 - (ii) Provide information to the bona fide service applicant on financial institutions that may offer financing to the applicant for the main extension.
- (b) When a customer advance is required of a service applicant and an additional customer or customers attach service lines to the line extension within ten (10) years, the Company shall refund a portion of the advance to the customer. Deposits made for additional facilities other than the line extension are contributions in aid of construction and need not be refunded.
- (c) The Company will refund to the applicant, during a period of ten (10) years from the date of the extension deposit, a per-customer amount for each additional bona fide service applicant from whom a street service connection shall be directly attached to such main extension as distinguished from extensions or branches thereof. Provided, however, that the total amount refunded shall not exceed the original deposit without interest, and provided that all or any part of the deposit not refunded within said ten (10) year period shall become the property of the Company and shall be treated as Contributions in Aid of Construction for ratemaking purposes. The per customer refund amount shall equal the Company's investment attributed to each bona fide applicant as calculated in the formula contained in Section G, Rule 1, Subsection (c) of this tariff.
- (d) The Company shall require a customer to pay, in advance, a reasonable charge for service lines and equipment installed on private property for the exclusive use of the customer.
- (e) Special utility service shall mean residential or business service which exceeds that required for ordinary residential purposes. Section G Rule 1 (a) through (c) of this tariff do not apply to special utility service. By way of illustration and not limitation, special utility service shall include: the

installation of facilities such as oversized mains and booster pumps as necessary to provide adequate flows, or service to large commercial and industrial facilities. An otherwise bona fide applicant requesting service which includes a "special utility service" component is entitled to bona fide applicant status, including the corresponding Company contribution toward the costs to the line extension which do not meet the special utility service criteria.

3. Requirement for Extension Deposit Agreement: Where extension of facilities is not fully funded by the Company pursuant to Rule 2 of this Section, the execution by the applicant of an Extension Deposit Agreement for customer contribution or advance shall be a condition of extending the facilities. Upon notice that the Company is prepared and able to go forward with the work, the applicant will deposit with the Company the amount specified in the Extension Deposit Agreement.
4. Size of Main: The Company shall have the exclusive right to determine the type and size of mains to be installed and the other facilities required to render adequate service. However, where the Company decides to install a pipe larger than necessary to render extension of adequate service to the applicant, estimated or actual cost figures in the Extension Deposit Agreement shall include only the material and installation cost for a pipe the size of which is necessary to provide adequate service to the applicant. Any incremental costs of a larger pipe will be the responsibility of the Company. All estimated or actual cost figures referred to in the Extension Deposit Agreement shall include a reasonable allowance for overhead costs and taxes as appropriate.
5. Length of Extension: In determining the necessary length of an extension, the terminal point of such extension shall be at that point in the curb line, which is equidistant from the side property lines of the last lot for which service was requested. A street service connection will be provided only for customer service lines that extend at right angles from the curb line in a straight line to the premises to be served.
6. Cost True-up: At the conclusion of the main extension project there shall be a reconciliation of the actual costs incurred to the amount of extension deposit that has been paid by the customer. If the actual cost exceeds the deposit, the applicant shall be responsible for payment to the Company of the difference. If the deposit exceeds the actual cost, the Company shall refund the difference.



Pennsylvania-American Water Company

800 West Hershey-Park Drive • P.O. Box 888 • Hershey, PA 17033-0888
(717) 533-5000 • Fax: (717) 531-3314 • E-mail: ssimms@pawc.com

RECEIVED

Susan Simms Marsh
Associate Corporate Counsel

JUL 13 2001

July 11, 2001

PA PUBLIC UTILITY COMMISSIO
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
New Filing Section, Room B18
North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

**In re: Pennsylvania-American Water Company compliance wastewater tariff
filing for Coatesville Division, relating to Application docketed at
A-230073F0002**

Dear Mr. McNulty:

In response to Judy A. Koch Carlson's letter dated May 30, 2001 regarding the above-captioned matter, I am forwarding to you three (3) copies of the data request to the attention of:

DOCUMENT
FOLDER

Robert Horensky
Office of Fixed Utility Services
Water/Wastewater Industry Group

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SECRETARY'S BUREAU
01 AUG 17 AM 8:54

The Company's response to questions T-2, T-7, T-8, T-9, T-10, T-11, T-14, T-15, and T-16 will be provided to your office at a later date.

Sincerely,

Susan Simms Marsh

blg
Enclosure

cc: Judith A. Koch Carlson, Manager



47

FUS-T-01

01 JUN 13 PM 9:55
FUS-T-01 Q.

PAID QUALITY SERVICES

On Original Page 8 of the tariff, Schedule of Miscellaneous Fees and Charges, B, Connection Fees:

- a. The term "Connection Fee" needs to be removed. The Commission does not permit charging Connection Fees.
- b. Assuming the term connection fee actually refers to an inspection fee, provide an explanation of when and to whom the inspection fees are charged. Justify this fee and include any calculations.
- c. Explain the billing of connection fees, or inspection fees, when Pennsylvania-American personnel make the lateral tie-in.
- d. Explain the process for billing of connection fees, or inspection fees, when a private contractor makes a lateral tie-in.

022105

FUS-T-01 A.

- a. The Company will change the term "Connection Fee" to "Inspection Fee".
- b. The fee is charged after the inspection is completed. The fee is justified since a cost is incurred for the time that is spent.
- c. The issuance of a ~~miscellaneous invoice~~ to the customer occurs after the inspection is completed.
- d. Please refer to response C.

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SEP 04 2001

FUS-T-03

FUS-T-03 Q. On Original Page 12 of the tariff, definition No. 5, Building Sewer, should state that the building sewer should include the extension from the building sewer system to the property line, or vault.

The Customer's responsibility of a service line stops at the property line or vault.

FUS-T-03 A. The Company will make a change to its currently effective tariff by adding the following sentence:
For customers who have dedicated their service laterals or have become a customer after March 22, "Building Sewer" shall mean the extension from the building sewer to the customer's property line.

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DOCKETED
SEP 04 2001

FUS-T-04

FUS-T-04 Q. On Original Page 13 of the tariff, definitions No. 10, Connection Fee, and No. 13, Customer Facilities Fee, need to be removed. The Commission does not allow such fees.

FUS-T-04 A. The Company will delete the word "Connection" and insert the word "Inspection". Definition No. 13 will be removed.

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FOLDER

DOCKETED
SEP 04 2001

FUS-T-05

FUS-T-05 Q.

Regarding Original Page 16 of the tariff, definition No. 42, Premise, part "d", provide an explanation of PAWC's process of billing customers in multi-unit buildings. Include situations where only one "master water meter" is present.

FUS-T-05 A.

Customers in multi-unit buildings are billed in the same fashion they are billed as water customers. If individual units are metered, those customers are billed individually. A water account, which has one meter serving a multi-unit building, will receive one wastewater bill.

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SEP 04 2001

FUS-T-06

- FUS-T-06 Q. On Original Page 17 of the tariff, definition No. 48, Service Line, should be titled Company Service Line, in order to avoid confusion when referring to the customer's service line.
On this same page, definition No. 50, Sewer Connection Fee, should be removed, since such fees are not permitted by the Commission.
- FUS-T-06 A. The Company will add the word "Company" to definition No. 48 and delete definition No. 50.

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DOCKETED

SEP 04 2001

FUS-T-11

FUS-T-11 Q. On Original Page 28, Rule 8, Section 8.03, line 4, we recommend that the phrase "shall at any time" be changed to "shall at all reasonable times".

FUS-T-11 A. The Company accepts the recommendations.

DOCUMENT
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SEP 04 2001

FUS-T-13

FUS-T-13 Q.

On Original Page 37, Rule 11, Section 11.02, No. 1, we recommend including language similar to "...paid within 30 days of the date of transmittal of the bill."

On this same page, Section 11.02, 2, the phrase "charges for connections" should be removed.

FUS-T-13 A.

The Company accepts the recommendation concerning section 11.02, No.1 and will delete in entirety, section 11.02, 2.

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FOLDER

DOCKETED
SEP 04 2001

FUS-T-17

FUS-T-17 Q.

On Original Page 43, Section 17.01, we recommend that the last sentence be reworded by adding "after proper notification" following the phrase "service may be discontinued". On this same page, Section 17.02, 1, the word "written" should be omitted since written permission is not required.

FUS-T-17 A.

The Company accepts the recommendations.

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FOLDER

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SEP 04 2001



Pennsylvania-American Water Company

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888
(717) 533-5000 • Fax: (717) 531-3314 • E-mail: ssimms@pawc.com

Susan Simms Marsh
Associate Corporate Counsel

August 6, 2001

Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

DOCKETED
AUG 24 2001

DOCUMENT
FOLDER

Re: Pennsylvania-American Water Company compliance wastewater tariff filing for Coatesville Division, relating to Application docketed at A-230073F0002:

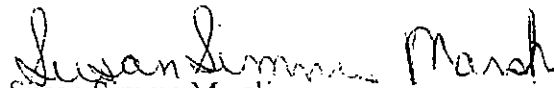
Dear Mr. McNulty:

In response to Judith A. Koch Carlson's letter dated May 30, 2001 regarding the above-captioned matter, I am forwarding you three (3) copies of the data request to the attention of:

Robert Horensky
Office of Fixed Utility Services
Water/Wastewater Industry Group

The Company's responses to questions T-2, T-7, T-8, T-9, T-10, T-12, T-14, T-15 and T-16 are attached.

Sincerely,


Susan Simms Marsh
Assistant Corporate Counsel

dvm
Attachments
cc: Paul Diskin
Wayne "Ted" Reed
Richard Seliga

PA P.U.C.
SECRETARY'S BUREAU

2001 AUG - 7 AM 9: 36

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Rob



Pennsylvania-American Water Company

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888
(717) 533-5000 • Fax: (717) 531-3314 • E-mail: ssimms@pawc.com

Susan Simms Marsh
Associate Corporate Counsel

dcy

August 6, 2001

02/11/06

Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

Re: Pennsylvania-American Water Company compliance wastewater tariff filing for Coatesville Division, relating to Application docketed at A-230073F0002.

RECEIVED
SECRETARY'S BUREAU
01 AUG 17 AM 8:54

Dear Mr. McNulty:

In response to Judith A. Koch Carlson's letter dated May 30, 2001 regarding the above-captioned matter, I am forwarding you three (3) copies of the data request to the attention of:

Robert Horensky
Office of Fixed Utility Services
Water/Wastewater Industry Group

The Company's responses to questions T-2, T-7, T-8, T-9, T-10, T-12, T-14, T-15 and T-16 are attached.

DOCUMENT
FOLDER

Sincerely,

Susan Simms Marsh
Susan Simms Marsh
Assistant Corporate Counsel

dvm
Attachments
cc: Paul Diskin
Wayne "Ted" Reed
Richard Seilga



01 AUG 17 2001 9:12
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SECRETARY'S OFFICE

FUS-T-02

Q. On Original Page 9 of the tariff, Schedule of Miscellaneous Fees and Charges, D, Parkesburg Area Wastewater Service District:

- a. Explain the treatment tapping fee per EDU for \$525. Justify this cost and include any calculations used to derive this value.
- b. Explain the lateral inspection fee by answering all questions in T-13 above. Explain the reason for charging the special purpose (Conveyance) tapping fee per EDU for \$264.63 and provide the reasoning, including any calculation, in arriving at this amount.
- d. Explain the reason for charging the special purpose (Conveyance) tapping fee per EDU for \$1,292 and provide the reasoning, including any calculation, in arriving at this amount.
- e. Provide an explanation of to whom and when Parkesburg Area Wastewater Service District charges apply.
- * Tapping fees are not allowable by the Commission.

DOCKETED
SEP 12 2001

01 AUG 17 2001
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SECRETARY'S OFFICE

RESPONSE:

a. This fee is the same amount used by the City of Coatesville Authority ("CCA") prior to the asset purchase by PAWC in March, 2001. The fee was originally instituted in 1989 after Gannett Fleming Valuation and Rate Consultants, Inc., performed a rate study in 1987. In essence, the new customers purchase capacity ownership in the sewer system that was built and paid for from rates charged to existing customers over the years which is similar to the purchase of stock ownership in an investor owned company. The consultant determined the fee (see Attachment "A") by establishing the estimated value of the sewer system and infrastructure (\$7,755,533), then deducting the unamortized debt (\$2,854,230), which then set the Equity Value of the system (\$4,901,303). That amount was divided by the total plant capacity of 3.85 mgd to provide the "Equity of Existing Residential Customers per Gallon of Capacity" (\$1.273 per gallon).

The average daily flow for all then 2,813 residential customers was determined to be 957,600, which equals 340.4 gallons per customers per day. Multiplying by a maximum daily factor of 2, the "Maximum Day Flow per Retail Customer" was determined to be 680.8 gallons, which, when multiplied by \$1.273 per gallon, results in a "Capacity Cost per Residential Customer" of \$867.

When considering establishing the capacity fee, the CCA Board of Directors set the fee at \$525 although they could have set it at the full \$867.

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As previously mentioned, this fee is charged to new customers to require them to pay their "fair share" of the costs of the infrastructures that were put into place by past and current customers who have been paying rates and fees over the years to provide the infrastructure which otherwise may not have been in place to allow the new customers to connect.

b. See response to T-1 above.

c. In 1994, the City of Coatesville Authority ("CCA") and the Borough of Parkesburg entered into an agreement whereby CCA would construct a sewer pump station and extend a sewer main some five miles from Parkesburg to Coatesville. CCA agreed to borrow for its share of the costs for construction. (Parkesburg's total share was \$2.4 million of which it paid \$500,000 in cash). Both parties agreed upon two methods for Parkesburg to repay the CCA debt. The first method was the installation of a "Debt Service Fee" charge of \$35 per quarter for all Equivalent Dwelling Units ("EDU") whose sewer goes through the Parkesburg Sewer Pump Station which replaced the Parkesburg Sewage Treatment Plant.

The second method was a "Special Purpose (Conveyance) Fee" to be charged to all new customer connections whose sewer would pass through the Parkesburg Sewage Pump Station. This fee was set by determining Parkesburg's percentage of the total project costs that amounted to \$4,035,718. The percentage was set at 59.46897% (\$2,400,000) divided by \$4,035,718). CCA and Sadsbury Township were the other two contributors to the project.

Beginning in 1996, the annual bond debt service principle and interest (taken from the Bond Debt Service Schedule) was divided by the maximum daily design flow through the pump station (600,000 gallons) to obtain the annual cost per gallon which was then multiplied by 262.5 gallons (the average residential usage per day) to determine the annual cost per EDU for new customer connections. CCA's annual share of the debt service was determined to be 17% while Parkesburg's was 83%.

Each year the interest is added to the previous year's principle and interest to determine that year's sharing of the debt service per new customer connection. The current year's (2001) conveyance fees amount to \$1,292.00 for Parkesburg and \$264.63 for PAWC. In accordance with the Parkesburg Agreement, as amended (copies are included as Attachment "B"), any fees collected for Parkesburg must be placed into a special interest-bearing escrow account along with the quarterly debt service fees collected (\$35 per EDU per quarter). Twice per year in April and October in accordance with the Debt Service Schedule, PAWC withdraws the debt service amount of principle and/or interest from the escrow account, and pays itself. Any conveyance fees collected for PAWC's part of the special conveyance fees (the \$264.63 per EDU), is put into the PAWC account when collected.

The Parkesburg Agreements were assigned to PAWC at the time of the sale of the CCA assets to PAWC. It should be noted that pursuant to 66 Pa. C.S. §507, PAWC filed the Agreement with the Commission on September 11, 2000 and by letter dated November 16, 2000 PAWC submitted the Agreement as PAWC Exhibit No.8 at the Application Docket Nos.

A-21228F0071 and A-230073F0002. PAWC is legally obligated by these agreements to enforce the collection of the fees as described above.

d. Please see response to Question c above.

e. In accordance with the Parkesburg Agreement, as amended, the conveyance fees are enforced whenever any new connection will convey sewer through the Parkesburg Sewer Pump Station, whether or not the new connection is inside the Borough of Parkesburg. All customers conveying sewer through the Pump Station are required to pay the quarterly Debt Service Fee of \$35 per EDU.

*Also see PAWC response to A-RS-1 included as Attachment C.

RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Operations Manager

CITY OF COATESVILLE AUTHORITY
SEWER UTILITY

DEVELOPMENT OF SEWER CAPACITY FEE AS OF JANUARY 1, 1989

Description	RCN at 8/31/85	Estimated Value at 1/1/89
-----	-----	-----
Sewage Treatment Plant	\$3,722,105	\$6,663,342
Interceptor System		1,092,192

Total Capacity Related System		\$7,755,533
Less:		
Notes Payable less Unamortized Debt Issue		
Costs and Debt Discounts @ 9/30/88		2,854,230

Equity of Existing Residential Customers In Plant Capacity		\$4,901,303

Total Plant Capacity (GPD)		3,850,000

Equity of Existing Residential Customers per Gallon of Capacity		\$1.27
(1) Flow from Residential Customers (GPD)	957,600	
(2) Residential Customers	2,813	

Average Daily Flow	340.4	
Maximum Day Factor	2.0	

Maximum Day Flow per Retail Customer (GPD)		680.8

Capacity Cost per Residential Customer		\$867

- (1) Wastewater Rate Study, December 1987, Schedule F, page 46
 (2) Wastewater Rate Study, December 1987, Schedule F, page 50

COPY OF SIGNED AGREEMENT

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FIXED ...

PARKESBURG BOROUGH

CHESTER COUNTY, PENNSYLVANIA

and

CITY OF COATESVILLE AUTHORITY

COATESVILLE, PENNSYLVANIA

ATTACHMENT B

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**AN AGREEMENT BETWEEN
THE BOROUGH OF PARKESBURG, CHESTER COUNTY
AND
THE CITY OF COATESVILLE AUTHORITY
FOR THE TRANSFER OF A SANITARY SEWER SYSTEM
AND THE CONSTRUCTION OF A SANITARY SEWER MAIN**

BACKGROUND OF AGREEMENT

THE BOROUGH OF PARKESBURG, CHESTER COUNTY, PENNSYLVANIA (the "Borough") is a municipal corporation with offices located at 329 West First Avenue, Parkesburg, PA, 19365.

THE CITY OF COATESVILLE AUTHORITY (the "CCA") with offices located at 114 East Lincoln Highway, Coatesville, PA, 19320, is a Municipal Authority organized and existing under the Act of May 2, 1945, P.L. 382, §1, as amended, i.e. "The Municipal Authorities Act of 1945".

The Borough owns and operates a sewage treatment plant and collection system and provides collection and treatment of sewage effluent generated or produced by residential, commercial and industrial users located within the municipal limits of the Borough.

The CCA owns and operates a collection system and sewage treatment plant and provides collection and treatment of sewage effluent generated or produced by residential, commercial and industrial users within the municipal limits of the City of Coatesville and users located in various municipalities in the vicinity of the City of Coatesville.

On December 13, 1993, the Commonwealth Court of Pennsylvania, upon Petition of the **COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL RESOURCES** ("PADER") entered an Order requiring the Borough to achieve compliance with its NPDES Permit by a phase-out of its Sewage Treatment Plant and the connection of its Sewage Collection System with the City of Coatesville Authority Sewage System.

The Borough was named as a defendant in a Civil Action filed in the United States District Court for the Eastern District of Pennsylvania. The plaintiff in that case is the **AMERICAN LITTORAL SOCIETY** ("ALS"). That action has been resolved by the Borough and ALS entering into a Second Amended Consent Order ("SACO") dated April 14, 1994. A copy of the April 14, 1994 SACO has been provided to ALS by the Borough.

The Borough and the CCA have been negotiating since February of 1992 concerning the provisions of the Agreement which follows hereafter. As a result of these negotiations, the Borough and the CCA (by Resolutions duly passed by each of their governing boards or bodies) have agreed to enter into an Agreement providing for, among other things, the transfer by the Borough to the CCA of the Borough's entire Waste Water Treatment System (as defined hereinafter) and for the CCA to construct a Sanitary Sewer Main (including a Pump Station) ("SSM") between the Borough's existing Waste Water Treatment Plant and the CCA Waste Water Treatment Plant located in South Coatesville, Chester County, Pennsylvania, in accordance with all applicable Federal and Commonwealth statutes and applicable regulations promulgated by any regulatory authority with jurisdiction over the SSM.

The CCA desires to acquire the Borough's Waste Water Treatment System, as defined hereinafter, provide public sewer service to current and future users within the municipal limits of the Borough, and construct the SSM.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound, the Borough and the CCA hereby agree as follows:

ARTICLE I

DEFINITIONS

1.01 "Agreement" shall mean this Agreement and all exhibits, amendments, extensions and revisions and supplements hereto.

1.02 "Borough" shall mean the Borough of Parkesburg, a political subdivision organized and existing under the laws of the Commonwealth of Pennsylvania, with a postal address of 329 West First Avenue, Parkesburg, Chester County, Pennsylvania, 19365.

1.03 "Borough Assets" shall mean any and all property (real, personal and mixed) owned by the Borough and utilized by it in connection with the operation and maintenance of its sewer collection and treatment system. This property includes, but is not limited to, all real estate, sanitary sewer rights-of-way, right-of-way agreements, sanitary sewer easements, licenses, rights and similar interests in real property, buildings, structures, basins, machinery, mains, conduits, pipelines, pipes, interceptor lines, out-fall lines, trunk lines, sewage treatment systems, tanks, shops, pumping stations, ejector stations, force mains, fixtures, engines, boilers, pumps, meters and any

equipment of any other nature whatsoever, together with all furniture, fixtures and supplies attendant thereto, and the existing sanitary sewer customers of the Borough of Parkesburg, but shall not include any storm sewers or "service lines" as defined by CCA, or other items which may be specifically excluded by the parties.

1.04 "CCA" shall mean the City of Coatesville Authority, a municipal authority organized and existing under the Act of May 2, 1945, P.L. 382, §1 ("The Municipal Authorities Act of 1945"), as amended, with a postal address of 114 East Lincoln Highway, Coatesville, Chester County, Pennsylvania, 19320.

1.05 "Closing Date" shall mean the consummation of the transaction contemplated by this Agreement on a day and at a time and place mutually agreed upon by the Borough and the CCA, but not later than ninety (90) days after the Completion Date. The actual date and time of Closing for purposes of determining when the transfer of the Borough Assets contemplated by this Agreement has occurred shall be deemed to have taken place at 12:01 A.M., prevailing time, on the Closing Date.

1.06

"Completion Date" shall mean the day on which the CCA notifies the Borough in writing that the SSM has been fully and completely constructed to the extent necessary to become operational and accept sewage effluent and that date on which the last of any and all permits necessary for the commencement of operation and acceptance of sewage effluent have been issued by any Federal or Commonwealth regulatory body, administrative agency, etc. with jurisdiction over the construction and operation of the SSM.

1.07

"Contract Price" shall mean the money payable by the CCA to its contractor (or contractors) for the Project as financed by the Borough under the terms of this Agreement.

1.08

"Contract Time" shall mean the number of calendar days, or the dates stated in this Agreement for the completion of the Project, as established by the time limits contained in the December 13, 1993 Commonwealth Court Order, or any subsequent amendments thereto.

1.09

"Contractor" shall mean the person, firm or corporation with whom the CCA shall contract to commence and complete all the Work required to complete the Project.

1.10

"Customer Rate Base" shall mean all users of the Sanitary Sewer Main to be constructed, whether such users are within or without of the municipal limits of the Borough. For purposes of this Agreement, those provisions in this Agreement affecting users located within or without of the municipal limits of the Borough are defined textually herein.

1.11

"Effective Date" shall mean the date stated in this Agreement on which it becomes effective, but if no such date is stated, it shall mean the date on which the Agreement is signed and delivered by the last party's signature required hereon.

1.12

"Hazardous Material" shall be broadly interpreted to include, but not limited to, any material, substance or waste, or combination thereof, now or hereafter determined, defined or classified under any Federal, Commonwealth or local statute, law, ordinance or regulation as:

A. a "Hazardous Substance" pursuant to §101 of the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. §9601 (14); and/or

- B. §311 of the Federal Water Pollution Control Act (33 U.S.C. §1321); and/or
- C. a "Hazardous Waste" pursuant to §1004 and/or §3001 of the Resource Conservation and Recovery Act (42 U.S.C. §§6903, 6921); and/or
- D. a toxic pollutant under §307(a)(1) of the Federal Water Pollution Control Act (33 U.S.C. §1317(a)(1); and/or
- E. a "Hazardous Air Pollutant" under §1112 of the Clean Air Act (42 U.S.C. §7412); and/or
- F. a "Hazardous Material" under the Hazardous Materials Transportation Uniform Safety Act of 1990 (42 U.S.C. App. §1802(4)); and/or
- G. toxic or hazardous pursuant to regulations promulgated now or hereafter under the laws identified above; and/or
- H. presenting a risk to human health or the environment under other applicable Federal, Commonwealth or local laws and ordinances or regulations as now or hereafter shall be passed or promulgated in the future; and/or

- I. any substance, substances or combination thereof that -- after release into the environment and upon exposure, ingestion, inhalation or assimilation, either directly from the environment or by ingestion through food chains -- will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer or genetic abnormalities, including, but not limited to, asbestos, polychlorinated biphenyls ("PCB's"), petroleum and petroleum-based derivatives, and urea formaldehyde; and/or
- J. "Hazardous Substances" as defined under the Clean Air Act (33 U.S.C. §1251, et seq); and/or
- K. All substances defined in the Toxic Substances Control Act (15 U.S.C. §2601, et seq).

1.13

"Operational Date" shall mean the date not more than 30 days after the Completion Date on which -- after approved testing under full flow capacity -- sewage effluent commences to flow through the SSM and, further, sewage effluent is no longer discharged (either in part or in whole) from the existing point of permitted discharge into the Little Buck Run.

1.14 "Project" shall include the design and construction by the CCA (through its contractors, agents, servants or workers) of the Sanitary Sewer Main (and Pump Station) as defined in Paragraph 1.16 hereof.

1.15 "Remedial Work" shall mean and include site monitoring, containment, clean-up, removal, restoration or other remedial actions of any kind as may be necessary under any applicable Federal, Commonwealth or local act, statute, law or ordinance or regulation, or as required by any governmental entity or other third person because of or in connection with the presence or suspected presence of "hazardous material" in on or at the location of the Project, or in, on or at any Borough Asset (including any Borough facility) to be transferred by the Borough to the CCA hereunder.

1.16 "Sanitary Sewer Main" shall mean a Sanitary Sewer Main and a Pump Station having a capacity capable of serving the sanitary sewage needs of the Borough in accordance with the "Act 537 Plan" finally approved by the Commonwealth of Pennsylvania Department of Environmental Resources. The SSM shall extend from the Borough's existing Waste Water Treatment Plant to the CCA's existing collector system or treatment plant.

1.17 "Waste Water Treatment System" shall mean the Borough's existing Sewage Treatment Plant, and those Borough Assets as defined in paragraph 1.03, above.

1.18 "Work" shall mean the entire completed construction or the various separately identifiable parts thereof required to be furnished under this Agreement for the construction of the Sanitary Sewer Main; work is the result of performing services, furnishing labor and furnishing and incorporating materials and equipment into the construction, as required by this Agreement.

ARTICLE II

TRANSFER OF BOROUGH ASSETS TO CCA

2.01 On the Closing Date, the Borough shall transfer to the CCA the following real and personal property of the Borough, i.e. the Borough Assets:

A. All land, sanitary sewer rights-of-way, sanitary sewer easements, licenses, rights and similar interests in real property, all buildings, basins, mains, conduits, pipes, pipelines, interceptor lines, outfall lines, trunk lines, force mains, as more fully described on Exhibit "A" attached hereto and incorporated by reference.

B. All personal property owned and utilized by the Borough in connection with the operation of its Waste Water Treatment System including, but not limited to, machinery, tanks, shop equipment, fixtures, engines, boilers, pumps, meters, chemicals, etc., but shall not include the Borough's computer and software.

C. Copies, if requested, of all customer lists, books, records, drawings, franchise rights, contract rights and similar intangible assets related

thereto, but excluding all unbilled revenue, cash, investments, reserve accounts, sinking funds and accounts receivable.

- D. All licenses, permits, agreements, etc. given to, used or utilized by the Borough in connection with the operation of its Waster Water Treatment System.
- E. All Borough "Customer Rate Base Accounts", as adjusted in accordance with Article XIV, paragraph 14.04 herein.

2.02

On the Closing Date, the Borough shall deliver the following documents to the CCA:

- A. Special Warranty or Quit-Claim Deeds conveying to the CCA title to the real estate portion of the sewer system properties as identified on Exhibit "A";
- B. Assignments transferring to the CCA the Borough's right to use or occupy any easements or sewer rights-of-way identified in Exhibit "A";

- C. A Bill of Sale and all other attendant documents necessary to transfer to the CCA all of the Borough's right, title and interest in and to the personal property identified in paragraph 2.01.B, above;
- D. Such other appropriate assignments and documents of transfer necessary to effectively transfer to the CCA all Borough franchises, licenses, permits, leases, restrictive covenants and service contracts appurtenant to the Borough's operation of the Waste Water Treatment System;
- E. Such other documents as counsel for the CCA and counsel for the Borough shall deem necessary in order to consummate the transaction contemplated by this Agreement.

2.03

CCA shall be responsible for the cost of any survey or surveys which may be required by any title insurance or abstracting company for the preparation of adequate legal descriptions of the Assets described in paragraph 2.01.A, above.

2.04

Between the date of the execution of this Agreement and the Closing Date of the Borough Assets, the Borough shall:

- A. Maintain the Assets at its sole expense in good repair, order and condition (normal wear and tear excepted), and shall not dispose of any Assets without the written consent of CCA.
- B. Maintain any insurance which is in effect as of the date of the execution of this Agreement on the Assets, and apply the proceeds of any such insurance received on account of any damage to the Assets to repair of the Assets.
- C. Continue to conduct the operation of the Waste Water Treatment System in the ordinary course of business, including the preservation and maintenance of the amount and quality of machinery, equipment and vehicles.
- D. Not enter into any lease, contract or other agreement for the Waste Water Treatment System or the Borough Assets (or any portion thereof) which said lease, contract, or other agreement shall not

be terminable at the sole option of the Borough as of the Closing Date, unless first receiving written approval of the CCA.

- E. Advise the CCA in writing within five (5) days of any dispute, claim, action, suit or similar proceeding, arbitration or investigation to which the Borough shall become a party if such dispute, claim, action, suit, proceeding, etc., may adversely affect the Borough or any of the Assets to be transferred to the CCA hereunder, and the Borough shall advise the CCA in writing of the occurrence of any event of any nature that may be materially adverse to the operation and maintenance of the Borough's Waste Water Treatment System.
- F. Permit duly authorized agents of the CCA to inspect the Waste Water Treatment Plant and the Borough Assets to be transferred hereby.

ARTICLE III

**BOROUGH'S OBLIGATIONS CONCERNING OPERATION OF THE
BOROUGH'S WASTE WATER TREATMENT SYSTEM UNTIL COMPLETION DATE**

3.01 Until the Closing Date, the Borough warrants and agrees that it will:

- A. Attempt to operate its existing Waste Water Treatment System in accordance with any and all applicable laws, regulations, directives, and orders issued by any governmental authority having jurisdiction over the operation of the Waste Water Treatment System;

- B. Not mortgage, pledge or subject to lien, encumbrance or charge any Borough Assets comprising the Waste Water Treatment System, sell or transfer any Assets, or fail to repair any damage, destruction or loss which would materially affect the Borough's interest in the properties, business, business prospects, assets, real estate or inventory comprising the Waste Water Treatment System.

- C. Be responsible for the payment of any fine, penalty, assessment, or other imposition imposed upon the Borough by any Court of competent

jurisdiction or other governmental authority or governmental agency with jurisdiction over the operation of the Borough's Waste Water Treatment Plant as a result of violations caused by the Borough which occur prior to the Closing Date.

ARTICLE IV

ENVIRONMENTAL AUDIT AND CONTINGENCIES

- 4.01 The CCA, at its sole cost and expense, shall retain the services of an environmental consultant which shall conduct a "Phase I" Environmental Audit in accordance with standard practice for environmental site assessments for "Phase I" site assessments in accordance with the criteria established by the ASTM, (including the following non-scope issues: friable asbestos containing materials and lead-based paint) in order to determine the presence or existence of Hazardous Materials in, on or at all real property and facilities to be transferred by the Borough to the CCA pursuant to this Agreement.
- 4.02 The Environmental Audit to be performed by the CCA's consultant shall be completed within sixty (60) days of the CCA's execution of this Agreement.
- 4.03 Within ninety (90) days of the CCA's execution of this Agreement, the CCA's environmental consultant shall simultaneously deliver to the CCA the original written Evaluation Report (or Reports) of the results of the environmental consultant's audit and/or investigation and shall deliver a copy of the Environmental Report (or Reports) to the Borough.

4.04

The Borough shall grant to the CCA's environmental consultant access to all real property and facilities to be transferred by the Borough to the CCA hereunder as is necessary to allow the environmental consultant to conduct the audit and prepare the Environmental Report; the CCA's consultant shall have such access to Borough records as is necessary to conduct the Audit and prepare the Evaluation Report. The Borough shall promptly provide all information in the Borough's custody or control as may be requested by the CCA's environmental consultant in order to prepare the Evaluation Report. The Borough shall cooperate with the CCA's environmental consultant to obtain information or documents from any third person or party as the environmental consultant deems necessary to complete the Audit and prepare the Evaluation Report.

4.05

If the Evaluation Report prepared by the CCA's consultant determines that the real property (or any portion thereof) or Assets to be transferred by the Borough to the CCA pursuant to this Agreement contains any "Hazardous Materials" (as defined in Article I hereof), the Environmental Report shall also contain a plan to identify, delineate or a Remediation and Removal Plan or Procedure to remove and/or eradicate to the degree required by any applicable Federal or Commonwealth of Pennsylvania statute or regulation, any Hazardous Materials.

4.06

If the Evaluation Report prepared by the CCA's environmental consultant reveals the presence or existence of Hazardous Materials (as defined in Article I hereof), the CCA shall have the option of terminating this Agreement or of accepting the property with all hazardous materials identified in the Evaluation Report, or entering into negotiations with the Borough in an attempt to arrive at an alternate resolution mutually acceptable to both parties hereto.

4.07

If the CCA elects to accept the property and Assets from the Borough after having received knowledge of the existence of Hazardous Materials from the Evaluation Report, the CCA shall, at its sole cost and expense, be responsible for the implementation of any Remedial and Removal Plan included in the Evaluation Report, and, further, agrees to indemnify the Borough in accordance with the provisions of this Article.

4.08

Prior to Closing, all information obtained by the CCA, the CCA's environmental consultant and the agents, servants, workers or employees of the CCA and the CCA's environmental consultants obtained as a result of, arising from or relating to the Environmental Audit described in this Article, including without limitation the Evaluation Report, all analyses, writings and data

relating thereto (hereinafter the "Confidential Information") shall be kept in the strictest confidence between the CCA and the Borough; if the Confidential Information is required by the Lender chosen by the parties pursuant to the terms of this Agreement, then such Lender, at the request of CCA, shall also keep the Confidential Information in strictest confidence. The CCA shall employ all reasonable efforts to maintain the Confidential Information as secret. The Confidential Information shall not be disclosed or revealed to anyone except agents and employees of the CCA who have a need to know and the CCA's environmental consultant, so long as the CCA's consultant agrees to treat the Confidential Information with the same degree of secrecy as the CCA has agreed in this Article. The obligation of the CCA shall not extend to any part of Confidential Information that:

- A. Can be demonstrated to have been publicly known or readily available to the public prior to the date of disclosure; or,
- B. Is required by bona fide lenders (if any) to the Borough in connection with the obtaining of financing for the construction of the pipeline; or,

- C. Is required by bona fide purchasers or lessees of the CCA of the property; or,
- D. Becomes the subject of a duty of the CCA or the CCA's consultant to disclose under any applicable law.

4.09

If the Evaluation Report generated by the CCA's environmental consultant reveals the presence or existence of hazardous substances and, further, if the CCA elects to accept title to real property Assets and facilities transferred to it in accordance with this Agreement, and if the CCA and the Borough have not negotiated an alternate resolution pursuant to paragraph 4.06 the CCA hereby specifically agrees to release and indemnify the Borough from:

- A. Any and all liability for claims with respect to the real property or any portion thereof, any Asset or facility conditions of every kind and every nature whatsoever, fixed or contingent, known or unknown, including claims of any right of contribution arising out of or pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended by the Super Fund Amendments and Reauthorization Act of 1986),

42 U.S.C. §9601, et seq, as amended ("CERCLA"), the Resource Conservation and Recovery Act, the Pennsylvania Hazardous Site Clean-Up Act, the Pennsylvania Clean Streams Law, the Pennsylvania Solid Waste Management Act, all other laws identified in Article I, Paragraph 1.09, or any other Federal or Commonwealth law, act, statute or regulation of any kind or any nature whatsoever.

- B. The CCA's indemnity obligations referred to in the foregoing paragraph shall include, without limitation, the obligation to indemnify, protect, exonerate, defend, (with counsel selected by the Borough) and hold harmless the Borough and the Borough's past, present or future council members, employees, agents, servants, workers, elected officials, etc. and to reimburse the Borough for all losses, liabilities, damages, costs and expenses, attorney fees, consultant fees and costs, expert fees and costs, laboratory testing, claims, including without limitation third party claims whether for personal injury or real or personal property damage or otherwise, administrative proceedings, (including informal proceedings) that arise directly or indirectly from or in connection with any violation or alleged violation of the laws referred to in Paragraph A, above.

C. Without limiting the generality of the foregoing, the CCA's indemnification shall specifically cover losses incurred with the investigation or monitoring of site conditions, any clean-up, containment, remedial, removal or restorative work required or performed by any Federal, Commonwealth of Pennsylvania or local agency or political subdivision or performed by any non-governmental entity or person because of the presence or suspected presence, release or threatened or suspected release of any hazardous substance in or into the air, soil, ground water or surface water at, on or about or under within any of the real property (or any portion thereof) and any claims of third parties for such loss or damage due to hazardous substances.

D. When any claim shall arise for indemnification, the Borough shall notify the CCA of such claim in writing by certified mail, return receipt requested not later than twenty-one (21) days after the Borough has actual knowledge of any facts constituting any basis for such claim. Further, the Borough shall notify the CCA within ten (10) days after the commencement of any legal action of any nature whatsoever with respect to any such

claim against the Borough. The failure of the Borough to notify the CCA shall not relieve the CCA of any liability which it may have to the Borough pursuant to the provisions of this Article, to the extent of the indemnification provided hereunder provided however that the CCA is not prejudiced as a proximate result of such failure.

- E. If any event occurs which gives rise to the indemnification provided for under the provisions of this Article, the CCA, at its sole cost and expense, shall assume the defense of such claim or litigation through legal counsel selected by the CCA and shall take any and all steps necessary for the defense or settlement of such claim or litigation, and shall hold the Borough harmless from and against any and all losses of any nature whatsoever caused by or arising out of any settlement thereof approved by the CCA, or any judgment rendered in connection therewith. The CCA shall not, either in the defense or settlement of such claim or litigation, consent to the entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving to the Borough by any claimant and/or all parties to the litigation a general release

from any and all liability of any nature whatsoever regarding such claim or litigation.

4.10

If the Evaluation Report generated by the CCA's environmental consultant reveals the presence or existence of Hazardous Materials and, further, if the CCA elects to accept title to real property, Assets and facilities to be transferred to it in accordance with this Agreement, the CCA specifically covenants and agrees with the Borough not to bring any legal action (either directly, indirectly or derivatively) of any nature whatsoever (whether at law or in equity) against the Borough based on any cause of action (whether at law or in equity) which the CCA may have against the Borough by virtue of any applicable Federal, Commonwealth of Pennsylvania or other statute, act, law, or regulation.

ARTICLE V

PROJECT COST AND CCA PROJECT RESPONSIBILITIES

5.01 The CCA shall procure all general Contractors, Subcontractors, Materialmen and Suppliers necessary to furnish all labor, superintendents, materials, necessary equipment and other utilities and facilities for, perform all work necessary for or incidental to, and perform all other obligations required by this Agreement for the completion of the Project.

5.02 The CCA will complete (or cause to be completed) the Project and in consideration thereof the Borough shall be responsible for a total of Two Million Four Hundred Thousand Dollars (\$2,400,000.00) of the Project Costs, allocated as follows:

A. The financing of 1.9 Million Dollars (\$1,900,000.00) in accordance with Article X.

B. Three Hundred Thousand Dollars (\$300,000.00) payable to the CCA for anticipated Project Costs, advanced as set forth below:

1. Advance #1: \$200,000.00 payable upon execution of this Agreement.

2. Advance #2: \$50,000.00 payable on or before January 1, 1995.
 3. Advance #3: \$50,000.00 payable on or before June 1, 1995.
- C. Two Hundred Thousand Dollars (\$200,000.00) payable to the CCA on the Closing Date for Project Closure Costs.

5.03 CCA and the Borough agree that under no circumstances shall the Borough's Total Maximum Debt Service Obligation for purposes of securing exceed \$1.9 Million.

5.04 In order to induce the Borough to enter into this Agreement, the CCA makes the following representations:

- A. The CCA has studied each and every provision of this Agreement, reviewed, and understands the nature and extent of the work required of it in order to complete the Project, has familiarized itself with the work locality, local conditions, any and all Federal, Commonwealth of Pennsylvania and local acts, laws, statutes, ordinances and regulations that in any manner affect cost,

progress or performance of the CCA's obligations hereunder;

B. The CCA has secured such reports, evaluations, studies, etc. pertaining to the Project as it has deemed necessary in order to permit it to enter into this Agreement, and, further has carefully studied all such reports, etc., affecting the cost, progress, performance and completion of the Project.

5.05 The CCA shall commence, or cause to be commenced, the Work within sixty (60) days after this Agreement has been executed, and shall attempt in good faith to meet all "Milestone Schedule Dates" contained in the December 13, 1993 Commonwealth Court Order, or such other dates as may be contained in any amendment of the afore-referenced Order.

5.06 The CCA shall, at the first point in time permitted by the "Sewage Construction Payment to Municipalities Act" (the Act of August 20, 1953, P.L. 1217, §1, et seq, as amended, 35 P.S. §701, et seq, as amended) (hereinafter "Act 339") apply to the Administrative Services Section, Bureau of Water Quality Management, Pennsylvania Department of Environmental Resources (or to

such other Commonwealth agency as may administer Act 339 Funds) pursuant to Act 339 in order to secure the maximum amount available under Act 339 for the "Costs for Acquisition and Construction" (as the word "Construction" is defined in Act 339). Funds secured by CCA pursuant to Act 339 for "Costs of Construction" shall be equally divided between the CCA and the Borough and the Borough's percentage shall be held and maintained by the CCA in an interest bearing Escrow Account for the benefit of the users located solely within the municipal limits of the Borough, and the Borough's percentage of the Act 339 Funds secured by the CCA shall be utilized by the CCA in accordance with the provisions of Article XIV, paragraph 14.03.B hereof, i.e. these funds shall be applied to reduce the balance of any then-remaining principal of the \$1.9 Million financing for which the Borough is responsible pursuant to Article V, §5.02.A.

ARTICLE VI

PERMITS

6.01 The CCA shall obtain all required construction permits, licenses and all other approvals of any nature whatsoever necessary to commence the Work and complete the Project; the Borough shall assist the CCA, if necessary, in obtaining such permits, licenses and approvals.

6.02 The CCA as part of the Project Costs shall pay all governmental charges and inspection fees necessary for the prosecution of all Work connected with the Project; however, the Borough specifically agrees to waive any governmental charges which it could otherwise legally assess against the CCA as a result of the construction of the Project within the municipal limits of the Borough, including by way of example but not by way of limitation, Building Permit Fees, inspection fees, code enforcement officer fees, etc.

6.03 The CCA shall give all notices and comply with all laws and regulations applicable to the furnishing and performance of the Work required to complete the Project. Except where otherwise expressly required by applicable law or regulation, the Borough shall not be responsible for monitoring the CCA's compliance with any acts, statutes, laws, regulations or ordinances.

ARTICLE VII

**PROJECT COMPLETION DATE, PROJECT OPERATIONAL DATE
AND PRE-COMPLETION DATE NOTIFICATION REQUIREMENTS**

- 7.01 The CCA agrees that the Completion Date shall be no later than 11:59 P.M., prevailing time, May 1, 1996.
- 7.02 The CCA agrees that the Project Operational Date shall be no later than 11:59 P.M., prevailing time, June 1, 1996.
- 7.03 The CCA shall notify the Borough in writing that the Completion Date set forth above has been met, and shall simultaneously notify the Borough's Engineer in writing of the Completion Date and advise the Borough Engineer that the Project is complete and ready for the initial start up and test period, which said test period shall be for a thirty (30) day period prior to May 15, 1996.
- 7.04 Within ten (10) days after the Completion Date, the Borough's Engineer shall make a complete inspection of the Project to verify the Project has been completed in accordance with this Agreement. If the Borough Engineer determines the Project is not complete, the Borough Engineer shall within five (5) days after completion of the inspection notify the Borough and the CCA in writing and state the reasons for considering the Project not to

be complete; if the Borough's Engineer does not send the Notice within the five (5) day period required by this paragraph, the Borough shall be deemed to have accepted the Project without objection.

7.05 The CCA shall have fifteen (15) days after receipt of the Borough Engineer's report to complete and/or rectify any defects or other unfinished items which would prevent the Project from being classified as "Complete".

7.06 After rectification and completion of the items identified by the Borough's Engineer, which said items would prevent the work from being classified as "Complete", the CCA shall notify the Borough and the Borough Engineer in writing that the items have been corrected, replaced and/or repaired in order to classify the Project as "Complete".

7.07 After the Effective Date of this Agreement, the CCA shall provide written reports every thirty (30) days to the Borough and the Borough's Engineer; these reports shall state with specificity the progress which the CCA has made concerning any and all aspects of the Project, including securing financing, bidding, etc.

ARTICLE VIII

OWNERSHIP OF THE PROJECT

8.01

The Borough and the CCA specifically agree that after the Effective Date of the Agreement, the Project itself, all materials of any nature whatsoever utilized by the CCA prior to, during and after completion of the Project, any and all real or personal property of any nature whatsoever acquired by the CCA in connection with the completion of the Project, etc. shall be owned solely by the CCA and the Borough shall have no right, title or interest in and to the materials and/or real or personal property utilized and/or acquired by the CCA.

ARTICLE IX

BONDS AND INSURANCE

9.01

The CCA shall require and secure from any and all general contractors Performance and Payment Bonds, each in an amount at least equal to the Contract Price as security for the performance and payment of all of the contractor's obligations under this Agreement. All Bonds shall remain in effect for at least one (1) year after the date when final payment becomes due, except as otherwise provided by law. The CCA shall also require every contractor to furnish such other Bonds as the CCA, in its sole discretion, deems necessary and/or appropriate. All Bonds shall be in forms prescribed by law, Regulation or by this Agreement and shall be executed by such surety or sureties which are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies", as published in Circular 570 (as amended) by the Audit Staff Bureau of Accounts, U.S. Department of Treasury. All Bonds shall be signed by an agent and must be accompanied by a certified copy of an "Authority to Act".

9.02

If any surety on any Bond furnished by any contractor selected by the CCA is declared bankrupt, becomes insolvent or its right to do business is terminated in the Commonwealth, the CCA shall require the contractor within five (5) days thereafter to substitute another Bond and Surety, both of which must be acceptable to the CCA.

9.03

The CCA shall require each contractor to purchase and maintain comprehensive general liability and other insurance as is appropriate for all Work being performed and furnished in connection with the Project and will provide protection from claims set forth below which may arise or result from the selected contractors performance and furnishing of the work and contractors other obligations under the terms of this Agreement or any contract entered into between the contractor and the CCA, whether it is to be performed or furnished by the contractor, by any subcontractor, or by anyone directly or indirectly employed by any of them to perform or furnish any of the Work, or by anyone for whose acts any of them may be liable:

	<u>Type of Coverage</u>	<u>Minimum Limits</u>
A.	Workers Compensation Insurance (Including coverage under U.S. Longshoreman's and Harbor's Workers Act, if applicable)	Statutory

B.	Employers' Liability	\$100,000.00
C.	Comprehensive General (Public) Liability Insurance, including the following:	
	1) X.C.U. Coverage covering explosions, collapse, underground damage or blasting hazards where applicable.	
	2) Products - Completed Operations Coverage until two (2) years after substantial completion to be provided by endorsement or issuance of separate policy of insurance in the name of the CCA, with the Borough being named as "An Additional Insured".	
	3) Contractual liability insuring any hold harmless and/or indemnification provisions of this Agreement.	
	4) Bodily injury, personal injury and property damage.	\$3,000,000.00 (Combined Single Limit)
D.	Contractors' Protective Liability Insurance (If sub-contractors are employed):	
	1) Bodily injury, personal injury and property damage	\$3,000,000.00 (Combined Single Limit)
E.	Automobile Liability (Including bodily injury, personal injury and property damage)	\$1,000,000.00 (Combined Single Limit)
F.	Umbrella Form Excess Liability Insurance (Covering bodily injury, personal injury and property damage)	\$2,000,000.00 (Combined Single Limit)

9.04

The CCA shall purchase and maintain property and casualty insurance upon the Project and the work to the full insurable value thereof. This insurance shall include the interests of the Borough, the CCA, contractors selected by the CCA, and subcontractors, shall insure against the perils of fire and extended coverage, shall include "All Risk" insurance for bodily injury, personal injury, physical loss and damage (including theft, vandalism and malicious mischief, collapse and water damage, etc.) and shall include damages, losses and expenses arising out of or resulting from any insured loss or incurred in the repair and replacement of any insured property (including fees and charges of engineers, architects, attorneys and other professionals). If not covered under "All Risk" insurance, the CCA shall purchase and maintain equivalent insurance on portions of the materials stored on or off the Project location or in transit. The policies of insurance required to be purchased and maintained by the CCA shall contain a provision that the coverage afforded will not be cancelled, materially changed or renewal refused until at least thirty (30) days prior written notice has been given to the Borough.

9.05

The Borough shall not be responsible for purchasing and maintaining any insurance of any nature whatsoever to protect the interests of the Borough or the CCA, contractors, subcontractors or others involved in the Project. The risk of loss within deductible amounts, if any, shall be borne by the CCA.

9.06

If the Borough has any objection to the coverage afforded by the insurance policies required in this Agreement, or other provisions of insurance required to be purchased and maintained by the CCA on the basis of such insurance not complying with the provisions of this Agreement, the Borough shall notify the CCA in writing within thirty (30) days of the date delivery of such certificates to the Borough.

ARTICLE X
FINANCING CONTINGENCIES

10.01 This Agreement, all obligations of the parties to it, the consummation of the transactions contemplated herein and the Project are all specifically contingent upon the financing provisions contained in this Article.

10.02 Within thirty (30) days after the execution of this Agreement, the Borough and the CCA shall jointly undertake any and all actions necessary to apply for and attempt to secure from Pennvest (or any other lending institution or financing entity as may be agreed upon by the parties) financing for the Contract Price as established by CCA necessary to construct the Project with the Borough's increment of such financing to be no greater than 1.9 Million Dollars (\$1,900,000.00) subject to the following:

- A. Amortization Period: not less than twenty (20) years nor greater than thirty (30) years.
- B. Interest rate: Twelve (12%) Percent maximum.
- C. Commitment Date for Financing: Not later than the date of the Award of Contract for Construction.

D. Prepayment Ability:

The Borough shall have the right to pre-pay all or any part of the outstanding principal balance of any financing debt incurred by the CCA on behalf of the Borough; the CCA shall undertake any and all actions necessary to attempt to secure financing for the Project utilizing loan, lending or other obligating instruments which permit the prepayment of principal without penalty. (The parties recognize that if, in the event the foregoing provisions are unable to be incorporated into the financing or other loan documents, the parties agree to modify this provision in such a way to attempt to provide to the Borough the ability to maximize pre-payment of principal, without penalty, or its functional equivalent).

10.03

If the financing commitment from Pennvest (or other lending institution identified above) is not secured on or before the date set forth in Paragraph 10.02, above, or be conditioned upon any other term, covenant, or agreement not specified herein, the Borough shall have the option to terminate this Agreement in writing in accordance with the provisions contained in Paragraph 10.04, below.

10.04

In the event the Borough elects to terminate this Agreement because of the failure of the conditions set forth in this Article, the CCA and the Borough agree that this Agreement and all its provisions shall be terminated, there will be no further liability of obligation of either party hereto, each to the other, this Agreement shall become null and void, and the CCA shall not be required to refund or repay to the Borough any

monetary amounts advanced to the CCA (whether pursuant to Article V, §5.02.A, or such other advancements as may have been agreed upon between the parties), except those funds in excess of the monetary amounts actually expended by the CCA in connection with attempting to secure the financing required by this Agreement, such funds to include by way of example and not by way of limitation, engineering costs, environmental audit costs, evaluation report costs, legal fees, accounting fees, etc. If this Agreement is terminated in accordance with this Paragraph, CCA shall within thirty (30) days after the date of termination provide to the Borough the following:

- A. A list of all amounts which the CCA maintains were incurred by it;
- B. A statement of the refund due to the Borough;
- C. The refund to the Borough.

10.05

The CCA and the Borough shall cooperate fully in the preparation of any and all documentation necessary to submit to Pennvest (or other lending institution agreed upon by the Borough and the CCA) in order to attempt to secure the financing required for the Project. During the financing process, the parties shall keep each other advised of the progress of the financing application, financing review, etc. on a monthly basis.

ARTICLE XI

FINANCIAL INFORMATION OF BOROUGH'S OPERATION
OF THE WASTE WATER TREATMENT SYSTEM

11.01

The Borough and the CCA hereby confirm that the Borough has delivered to the CCA (or made available to it) originals or copies of any and all financial information (including but not limited to financial statements, balance sheets, account information, audited reports, etc.) of the Borough pertaining to the Waste Water Treatment System; the CCA hereby confirms that it has reviewed this information and that upon review, the CCA -- on the basis of the documents reviewed by it -- agrees that the same appear to be in accordance with the books and records of the Borough, and appear to fairly represent the financial condition of the Borough's operation of the Waste Water Treatment System.

11.02

The Borough and the CCA also agree that the CCA has reviewed such other financial information pertaining to the Borough's operation of the Waste Water Treatment System that the CCA has deemed in its best interest to have reviewed before signing this Agreement, and that this information, and the records referred to above, appear to have been prepared in accordance with generally accepted municipal accounting principals and on bases which were consistent with prior accounting periods, and, with respect to all contracts and commitments of the Borough pertaining to the operation of the

Waste Water Treatment System, the CCA agrees that the afore
referenced information (as contained in the documents refer
to above) appears to adequately reflect Borough reserves for all
reasonably anticipated losses and costs in excess of anticipated
income.

11.03 The CCA may, at any time prior to Closing Date, through its
representatives (including accountants, consulting engineers,
agents, etc.) make such reasonable investigation of the Borough,
the Borough's operation of the Waste Water Treatment System, as
the CCA deems /necessary or advisable to verify the accuracy of
the financial information referred to in the foregoing
paragraphs.

11.04 The CCA and its representatives agree to hold in confidence
any of the information referred to above which is not generally
available to the public. If this Agreement is terminated for
any reason, the CCA and its representatives will continue to
hold this information in confidence and will, to the extent
requested by the Borough, promptly return to the Borough all
written materials (and copies, if any) furnished to the CCA
pursuant to this Agreement.

ARTICLE XII

BOROUGH'S GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

12.01

As an inducement to the CCA to enter into this Agreement, the Borough, in addition to all other covenants, warranties and representations contained herein, hereby represents, warrants and covenants to the CCA as follows:

- A. The Borough is a municipal entity, duly organized and existing under the laws of the Commonwealth of Pennsylvania.

- B. The Borough has the power to take, and has taken, all requisite actions to enter into this Agreement and to perform its obligations under it, including all actions necessary to effect the conveyance of the Sewer System Properties being conveyed hereunder from the Parkesburg Borough Authority to the Borough. Further, the Borough has undertaken or shall within thirty (30) days of the date of the signing of this Agreement undertake all acts necessary to effect the termination of the Parkesburg Borough Authority if such action is necessary to facilitate the transfer contemplated by the terms of this Agreement.

- C. The performance of the obligations of the Borough under this Agreement will not violate any contract or other instrument or order or judgment applicable to it.
- D. There are no liabilities, contingent or otherwise, including, without limitation, tax liabilities, which have not been disclosed to the CCA or reflected fully in financial statements or other documentation provided to the CCA.
- E. It has duly filed any and all Federal and Commonwealth of Pennsylvania income informational returns and other returns of every kind and description when due, and there are presently no claims for tax or other monetary deficiencies pending against the Borough as a result of the Borough's operation of the Waste Water Treatment System by any authority, and the Borough does not know of any basis for the making of any claim against it by any authority for any monetary deficiency against it as a result of its ownership and operation of the Waste Water Treatment System.
- F. There are no actions, suits, proceedings or investigations not fully covered by insurance which are pending against the Borough which have not been disclosed to the CCA, or, to the best of the Borough's knowledge, information and belief, threatened against it, affecting it, or the assets

to be transferred by it to the CCA before any Federal, Commonwealth or other governmental court, department, commission, board, bureau, agency or instrumentality, either domestic or foreign.

G. The Borough is not in default with respect to any order, judgment, writ or injunction issued by any governmental department, commission, board, bureau, agency or instrumentality, either domestic or foreign.

H. The Borough is in compliance with respect to all applicable laws and regulations of each and every governmental entity having jurisdiction over the Assets to be transferred to the CCA pursuant to the terms of this Agreement, or, in the alternative, it has disclosed to the CCA the existence, nature and provided to the CCA a copy of any order, judgment, writ, or injunction issued by any governmental department, commission, board, bureau, agency or instrumentality, either domestic or foreign having jurisdiction over the transaction contemplated by this Agreement.

I. The execution and delivery of this Agreement and the consummation of the transactions contemplated by it have been duly authorized by the Parkesburg Borough Council, this Agreement constitutes valid, legal and binding obligations of the Borough in accordance with its terms.

J. The Borough, to the best of its knowledge, is not in violation or subject to any existing, pending or threatened investigation by any governmental authority under any applicable Federal, State or Local law, regulation or ordinance pertaining to air and water quality, the handling, storage, treatment, usage or disposal of Hazardous Materials and, further, the Borough, to the best of its knowledge, has been in compliance with all of the foregoing pertaining to any handling, transportation, storage, treatment or use of Hazardous Materials in or on the Real Property which comprises a portion of the Borough Assets to be transferred hereunder. Further, the Borough warrants that it has disclosed to the CCA and shall remain under a continuing duty until Closing Date to disclose to the CCA its knowledge of the existence of Hazardous Materials in or on the Real Property comprising a part of the Borough Assets to be transferred hereunder. The Borough understands and acknowledges that this "duty to disclose" is absolute and continuing (until Closing Date) and that its failure to disclose the existence of Hazardous Materials in accordance with the provisions of this paragraph shall void any provisions contained in Article IV pertaining to or obligating the CCA to indemnify the Borough and/or transferring liability for the Hazardous Materials from the Borough to the CCA.

ARTICLE XIII

CCA'S GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

13.01 As an inducement to Borough to enter into this Agreement, the CCA, in addition to any other covenants, warranties and representations contained in this Agreement, hereby represents, warrants and covenants to Borough as follows:

- A. The CCA is a Municipal Authority, duly organized and existing under the Municipal Authorities Act of 1945, as amended.

- B. The CCA has the power to take, and has taken, all requisite actions to enter into this Agreement and perform its obligations under it. The parties hereto acknowledge that certain municipalities (i.e. the City of Coatesville, Valley Township and Sadsbury Township) must approve amended Act 537 Plans in order to obtain DER approval of the Project contemplated by this Agreement. CCA does not warrant or represent that those municipalities have approved the amended Act 537 Plans necessary for this Project.

- C. The performance of the obligations of the CCA under this Agreement will not violate any contract or other instrument or order or judgment applicable to it.

- D. There are no liabilities, contingent or otherwise, including, without limitation, tax liabilities, which have not been disclosed to the Borough or reflected fully in financial statements or other documentation provided to the Borough.
- E. It has duly filed any and all Federal and Commonwealth of Pennsylvania income informational returns and other returns of every kind and description when due, and there are presently no claims for monetary deficiencies pending against the CCA pertaining to the CCA's operation of its Waste Water Treatment System by any authority, and the CCA does not know of any basis for the making of any claim against it by any authority for any monetary deficiency against it as a result of its ownership and operation of the Waste Water Treatment System.
- F. There are no actions, suits, proceedings or investigations not fully covered by insurance which are pending against the CCA and have not been disclosed to the Borough, or, to the best of the CCA's knowledge, information and belief, threatened against it, affecting it, or the assets to be transferred by the Borough to the CCA before any Federal, Commonwealth or other governmental court, department, commission, board, bureau, agency or instrumentality, either domestic or foreign.

- G. It is not in default with respect to any order, judgment, writ or injunction issued by any governmental department, commission, board, bureau, agency or instrumentality, either domestic or foreign.
- H. It is in compliance with respect to all applicable laws and regulations of each and every governmental entity having jurisdiction over it, and/or it has disclosed to the Borough the existence, nature and provided to the Borough a copy of any order, judgment, writ, or injunction issued by any governmental department, commission, board, bureau, agency or instrumentality, either domestic or foreign having jurisdiction over the transaction contemplated by this Agreement.
- I. The execution and delivery of this Agreement and the consummation of the transactions contemplated by it have been duly authorized by the Board of Directors of the CCA, this Agreement constitutes valid, legal and binding obligations of the Borough in accordance with its terms.
- J. After the Operational Date, CCA shall be fully responsible for the operation and maintenance of the Pipeline and the de-commissioning of the Borough's existing Waste Water Treatment Plant.

K. The CCA agrees that in order to reduce the Debt Service increment of the Quarterly Invoices to retail customers within the municipal limits of the Borough to the absolute minimum, it will impose no "moratorium" (or its functional equivalent) on any additional future connections to the Sanitary Sewer Main within the municipal limits of the Borough or outside of the municipal limits of the Borough unless such moratorium is independently imposed by any Court of competent jurisdiction or any governmental authority with jurisdiction over the CCA's Waste Water Treatment System.

ARTICLE XIV

POST CLOSING DATE CUSTOMER CHARGES, TAP-IN FEES, ETC.

14.01 As of 12:00 A.M., prevailing time on the Closing Date, all existing and future users of the SSM located within the municipal limits of the Borough discharging sewage effluent into the Collector System formerly owned by the Borough shall become Retail Customers of the CCA.

14.02 When the users identified in Paragraph 14.01, above, become "Retail Customers" of the CCA, they shall, commencing 12:00 A.M. prevailing time the day after Closing and from that point forward, be invoiced quarterly by CCA the following monetary amounts:

- A. CCA's then-prevailing standard retail charge for the treatment of sewage effluent, based on actual usage; and
- B. CCA's then-prevailing standard billing charge; and
- C. An incremental amount attributable to the Borough's \$1.9 Million Debt Service Participation Increment (per Article V, §5.02.A) calculated annually by dividing the then outstanding Debt Service increment (consisting of principal and interest) by the then-existing SSM users within the municipal limits of the Borough.

14.03

Effective 12:00 A.M., prevailing time, on the Closing Date, any customer connecting to the SSM shall pay the following "tap-in" fees:

- A. The then prevailing tap-in fee charged by CCA to any new customer;
- B. A tap-in fee for the Borough, the amount of which shall be the maximum amount permitted to be charged in accordance with the provisions of the Act of December 19, 1990, P.L. 1227; No. 203, §1, et seq, as amended (53 P.S. §301, et seq). All such funds received by the CCA under the provisions of this sub-paragraph shall be deposited into an interest bearing Escrow Account established by the CCA for the benefit of the Borough and shall -- at the beginning of the next calendar year or as frequently in the existing calendar year as may be permitted under the terms of any operative lending instrument -- be applied to reduce the balance of any then-remaining principal of the \$1.9 Million financing for which the Borough is responsible pursuant to Article V, §5.02.A.

14.04

ADJUSTMENTS OF ACCOUNTS RECEIVABLE AND SEWER REVENUES:

- A. All Borough Accounts Receivable and Borough Sewer Revenues earned but not billed on or prior to 12:00 A.M. on the Closing Date shall be for the Borough's account and all Sewer Revenues earned but not billed after 12:00 A.M. on the Closing Date shall be for CCA's account.

- B. In the event the Closing Date occurs during a Borough billing Quarter, all billings after the Closing Date to customers in the area served by the Borough's existing Waste Water Treatment System shall be pro-rated between CCA and the Borough as of 12:00 A.M. on the Closing Date and CCA shall pay to the Borough an amount equal to that portion of such billings allocated to those periods ending prior to 12:00 A.M. on the Closing Date, based upon the Borough's billing rate in effect at the Closing Date.

- C. The reconciliation of the Borough Accounts Receivable and Borough Sewer Revenues and the payment of all amounts due to the Borough by CCA pursuant to paragraphs 14.04.A and 14.04.B above shall be completed not later than the ninetieth (90th) day after the Closing Date, and the pro-ration for any billing period shall be made on the basis of the number of days in the billing period ending as of 12:00 A.M. on the Closing Date.

ARTICLE XV

NOTICES

15.01 All notices, demands, requests, offers, consents, acceptances and other communications which may be required or otherwise given pursuant to this Agreement shall be in writing, sent by United States certified mail, return receipt requested, postage prepaid, or Federal Express addressed as follows:

A. To the Borough:

The Borough of Parkesburg
329 West First Avenue
Parkesburg, PA 193655

With copies to:

James J. Marlowe, II, Esquire
MARLOWE & BRENDZA
257 Lionville Road, Suite A
Downingtown, PA 19335

B. To The City of Coatesville Authority:

The City of Coatesville Authority
114 East Lincoln Highway
Coatesville, PA 19320

With copies to:

Alan P. Novak, Esquire
562 East Lincoln Highway
Coatesville, PA 19320

ARTICLE XVI

MISCELLANEOUS

- 16.01 All representations, warranties, covenants and conditions made in this Agreement shall be deemed to have been made for purposes of inducing the other party to enter this Agreement, and shall survive the Closing Date and remain operative thereafter.
- 16.02 Time is of the essence to this Agreement.
- 16.03 This Agreement shall be binding upon the parties hereto, their respective successors and administrators and, to the extent assignable, the assigns of the parties hereto, it being expressly understood and agreed that no party to this Agreement shall assign or transfer this Agreement either in whole or in part without the express written consent of the other party.
- 16.04 This Agreement, together with all exhibits attached hereto and any documents that may be delivered pursuant to the terms of this Agreement, contains all agreements, representations, warranties and covenants by and between the parties with respect to the transaction contemplated by this Agreement.
- 16.05 This Agreement constitutes the entire written Agreement between the parties and shall be deemed by them to supersede and cancel any other oral or written agreements between them relating to the transaction contemplated by it. No prior and/or

contemporaneous negotiations, preliminary drafts or prior versions of this Agreement, if any, whether signed or unsigned if not set forth herein shall be used by any party hereto to construe, interpret or affect the validity of this Agreement.

16.06 No representations, inducements, warranties or conditions not actually contained in this Agreement have been made or relied upon by any party to this transaction.

16.07 This Agreement may be varied, altered, modified, amended, extended or supplemented only by a written instrument executed by all parties hereto.

16.08 This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

16.09 The headings, articles, article numbers, sections, section numbers of this Agreement are for convenience and reference only, and are not and shall not be used to interpret or construe the provisions of this Agreement.

16.10 This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

16.11

Any waiver by any party of a breach of any provision of this Agreement shall not operate or be construed by any other party hereto as a waiver of any other breach of such provision, or of any breach of any other provision of this Agreement. The failure of CCA or the Borough to insist upon strict adherence to any term, covenant or condition of this Agreement on one or more occasion shall not be considered as a waiver of the right of the other party, or deprive the other party of the right thereafter to insist upon strict adherence of that term or other term of this Agreement.

16.12

After the execution of this Agreement, if the "Milestone Dates" as are contained in the December 13, 1993 Order of the Commonwealth Court of Pennsylvania are required to be altered, modified, amended or extended, the CCA and the Borough agree that the CCA will file a Petition to Intervene in the action which resulted in the issuance of the afore-referenced Order and, further, agree to jointly file any and all Petitions (or such other Pleadings) as may be necessary in order to vary, alter, modify, or extend the dates contained in the December 13, 1993 Order of the Commonwealth Court of Pennsylvania.

16.13

Pursuant to the December 13, 1993 Commonwealth Court Order, in which certain Milestone Dates are set forth, the parties agree that the Borough shall be responsible for the payment of any fines imposed upon it by the DER pursuant to that Order for

a period of one hundred and twenty (120) days past each Milestone Date, until the last Milestone Date, at which time the Borough shall be responsible for any fines imposed upon it for a period of sixty (60) days only; the parties further agree that the CCA shall be responsible for the payment of any fines imposed pursuant to the December 13, 1993 Commonwealth Court Order after any one hundred and twenty (120) day or sixty (60) day period, as aforesaid.

16.14 After the execution of this Agreement and until Closing Date the Borough and the CCA specifically agree to cooperate, investigate and determine the feasibility of extending sewer service to those areas within the municipal limits of the Borough that are presently not serviced by the Borough's Sanitary Sewer System.

16.15 The Borough agrees that prior to the Closing Date it will, if necessary, adopt an Ordinance (or Ordinances) satisfactory in form to CCA governing the use of the Sanitary Sewer System, requiring the making of connections thereto, prohibiting connections of roof drainage systems, sump pumps and flood drains which might have the effect of introducing surface and/or ground water into the Sanitary Sewer System, etc. The Borough also agrees to enforce the provisions of any such Ordinance (or Ordinances) as enacted, and further agrees that the CCA (or its duly authorized agent or representative) shall have the right

to inspect all existing and future sewer connections. Further, the Borough, after the Closing Date, will cooperate with the CCA to enforce the provisions of any such Ordinance (or Ordinances), such cooperation to include, but not limited to the requirement of the disconnection of any sewer connection that has been determined to be in violation of any Ordinance (or Ordinances) so enacted.

16.16

The parties hereto acknowledge that a portion of the Contract Price (as defined herein) includes a contingency of ten percent (10%), five percent (5%) or one-half of which has been allocated for purposes of the removal of rock defined or specified in the construction documents for the Project which is discovered during excavation attendant to the prosecution of the Project. The parties agree that if the five percent (5%) contingency for rock removal is exceeded, and further provided that the amounts by which that 5% exceeded are otherwise unavailable from the remaining 5% of the contingency as determined upon completion of all contract work, the Borough shall be responsible for the payment of fifty-four percent (54%) of that portion of the cost of rock removal in excess of the 5% contingency for that portion of the system from City of Coatesville to and including the Pump Station to be constructed in Stottsville, and for one hundred percent (100%) for that portion of the system from the Pump Station to be constructed in Stottsville to the existing Parkesburg Waste Water Treatment Plant.

IN WITNESS WHEREOF, the Borough of Parkesburg and the City of Coatesville Authority, through their duly authorized officials, have caused this Agreement to be executed the date set forth below.

BOROUGH OF PARKESBURG

By: James B. Norton, III
James B. Norton, III
President of Borough Council

Attest:

JoAnn M. Reynolds
JoAnn M. Reynolds, Secretary

Date of Borough's Execution: June 21, 1994

CITY OF COATESVILLE AUTHORITY

By: Charles T. Williams
Chairman

Attest:

Paula K. Hiley
Secretary/Treasurer

Date of City of Coatesville Authority's Execution: June 21, 1994

ADDENDUM #1 TO JUNE 21, 1994 AGREEMENT

THIS ADDENDUM #1 ("Addendum") is made between the Borough of Parkesburg, Chester County, Pennsylvania ("Parkesburg") and the City of Coatesville Authority ("CCA"). This Addendum is dated and to be effective as of the 1st day of September, 1998, although it has been executed and delivered on the date of the latest execution at the end hereof.

BACKGROUND OF ADDENDUM

On June 21, 1994, Parkesburg and the CCA signed an "Agreement for the Transfer of a Sanitary Sewer System and the Construction of a Sanitary Sewer Main" (the "Agreement"). Between June 21, 1994 and the date of this Addendum, some differences have arisen between Parkesburg and the CCA about the meaning, interpretation, effect, etc. of certain provisions of the Agreement. Through negotiations, Parkesburg and the CCA have resolved the disputes, differences in meaning, etc. of the provisions in question, and by signing this Addendum wish to provide clarity and certainty as to the meaning and effect of those provisions.

This Addendum has been executed by the parties in accordance with the provisions of Article XVI, §16.07 of the Agreement, which provides that the Agreement may not be varied, altered, modified, etc. except by a written instrument signed by all parties to it.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, covenants and conditions of the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Parkesburg and the CCA hereby agree as follows:

1. On the Closing Date (as that term is defined in Article I, §1.05 of the Agreement), Parkesburg will make a final payment of Two Hundred Thousand Dollars (\$200,000.00) to the CCA as required by the Agreement.

2. On the Closing Date, Parkesburg will reimburse the CCA the sum of One Hundred Fifty-Eight Thousand Six Hundred Forty-Eight and 10/100 (\$158,648.10). This amount represents Parkesburg's portion of the Debt Service on the Bond between July 1, 1997 and the Closing Date. In addition, if the Debt Service collected between the Closing Date and July 1, 1999 will not total at least ^{\$158,754.15} ~~\$158,648.10~~, on June 30, 1999 Parkesburg will pay to the CCA an amount as is necessary in order that the total amount of the Debt Service paid will be ^{\$158,754.15 OT} ~~\$158,648.10~~ on July 1, 1999.

3. On the Closing Date, Parkesburg will pay to the CCA any balance which it owes to the CCA for Treatment Costs for the treatment of sewage effluent. The amount of money to be paid by Parkesburg to the CCA on the Closing Date will be the difference between the amounts charged by CCA to Parkesburg for the treatment by CCA of the effluent running through the Pump Station

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by the CCA to the new customer on a per EDU basis (or to the existing customer for an increase in EDU's) will be substantially in the format of the sample invoice attached hereto as Exhibit "A". The invoice for the Tapping Fee on a per EDU basis which will be sent by the CCA to the new customer will include the following identified "line items":

- A. Conveyance Capacity Fee Component.
- B. Treatment Capacity Component.
- C. Lateral Connection Fee.

6. When the CCA collects the Tapping Fees, the "Conveyance Capacity Fee Component" of the Tapping Fee referenced in Paragraph 5 above will be divided between Parkesburg and the CCA on an 83%-17% basis, with 83% inuring to the benefit of Parkesburg and 17% inuring to the benefit of CCA.

7. Parkesburg's 83% of the "Conveyance Capacity Fee Component" of the Tapping Fee collected by the CCA pursuant to Paragraphs 5 and 6 above will be put into the interest bearing Escrow Account described in and pursuant to Article XIV, §14.03.B of the Agreement. The monies in that Escrow Account will be applied by the CCA to Parkesburg's \$1.9 Million ("\$1.9M") Debt Service at the times and in the manner specified by §14.03.B of the Agreement until Parkesburg's portion of the \$1.9M Debt Service is retired.

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Missing

E. The format of the Monthly or Quarterly Invoice to be sent by the CCA pursuant to this paragraph shall be substantially in the format of the Invoice attached hereto as Exhibit "A".

10. The Invoices to be sent by the CCA to the customers referenced in Paragraph 9 above may - if appropriate - also include any CCA charges for Water Usage.

11. Parkesburg will reimburse to the CCA the sum of Eighty-Four Thousand Four Hundred Ninety-Two Dollars and Ninety Cents (\$84,492.90); this amount represents Parkesburg's share of the Debt Service paid by CCA between October, 1996 and April, 1997. Parkesburg will pay this amount in equal annual payments over a seven (7) year period (commencing the date of Closing) with the annual payment therefor to be deducted from the interest bearing Escrow Account described

in and established pursuant to Article XIV, §14.03.B of the Agreement. on July 1, 1999 and each succeeding July 1st for a total of seven (7) years. To the extent that the escrow account is insufficient to pay any of the seven annual payments, Parkesburg shall pay the amount in excess of the escrow balance directly to CCA on said July 1 date.

12. After the Closing Date, all CCA customers whose effluent runs through the Pump Station constructed by the CCA in the Borough of Parkesburg will receive a Monthly or Quarterly Invoice from the CCA, in accordance with Paragraph 9 above. CCA shall charge Thirty Five Dollars (\$35.00) for the "Quarterly Debt Service Charge" increment on a per EDU basis on each such Invoice until Parkesburg's \$1.9 Million Debt Service Participation has been reduced to \$-0-. Further, the parties agree that the monies received by CCA for Tapping Fees on a per EDU basis (per Paragraphs 5, 6, 7 and 8 above) and the monies received by CCA for the Debt Service Charge from new or

Page

7

Missing

Bond, CCA agrees that any such replacement or refinancing, etc., shall not affect any element of Parkesburg's obligation to repay its \$1.9M Debt Service under the existing Bond, including, but not limited to Bond yield and/or interest rate, termination date, etc.

17. Effective the Closing Date, CCA will give Parkesburg a Sewer Usage Credit ("Credit") in the total amount of One Hundred and Thirteen Thousand Seven Hundred ~~and Ten~~ Dollars and Sixty-Five Cents (\$113,7⁰1⁰0.65). ^{OT J.N.} This Credit shall be applied against sewer bills to Parkesburg municipal facilities including by way of example and not by way of limitation the Parkesburg Borough Hall, the Parkesburg Borough Police Department, the Fire Department, and the Parkesburg Free Library. The parties agree that this Credit consists of the following dollar amounts:

- A. 1996-1997 Debt Service.....\$84,4⁸9⁰2.90 ^{OT J.N.}
- B. One-half (1/2) DEP Fine.....\$15,000.00
- C. Sewer charges between 7/1/97 & 7/24/97.....\$14,217.75

18. The provisions of this Addendum shall survive settlement and shall be binding upon the successors or assigns of the parties hereto.

**INVOICE TO BE ISSUED TO NEW CUSTOMERS ON AN EDU BASIS
CONNECTING TO THE SYSTEM**

(Routine Monthly and/or Quarterly Bill, depending upon nature of customer)

INVOICE

A.	Conveyance Capacity Fee Component*:	\$1,432.84
B.	Treatment Capacity Component	\$ 525.00
C.	<u>Lateral Connection Fee</u>	\$ 50.00
	FOR THE TOTAL AMOUNT	\$2,007.84

***NOTE:** Parkesburg would be credited 83% of the Conveyance Capacity Fee Component; this 83% will be placed in the interest bearing Escrow Account per Article XIV, §14.03.B of the 6/21/94 Agreement and disbursed per the terms of that paragraph.

COPY

PARKESBURG BOROUGH
CHESTER COUNTY, PENNSYLVANIA

and

CITY OF COATESVILLE AUTHORITY
COATESVILLE, PENNSYLVANIA

ADDENDUM #2 TO JUNE 21, 1994 AGREEMENT

ADDENDUM #2 TO JUNE 21, 1994 AGREEMENT

THIS ADDENDUM #2 ("Addendum") is made between the **BOROUGH OF PARKESBURG**, Chester County, Pennsylvania ("Parkesburg") and the **CITY OF COATESVILLE AUTHORITY** ("CCA"). This Addendum is dated and to be effective as of the 10th day of January 2001, although it has been executed and delivered on the date of the latest execution at the end hereof.

BACKGROUND OF ADDENDUM

On June 21, 1994, Parkesburg and the CCA signed an "**Agreement for the Transfer of a Sanitary Sewer System and the Construction of a Sanitary Sewer Main**" (the "Agreement"). The completion of the transaction described in the Agreement took place on September 2, 1998 (the "Closing Date"). Prior to the Closing Date, Parkesburg and the CCA signed "**Addendum #1 to June 21, 1994 Agreement**" ("Addendum #1").

After the Closing Date, some differences in the interpretation and application of paragraph #12 of Addendum #1 have arisen between Parkesburg and the CCA. Through negotiations, Parkesburg and the CCA have resolved these differences in interpretation and, by signing this Addendum, wish to provide clarity and certainty as to the meaning and effect of paragraph #12 of Addendum #1.

This Addendum #2 has been signed by the parties in accordance with Article XVI, §16.07 of the Agreement, which provides that the Agreement may not be varied, altered, modified, etc., except by a written instrument signed by all parties to the Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, covenants and conditions of the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Parkesburg and the CCA hereby agree as follows:

1. The "Background" of this Addendum is incorporated by reference.

2. Paragraph #12 of Addendum #1 is hereby deleted in its entirety and replaced with the following:
 12. A. For purposes of this Addendum and the Agreement, an "EDU" shall equal three hundred fifty (350) gallons per day of sewage effluent, as measured by either metered sewage effluent or metered water consumption.

 - B. After the Closing Date, all CCA customers whose sewage effluent runs through the Pump Station constructed by the CCA in the Borough of Parkesburg will receive a Monthly or Quarterly Invoice from the CCA, in accordance with paragraph #9, above. CCA shall charge Thirty-Five Dollars (\$35.00) for the "Quarterly Debt Service Charge" increment on a per EDU basis on each such Invoice until

Parkesburg's \$1.9 Million Debt Service Participation has been reduced to \$-0-. Provided, however:

- (i) For purposes of this paragraph 12.B., each individual residential dwelling unit shall be classified as one (1) EDU, regardless of the amount of sewage effluent generated; and
- (ii) In no event shall any customer be charged for more than twenty-five (25) EDU's.

C. The parties agree that the monies received by CCA for the Tapping Fees on a per EDU basis (per paragraphs 5, 6, 7 and 8 above) and the monies received by the CCA for the Debt Service Charge from new or existing "increased EDU" customers (per paragraph 9 above) will be applied periodically to reduce the then-existing principal balance of Parkesburg's \$1.9 Million Debt Service.

3. If any Court of competent jurisdiction, governmental authority or agency with jurisdiction over the CCA's Waste Water System, or the CCA, imposes any "moratorium" (or its functional equivalent), on any additional future connections to the Sanitary Sewer Main either within the municipal limits of the Borough of Parkesburg or outside of the municipal limits of the Borough of Parkesburg then, in that event:

- A. Upon the imposition of any such moratorium, the provisions of paragraph 12.B., above, shall automatically be null, void and of no force and effect; and

B. Paragraph 12 of the "Addendum #1 to June 21, 1994 Agreement" shall, without further action of the CCA or Parkesburg, be automatically and immediately substituted for paragraph 12.B. hereof.

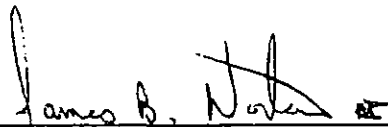
4. The provisions of this Addendum shall be binding upon the successors or assigns of the parties hereto.

5. This Addendum shall be effective as of and retroactive to January 1, 2001.

6. Except as modified by this Addendum, all other terms, covenants, conditions and provisions of the June 21, 1994 Agreement and Addendum #1 to that Agreement between Parkesburg and the CCA shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Borough of Parkesburg and the City of Coatesville Authority through their duly authorized officials have caused this Addendum #2 to be executed the date set forth on the following page.

BOROUGH OF PARKESBURG

BY: 
JAMES B. NORTON, III, President
Parkesburg Borough Council

DATE OF PARKESBURG BOROUGH'S EXECUTION: 1/16/01



Pennsylvania-American Water Company

800 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888

(717) 533-5000 • FAX: (717) 531-3252

e-mail: vredmond@pawc.com

Velma A. Redmond
Vice President, Corporate Counsel
and Secretary

April 3, 2000

HAND DELIVERED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265


Attn: William David Shrader
Bureau of Fixed Utility Services
Water/Wastewater Industry Group

Re: Docket No. A-212285F0071
Docket No. A-230073F0002

Dear Mr. McNulty:

In response to Judith A. Koch Carlson's letter dated March 23, 2000, attached please find Pennsylvania-American Water Company's responses to the data requests.

Sincerely,


Velma A. Redmond *blg*

blg

Attachments (4 sets)

ATTACHMENT C



ACQUISITION OF THE CITY OF COATESVILLE AUTHORITY
(Wastewater)
A-230073F0002

Response to March 23, 2000 Data Request
Submitted by the Bureau of Fixed Utility Services

RATE STRUCTURE

A-RS-1 In Exhibit K, Schedule of sewer consumption charges, there is a provision for tapping fees in conjunction with Parkesburg system. You have indicated that the Company will adopt the Authority's rate schedule. Please clarify this charge as you are aware of the Commission's policy with regards to tapping fees.

RESPONSE: PAWC plans to adopt CCA's rate schedule as it relates to the Borough of Parkesburg which is consistent with the contractual financing arrangements established in the June 21, 1994 Agreement between The Borough of Parkesburg, Chester County and The City of Coatesville Authority for the Transfer of a Sanitary Sewer System and the Construction of a Sanitary Sewer Main. Specifically, the Agreement provides for, among other things, the construction of a sanitary sewer main (including a pump station) between the Borough's system and CCA waste water treatment plant located in South Coatesville, Chester County. Under the Agreement, the Borough was responsible for a total of \$2.4 Million of the project costs, which includes the financing of \$1.9 Million. The Agreement further provides that existing and future users of the system, formerly owned by the Borough, shall become retail customers of CCA. As repayment of the \$1.9 Million, the aforementioned retail customers are invoiced an incremental amount attributable to the Borough's \$1.9 Million Debt Service Participation Increment. Additionally, the Agreement provides for, on the Closing Date, any customer connecting to the system, formerly owned by the Borough, to pay a "tap-in fee" for the Borough. Although termed a "tap-in fee", this charge is more in the nature of a surcharge to recover the cost of financing the construction of the sewer facility. All of the funds received from said customers are deposited into an interest bearing escrow account established by CCA for the benefit of the Borough and applied to reduce the balance of any remaining principal of the \$1.9 Million financing for which the Borough is contractually responsible under the June 21, 1994 agreement.

(Respondent: J. E. Harrison)

RATE BASE

A-RB-1 Is Parkesburg experiencing a growth phase?

RESPONSE: PAWC prefers not to speculate on whether Parkesburg is, indeed, experiencing a growth phase.

The Borough of Parkesburg is for the most part, "built out," adding only approximately 15 new connections over the past 12-15 months. (Respondent: R. C. Neubauer)

FUS-T-07

FUS-T-07 Q.

On Original Page 18 of the tariff, definition No. 53, Sewer Service Connection, is confusing and includes a typographical error. Please correct this definition so it reads as the Company intends.

Definition No. 61 on the same page, Tapping Fee, should be removed since the Commission does not permit tapping fees to be charged to customers.

FUS-T-07 A.

The Company will delete the word "a" in the second and third line of the definition.

See response to T-2:

FUS-T-08

- Q. Regarding Original Page 20 of the tariff, Section 5.01, state if the Company requires residential customers to receive a permit for sewer service. Include any explanation of the application and permitting process and any associated fees.

RESPONSE:

PAWC requires the owner or tenant of any new residential sewer connection to complete and submit an application for service after which a discharge permit will be issued for new sewer service for a new home or for a new subdivision. The main reasons for the application and permit are to assure sewer capacity is available for the single connection or development, and to provide PAWC with the name(s) of the responsible party or parties that will be connecting to the PAWC main or extending a PAWC main to serve the property. From this information, PAWC is able to determine the responsible party or parties for payment of the bills and for the maintenance of the customer's sewer lateral. There is a one-time fee of \$35 at the time of individual residential connection to the sewer system.

RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Operations Manager

FUS-T-09

- FUS-T-09 Q. Regarding Original Page 21 of the tariff, Section 5.02, 1, the Company can not require the Applicant to guarantee that service will continue for at least one year.
On this same page, remove No. 2 of Section 5.02, since tapping and connection fees are not permitted by this Commission.
- FUS-T-09 A. The Company will delete the last sentence of section 5.02.
See response to T-2.

FUS-T-10 (REVISED)

- Q. On Original Page 22, Rule 6, Section 6.01, we recommend that the fifth line included language similar to “discontinued after proper notification, and remain off...” On this same page, Section 6.02, 1, line 2, the terms tapping fee and connection fee should be removed. Line 4 of this section should relate to a definition for the customer service line, which includes the line from the building to the property line or vault. On this same page, Section 6.02, No. 2, should be removed. Customer is not responsible for street repairs, etc.

RESPONSE:

The Company will adopt the suggested language for Section 6.01 and 6.02. The definition of complete building sewer will be revised. Please refer to response to Question 3. A customer who has not dedicated the service lateral between the Company main and the property line are still responsible for street repairs. See response to T-2.

The City of Coatesville Authority (“CCA”) Rules and Regulations provided that the property owner owned and was responsible for the sewer lateral from the house of structure to the sewer main in the street. The Asset Purchase Agreement required PAWC to offer to accept the sewer laterals from the main to the property line if dedicated by the customer. Letters were sent to every sewer customer offering to accept this dedication. Approximately 85% of the customers did dedicate their laterals to PAWC. Unless the property owner dedicates the laterals, PAWC has no legal right to control, own or maintain the laterals since the property owner did and still does own the laterals. In fact, a number of property owners refused to dedicate their laterals because they believed they would be giving up something of value.

RESPONSIBLE WITNESS: Wayne “Ted” Reed, Operations Manager

FUS-T-12

- Q. Regarding Original Page 31, Rule 9, Section 9.04, explain the permitting process and the terms of a permit and how the permit relates to the Application process. Residential customers with normal use should not be permitted by the utility.

RESPONSE:

This Rule does not pertain to a residential user. It does, however, refer to users of the sewer system that might release other than domestic or industrial waste to the system. For example, a laundromat, gas station, car wash, hospital, or restaurant may have waste that could adversely affect the sewage treatment in our sewage plant. The permit requires a full analysis of the waste and could, depending upon the actual analysis, require pre-treatment before discharging into the water system. Again depending upon the waste, PAWC might issue the permit on an annual basis to allow for annual analysis of the waste to be sure there is no change in the waste characteristics which may adversely affect the treatment process. The application process for the discharge permit allows PAWC to analyze the proposed discharge from the entity requesting the service in order to set the parameters by which PAWC will accept the discharge.

RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Operations Manager

FUS-T-14

FUS-T-14 Q. Regarding Original Page 38 of the tariff, pages dealing with payments and accrual of late payment charges should include language in conformance with 52 Pa. Code §56.21 and §56.22, while language not in conformance should be removed. Sections 11.03 and 11.04 on Original Page 38 should be removed since they do not comply with §56.

FUS-T-14 A. Sections 11.03 and 11.04 will be removed. The following change to Page 38 will be made concerning late payment charges.

11.02 3

All bills shall generally be rendered Quarterly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers and fifteen (15) days after the date the bill is mailed for commercial and industrial Customers. Payment received by the Company more than five (5) days after the due date will be charged a penalty of 1.50%, and such penalty will be calculated monthly thereafter only on the overdue portion of the bill. In no event shall the penalty charged exceed 18% annually.

Pa. P.U.C. Docket No. A-230073F0002

FUS-T-15

- FUS-T-15 Q. On Original page 38, Rule 12, Extension of Service, needs to include language required in all tariffs for line extensions. See attached.
- FUS-T-15 A. Language will be added regarding line extension per Commission Regulations.

FUS-T-16

- Q. Regarding Original Page 42, Section 15.02, No. 2, describe any fees charged. On this same page, Section 15.02, Nos. 3 and 4, remove tapping fee and connection fee language. On this same page, Section 15.02, No. 5, provide an explanation for any testing, monitoring and/or inspection fees currently charged, or expected to be charged. If none are currently charged, or expected to be, remove this language.

RESPONSE:

Fees will vary according to the proposed type of discharge into the sewer system and the type of analysis of the discharge required. For example, there may be a specific fee for a restaurant discharging oil and grease or food through a garbage disposal. A laundromat or car wash would have other fees to analyze the discharge of phosphorus in the wash water or industrial grade waste such as oil and be charged another fee depending on the type of waste that may include mercury from an x-ray process. The costs of tests for discharges will vary according to the complexity of the required tests.

Regarding tapping and connection fees, please see response to T-2.

Preemptive testing in advance of accepting waste, assures PAWC that the sewage treatment plan will not be adversely affected by acceptance of the particular waste product. Experience has shown that the costs of these tests may vary between \$50 and \$1,000 or more, depending on the complexity of the tests required. For example, a full test for metals and priority pollutants may cost as much as \$2,000 which should be paid by the applicant rather than being paid our customers through rates. Periodic monitoring and inspections of the waste stream is necessary to assure the waste purveyor is staying within compliance with the PAWC Rules and Regulations so as not to allow non-compliance to adversely affect the treatment process. These costs should also be paid by the waste purveyor since they are site-specific.

RESPONSIBLE WITNESS: Wayne G. "Ted" Reed, Operations Manager

B=013855 SB

file in

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

~~4-0000~~

A-230073F0002

DOCKETED

Philadelphia Suburban Water Authority,

Petitioner

DOCKETED OCT 24 2001 RB

v.

NOV 26 2001

Pennsylvania Public Utility Commission,

Respondent

: No. 616 C.D. 2001
: Argued: October 16, 2001

DOCUMENT FOLDED

MEMORANDUM AND ORDER

Before the Court is the Pennsylvania Public Utility Commission's (PUC) motion to quash or dismiss the petition filed by Philadelphia Suburban Water Authority to review the PUC's order approving Pennsylvania American Water Company's acquisition of the assets of the City of Coatesville Authority. Philadelphia Suburban seeks review of the PUC's approval of an amendment to the acquisition agreement that contractually obliges Pennsylvania American, a regulated utility, to make a contribution to the City of Coatesville's Economic Development Fund in the exact amount the City pays Pennsylvania American for fire hydrant service.

In its petition for review, Philadelphia Suburban avers that the amendment sets a precedent affecting the provision of public utility service and affecting negotiated demands for free service. Philadelphia Suburban avers that it has been faced with demands for free service from other municipalities and that the PUC has approved a scheme by which Pennsylvania American provides free

service to the City of Coatesville in violation of the Public Utility Code. In its motion to quash or dismiss, the PUC argues that Philadelphia Suburban has no standing to appeal its order because it is not aggrieved by the order and has no direct interest in the adjudication.

Appellate Rule 501 provides that "[e]xcept where the right of appeal is enlarged by statute, any party who is aggrieved by an appealable order . . . may appeal therefrom." Pa. R.A.P. 501. The Judicial Code defines "party" as the person who commences a matter or against whom relief is sought and includes counsel for such persons. 42 Pa. C.S. §102. An intervenor has all of the rights and liabilities of a party. Pa. R.C.P. No. 2330(a). Under the administrative agency law, "[a]ny person aggrieved by an adjudication of a Commonwealth agency who has a direct interest in such adjudication shall have the right to appeal therefrom . . ."

Philadelphia Suburban was an objector intervenor in the proceeding before the PUC¹ and therefore has appeal rights. By reason of its intervention, it follows that Philadelphia Suburban established a direct interest below. Moreover, in opposing the PUC's motion to quash or dismiss, Philadelphia Suburban has demonstrated a direct interest in the PUC's final order approving the acquisition agreement between Pennsylvania American and the City of Coatesville Authority. As a competitor and customer of Pennsylvania American, Philadelphia Suburban is

¹ By PUC regulation, 52 Pa. Code §5.72, a person's eligibility to intervene is predicated upon "a right to intervene or an interest of such nature that intervention is necessary or appropriate to the administration of the statute. . . ." Such right or interest may be a right conferred by statute, "[a]n interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petition may be bound by the action of the Commission in the proceedings[.]" or an interest such that participation may be in the public interest. 52 Pa. Code §5.72(a).

directly affected by the PUC's order; as a regulated utility and initial bidder for the Authority's assets, Philadelphia Suburban has a direct interest in the adjudication.

Because we conclude that Philadelphia Suburban was an intervenor in the proceeding before the PUC and has demonstrated a direct interest in the PUC's adjudication, we enter the following order:

AND NOW, this 22nd day of October 2001, upon consideration of the Pennsylvania Public Utility Commission's motion to quash or dismiss petitioner Philadelphia Suburban Water Authority's petition for review, and petitioner's answer in opposition, said motion is denied.


JAMES GARDNER COLINS, Judge

Certified from the Record

OCT 23 2001

and Order Exit