

CAPTION SHEET

WASTE MANAGEMENT SYSTEM

- 1. REPORT DATE: 00/00/00 :
- 2. BUREAU: FUS :
- 3. SECTION(S) : :
- 5. APPROVED BY: : 4. PUBLIC MEETING DATE:
- DIRECTOR: : 00/00/00
- SUPERVISOR: : :
- 6. PERSON IN CHARGE: : 7. DATE FILED: 05/29/07
- 8. DOCKET NO: A-230073 F0012 : 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUT

RESPONDENT/APPLICANT: PA-AMERICAN WATER CO-WASTEWATER

COMP/APP COUNTY: UTILITY CODE: 230073

ALLEGATION OR SUBJECT

APPLICATION OF PENNSYLVANIA-AMERICAN WATER COMPANY FOR APPROVAL OF: 1) THE TRANSFER BY SALE OF SUBSTANTIALLY ALL OF THE CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY'S ASSETS, PROPERTIES AND RIGHTS RELATED TO ITS WASTEWATER SYSTEM TO PENNSYLVANIA-AMERICAN WATER COMPANY; AND 2) THE RIGHTS OF PENNSYLVANIA AMERICAN WATER COMPANY TO BEGIN TO OFFER OR FURNISH WASTEWATER SERVICE TO THE PUBLIC IN ALL OF CLAYSVILLE BOROUGH AND PORTIONS OF DONEGAL TOWNSHIP, WASHINGTON COUNTY, PENNSYLVANIA.....

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FOLDER

**DOCKETED**  
JUN 07 2007

ORIGINAL



Seth A. Mendelsohn  
Corporate Counsel

May 24, 2007

Via UPS Overnight Delivery

A-230073F002 RECEIVED

MAY 29 2007

James J. McNulty, Secretary  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, P.O. Box 3265  
Harrisburg, PA 17105-3264

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**In Re: Application of Pennsylvania-American water Company for Approval of (2) the transfer, by sale, of substantially all of Claysville-Donegal Joint Municipal Authority's assets, properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American water Company to begin to offer or furnish wastewater service to the public in all of Claysville Borough and portions of Donegal Township, Washington County, Pennsylvania.**

Dear Mr. McNulty:

On behalf of Pennsylvania-American water Company, enclosed for filing with you are an original and three (3) copies of the above-referenced Application. Also included is a check in the amount of \$350 for the Commission's filing fee. Please time stamp the additional copy of this letter and return it to me in the enclosed, self-addressed stamped envelope.

DOCUMENT  
FOLDER

Respectfully,

*Seth A. Mendelsohn*  
Seth A. Mendelsohn

Blg  
Enclosures

cc: Office of Trial Staff  
Office of Small Business Advocate  
Office of Consumer Advocate  
Department of Environmental Protection  
B. Grundusky  
J. A. Lontz

Pennsylvania-American Water  
800 West Hersheypark Drive  
Hershey, PA 17033 USA

T 717-531-3263  
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[seth.mendelsohn@amwater.com](mailto:seth.mendelsohn@amwater.com)



ORIGINAL

Wastewater

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Pennsylvania-American Water Company for Approval of (1) the transfer, by sale, of substantially all of Claysville-Donegal Joint Municipal Authority's assets, properties and rights related to its wastewater system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in all of Claysville Borough and portions of Donegal Township, Washington County, Pennsylvania.

Application No. A-230073 F0012

DOCUMENT  
FOLDER

TO PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. Pennsylvania-American Water Company ("Pennsylvania-American" or ("PAWC")) hereby requests that the Pennsylvania Public Utility Commission ("PUC" or the "Commission") issue Certificates of Public Convenience evidencing its approval under Sections 1102(a) and 507 of the Public Utility Code (66 Pa.C.S. §§1102(a), 507) of: (1) Pennsylvania-American's acquisition of substantially all of the assets, properties and rights of the Claysville-Donegal Joint Municipal Authority ("CDJMA") related to, or used in connection with, its wastewater system; (2) Pennsylvania-American's right to offer, render, furnish and supply wastewater service in the areas served by CDJMA.

2. The name and address of the Applicant is:

Pennsylvania-American Water Company  
800 West Hersheypark Drive  
Hershey, PA 17033

3. The names and address of the Applicant's attorneys are:

Velma A. Redmond, Esquire  
Susan D. Simms, Esquire  
Seth A. Mendelsohn, Esquire  
Pennsylvania-American Water Company

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JUN 07 2007

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MAY 29 2007

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

273

800 West Hersheypark Drive  
Hershey, PA 17033  
(717) 531-3210  
(717) 531-3252 fax

4. The CDJMA is a municipal authority organized under the Pennsylvania Municipality Authorities Act of May 2, 1945, P.L. 382. It owns and operates a public sanitary wastewater treatment system in the Borough of Claysville and a portion of Donegal Township, Washington County, Pennsylvania.

5. Pennsylvania-American is a regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and is engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the public, and collecting, treating, transporting and disposing of wastewater and sewage for the public. CDJMA provides wastewater services to the public in a service territory encompassing all of Claysville Borough, and a portion of Donegal Township, Washington County, Pennsylvania, with a population of approximately 1,500. Water and wastewater service is furnished by Pennsylvania-American to the public in a service territory encompassing more than 373 communities across the Commonwealth with a combined population of over 2,000,000. A description of Pennsylvania-American's certificated water and wastewater service territory is found at Exhibit A, along with a detailed corporate history, outlining all of the mergers, acquisitions and consolidations which have created Pennsylvania-American as it exists today.

6. As of December 31, 2006, CDJMA furnished wastewater service to 536 customers.

7. As of December 31, 2006, Pennsylvania-American furnished wastewater

service to 14,406 customers, as follows:

Residential	14,031
Commercial	351
Industrial	2
Municipal	18
Sale for Resale	4

**A. TRANSFER, BY SALE, OF SUBSTANTIALLY ALL OF THE CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY'S ASSETS, PROPERTIES AND RIGHTS RELATED TO ITS WASTEWATER SYSTEM TO PENNSYLVANIA-AMERICAN WATER COMPANY**

All of the preceding and succeeding paragraphs are incorporated by reference into this subpart A.

Summary of the Transaction

8. On December 6, 2006 CDJMA entered into an agreement with Pennsylvania-American to sell the wastewater assets of CDJMA.

Background Financial Information

9. There is attached hereto the balance sheet of CDJMA as of December 31, 2005 (Exhibit B), which is the latest available, and Pennsylvania-American's unaudited balance sheet as of December 31, 2006 (Exhibit C). Pennsylvania-American will undertake an original cost study to determine the original cost and accumulated depreciation of CDJMA's wastewater utility plant in service.

10. There is attached hereto the income statement of CDJMA for the 12 months ended December 31, 2005 (Exhibit D) which is the latest available, and Pennsylvania-American's unaudited income statement for the 12 months ended December 31, 2006 (Exhibit E).

11. All the annual reports, tariffs, certificates of public convenience, applications, securities certificates and similar documents filed with your Honorable Commission by

Pennsylvania-American and its predecessors are made a part hereof by reference.

Terms And Impact of the Transaction

12. This Application seeks approval of the transfer to Pennsylvania-American of substantially all of the wastewater property and rights of CDJMA. The terms and conditions of the transaction are contained in the executed Agreement between Pennsylvania-American and CDJMA (Exhibit F). The specific property to be transferred is defined and described in Paragraph 1.1 of the Agreement.

13. The consideration for the transfer of the wastewater system is Seven Hundred Fifty Thousand (\$750,000) Dollars as outlined in Paragraph 2.1 of the Agreement. The transaction is at arm's length.

14. No investment securities will be transferred in the proposed transaction.

15. There is attached hereto a pro forma balance sheet of Pennsylvania-American as of December 31, 2006, giving effect to the transfer (Exhibit G). However, as noted in Paragraph 9, above, Pennsylvania-American will update the original cost study through Closing for the purpose of establishing the depreciated original cost of the utility plant of CDJMA. Once the original cost study is updated and the property's depreciated original cost and book value are finalized, Pennsylvania-American will amend the pro forma balance sheet giving effect to the transfer, accordingly.

16. There is attached hereto a pro forma consolidated income statement of Pennsylvania-American and CDJMA for the 12 months ended December 31, 2006 (Exhibit H).

17. Tentative journal entries to record the transfer in Pennsylvania-American's

accounts are set forth below, based upon the books of CDJMA and the purchase price of Seven Hundred Fifty Thousand (\$750,000) Dollars. However, as stated above, Pennsylvania-American will undertake an original cost study and will establish the depreciated original costs for CDJMA's utility plant based on the results of the study.

Utility plant	\$4,808,000
Accumulated depreciation	\$2,049,000
Short term debt	\$ 750,000
Acquisition Adjustment	\$2,009,000

18. There is attached a certified copy of the resolutions adopted by the Board of Directors of Pennsylvania-American authorizing the execution of the Agreement and the consummation of the proposed transfer (Exhibit I). A certified copy of the resolutions adopted by the officers of CDJMA authorizing the execution of the Agreement are attached as Exhibit J.

Effect on Service and Rates

19. The proposed transfer will have no detrimental effect on the service provided to Pennsylvania-American's existing customers or the customers transferred by CDJMA. Pennsylvania-American believes that the proposed transfer will have a beneficial effect on the customers of CDJMA in that they will receive the benefit of Pennsylvania-American's experience in managing and operating water and wastewater systems which will result in efficiencies and improvements in the service to the customers to be transferred. Pennsylvania-American's existing customers will benefit because the acquisition will expand the customer base over which existing costs are recovered and thereby, stabilize or reduce per-customer costs. The proposed transfer is in the public interest and satisfies the applicable standard of Section 1103 for, among other, the following reasons:

a. Pennsylvania-American has the managerial, technical and financial capabilities to safely and adequately operate the CDJMA system in compliance with the Public Utility Code, the Clean Streams Law and other requisite regulatory requirements, and to make improvements as needed, on a short and long term basis.

b. The acquisition will further the Commission's goal of regionalization. CDJMA's wastewater system will become a part of a larger organization that is viable and is committed to providing improved service in the future. Any necessary system improvements can be completed within a reasonable period of time, without adversely affecting service to Pennsylvania-American existing customers.

c. The transferred customers will be served by a large, financially sound company that has the capability to finance necessary capital additions. Given its size, access to the capital and its recognized strengths in system planning, capital budgeting and construction management, Pennsylvania-American is well-positioned to ensure that high quality wastewater service meeting federal and state requirements is provided to CDJMA's customers and maintained for Pennsylvania-American's existing customers.

d. The transferred customers will benefit from enhanced customer service in a number of areas, such as additional bill payment options, extended customer service and call center hours, customer information and education programs.

e. The geographic overlap between CDJMA's service area and Pennsylvania- American's existing operations creates opportunities for functional and operational consolidation, and associated efficiencies and cost savings.

20. The proposed transfer will have no immediate effect on the rates for service to be charged to Pennsylvania-American's existing customers. With regard to the customers to be transferred by CDJMA to Pennsylvania-American, Pennsylvania-American will adopt CDJMA's rates existing at the time of Closing. CDJMA's current rates are shown on Exhibit K.

21. Pennsylvania-American will initially finance the purchase with short-term bank debt which, at the appropriate time will be replaced through the issuance of long-term debt and common equity.

22. The reason for the proposed transfer is the purchase by Pennsylvania-American of CDJMA's wastewater system.

23. Pennsylvania-American and CDJMA are not affiliated with each other.

24. CDJMA is not subject to any special or general assessments outstanding against it pursuant to Section 510 of the Public Utility Code.

**B. THE RIGHTS OF PENNSYLVANIA-AMERICAN TO OFFER OR FURNISH WASTEWATER SERVICE TO THE PUBLIC IN ALL OF CLAYSVILLE BOROUGH AND A PORTION OF DONEGAL TOWNSHIP, WASHINGTON COUNTY, PENNSYLVANIA.**

All of the preceding and succeeding paragraphs are incorporated by reference into this sub-part B.

25. Pennsylvania-American is currently furnishing wastewater services in the service territory outlined in Paragraph 5. CDJMA currently provides wastewater services to approximately 536 customers in the area.

26. The areas served by CDJMA are shown on the map at Exhibit M and are

further described on Exhibit N.

27. No additional permanent capital will be required by Pennsylvania-American for the purpose of financing the matters and things involved in this Application except as stated in paragraph 21.

28. No corporation, partnership or individual other than CDJMA is now furnishing or has corporate or franchise rights to furnish service similar to that to be rendered by Pennsylvania-American in the territory covered by this Application, and no competitive condition will be created. As part of this Application, Pennsylvania-American has requested approval to acquire, by purchase, substantially all the wastewater property and rights of CDJMA. CDJMA will permanently discontinue all wastewater service to the public.

29. The facilities to be employed are described in Paragraph 1.1 of the Agreement. Specifically excluded assets are described in Paragraph 1.2 of the Agreement.

30. Immediately upon Closing, Pennsylvania-American will adopt CDJMA's existing rates in the application territory, and apply the rules and regulations regarding conditions of service, as shown on Exhibit L.

31. The estimated annual revenues and expenses of Pennsylvania-American in the application territory are set forth in Exhibit O.

#### **D. CONCLUSION**

32. Approval of this Application is necessary and proper in order for the public now served by CDJMA to benefit by receiving wastewater service from a public wastewater supply company with the resources and personnel to provide safe and reliable treatment of wastewater at reasonable prices.

WHEREFORE, Applicant prays your Honorable Commission to issue the necessary Certificates of Public Convenience under the Public Utility Code, as amended, 66 Pa. C.S. §§1102(a), 507, authorizing:

- (a) the transfer, by sale, of substantially all the assets, properties and rights of CDJMA related to or used in connection with its wastewater system to Pennsylvania-American in accordance with the Agreement, and;
- (b) the commencement by Pennsylvania-American of wastewater service to the public in all the Borough of Claysville and a portion of Donegal Township, Washington County, Pennsylvania, and;

Respectfully submitted,

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Velma A. Redmond, Esquire  
Susan D. Simms, Esquire  
Seth A. Mendelsohn, Esquire  
Counsel for  
Pennsylvania-American Water Company  
800 West Hersheypark Drive  
Hershey, PA 17033

Dated: \_\_\_\_\_, 2007

COMMONWEALTH OF PENNSYLVANIA )  
 ) SS:  
COUNTY OF DAUPHIN )

Personally appeared before me, a Notary Public in and for said Commonwealth and County, Daniel W. Warnock, President of Pennsylvania-American Water Company who, being duly sworn according to law, deposes and says that the facts set forth in the foregoing Application are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
President

Sworn to and subscribed before me  
this 24<sup>th</sup> day of May,  
2007.

  
\_\_\_\_\_  
Notary Public

COMMONWEALTH OF PENNSYLVANIA  
NOTARIAL SEAL  
ROBERTA L. GAUTSCH, Notary Public  
Derry Twp., Dauphin County  
My Commission Expires Dec. 26, 2010

## PENNSYLVANIA-AMERICAN WATER COMPANY

Pennsylvania-American Water Company, an investor-owned water company, with corporate offices at 800 West Hersheypark Drive, Hershey, is a subsidiary of American Water Works Company, Inc. On February 1, 1989, the then-existing Pennsylvania-American Water Company (the result of the January 1, 1987 merger of Riverton Consolidated Water Company with and into Keystone Water Company) was merged with and into Western Pennsylvania Water Company, and the name of the surviving corporation was changed to Pennsylvania-American Water Company. A brief summary of each of the three predecessor companies follows.

Riverton Consolidated Water Company was formed by the merger and consolidation of six operating water companies in 1904. It subsequently acquired seven additional systems, and at the time of its merger with Keystone, supplied water to 12 municipalities on the Harrisburg west shore, Cumberland County, and Fairview Township in York County.

Keystone Water Company resulted from the 1973 merger of 14 companies with and into White Deer Mountain Water Company. The Company later acquired four systems. It provided water service in 14 eastern Pennsylvania counties through the following distribution systems: Abington, Bangor, Berwick, Frackville, Hallstead, Hershey/Palmyra, Montrose, Moshannon Valley, Norristown, Northumberland, Susquehanna, Thompson, White Deer (Milton), and Yardley.

Western Pennsylvania Water Company was the product of the merger of 17 water companies with and into South Pittsburgh Water Company at various times from 1970 to 1973. WPW added seven water distribution systems, extending its service territory into portions of 12 western Pennsylvania counties. The company operated through the following district offices: Butler, Clarion, Connellsville, Ellwood, Indiana, Kane, Kittanning, McDonald, Mon Valley, New Castle, Pittsburgh, Punxsutawney, Uniontown, Warren, and Washington.

After the merger of Riverton and Keystone in 1987, the former Pennsylvania-American Water Company purchased five systems: Red Land Water Company in York County, Campbelltown Water Company in Lebanon County, and three systems in the Moshannon Valley area, Clearfield County - Woodland-Bigler Area Authority, Allport Water Authority, and Graham Water Association.

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995); the water utility assets of Pennsylvania Gas and Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono Mountains Industrial Park Authority (Monroe County, May 7, 1998); Coolbaugh Township-Fire System (Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin

**Exhibit A**

Page 1 of 5

Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998); Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); Shipperville Municipal Authority (Clarion County, March 31, 2005); Blue Mountain Lake Associates, L.P. (Monroe County, October 31, 2005); East Fallowfield Township (Chester County, December 22, 2005); Stillwater Lakes Water Corporation (Monroe County, January 17, 2006), Winona Lakes Utilities, Inc. (Monroe and Pike Counties, January 26, 2006), Lexington Woods Corporation (Monroe County, July 24, 2006) and Community Association of Pocono Farms, Incorporated (Monroe County, July 31, 2006). On July 2, 1990, Brownsville Water Company (Fayette County) and California Water Company (Washington County) were acquired and merged into the Company. On June 16, 1992, the former Forge Road Acres water system (Cumberland County) was sold to South Middleton Township. On March 24, 2003, Salisbury Water Supply Company (State of Massachusetts) was acquired and merged into the Company.

As a result of the various mergers and acquisitions, the Company furnishes water service to about 626,107 customers in the following municipalities:

All, or portions of, the Townships of Mount Joy, Mount Pleasant and Straban in Adams County;

All, or portions of, the Cities of Clairton and Pittsburgh (16th, 18th, 19th, 20th, 23rd, 29th, 30th, 31st and 32nd Wards), the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Elizabeth, Glassport, Greentree, Heidelberg, Homestead, Ingram, Jefferson, Liberty, Lincoln, Mt. Oliver, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Elizabeth, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Elizabeth, Forward, Mt. Lebanon, North Fayette, Robinson, Scott, South Fayette, South Park and Upper St. Clair in Allegheny County;

All, or portions of, the Boroughs of Applewold and Kittanning and the Townships of Manor and Rayburn in Armstrong County;

All, or portions of, the Boroughs of Big Beaver, Ellwood City, Frankfort Springs and Koppel and the Townships of Franklin, Hanover and North Sewickly in Beaver County;

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence, West Lawn and Wyomissing Hills and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor,

## **Exhibit A**

South Heidelberg and Spring in Berks County;

All, or portions of, the Borough of Yardley and the Townships of Falls and Lower Makefield in Bucks County;

All, or portions of, the City of Butler, the Boroughs of Connoquenessing and East Butler and the Townships of Butler, Center, Connoquenessing, Forward, Franklin, Jackson, Lancaster, Oakland, Penn and Summit in Butler County;

All, or portions of, the Boroughs of Philipsburg and South Philipsburg and the Township of Rush in Centre County;

All, or portions of, the City of Coatesville, the Boroughs of Atglen, Parkesburg, South Coatesville and Spring City and the Townships of Caln, East Coventry, East Fallowfield, East Pikeland, East Vincent, Sadsbury, Schuylkill, Valley, West Caln, West Sadsbury and West Vincent in Chester County;

All, or portions of, the Boroughs of Clarion, Shippenville and Strattanville and the Townships of Clarion, Elk, Farmington, Knox, Limestone, Monroe, Paint and Piney in Clarion County;

All, or portions of, the Boroughs of Chester Hill and Osceola Mills and the Townships of Boggs, Bradford, Decatur, Graham and Morris in Clearfield County;

All, or portions of, the Boroughs of Berwick and Briar Creek and the Township of Briar Creek in Columbia County;

All, or portions of, the Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown, West Fairview and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Silver Spring and Upper Allen in Cumberland County;

All, or portions of, the Townships of Conewago, Derry, Londonderry, South Hanover and West Hanover in Dauphin County;

All, or portions of, the Cities of Connellsville and Uniontown, the Boroughs of Brownsville, South Connellsville and West Brownsville and the Townships of Brownsville, Bullskin, Connellsville, Dunbar, Jefferson, Luzerne, Menallen, North Union, Redstone and South Union in Fayette County;

All, or portions of, the Borough of Indiana and the Township of White in Indiana County;

All, or portions of, the Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young in Jefferson County;

All, or portions of, the Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Abington, Carbondale, Fell, Glenburn, North Abington, Scott and South Abington in Lackawanna County;

All, or portions of, the Borough of Quarryville and the Townships of Bart, Colerain, Eden and Sadsbury in Lancaster County;

## **Exhibit A**

All, or portions of, the City of New Castle; the Boroughs of Ellport, Ellwood City, New Beaver and South New Castle and the Townships of Hickory, Mahoning, Neshannock, North Beaver, Perkiomen, Perry, Shenango, Taylor, Union and Wayne in Lawrence County;

All, or portions of, the Borough of Palmyra and the Townships of Annville, North Annville, North Londonderry, South Annville and South Londonderry in Lebanon County;

All, or portions of, the Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laflin, Larksville, Laurel Run, Luzerne, Nescopeck, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Conyngham, Fairview, Hanover, Hunlock, Jackson, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Salem, Union, Wilkes-Barre and Wright in Luzerne County;

All, or portions of, the Borough of Kane and the Township of Wetmore in McKean County;

All, or portions of, the Borough of Mount Pocono and the Townships of Coolbaugh, Hamilton, Middle Smithfield, Ross, Smithfield and Stroud in Monroe County;

All, or portions of, the Boroughs of Bridgeport, Norristown and Royersford and the Townships of East Norriton, Limerick, Lower Pottsgrove, Lower Providence, Plymouth, Skippack, Upper Merion, Upper Providence, West Norriton, Whitmarsh, Whitpain and Worcester in Montgomery County;

All, or portions of, the Boroughs of Bangor, Belfast, Nazareth, Pen Argyl, Roseto, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Nazareth, Palmer, Plainfield, Upper Mt. Bethel, Upper Nazareth and Washington in Northampton County;

All, or portions of, the Boroughs of Milton, Northumberland and Watsonstown and the Townships of Delaware, East Chillisquaque, Point, Turbot, Upper Augusta and West Chillisquaque in Northumberland County;

Portions of the Townships of Delaware and Lehman in Pike County;

All, or portions of, the Borough of Frackville and the Townships of Butler, Mahanoy, New Castle and West Mahanoy in Schuylkill County;

All, or portions of, the Boroughs of Forest City, Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland in Susquehanna County;

All, or portions of, the Borough of Lewisburg and the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer in Union County;

All, or portions of, the City of Warren and the Townships of Conewango, Glade, Meade, and Pleasant in Warren County;

## **Exhibit A**

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle and West Middletown and the Townships of Amwell, Canton, Carroll, Cecil, Chartiers, Cross Creek, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Mt. Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane and Union in Washington County;

Portion of the Township of Clinton in Wayne County; and

All, or portions of, the Townships of Fairview and Newberry in York County.

As a result of acquisitions, the Company furnishes wastewater service to about 14,406 customers in the following municipalities:

All, or portions of, the City of Coatesville, the Borough of Parkesburg and the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury in Chester County; and

Portions of the Townships of Coolbaugh, Middle Smithfield, Smithfield and Stroud in Monroe County.

Portion of the Township of Lehman in Pike County.

[373 municipalities in 35 counties. Note: Ellwood City Borough is located in Beaver and Lawrence Counties; Hanover Township is located in Beaver and Washington Counties]

12/31/06

CLAYSVILLE-DONEGAL JOINT  
MUNICIPAL AUTHORITY

Statement of Net Assets

December 31, 2005

	<u>ASSETS</u>		
	<u>SEWER FUND</u>	<u>WATER FUND</u>	<u>TOTAL</u>
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	\$ 165,549	\$ 174,341	\$ 339,890
Accounts receivable - net	36,304	31,277	67,581
Inventory	2,241	11,612	13,853
Prepaid expenses	<u>11,539</u>	<u>11,539</u>	<u>23,078</u>
<u>Total Current Assets</u>	215,633	228,769	444,402
<u>PROPERTY, PLANT AND EQUIPMENT - net</u>			
	2,759,342	3,904,412	6,663,754
<u>OTHER ASSETS</u>			
	67,366	0	67,366
<u>RESTRICTED FUNDS</u>			
	<u>116,328</u>	<u>78,539</u>	<u>194,867</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,158,669</u>	<u>\$ 4,211,720</u>	<u>\$ 7,370,389</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>			
Current portion of long-term debt	\$ 67,700	\$ 123,200	\$ 190,900
Accounts payable	2,201	4,765	6,966
Accrued expenses	11,922	12,013	23,935
Accrued interest	4,075	1,528	5,603
Customer deposits	<u>2,520</u>	<u>3,040</u>	<u>5,560</u>
<u>Total Current Liabilities</u>	88,418	144,546	232,964
<u>LONG-TERM DEBT - net</u>	1,004,800	1,232,515	2,237,315
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	1,686,842	2,548,698	4,235,540
Restricted	116,328	78,539	194,867
Unrestricted	<u>262,281</u>	<u>207,422</u>	<u>469,703</u>
<u>Total Net Assets</u>	<u>2,065,451</u>	<u>2,834,659</u>	<u>4,900,110</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 3,158,669</u>	<u>\$ 4,211,720</u>	<u>\$ 7,370,389</u>

See the accompanying notes to the financial statements.

CLAYSVILLE-DONEGAL JOINT  
MUNICIPAL AUTHORITY

Management Discussion and Analysis

December 31, 2005

**CAPITAL ASSETS**

At December 31, 2005, the Authority had \$6,663,754 invested in plant assets, including land and right-of-ways, sewer and water systems, and buildings and equipment. There were no additions or disposals to plant assets with the only change from the prior year being an increase in accumulated depreciation.

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u> <u>Balance</u>
<b>Non-Depreciable</b>				
<b>Assets:</b>				
Land and right-of-ways	\$ 435,477	\$ 0	\$ 0	\$ 435,477
<b>Depreciable</b>				
<b>Assets:</b>				
Sanitary Sewage system	4,605,885	0	0	4,605,885
Water distribution system and dams	5,490,638	0	0	5,490,638
Other buildings and equipment	<u>69,898</u>	<u>0</u>	<u>0</u>	<u>69,898</u>
<b><u>Total, at Cost</u></b>	10,601,898	0	0	10,601,898
<b>Less accumulated depreciation</b>	<u>3,761,582</u>	<u>176,562</u>	<u>0</u>	<u>3,938,144</u>
<b><u>NET CAPITAL ASSETS</u></b>	<u>\$ 6,840,316</u>	<u>\$ 176,562</u>	<u>\$ 0</u>	<u>\$ 6,663,754</u>

PENNSYLVANIA AMERICAN WATER COMPANY  
BALANCE SHEET

UNAUDITED  
PAWC  
DEC, 2006

ASSETS	
UTILITY PLANT	\$ 2,481,890,205
CONSTRUCTION WORK IN PROGRESS	32,373,160
ACCUMULATED DEPRECIATION	(555,072,344)
UTILITY PLANT ACQUISITION ADJ.	18,366,603
OTHER UTILITY PLANT ADJUSTMENTS	0
	<u>1,977,557,624</u>
NONUTILITY PROPERTY	291,098
OTHER INVESTMENTS	<u>39,985,641</u>
CURRENT ASSETS	
CASH AND CASH EQUIVALENTS	1,798,289
TEMPORARY INVESTMENTS	0
CUSTOMER ACCOUNTS RECEIVABLE	37,161,918
ALLOWANCE FOR UNCOLL. ACCT.	(6,021,346)
UNBILLED REVENUES	22,685,734
FIT REFUND DUE FROM ASSOC. COMPANY	2,145,673
MISCELLANEOUS RECEIVABLES	977,236
MATERIALS AND SUPPLIES	2,931,170
OTHER	7,685,080
	<u>69,363,754</u>
DEFERRED DEBITS	
DEBT AND PREF. STOCK EXPENSE	14,834,776
EXPENSE OF RATE PROCEEDINGS	0
PREL. SURVEY AND INVEST. CHARGES	5,120,135
REG ASSET-INC TAX RECOVERABLE THRU RATES	109,045,070
OTHER	40,225,267
	<u>169,225,248</u>
	<u>\$ 2,256,423,365</u>
CAPITAL AND LIABILITIES	
COMMON STOCK	\$ 21,506,887
PAID IN CAPITAL	487,983,004
RETAINED EARNINGS	<u>258,544,777</u>
	768,034,668
TOTAL COMMON EQUITY	768,034,668
PREFERRED STOCK	1,720,200
LONG-TERM DEBT	<u>680,203,184</u>
	1,449,958,052
TOTAL CAPITALIZATION	1,449,958,052
CURRENT LIABILITIES	
BANK DEBT-PENDING ISSUANCE OF SEC.	176,036,890
CURR. PORTION OF LONG-TERM DEBT	49,615,828
ACCOUNTS PAYABLE	29,121,397
TAXES ACCRUED	26,818,615
INTEREST ACCRUED	10,047,468
CUSTOMER DEPOSITS	0
DIVIDENDS DECLARED	0
OTHER	20,384,457
	<u>312,024,655</u>
DEFERRED CREDITS	
CUSTOMER ADVANCES FOR CONSTR.	89,267,777
DEFERRED INCOME TAXES	294,681,811
DEFERRED INCOME TAX CREDIT	7,474,896
REGULATORY LIAB - INCOME TAX REFUND THRU RATES	(10,125,968)
OTHER	24,411,240
	<u>405,709,756</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION	<u>88,730,902</u>
	<u>\$ 2,256,423,365</u>

**CLAYSVILLE-DONEGAL JOINT  
MUNICIPAL AUTHORITY**

Statement of Revenues, Expenses and  
Changes in Net Assets

for the year ended  
December 31, 2005

	<u>SEWER FUND</u>	<u>WATER FUND</u>	<u>TOTAL</u>
<b><u>OPERATING REVENUES</u></b>			
Metered sales	\$ 319,904	\$ 312,981	\$ 632,885
Penalties	9,902	9,914	19,816
Bulk sales	45	6,280	6,325
Connection income	915	1,200	2,115
Miscellaneous income	1,865	1,824	3,689
<b><u>Total Operating Revenues</u></b>	<b>332,631</b>	<b>332,199</b>	<b>664,830</b>
<b><u>OPERATING EXPENSES</u></b>			
Treatment Plants	75,123	47,836	122,959
Collection/Distribution Systems	9,203	5,579	14,782
Administrative expenses	66,013	40,103	106,116
Personnel expenses	105,054	106,655	211,709
<b><u>Total Operating Expenses</u></b>	<b>255,393</b>	<b>200,173</b>	<b>455,566</b>
<b><u>Net Operating Income</u></b>			
<b><u>Before Depreciation</u></b>			
<b><u>and Amortization</u></b>	77,238	132,026	209,264
<b><u>DEPRECIATION AND AMORTIZATION</u></b>	106,100	76,102	182,202
<b><u>Net Operating Income (Loss)</u></b>	( 28,862)	55,924	27,062
<b><u>NON-OPERATING REVENUES</u></b>			
<b><u>(EXPENSES)</u></b>			
Interest income	4,038	4,741	8,779
Interest expense	( 53,208)	( 48,396)	( 101,604)
<b><u>Total Non-operating</u></b>			
<b><u>Revenues (Expenses)</u></b>	( 49,170)	( 43,655)	( 92,825)
<b><u>CHANGE IN NET ASSETS</u></b>	( 78,032)	12,269	( 65,763)
Net assets, beginning	2,143,483	2,822,390	4,965,873
<b><u>NET ASSETS, ENDING</u></b>	<b><u>\$ 2,065,451</u></b>	<b><u>\$ 2,834,659</u></b>	<b><u>\$ 4,900,110</u></b>

See the accompanying notes to the financial statements.

PENNSYLVANIA AMERICAN WATER COMPANY  
STATEMENT OF INCOME AND RETAINED EARNINGS  
TWELVE MONTHS ENDED DECEMBER 31, 2006

UNAUDITED  
PAWC

OPERATING REVENUES	<u>\$ 402,750,141</u>
OPERATION EXPENSES	
OPERATIONS AND MAINTENANCE	183,574,590
DEPRECIATION & AMORTIZATION	52,662,199
TAXES ON OPERATING INCOME	
GENERAL TAXES	10,785,087
STATE INCOME	10,200,608
FEDERAL INCOME	<u>31,584,992</u>
	<u>288,807,476</u>
UTILITY OPERATING INCOME	113,942,665
OTHER INCOME	
INTEREST	132,844
ALLOW. FOR OTHER FUNDS FOR CONSTRUCT.	1,136,316
GAIN (LOSS) ON SALE OF PROPERTY	3,842
MISCELLANEOUS OTHER INCOME	<u>(60,906)</u>
	<u>115,154,761</u>
OTHER DEDUCTIONS	
MISCELLANEOUS	(951,581)
TAXES ON OTHER INCOME AND DEDUCTIONS	
GENERAL	91,707
STATE INCOME	93,472
FEDERAL INCOME	<u>327,479</u>
	<u>(438,923)</u>
INCOME BEFORE INTEREST CHARGES	<u>115,593,684</u>
INTEREST CHARGES	
INTEREST ON LONG-TERM DEBT	49,615,743
AMORTIZATION OF DEBT EXPENSE	2,013,216
OTHER INTEREST	1,864,900
ALLOW. FOR BORROWED FUNDS FOR CONSTRUCT.	<u>(167,527)</u>
	<u>53,326,332</u>
NET INCOME	62,267,352
DIVIDENDS ON PREFERRED STOCK	<u>67,683</u>
NET INCOME TO COMMON	<u>\$ 62,199,669</u>

**PURCHASE AGREEMENT**

**Between**

**CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY**

**As Seller**

**and**

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**As Buyer**

Dated as of December 6 2006

**Exhibit F**

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## PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into as of the 6<sup>th</sup> day of December, 2006, by and between CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as CDJMA), and PENNSYLVANIA-AMERICAN WATER COMPANY, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as PAWC).

### WITNESSETH

WHEREAS, CDJMA is a municipal authority owning a public water supply system in Claysville Borough and portions of Donegal Township and East Finley Township, Washington County and a public wastewater treatment system in Claysville Borough and portions of Donegal Township, Washington County, Pennsylvania (hereinafter referred to collectively as the Water and Wastewater Systems); and

WHEREAS, CDJMA is the operator of the Water and Wastewater Systems; and

WHEREAS, CDJMA's public water supply system has the Pennsylvania Department of Environmental Protection public water supply identification number 5630040; and

WHEREAS, CDJMA's wastewater system is identified under the national pollution discharge elimination system (NPDES) Permit No. PA-0093165; and

WHEREAS, PAWC is a public water and wastewater utility in various areas of Pennsylvania, including, owning and operating, inter alia, a public water supply system in the vicinity of

CDJMA's Water and Wastewater Systems in Buffalo Township, Washington County, Pennsylvania; and WHEREAS, CDJMA wishes to sell, and PAWC desires to purchase, substantially all of the assets, properties and rights of CDJMA on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, this Agreement witnesseth that for and in consideration of the respective covenants and agreements of the parties hereinafter set forth, the parties hereto, intending to be legally bound hereby, do covenant, contract and agree as follows:

## ARTICLE 1

### THE TRANSACTION

1.1 SALE AND PURCHASE OF ASSETS. Subject to the terms, representations and conditions set forth in this Agreement, at Closing, CDJMA shall sell, assign, transfer, deliver and convey or cause to be sold, assigned, transferred, delivered and conveyed to PAWC, free and clear of all liens and encumbrances whatsoever (other than Permitted Exceptions and except as expressly provided herein), and PAWC shall purchase, the Acquired Assets. Acquired Assets means all of CDJMA's right, title, and interest in and to all of the assets, properties and rights owned by CDJMA and used in the business of providing water and wastewater service of every kind, nature and description existing on the Closing Date, excepting only those assets listed in Section 1.2. For avoidance of doubt, PAWC and CDJMA agree that, excepting only the assets specifically described in Section 1.2, or as otherwise provided in this Agreement, every asset, property and right owned by CDJMA and used in the provision of water or wastewater service, whether real, personal, mixed, tangible or intangible, and including all the physical plant, property,

equipment, and facilities comprising the existing Water and Wastewater Systems owned by CDJMA for providing water or wastewater service to the public in and about the Borough of Claysville and the Townships of Donegal and East Finley, Washington County, Pennsylvania, wherever located and without any other exception whatever, is included within the Acquired Assets to be conveyed hereby. Except as specifically described in Section 1.2, the Acquired Assets shall include the following:

1.1.1 All real property easement rights, together with all fixtures, structures and other improvements erected thereon, and rights of way, water lines, rights of use, licenses, hereditaments, tenements, privileges and other appurtenances thereto or otherwise related to the Water and Wastewater Systems (such as appurtenant rights in and to public streets) (the "Real Estate") excepting only those assets specifically listed in Section 1.2. CDJMA shall deliver or cause to be delivered a special warranty deed to PAWC for all real estate involved in this transaction;

1.1.2 all water tanks, reservoirs, treatment plants and systems, collection systems, pumping stations, pumps, wells, booster station, hydro-pneumatic tanks, springs and reservoirs, mains, services, meters, hydrants, valves, fittings, equipment, machinery, pumps, motors, spare parts, materials, supplies, fixtures and improvements, construction in progress, jigs, molds, patterns, gauges and production fixtures and other tangible personal property related to CDJMA's Water and Wastewater Systems excepting only those assets listed in Section 1.2;

1.1.3 all of CDJMA's water appropriation and flowage rights;

1.1.4 intellectual property and goodwill, licenses and sublicenses owned

and obtained with respect to the Water and Wastewater Systems;

1.1.5 all customer contracts, supply agreements, operating contracts and distribution contracts relating to the Water and Wastewater Systems;

1.1.6 franchises, approvals, permits, authorizations, licenses, orders, registrations, certificates, variances, and other similar permits or rights obtained from any authority relating to the Water System;

1.1.7 books, records, ledgers, files, documents, correspondence, architectural plans, drawings, and specifications, records of plant operations and materials used, quality control records and procedures, equipment maintenance records, manual and warranty information, data and laboratory books and inspection processes.

1.2 EXCLUDED ASSETS. Specifically excluded from the Acquired Assets are (i) the sewer laterals and water service lines on the customer side of the curb stop; (ii) the grinder pump units of all individual homeowners including those installed and maintained by CDJMA; (iii) all storm water system facilities; and (iv) those assets listed on Schedule 1.2.

1.3 LIABILITIES EXCLUDED. PAWC shall not assume any liabilities of CDJMA. It is further understood and agreed that all obligations of any nature whatsoever, including obligations owed by CDJMA to others, on the date of Closing shall be and remain with CDJMA (the Retained Liabilities). Notwithstanding the foregoing, from and after Closing, PAWC shall assume full responsibility for providing public water and wastewater service in the area currently served by CDJMA's Water and Wastewater Systems.

1.4 ACCOUNTS RECEIVABLE Accounts receivable for water and

wastewater services rendered through the close of business on the date of Closing shall be excluded assets as shown on Schedule 1.2, and accounts receivable for water and wastewater services rendered thereafter shall belong to PAWC. After Closing, PAWC shall cooperate with CDJMA in its efforts to collect the outstanding accounts receivable from existing customers served by the Water and Wastewater Systems, provided however, it is understood by the parties that PAWC shall have no responsibility to collect any outstanding accounts receivable on behalf of CDJMA.

## ARTICLE 2

### PURCHASE PRICE

#### 2.1 PURCHASE PRICE FOR THE WATER AND WASTEWATER SYSTEMS.

Subject to the terms and conditions of this Agreement, the total purchase price for the Water and Wastewater Systems shall be Two Million (\$2,000,000) Dollars, payable to CDJMA at the time of Closing by corporate check or wire transfer, at PAWC's discretion.

## ARTICLE 3

### THE CLOSING

3.1 CLOSING. Subject to the terms and conditions of this Agreement, the closing of the sale and purchase of the Acquired Assets (the "Closing") shall be held at such time and date as may be mutually satisfactory to the parties hereto ("the Closing Date"), within forty (40) days following the date on which all of the conditions set forth in Articles 7 and 8 of this Agreement have been met. The Closing Date, as referred to in this Agreement, shall be the date of Closing. Closing shall take place at PAWC's offices at 800 West Hersheypark Drive, Hershey, Pennsylvania 17033.

3.2 DELIVERIES AND PROCEEDINGS AT CLOSING. Subject to the terms and conditions of this Agreement, at the Closing, CDJMA shall deliver or cause to be delivered to PAWC:

3.2.1 Bills of sale and instruments of assignment duly executed by CDJMA as necessary to transfer all of the Acquired Assets to PAWC;

3.2.2 The consents to transfer all contracts, intellectual property and permits;

3.2.3 One or more special warranty deeds of conveyance of the Real Estate and easements to PAWC, duly executed and acknowledged by CDJMA and in recordable form, each sufficient to convey the title and rights of access to the Water and Wastewater Systems;

3.2.4 The certificates, opinions and other documents required to be delivered by CDJMA under this Agreement and certified resolutions evidencing the authority of CDJMA as set forth in Section 4.2 hereof;

3.2.5 Evidence that any indebtedness of CDJMA on the Water and Wastewater Systems has been retired;

3.2.6 Evidence that CDJMA does not own nor is it responsible to maintain the grinder pump units of any individual homeowner;

3.2.7 All such other agreements, documents and instruments of conveyance required by this Agreement or as shall, in the reasonable opinion of PAWC and its counsel, be necessary to transfer the Acquired Assets to PAWC in accordance with this Agreement, and where necessary or desirable, in recordable form;

3.2.8 In addition to such other instruments and documents as are to be delivered to PAWC by CDJMA on or prior to the Closing, as provided herein, CDJMA shall deliver to PAWC at

the Closing all books and records and other documents maintained by CDJMA relating to the Acquired Assets.

#### ARTICLE 4

##### REPRESENTATIONS AND WARRANTIES OF CDJMA

4. REPRESENTATIONS AND WARRANTIES OF CDJMA. CDJMA represents and warrants to PAWC that:

4.1 QUALIFICATION. CDJMA is a municipal authority duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and CDJMA has all requisite corporate power and corporate authority to own the Acquired Assets and the Water and Wastewater Systems as presently being conducted, and to convey the Acquired Assets to PAWC as contemplated under this Agreement.

4.2 AUTHORIZATION AND ENFORCEABILITY. The execution, delivery, performance and acceptance of this Agreement by CDJMA has been duly authorized by all necessary action. This Agreement constitutes a valid and binding obligation of CDJMA enforceable in accordance with its terms. CDJMA has full corporate power and corporate authority to execute, deliver and perform this Agreement and all other agreements and instruments to be executed by CDJMA in connection herewith.

4.3 NO VIOLATION OF LAWS OR AGREEMENTS. The execution, delivery, and performance of this Agreement do not, and the consummation of the transactions contemplated by this Agreement by CDJMA as of Closing will not, violate any provision of law or conflict with, result in a breach of, or constitute a default under, the terms, conditions or provisions of any agreement, contract, indenture, mortgage, or other instrument to which CDJMA is a party or by which the Acquired Assets may be bound or affected.

4.4 PERMITS AND COMPLIANCE WITH LAWS GENERALLY.

4.4.1 CDJMA has not knowingly violated any local, state or federal law, rule or regulation with respect to the use and operation of the Water and Wastewater Systems. Except as set forth on Schedule 8.1.16, no outstanding notice, citation, summons or order has been issued, no outstanding complaint has been filed, no outstanding penalty has been assessed and no investigation or review is pending or, to the knowledge of CDJMA, threatened, by any authority or other person with respect to any alleged violation by CDJMA relating to the Water and Wastewater Systems of any law, ordinance, rule, regulation, code or order of any authority or failure to have any Permit required in connection with the operation of the Water and Wastewater Systems.

4.4.2 CDJMA possesses and is in compliance with all Permits required to operate the Water and Wastewater Systems as presently operated and to own, lease, or otherwise hold the Acquired Assets under all applicable laws, rules, regulations, ordinances and codes, including environmental laws. The Water and Wastewater Systems as operated are in compliance with all applicable laws, rules, regulations, ordinances, codes, judgments and orders except as set forth on Schedule 8.1.16. All Permits of CDJMA and the Water and Wastewater Systems are in full force and effect. There are no proceedings pending or, to CDJMA's knowledge, threatened that seek the revocation, cancellation, suspension or any adverse modification of any such Permits presently possessed by CDJMA.

4.4.3 Schedule 4.4.3 is a complete and accurate list of all current permits issued to CDJMA relating to the operation of the Water and Wastewater Systems including but not limited to permits relating to the current water and wastewater plant operation, dam permits and general permits for the water and wastewater lines and facilities used by CDJMA. CDJMA has delivered to PAWC a correct and complete copy of each written permit listed in Schedule 4.4.3.

4.5 PENDING OR THREATENED LITIGATION. There is no known action or litigation, arbitration, proceeding, judgment, injunction, audit or legal administrative or governmental investigation pending, and none are known to be threatened against or affecting the Water and Wastewater Systems or any of the Acquired Assets before any court, arbitrator or governmental authority, except as disclosed on Schedule 4.5. There are no known laws, ordinances, regulations or official orders now in effect or pending which would adversely affect in a material way the Water and Wastewater Systems or the ownership, condition or operation of the Water and Wastewater Systems or the Acquired Assets, except as disclosed on Schedule 4.5.

4.6 ENVIRONMENTAL MATTERS. Except as expressly set forth on Schedule 4.6 hereto:

4.6.1 CDJMA has not disposed of or arranged for the disposal of or released any Hazardous Substances, other than in conformity with applicable laws and regulations, at any Real Estate, or at any other facility, location, or site to be transferred to PAWC pursuant to the terms of this Agreement.

4.6.2 CDJMA has not received any written notice or request for information with respect to, and to the best of CDJMA's knowledge, CDJMA has not been designated a potentially liable party for remedial action or response costs, in connection with any Real Estate, or, as of the date hereof, with respect to the Acquired Assets or the operation of the Water and Wastewater Systems, at any other facility, location, or other site under the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or comparable state statutes.

4.6.3 To the best of CDJMA's knowledge, except for such use or storage of Hazardous Substances as is incidental to the operation of the Water and Wastewater Systems, which use and storage is or has been in compliance with applicable laws and regulations, no Real Estate

has been used for the storage, treatment, generation, processing, production or disposal of any Hazardous Substances or as a landfill or other waste disposal site in violation of any law, rule or regulation.

4.6.4 To the best of CDJMA's knowledge, underground storage tanks (other than tanks for the storage of water) are not, and have not in the past been, located on or under any Real Estate. CDJMA has no knowledge of any underground storage tanks (other than tanks for the storage of water) located on or under any Real Estate prior to the time CDJMA acquired the Real Estate.

4.6.5 There are no pending or unresolved claims against CDJMA or the Water and Wastewater Systems for investigatory costs, cleanup, removal, remedial or response costs, or natural resource damages arising out of any releases or threat of release of any Hazardous Substances at any Real Estate or, as of the date hereof, with respect to the Water and Wastewater Systems or the Acquired Assets or any other facility, location, or other site.

4.6.6 To the best of CDJMA's knowledge, no polychlorinated biphenyls ("PCBs") or asbestos-containing materials are located at or in any Real Estate in violation of Environmental Laws or which require remedial action.

4.6.7 CDJMA will within thirty (30) days of the date hereof provide PAWC with copies of all written environmental audits or investigations of which CDJMA is aware (after due inquiry) prepared for the Real Estate or operations of the Water and Wastewater Systems.

4.7 BROKERAGE. CDJMA has not made any agreement or taken any other action which might cause any person to become entitled to a broker's or finder's fee or commission as a result of the transactions contemplated hereunder which could result in liability to PAWC.

4.8 REAL ESTATE. Schedule 4.8 is a complete and accurate list of all real estate owned by CDJMA and used in the business of providing water and wastewater services ("the Real Estate"). CDJMA has and at Closing hereunder will convey and transfer to PAWC, indefeasible, good and marketable legal and equitable title to the Real Estate, free and clear of all liens, judgments, ground rents, leases, tenancies, licenses, covenants, conditions, restrictions, rights-of-way, easements, encroachments and any other matters affecting title (other than Permitted Exceptions and except as expressly provided herein), otherwise the title to the above described real estate shall be good and marketable or such as will be insured by any reputable Title Insurance Company at regular rates. No default or breach exists under any of the covenants, conditions, restrictions, rights of way or easements, if any, affecting all or any portion of the Real Estate, and there is no pending condemnation, eminent domain or similar proceeding affecting any of the Real Estate, and to the best knowledge of CDJMA, no such proceeding is threatened. CDJMA has not received any written or oral notice of assessment against any of the Real Estate which remains unpaid. To the best of CDJMA's knowledge, information and belief, there are no toxic or other dangerous conditions of the property.

4.9 EASEMENTS. Schedule 4.9, which shall be updated as of Closing, is a complete and accurate list of all easements and rights of way over the real property of CDJMA or others used

by CDJMA in the operation of the Water and Wastewater Systems or on which any of the Acquired Assets are located ("Easements"). CDJMA has or will at Closing have continuous rights of way for its water and wastewater lines and other facilities from the record or assessed owner(s) acquired by legal instruments in appropriate form duly recorded. CDJMA is in lawful and quiet possession of all Easements and there are no pending, or threatened disputes, claims, condemnation, eminent domain or similar proceedings relating to the Easements. No consents of third parties are required in connection with the transfer of the Easements to PAWC except for consents which shall have been obtained prior to Closing. CDJMA has or will have at Closing and will convey and transfer to PAWC, indefeasible, good and marketable title to the Easements, free and clear of all liens, judgments, ground rents, leases, tenancies, licenses, covenants, conditions, restrictions, rights of way, other easements, encroachments and any other matters affecting title (other than Permitted Exceptions and except as expressly provided herein). No default or breach exists under any of the covenants, terms or conditions under which the Easements were granted or are held or enjoyed by CDJMA.

The title to the above described real estate easements shall be good and marketable or such as will be insured by any reputable Title Insurance Company at the regular rates. CDJMA has no knowledge of any default or breach under any of the covenants, conditions, restrictions, rights of way or easement, if any, affecting all or any portion of the real estate easements, and there is no pending condemnation, eminent domain or similar proceeding affecting any of the real estate easements, and no such proceeding is threatened. CDJMA has not received any written or oral

notice of assessment against any of the real estate which remains unpaid. To the best of CDJMA's knowledge, information and belief, there are no toxic or other dangerous conditions of the property.

4.9.1 DEED OF EASEMENT AND RIGHT OF WAY. Each easement conveyed to PAWC at Closing as required in 4.9 shall be in a form substantially the same as the applicable sample included in Schedule 4.9.1, as necessary to operate the Acquired Assets including, but not limited to, well head protection zones, pipelines, tanks, pumps, equipment and enclosures.

4.10 PERSONALTY. Except as otherwise indicated on Schedule 4.10, CDJMA owns, free and clear of all liens, or leases from others under valid and enforceable leases not presently in default, all personal property in its possession or which is used or required for operation and maintenance of the Water and Wastewater Systems as it is now conducted.

4.11 LEASES Schedule 4.11 contains a complete and accurate list of each lease of real property to which CDJMA is a party ("Lease"). CDJMA has delivered to PAWC a true, correct and complete copy of each Lease. Each Lease is valid and subsisting and in full force and effect in accordance with its terms and has not been modified, in writing or otherwise. Each Lease, or a memorandum thereof, is properly recorded in the land records of the county in which the respective property is located. There has been no default or event which, with the giving of notice or the passage of time, or both, would constitute a default, on the part of CDJMA or any landlord under each such Lease, and CDJMA has not asserted a defense to, offset or claim against any payment or performance which is the obligation of CDJMA pursuant thereto. At Closing hereunder, CDJMA shall deliver to PAWC a landlord estoppel certificate form reasonably satisfactory to PAWC from each landlord under each Lease under which CDJMA is Lessee.

4.12 FIRE HYDRANTS. The public fire hydrants are or will be in good working condition and repair, reasonable wear and tear expected, as of Closing. The parties shall cooperate in making an inspection of all fire hydrants on or about thirty (30) days prior to the Closing date so as to confirm that all fire hydrants are in good condition. Any fire hydrant not in working condition shall be fixed prior to Closing at CDJMA's sole cost and expense, and shall be transferred to PAWC in working condition.

4.13 CONTRACTS. As of the date of this Agreement, Schedule 4.13 contains a complete and accurate list of all contracts, commitments, agreements refundable Extension Deposit Agreements and instruments relating to the Water and Wastewater Systems including any residual waste disposal contracts and all leases of Real Estate and personal property related to the Water and Wastewater Systems ("Contracts"). CDJMA has delivered to PAWC a correct and complete copy of each written agreement listed in Schedule 4.13. Except as disclosed on Schedule 4.13, with respect to each Contract, neither CDJMA nor, to the best of CDJMA's knowledge, any other party thereto, is in breach or default, no event has occurred which with notice or lapse of time would constitute a breach or default by CDJMA, or permit termination, modification, or acceleration, under the Contract. Except as set forth in Schedule 4.13, there are no disputes pending or to the best of CDJMA's knowledge, threatened, under or in respect of any of the Contracts.

4.14 TAXES. The CDJMA has (a) timely filed all material returns and reports for Taxes, including information returns, that are required to have been filed in connection with, relating to, or arising out of, the Water and Wastewater Systems, (b) paid all Taxes that are shown to have come due pursuant to such returns or reports and (c) paid all other material Taxes not required to be reported on returns in connection with, relating to, or arising out of, or imposed on the Acquired

Assets for which a notice of assessment or demand for payment has been received or which have otherwise become due. To the best of the CDJMA's knowledge, all such returns or reports have been prepared in accordance with all applicable laws and requirements in all material respects. None of the Acquired Assets (a) is property that is required to be treated as owned by another Person pursuant to the "safe harbor lease" provisions of former Section 168(f)(8) of the Code, (b) is "tax-exempt use property" within the meaning of Section 168(h) of the Code or (c) directly or indirectly secures any debt the interest on which is tax-exempt under Section 103(a) of the Code.

4.15 LIABILITIES. Schedule 4.15 contains a complete and accurate list of all indebtedness of the CDJMA related to the Water and Wastewater Systems. Such list includes the person to whom such indebtedness is owed, the interest rates applicable to such indebtedness, and a description of the property securing such indebtedness. CDJMA has no liabilities with respect to the Water and Wastewater Systems, either direct or indirect, matured or unmatured or absolute, contingent or otherwise, except those liabilities expressly set forth at Schedule 4.15.

4.16 CUSTOMER ADVANCES. Schedule 4.16 is a complete and accurate list of all unexpired customer advances for construction held by CDJMA as of the date of this Agreement. Prior to Closing, CDJMA shall complete the construction of all mains and facilities for which CDJMA has received customer advances and return all unexpended customer advances to the appropriate depositor. Provided, however, that for projects acceptable to and approved in writing, by PAWC, CDJMA may pay over to PAWC the unexpended, non-refundable customer advances, and PAWC shall assume all of the responsibility of the CDJMA as to those unexpired customer advances for construction and shall be bound by the terms and conditions contained in those Extension Deposit Agreements. PAWC shall not assume any responsibility for any unexpired

customer advances for construction received by CDJMA, or for any Extension Deposit Agreements to which CDJMA is or becomes a party, except as specifically agreed to in writing. Schedule 4.16 may be updated prior to Closing at the mutual consent of the parties.

## ARTICLE 5

### COVENANTS

5.1 COVENANTS OF CDJMA. From and after the date of this Agreement CDJMA covenants and agrees that:

5.1.1 CONDUCT OF BUSINESS. CDJMA will operate the Water and Wastewater Systems in the ordinary course of business and in accordance with all applicable local, state, and federal laws, rules and regulations.

5.1.2 CONTRACTS AND COMMITMENTS. Except normal and usual commitments for the purchase of materials and supplies consistent with past practice, no contract or commitment shall be entered into by or on behalf of CDJMA relating to the Water and Wastewater Systems which would materially affect the operation of the Water and Wastewater Systems after Closing, except for those commitments approved in writing by PAWC.

5.1.3 RELEASE OF LIENS. CDJMA will take action necessary to cause the release, cancellation and discharge of any and all liens or encumbrances, so that as of the Closing Date, the Acquired Assets will be free and clear of any and all such liens and encumbrances.

5.1.4 MATERIAL EVENTS AND CIRCUMSTANCE. CDJMA shall promptly inform PAWC in writing of any specific event or circumstance of which CDJMA is aware, or of which CDJMA receives notice, that has or is likely to have, individually or in the aggregate, taken together with the other events or circumstances, a Material Adverse Effect on the Acquired Assets.

5.1.5 SUPPLEMENTAL INFORMATION.

5.1.5 (a) CDJMA shall provide PAWC, within fifteen (15) days of execution or the date of receipt thereof, a copy of (a) each contract entered into by CDJMA after the date hereof and prior to Closing relating to the Water and Wastewater Systems; (b) a copy of any written notice of assessments for public improvements against any Real Estate received after the date hereof and prior to Closing; and (c) a copy of the filing of any condemnation, eminent domain or similar proceeding affecting all or any portion of any of the Real Estate received after the date hereof but prior to the Closing.

5.1.5 (b) Within fifteen (15) days of the receipt of notice of violation, CDJMA shall notify PAWC of any violations of state or federal standards.

5.1.6 TITLE INFORMATION. Within forty-five (45) days following the execution of this Agreement, CDJMA shall use its reasonable efforts to deliver to PAWC true, correct and complete copies of all existing title policies, surveys, leases, deeds, instruments and agreements relating to title to the Real Estate in CDJMA's possession.

5.1.7 REGULATORY CONSENTS. CDJMA shall at all times, use its best efforts and diligently pursue all approvals, authorizations, consents and permits required to be obtained to consummate the transaction contemplated by the Agreement, including approval of any necessary Act 537 Plan. CDJMA shall (i) as promptly as practicable, make or cause to be made such filing and submissions under the laws, rules and regulations applicable to it as may be required for CDJMA to sell the Acquired Assets pursuant to the terms of this Agreement; and (ii) keep PAW apprised of the status of any filing or submission to any such governmental or regulatory agency.

5.1.8 STORM WATER SYSTEM. Claysville Borough and Donegal Township will retain ownership of all storm water system facilities, and retain ordinances, if any, that enforce that no storm water system facilities shall be connected to or cause storm water infiltration into the Wastewater System. Schedule 5.1.8 is a complete and accurate list of such ordinances. Such ordinances shall be no less restrictive on storm water discharges after Closing than they were prior to Closing. If, at any time after Closing, PAWC identifies municipal storm water lines interconnected with the wastewater system, PAW may at its sole cost and discretion, disconnect such storm water lines from the wastewater system and tie them into the storm water system.

5.2 COVENANTS OF PAWC. From and after the date of this Agreement PAWC covenants and agrees that:

5.2.1 STAFF RETENTION PAWC will offer employment, effective as of the completion of Closing, to two (2) certified plant operators who are currently employees of CDJMA at rates of pay and benefits similar to what they currently receive, subject to possession of a valid Pennsylvania driver's license, proof of and a valid DEP wastewater operator's certification for the technology used at the CDJMA wastewater plant, successful completion of a functional capacity physical examination, successful completion of a drug screening test and successful completion of a training period, and any security clearances. At or before Closing, CDJMA will fund and terminate any existing pension liabilities and fund any retiree health care benefits as well as any other fringe benefits including, but not limited to, accrued vacation or sick pay.

5.2.2 RATES. PAWC will implement CDJMA's then in effect wastewater rates, at Closing provided such rates shall not be lower than the CDJMA rates in effect as of April 11,

2006. PAWC will implement CDJMA's then in effect water rates at closing, provided that CDJMA adjusts its water rates prior to Closing to PAWC's then in effect Rate Zone 1 water rates as provided in Section 8.1.9 of the Asset Purchase Agreement.

5.2.3. EXECUTION OF DEP CONSENT ORDER. Prior to Closing, PAWC shall participate with the Pennsylvania Department of Environmental Protection ("DEP") and CDJMA officials to develop and execute a Consent Order and Agreement between CDJMA and DEP to bring the CDJMA Wastewater system into regulatory compliance consistent with the conditions outlined in Section 8.1.16 of the Asset Purchase Agreement.

5.3 FURTHER ASSURANCES Each party to this Agreement shall cooperate and deliver such instruments and take such action as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby. After the Closing, each party shall take such other actions and execute such other documents, certifications, and further assurances as CDJMA or PAWC, as the case may be, may reasonably require in order to transfer more effectively to PAWC or to put PAWC more fully in possession of any of the Acquired Assets.

## ARTICLE 6

### REPRESENTATIONS AND WARRANTIES OF PAWC

6. REPRESENTATIONS AND WARRANTIES OF PAWC. PAWC represents and warrants to CDJMA that :

6.1 QUALIFICATION. PAWC is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all requisite corporate power and authority to own, lease and operate the Water and Wastewater Systems.

6.2 AUTHORIZATION AND ENFORCEABILITY PAWC has full corporate power and corporate authority to execute, deliver and perform this Agreement. The execution, delivery and performance by PAWC of this Agreement have been duly authorized by all necessary corporate action. This Agreement constitutes a legal, valid and binding obligation of PAWC, enforceable against PAWC in accordance with its terms. As of the Closing Date, each of the transaction documents to which PAWC is a party will be duly executed and delivered by PAWC and will constitute the legal, valid and binding obligation of PAWC, enforceable against PAWC in accordance with its respective terms.

6.3 NO VIOLATION OF LAWS OR AGREEMENTS. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated by this Agreement as of Closing will not, violate any provision of law or conflict with, result in a breach of, or constitute a default under, the terms, conditions or provisions of any agreement, contract or other instrument to which PAWC is a party.

6.4 BROKERAGE. PAWC has not made any agreement or taken any other action which might cause any Person to become entitled to a broker's or finder's fee or commission as a result of the transactions contemplated hereunder which could result in liability to CDJMA.

## ARTICLE 7

### PENNSYLVANIA PUBLIC UTILITY COMMISSION APPROVAL

7. PENNSYLVANIA PUC APPROVAL. The parties recognize and expressly agree that:

7.1 The consummation of the transaction is conditioned upon the approval of the Pennsylvania Public Utility Commission (the "Pa PUC"). PAWC and CDJMA covenant and agree to initiate, and faithfully prosecute the necessary proceedings to obtain the approval of the Pa PUC for: (a) the transfer by sale of CDJMA's Acquired Assets to PAWC; (b) the right of PAWC to provide water service to the public in the portions of Claysville Borough and Donegal and East Finley Townships, Washington County, presently being served by CDJMA; (c) the right of PAWC to provide wastewater service to the public in the portions of Claysville Borough and Donegal Township presently being served by CDJMA; (d) the right of PAWC to adopt water rates in the area to be served equal to those shown at Schedule 8.1.20 at the time of Closing and to apply PAWC's existing rules and regulations for water service as set forth in PAWC's duly filed and effective tariff generally applicable to its services at the time of Closing; (e) the right of PAWC to adopt public fire hydrant rates to be effective in the applied-for-service territory, which annual rates shall be Twenty-Four Dollars and Twenty-Nine Cents (\$24.29) as of Closing and during the first year following Closing, and thereafter shall increase by Twenty-Four Dollars and Twenty-Nine Cents (\$24.29) per year on the anniversary date of Closing each year thereafter for a period of Five (5) years to a maximum of One Hundred Twenty-One Dollars and Forty-Four Cents (\$121.44) per year, and thereafter the rates for public fire hydrants shall be equal to twenty-five (25%) percent of the cost of service as determined by the PaPUC, or as otherwise required by law; (f) the right of PAWC to adopt wastewater rates in the area to be served equal to those shown at Schedule 8.1.20 at the time of Closing; and (g) the right to adopt and apply in the area to be served, PAWC's existing rules and

regulations for wastewater service as set forth in PAWC's duly filed and effective tariff generally applicable to its services at the time of Closing. CDJMA, by this Agreement, covenants and agrees to provide such information, documents and assistance as may be reasonably requested by PAWC in connection with any such proceedings and to otherwise cooperate in the initiation and prosecution of any such proceeding.

## ARTICLE 8

### CONDITIONS PRECEDENT

8.1 CONDITIONS PRECEDENT TO PAWC'S OBLIGATIONS. The obligation of PAWC to consummate the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing, of each of the following conditions (any one or more of which may be waived in writing in whole or in part by PAWC in its sole discretion):

8.1.1 REPRESENTATIONS AND WARRANTIES. CDJMA's representations and warranties set forth in this Agreement shall be true at and as of the time of Closing with the same force and effect as though such representations and warranties were made at and as of such time, and CDJMA shall deliver to PAWC a certificate executed by its proper representatives, and dated the Closing date, certifying to the foregoing.

8.1.2 PERFORMANCE OF AGREEMENTS. CDJMA shall have performed and complied with in all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, and CDJMA shall deliver to PAWC a certificate executed by its proper representatives, and dated the Closing date, to such effect.

8.1.3 RELEASE OF LIENS. All necessary action shall have been taken to cause the release, cancellation and discharge of any and all liens and encumbrances so that as of the Closing,

the Acquired Assets shall be free and clear of any and all liens and encumbrances, and CDJMA shall have provided PAWC with such opinions, instruments or documents as PAWC may reasonably request, and in form and substance satisfactory to PAWC, evidencing the release, cancellation and discharge of any and all liens and encumbrances and that the Acquired Assets are not subject to any liens or encumbrances. In the event CDJMA is unable to convey title to the Acquired Assets to PAWC at the Closing in accordance with the terms of this Agreement, PAWC shall have the option of: (a) accepting such title as CDJMA is able to convey without abatement of the purchase price; or (b) canceling this Agreement in which case this Agreement shall be of no further force or effect and neither of the parties hereto shall have any further liability hereunder.

8.1.4 BULK SALE CLEARANCE CERTIFICATE. Seller shall obtain a bulk sale clearance certificate by giving the Pennsylvania Department of Revenue ten-days' notice prior to the completion of the sale and by filing all forms and documentation as required by 72 P.S. § 1403. The Seller shall provide PAWC with evidence that the ten-day notice was given and shall present the bulk sale clearance certificate to PAWC when the certificate is obtained.

8.1.5 PENNSYLVANIA PUC APPROVAL. The Pennsylvania PUC shall have issued an order, which order shall have become final and unappealable, approving the transactions set forth at Article 7.

8.1.6 OTHER REGULATORY CONSENTS. PAWC shall have obtained the written, final and unappealable approvals, authorizations and consents (including consents for permit transfers) that are required to consummate the transactions contemplated by this Agreement, including without limitations the approval of every regulatory agency of federal, state or local government that may be required in the opinion of either PAWC or CDJMA.

8.1.7 ACT 537 PLANS. Claysville Borough and Donegal Township shall have revised their Act 537 Plans to provide for the transfer of the Wastewater System to PAWC, for the provision of wastewater services by PAWC, and for the proposed Wastewater System improvements.

8.1.8 STORM WATER SYSTEM. Claysville Borough and Donegal Township shall have agreed in writing to (i) adopt and/or retain ordinances establishing rules and regulations consistent with PAWC's duly filed and approved Tariff rules and regulations for the making of connections and use of the Wastewater System; and (ii) enforce the provisions of such ordinances at all times.

8.1.9 CERTIFICATION OF FINANCIAL INFORMATION. CDJMA shall have delivered to PAWC a certificate, in substantially the form set forth at Schedule 8.1.9, executed by its authorized representative and in form and substance satisfactory to PAWC, listing (i) the amount of its net outstanding long-term debt or notes, if any, related to the Water and Wastewater Systems, (ii) all unexpired customers' advances for construction and unexpended contributions in aid of construction as of the Closing date, and (iii) any and all additions or retirements to the Water and Wastewater Systems during the period from the date of this Agreement to the Closing date, together with the cost thereof.

8.1.10 LIST OF MATERIALS AND SUPPLIES. CDJMA shall have delivered to PAWC a certificate listing all materials and supplies owned by CDJMA as of the Closing related to the operation or maintenance of the Water and Wastewater Systems.

8.1.11 OPINION OF COUNSEL. CDJMA shall have delivered to PAWC a favorable written opinion of its Counsel, dated as of the Closing Date and addressed to PAWC in

form and substance satisfactory to PAWC, with respect to the matters referred to herein as set forth on Schedule 8.1.11.

8.1.12 CONTRACTUAL CONSENT. CDJMA shall have obtained written approvals, authorizations and consents of transfer to all material transferable or assignable contracts, agreement, licenses and permits to the extent specifically required by the terms of such contracts, agreements, licenses or permits.

8.1.13 DELIVERY OF DOCUMENTS. CDJMA shall have delivered to PAWC the deeds, easements or assignments of easements, bills of sale, rights of way and other documents required to be transferred under this Agreement, and all books, records and such other instruments or documents maintained by CDJMA relating to the Water and Wastewater Systems.

8.1.14 DELIVERY OF RESOLUTIONS. CDJMA shall have delivered to PAWC a copy of the Resolutions, certified by their proper representatives, approving the execution, delivery and performance of this Agreement, together with the certificate of its proper representatives that said Resolutions are in full force and effect and were duly adopted.

8.1.15 PERMITS ISSUED. The Pennsylvania Department of Environmental Protection and all other regulatory agencies or authorities having jurisdiction over the operations of the Water and Wastewater Systems shall have issued or consented to the transfer of the necessary permits as shown on Schedule 4.4.3 to PAWC to operate the Water and Wastewater Systems. A copy of the NPDES Permit for the CDJMA Wastewater System in effect on the execution date of this Agreement is attached at Schedule 4.4.3. The parties acknowledge that the current NPDES permit expires November 22, 2007. PAWC reserves the right to terminate this Agreement if at any

time prior to Closing, a new NPDES Permit for the Wastewater System is issued which, in PAWC's sole opinion, is more stringent or materially different from the NPDES Permit in effect on the date of the execution of this Agreement.

8.1.16 DEP CONSENT ORDER AND APPROVAL. The CDJMA currently operates its wastewater system with a metered by-pass that allows excess wastewater flow to go directly into the receiving stream during wet weather events. PAWC believes that this metered by-pass is a sanitary sewer overflow which is in violation of current regulatory standards and laws. Therefore, prior to Closing, CDJMA shall execute, in a manner satisfactory to PAWC, a Consent Order and Agreement ("COA") with the Pennsylvania Department of Environmental Protection intended to bring the CDJMA Wastewater System into regulatory compliance as evidenced at Schedule 8.1.16. Said COA shall be in a form suitable and assignable to PAWC. DEP shall have approved an improvement plan, suitable to PAWC, to bring the CDJMA Wastewater System into regulatory compliance. PAWC reserves the right to terminate the Agreement if at any time prior to Closing, DEP issues a COA or Corrective Plan or takes other enforcement action affecting the Wastewater System, which in PAWC's sole opinion is detrimental to PAWC.

8.1.17 PAWC BOARD APPROVAL. This Agreement is subject to and contingent upon the approval of PAWC's Board of Directors, after execution by the CDJMA.

8.1.18 EASEMENTS AND RIGHTS-OF-WAY. CDJMA agrees to identify and obtain all necessary rights-of-way prior to Closing. Upon execution of this Agreement, CDJMA shall forward all documentation with respect to its rights-of-way, both recorded and unrecorded, at CDJMA's expense, to PAWC. PAWC will conduct a rights-of-way abstract, to determine whether

CDJMA has continuous rights-of-way for all of its water and wastewater lines and other facilities and that such rights are represented by legal instruments in appropriate form duly recorded.

Upon notification from PAWC that the rights-of-way for the current Water and/or Wastewater Systems are not sufficient for the operation of the Water and/or Wastewater Systems, CDJMA will, at its own expense, secure additional rights-of-way necessary to cover appurtenances of the current Water and Wastewater Systems. PAWC may cancel this Agreement at its sole discretion if CDJMA does not obtain and record by Closing all rights-of-way necessary for the maintenance and operation of the current Water and Wastewater Systems as determined by PAWC.

8.1.19 TITLE INSURANCE. A reputable title insurance company shall have issued, at PAWC's expense, title commitment to PAWC for an Owner's Title Insurance Policy including extended coverage at regular rates, evidencing good and marketable title, in the amount of the fair market value of the Real Estate, covering title to the Real Estate on the date of Closing, and subject only to the following exceptions: existing building restrictions, ordinances, easement of roads, privileges or rights of public service companies, if any, agreements or like matters of record, or easement and restrictions visible upon inspection of the premises and/or of record, if any, at standard rates to be paid by PAWC.

8.1.20 RATES. CDJMA will have adjusted its water rates at or before Closing to equal PAWC's then-in-effect Rate Zone 1 rates for all customers. PAWC will implement CDJMA's wastewater rates which shall not be lower than the wastewater rates in effect as of April 11, 2006 as shown on Schedule 8.1.20.

8.1.21 INTERCONNECTION OF CDJMA WATER SYSTEM WITH PAWC.

Prior to Closing, PAWC will have obtained permits for and completed construction of the pipeline(s) and any other facilities it deems appropriate for interconnecting the CDJMA Water System to PAWC's existing water system in Washington County, Pennsylvania. PAWC will have interconnected the PAWC existing water system to the CDJMA Water System prior to closing.

8.1.22 SALE OF JACK CUTLER DAM AND PROPERTY. It is understood and agreed that prior to Closing, PAWC will make arrangements for the sale of the Jack Cutler Dam and its surrounding properties to a third party, which will be contingent upon Closing of the Agreement between PAWC and CDJMA. The Dam facilities and properties to be sold are identified on Schedule 8.1.22. PAWC reserves the right to terminate the Purchase Agreement between PAWC and CDMJA if the Jack Cutler Dam and its surrounding properties are not under agreement of sale at the time of Closing.

8.1.23 BREECHING OF SCHOOL STREET DAM #1. Prior to Closing, PAWC shall have received assurances from DEP, the Army Corp. of Engineers and any other affected regulator that PAW will be granted all necessary permits to breach the CDJMA School Street Dam #1 immediately after Closing.

8.1.24 ACQUISITION OF WATER AND WASTEWATER SYSTEMS OR WATER SYSTEM ONLY. This agreement is conditioned upon the sale of the CDJMA Water and Wastewater Systems to PAWC. In the alternative, PAWC may agree to purchase the CDJMA Water System only in which event; PAWC and CDJMA would terminate this agreement and execute a new agreement. PAWC will exercise its option to terminate this Agreement if it is expected to purchase the Wastewater system only.

8.2 CONDITIONS PRECEDENT TO CDJMA'S OBLIGATIONS. The obligation of CDJMA to consummate the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing, of each of the following conditions (any one or more of which may be waived in writing in whole or in part by CDJMA in its sole discretion):

8.2.1 REGULATIONS AND WARRANTIES. PAWC's representations and warranties contained in this Agreement or in any Schedule, list, certificate or document delivered pursuant to the provisions of this Agreement shall be true in all material respects at and as of the time of Closing, with the same force and effect as though such representations and warranties were made at and as of such time, and PAWC shall deliver to CDJMA a certificate executed by its proper representatives, and dated the Closing Date, certifying to the foregoing.

8.2.2 PERFORMANCE OF AGREEMENTS. PAWC shall have performed and complied, in all material respects, with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, and PAWC shall deliver to CDJMA a certificate executed by its proper representatives, and dated the Closing Date, to such effect.

8.2.3 CDJMA BOARD APPROVAL. This Agreement is subject to and contingent upon the approval CDJMA's Board of Directors, after execution by the CDJMA

8.2.4 DELIVERY OF DOCUMENTS. CDJMA shall have delivered to PAWC the easements or assignments of easements, bills of sale, rights of way and other documents required to be transferred under this Agreement, and all books records and such other instruments or documents maintained by CDJMA relating to the Water System.

8.2.5 DELIVERY OF RESOLUTIONS. CDJMA shall have delivered to PAWC a copy of the Resolutions, certified by their proper representatives, approving the execution, delivery and performance of this Agreement, together with the certificate of its proper representatives that said Resolutions are in full force and effect and were duly adopted.

## ARTICLE 9

### INDEMNIFICATION

9.1 INDEMNIFICATION BY CDJMA. CDJMA will indemnify, defend and hold harmless PAWC and its affiliates and their respective officers, directors and agents at all times after the date of this Agreement, from, against and in respect of any and all damage or deficiency resulting from (i) any misrepresentation, breach of warranty or nonfulfillment of any agreement or covenant made by CDJMA in this Agreement or in any schedule, statement, certificate or other document furnished or to be furnished to PAWC in connection with the transactions contemplated hereby, and (ii) any and all liabilities of CDJMA of any nature, whether due or to become due, whether accrued, absolute, contingent or otherwise, existing on the Closing Date or arising out of any transaction entered into, any state of facts existing or any event occurring on or prior to such date.

9.2 INDEMNIFICATION BY PAWC. PAWC will indemnify and hold harmless CDJMA at all times after the date of this Agreement, from, against and in respect of any and all damage or deficiency resulting from (i) any misrepresentation, breach of warranty or nonfulfillment of any agreement or covenant made by PAWC as set forth in this Agreement or in any statement, certification or other document furnished or to be furnished to CDJMA, in connection with the

transactions contemplated hereby, and (ii) PAWC's operations of the Water and Wastewater Systems after Closing.

## ARTICLE 10

### MISCELLANEOUS

10.1 REALTY TRANSFER TAXES. PAWC agrees to pay one half and CDJMA will pay one half of any realty transfer taxes that may be due or owing as a result of the within transaction, and the parties agree to prorate any property taxes, if any.

10.2 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations, warranties and agreements made by CDJMA and PAWC in this Agreement or pursuant hereto shall survive the Closing.

10.3 PENNSYLVANIA LAW TO GOVERN. This Agreement is being delivered in the Commonwealth of Pennsylvania and shall be construed and enforced in accordance with the laws of such State.

10.4 RISK OF LOSS. CDJMA retains all risk of destruction, losses or damage to Acquired Assets due to fire or other casualty up to the Closing and agrees to maintain its current insurance coverage until the Closing. If prior to the Closing: (i) all or part of the Acquired Assets are destroyed by fire or the elements or by any other cause; or (ii) all or a part of the Acquired Assets are taken by eminent domain, CDJMA shall give prompt notice thereof to PAWC and PAWC may, by notice given to CDJMA prior to Closing, elect to cancel this Agreement. In the event PAWC shall so elect, both parties shall be relieved and released of and from any further liability hereunder.

10.5 ACCESS AND INFORMATION. CDJMA will give to authorized representatives of PAWC reasonable access during normal business hours throughout the period prior to Closing to all the properties, books, contracts, commitments, and records of CDJMA relating to the Water and Wastewater Systems, and furnish PAWC during such period with all such information relating thereto as PAWC may reasonably request. Within thirty (30) days of the execution of this Agreement, the CDJMA shall provide PAWC with a complete list of customers, including names, service addresses, billing addresses, and meter sizes and serial numbers in meter reading route sequence and two (2) sets of peel and stick mailing labels for billing addresses. This complete list shall be updated at Closing and provided to PAWC at Closing so as to be true and correct on the date of Closing.

10.6 RIGHT OF ENTRY. After the date of this Agreement and until Closing, PAWC shall have the reasonable right to enter upon the property and facilities constituting the Water and Wastewater Systems, after making reasonable prior arrangement with CDJMA, for the purpose of making such inspections and investigations of the Water and Wastewater Systems, including, but not limited to surveys, fire hydrant testing, environmental assessments, and engineering studies, as PAWC deems reasonably necessary. PAWC shall indemnify and hold CDJMA harmless from and against all losses, damages, demands, claims, suits and other liabilities, including attorney fees and other expenses of litigation, because of personal or bodily injury or property damage resulting from PAWC's presence at or use of the Water and Wastewater Systems for such inspections and investigations. PAWC shall promptly (within five (5) business days) return the surface of the property to substantially the same as before such inspections and investigations.

10.7 ENVIRONMENTAL ASSESSMENT. After the date of this Agreement and until the Closing Date, PAWC shall have the reasonable right to enter upon the property and facilities constituting the Water and Wastewater Systems, after making reasonable prior arrangement with CDJMA, for the purposes of conducting an environmental assessment of the Water and Wastewater Systems. In the event the results of such assessment are that the Water and/or Wastewater Systems or any portion thereof is contaminated with hazardous substances, then PAWC may at its sole discretion terminate this Agreement by giving written notice to CDJMA and whereupon neither PAWC nor CDJMA shall have any further obligations to the other under this Agreement.

10.8. TERMINATION OF AGREEMENT. If Closing does not occur by December 31, 2007, with the full cooperation and diligent efforts of PAWC and CDJMA, then either party may terminate this Agreement upon written notice to the other, and the parties shall be relieved of all rights and responsibilities hereunder, except as specified herein.

10.9 SECTION HEADINGS. The Section headings herein have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

10.10 NOTICES. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid, registered mail, return receipt requested:

To CDJMA: Claysville-Donnegal Joint Municipal Authority  
Attention:Mr. Earl Tustin, Chairman  
P.O. Box 457  
314 Main Street  
Claysville, PA 15323

With a copy to: Dennis Makel  
P. O. Box 4193  
Washington, PA 15301-1117

To PAWC: Pennsylvania-American Water Company  
800 West Hershey Park Drive  
Hershey, PA 17033

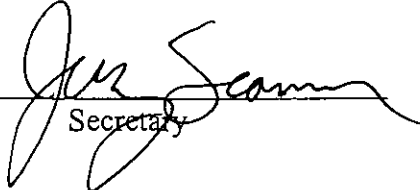
10.11 SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of and be binding upon the successors and assignees of PAWC and CDJMA. No assignment of this Agreement will be permitted unless the assignment is approved in writing by the nonassigning party, which approval will not be unreasonably withheld.

10.12 NO THIRD PARTY BENEFICIARIES. Nothing herein expressed or implied is intended or should be construed to confer upon or give to any person other than the parties hereto and their successors and permitted assigns any rights or remedies under or by reason of this Agreement.

10.13 ENTIRE AGREEMENT. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof, supersedes any prior agreements or understandings, written or oral, among the parties with respect to the subject matter hereof and is not intended to confer upon any person other than the parties hereto any benefit, right or remedy.

10.14 AMENDMENT AND WAIVER. The Parties may by mutual agreement, amend this Agreement or waive compliance by the other party with any of the covenants or agreements contained herein. To be effective, any such amendment or waiver must be in writing and be signed by the party providing such waiver or extension, as the case may be. The waiver by any party hereto of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach, whether or not similar.

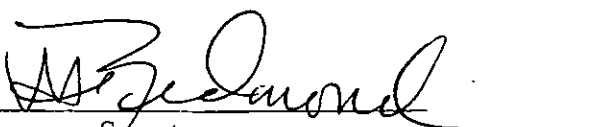
ATTEST:

  
Secretary


CLAYSVILLE-DONEGAL JOINT MUNICIPAL  
AUTHORITY

  
(Chairman)

ATTEST:

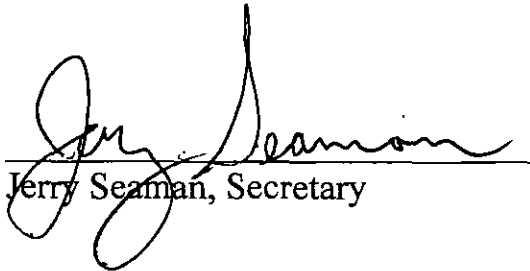
  
Secretary

PENNSYLVANIA-AMERICAN WATER  
COMPANY

  
(Vice) President

**ADDENDUM**  
**of**  
**NOVEMBER 16, 2006**

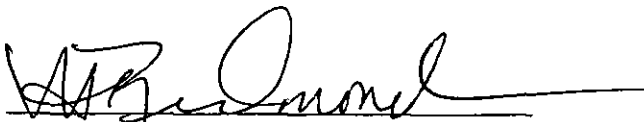
The consummation of the Purchase Agreement between the parties is dependent upon Claysville Donegal Joint Municipal Authority being completely debt free after the reception of the Two Million Dollar purchase price and the use of available funds held by said authority. If the authority does not have sufficient funds to cover any and all of its debts and obligations then the Authority retains the sole right to cancel this agreement.

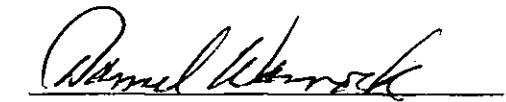
  
\_\_\_\_\_  
Jerry Seaman, Secretary

Claysville Donegal Joint  
Municipal Authority

  
\_\_\_\_\_  
Earl Tustin, Chairman

Pennsylvania American Water  
Company

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
(Vice) President

**Schedule 1.2**

**Excluded Assets**

Property located at 314 Main Street, Claysville, Pennsylvania 15323, and all office equipment, including desks, chairs, copiers, computers, filing cabinets, etc. which is situate within the office building.

**Schedule 4.4.3**

**Permits**

See Attached.

Nov. 3. 2006 11:14AM CDJMA

Water Allocatio.

Permit No. WA 63:1

Washington

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES

PERMIT

The Department of Environmental Resources, established by the Act of December 3, 1970 (71 P.S. 51 et. seq.) and transferring the functions of the Water and Power Resources Board, under and by virtue of the authority vested in and imposed upon it by an Act of the General Assembly of Pennsylvania, entitled "An Act relating to the acquisition of rights to divert water from rivers, streams, natural lakes, and ponds, or other surface waters within the Commonwealth or partly within and partly without the Commonwealth" etc., approved the 24th day of June, one thousand nine hundred and thirty-nine, P.L. 842 (Act No. 365) hereby grants leave to \_\_\_\_\_

CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY

with its principal offices located in P. O. Box 467, Claysville, Pennsylvania 15323

to acquire and use for public water supply purposes, subject to such existing rights and uses as may now be lawful, water rights in the following designated waters of

the Commonwealth: Withdraw five hundred and twenty thousand (520,000) gallons of water per day from an unnamed tributary of Dutch Fork Creek at an existing six million (6,000,000) gallon capacity impounding dam in the northwest part of Claysville Borough; and five hundred and twenty thousand (520,000) gallons of water per day from a second unnamed tributary of Dutch Fork Creek at a proposed fifty million (50,000,000) gallon capacity impounding dam, about one (1) mile west of Claysville in Donegal Township, Washington County; both withdrawals together not to exceed five hundred and twenty thousand (520,000) gallons of water per day; and the total withdrawal from both sources not to exceed an average of two hundred and fifty thousand (250,000) gallons of water per day on a monthly basis.

This permit is issued in response to an application filed with the Department of Environmental Resources on the 31st day of July, A.D. 1979, and with the understanding that the proposed source of water supply shall be developed as set forth in said application and in accompanying data filed with and made a part thereof \_\_\_\_\_

subject, however, to the provisions of the Act of June 24th, 1939, P.L. 842 (No. 365) and the following conditions, regulations and restrictions:

1. This permit does not give any property rights, either in real estate or material, nor any exclusive privileges, nor shall it be construed to grant or confer any right, title, easement or interest in, to or over any land belonging to the Commonwealth of Pennsylvania; neither does it authorize any injury to private property

nor invasion of private rights, nor any infringement of Federal, State or local laws or regulations; nor does it obviate the necessity of obtaining Federal assent when necessary;

2. The duration of this permit shall be for a period of 50 years only, provided, however, that should the permittee for any reason whatsoever fail to take and use the water or water rights for which the permit is issued within a period of four (4) years, then this permit shall cease and be null and void; unless upon application of the permittee an extension of such period is granted by the Department of Environmental Resources.

3. The permittee shall, within twelve (12) months after the date of this permit, file proof with the Department of Environmental Resources of the method and extent of its acquisition.

4. The construction of the works necessary for the development of the supply of water allocated under this permit shall be begun within two (2) years from the date of the permit and completed within two (2) years thereafter, a total period of four (4) years;

SEE ATTACHED SHEET

Date May 27, 1980

DEPARTMENT OF ENVIRONMENTAL RESOURCES

by: *C. H. McConnell*  
C. H. McConnell, Deputy Secretary  
Resources Management

ATTEST:

*John E. McSparran*  
John E. McSparran, Director  
Bureau of Resources Programming

5. Permit No. WA-357-A, issued to the Borough of Claysville on May 11, 1955, to take 90,000 gpd from two tributaries of Dutch Fork Creek, is hereby revoked and shall be returned to the Department of Environmental Resources.
6. Permit No. WA-357-B, issued to the Borough of Claysville on March 13, 1968, to take 100,000 gpd from an unnamed tributary of Dutch Fork Creek two miles west of Claysville, is hereby revoked and shall be returned to the Department of Environmental Resources.
7. The permittee shall install accurate measuring and recording instruments or devices to determine the amount of water taken at each source. The design and layout of said measuring devices shall be submitted to and be approved by the department before installation. Records of daily flow readings shall be submitted to the Department at the end of each month and the original records shall be available at all times for inspection by representatives of the Department. The required measuring devices shall be installed and readings shall begin immediately upon the use of the water for intended purposes.
8. A continuous flow of not less than 50,000 gallons per day shall be maintained at all times in the tributary of Dutch Fork Creek downstream from the proposed dam and reservoir on the stream one mile west of Claysville, in Donegal Township, Washington County. Prior to construction and operation of a sewage treatment plant on a second unnamed tributary of Dutch Fork Creek in Claysville Borough, the continuous flow shall not be less than 150,000 gallons per day.
9. The permittee will adopt and implement a continuous program to encourage water conservation in all types of use within the area served by this allocation permit. The permittee will report to the Department of Environmental Resources on the actions taken pursuant to this program and the impact of those actions, on or before March 31st of each year.
10. The permittee will operate a systematic program to monitor its water lines for water leakage and shall make repairs where necessary. The permittee shall file a report describing the systematic program for monitoring its lines and facilities and the actions taken pursuant to the program, on or before March 31st of each year.

This report was prepared and is respectfully submitted by:

*Arthur T. Alter*

Arthur T. Alter

Date: May 23<sup>rd</sup>, 1980

The foregoing recommendation is concurred in:

John E. McSparran

Date: *John E. McSparran*

## F. Conservation

DER finds that the Joint Authority is already engaged in many of the measures which constitute good conservation practices. Since the Joint Authority took over operation of the water system in January, 1977, an aggressive leak control program has reduced leakage loss by almost a fourth (from 82 gpcd to 63 gpcd). The Joint Authority has indicated a commitment to continuing monitoring of leaks and conservation. Special conditions on leakage control and on encouraging water conservation by the Joint Authority's customers are included in the new permit.

## X. RECOMMENDATION

The application submitted by the Claysville-Donnegal Joint Municipal Authority has been carefully reviewed and considered. The proposed increase has been the subject of contacts with other agencies and a meeting between representatives of the Joint Authority, Fish Commission, and DER on April 11, 1980.

The permit previously issued to the Borough of Claysville will be assigned to the Joint Authority. The amount will be increased to conform with the capacity of the new water treatment plant which will be built. This same amount will also be assigned to the new raking point at the proposed 50-million gallon reservoir and dam. The total takings from both sources, taken individually or jointly, will be limited to the capacity of the water treatment plant (520,000 gpd).

In addition to a maximum amount of taking, an average amount of taking will be assigned to the total taking from both sources. The amount of average taking is recommended to be 250,000 gpd and is considered reasonable compared with the safe yield of the sources and the projected demands of the Joint Authority's customers.

The questions of used water return, low flow conservation releases, and conservation have been analyzed, discussed, and reasonable resolutions reached.

It is recommended that the Claysville-Donnegal Joint Municipal Authority be granted a permit to withdraw five hundred and twenty thousand (520,000) gallons of water per day from an unnamed tributary of Dutch Fork Creek at an existing six million (6,000,000) gallon capacity impounding dam in the northwest part of Claysville Borough; and five hundred and twenty thousand (520,000) gallons of water per day from a second unnamed tributary of Dutch Fork Creek at a proposed fifty million (50,000,000) gallon capacity impounding dam, about one (1) mile west of Claysville in Donegal Township; both withdrawals together not to exceed five hundred and twenty thousand (520,000) gallons of water per day; and the total withdrawal from ~~the~~ ~~reservoir~~ ~~and~~ ~~dam~~ ~~has~~ not to exceed an average of two hundred and fifty thousand (250,000) gallons of water per day on a monthly basis; both taking points in Washington County, subject to the following special conditions:

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES  
BUREAU OF COMMUNITY ENVIRONMENTAL CONTROL

PUBLIC WATER SUPPLY PERMIT

NO. 6390501

<p>A. PERMITTEE: (Name and Address)  <b>Claysville-Donegal Joint Municipal Authority</b>          240 Main Street          P.O. Box 467          Claysville, Pennsylvania 15323</p>	<p>B. PROJECT LOCATION          Municipality <u>Claysville Borough</u>          County <u>Washington</u></p>		
<p>C. THIS PERMIT APPROVES FOR: 1. <input type="checkbox"/> Use as Source of Supply 2. <input checked="" type="checkbox"/> Construction 3. <input type="checkbox"/> Operation</p> <p>AS INDICATED BELOW:</p> <table style="width:100%;"> <tr> <td style="width:50%; vertical-align: top;"> <p>4. Source</p> <input type="checkbox"/> Well(s)  <input type="checkbox"/> Spring(s)  <input type="checkbox"/> Stream  <input type="checkbox"/> Lake         </td> <td style="width:50%; vertical-align: top;"> <p>5. Facilities</p> <input type="checkbox"/> Impoundment  <input checked="" type="checkbox"/> Settling  <input checked="" type="checkbox"/> Filtration  <input type="checkbox"/> Iron and Manganese Treatment  <input type="checkbox"/> Softening  <input type="checkbox"/> Fluoridation  <input type="checkbox"/> Other _____         </td> </tr> </table>		<p>4. Source</p> <input type="checkbox"/> Well(s) <input type="checkbox"/> Spring(s) <input type="checkbox"/> Stream <input type="checkbox"/> Lake	<p>5. Facilities</p> <input type="checkbox"/> Impoundment <input checked="" type="checkbox"/> Settling <input checked="" type="checkbox"/> Filtration <input type="checkbox"/> Iron and Manganese Treatment <input type="checkbox"/> Softening <input type="checkbox"/> Fluoridation <input type="checkbox"/> Other _____
<p>4. Source</p> <input type="checkbox"/> Well(s) <input type="checkbox"/> Spring(s) <input type="checkbox"/> Stream <input type="checkbox"/> Lake	<p>5. Facilities</p> <input type="checkbox"/> Impoundment <input checked="" type="checkbox"/> Settling <input checked="" type="checkbox"/> Filtration <input type="checkbox"/> Iron and Manganese Treatment <input type="checkbox"/> Softening <input type="checkbox"/> Fluoridation <input type="checkbox"/> Other _____		
<p>KNOWN AS: <u>Claysville Water Treatment Plant, Hilltop Storage Tank</u></p>			
<p>YOU ARE HEREBY AUTHORIZED TO USE AS SOURCE(S) OF SUPPLY, CONSTRUCT OR OPERATE, AS INDICATED ABOVE, PROVIDED THAT FAILURE TO COMPLY WITH CHAPTER 109, ARTICLE II, OF THE RULES AND REGULATIONS OF THE DEPARTMENT OF ENVIRONMENTAL RESOURCES OR THE TERMS OR CONDITIONS OF THIS PERMIT SHALL VOID THE AUTHORITY GIVEN TO THE PERMITTEE BY THE ISSUANCE OF THE PERMIT.</p> <p>NO DEVIATIONS FROM APPROVED PLANS OR SPECIFICATIONS AFFECTING THE TREATMENT PROCESS OR QUALITY OF WATERS SHALL BE MADE WITHOUT WRITTEN APPROVAL FROM THE DEPARTMENT.</p> <p>THIS PERMIT IS ISSUED BY THE DEPARTMENT OF ENVIRONMENTAL RESOURCES UNDER THE AUTHORITY OF THE PENNSYLVANIA SAFE DRINKING WATER ACT, THE ACT OF MAY 1, 1994 (P.L. 206, NO. 43). OPERATION SHALL COMPLY WITH THE PROVISIONS OF CHAPTER 109 ADOPTED UNDER THE AUTHORITY IN SECTIONS 4 AND 6(a) OF THE PENNSYLVANIA SAFE DRINKING WATER ACT.</p> <p>THIS PERMIT IS SUBJECT TO THE ATTACHED SPECIAL CONDITIONS <u>A &amp; B</u></p> <p>THIS PERMIT IS SUBJECT TO THE FOLLOWING STANDARD CONDITIONS RELATING TO EROSION CONTROL _____</p>			
<p><b>Construction</b> PERMIT ISSUED</p> <p>Date <u>DEC 17 1991</u></p> <p><b>Operation</b> Permit Issued</p> <p>Date _____</p>	<p>DEPARTMENT OF ENVIRONMENTAL RESOURCES</p> <p>By <u>Thomas R. Vayansky</u>  <b>Thomas R. Vayansky</b>          Title <u>Regional Manager</u></p> <p>By _____          Title <u>Regional Manager</u></p>		

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES  
BUREAU OF COMMUNITY ENVIRONMENTAL CONTROL

No. 6390501

SPECIAL CONDITIONS

Claysville-Donegal Joint Municipal Authority  
Claysville Water Treatment Plant/Hilltop Storage Tank

Claysville Borough  
Washington County

Construction

- A. Approval to operate this facility is specifically withheld until the construction work has been approved by Department representatives, and adequate operation and maintenance information is available for use by Authority personnel.
- B. The Authority representative or supervisory engineer must certify the project was constructed in accordance with the approved plans and specifications.



**COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES**

SOUTHWEST REGION - FIELD OPERATIONS  
COMMUNITY ENVIRONMENTAL CONTROL  
Highland Building  
121 South Highland Avenue  
Pittsburgh, Pennsylvania 15206-3988  
(412) 645-7100 (answers 24 hrs.)

DEC 17 1991

Mr. Robert Cumer, Chairman  
Claysville-Donegal Joint Municipal Authority  
240 Main Street  
P.O. Box 467  
Claysville, PA 15323

RE: Water Supply Permit No. 6390501  
Claysville-Donegal Joint Municipal  
Authority  
Claysville Borough  
Washington County

Dear Mr. Cumer:

We are pleased to enclose Water Supply Permit No. 6390501 for the construction of the improvements to your water treatment plant and distribution system. This permit is issued in response to your application accepted by our office on June 18, 1990 and revisions dated July 31, 1991.

We call your attention to the following special conditions included in this construction permit:

1. Special Condition A requires that the new facilities not be placed into full operation until the construction work has been approved by Department personnel.
2. Special Condition B requires that a Authority representative or supervising engineer certify that the project was constructed in accordance with the approved plans and specifications. A Certificate of Construction is enclosed for this purpose. A copy is also being sent to your engineer.

Claysville-Donegal  
Joint Municipal Authority

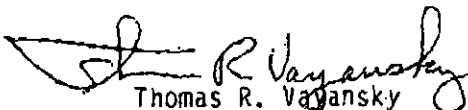
- 2 -

November 14, 1991

Your facilities will be periodically inspected by representatives from our McMurray District Office located at 3913 Washington Road, McMurray, PA 15317. Their telephone number is 412/941-7100.

Should you have any questions, please call Ms. Deborah L. McDonald of my staff at 412-645-7100.

Sincerely,

  
Thomas R. Vayansky  
Regional Program Manager

TRV:DLM:njh

Enclosure

cc: Robert E. Carnahan, Chester Engineers  
McMurray District Office  
PENNVEST  
Water Quality Management



Pennsylvania Department of Environmental Protection

400 Waterfront Drive  
Pittsburgh, PA 15222-4745

NOV 22 2002

Southwest Regional Office

412-442-4000  
Fax 412-442-4328

CERTIFIED MAIL NO. 7000 1670 0005 1022 3806

Claysville-Donegal Joint Municipal Authority  
314 Main Street, PO Box 467  
Claysville, PA 15323

Re: Sewage  
Claysville Water Pollution Control Plant  
NPDES Permit No. PA0093165  
APS I.D. No. 348379  
Donegal Township  
Washington County

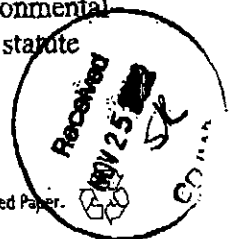
Gentlemen:

Your permit is enclosed. Review it carefully, with special attention to the effluent limitations, monitoring requirements, and other requirements in Part C of the permit.

The discharge limitations and monitoring requirements in your NPDES permit are also typed on the original Discharge Monitoring Report (DMR) that is attached to the permit. That original DMR is provided as a master, so do not write on it but rather: (1) make copies of it; (2) after doing the sample analyses and flow measurements required by the permit, fill out all the empty blocks on one of the copies by following the instructions on the back of the original DMR; and (3) make copies of the filled out copy and send one to each of the addresses listed in Part C of the permit.

A copy of an original "Discharge Monitoring Report - Supplemental Sewage Sludge Report" is enclosed. You should make a supply of copies for future use. Please follow the instructions and submit copies of the completed form (2 sided), as an attachment to the DMR, to each of the addresses listed in Part C of the permit.

Any person aggrieved by this action may appeal, pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. Section 7514, and the Administrative Agency Law, 2 Pa. C.S. Chapter 5A, to the Environmental Hearing Board, Second Floor, Rachel Carson State Office Building, 400 Market Street, PO Box 8457, Harrisburg, PA 17105-8457, 717-787-3483. TDD users may contact the Board through the Pennsylvania Relay Service, 800-654-5984. Appeals must be filed with the Environmental Hearing Board within 30 days of receipt of written notice of this action unless the appropriate statute



Claysville-Donegal Joint Municipal Authority -2-

provides a different time period. Copies of the appeal form and the Board's rules of practice and procedure may be obtained from the Board. The appeal form and the Board's rules of practice and procedure are also available in braille or on audiotape from the Secretary to the Board at 717-787-3483. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

IF YOU WANT TO CHALLENGE THIS ACTION, YOUR APPEAL MUST REACH THE BOARD WITHIN 30 DAYS. YOU DO NOT NEED A LAWYER TO FILE AN APPEAL WITH THE BOARD.

IMPORTANT LEGAL RIGHTS ARE AT STAKE, HOWEVER, SO YOU SHOULD SHOW THIS DOCUMENT TO A LAWYER AT ONCE. IF YOU CANNOT AFFORD A LAWYER, YOU MAY QUALIFY FOR FREE PRO BONO REPRESENTATION. CALL THE SECRETARY TO THE BOARD (717-787-3483) FOR MORE INFORMATION.

If you have any questions, please call me at 412-442-4058.

Sincerely,



Raymond E. Lattner  
Water Management

Enclosures

CDJMA COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
WATER MANAGEMENT PROGRAM

**AUTHORIZATION TO DISCHARGE UNDER THE  
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM**

**NPDES PERMIT NO. PA0093165**

In compliance with the provisions of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (the "Act") and Pennsylvania's Clean Streams Law, as amended, 35 P.S. Section 691.1 et seq.,

Claysville-Donegal Joint Municipal Authority  
314 Main Street, PO Box 467  
Claysville, PA 15323

is authorized to discharge from a facility located at

Claysville Water Pollution Control Plant  
Donegal Township  
Washington County

to receiving waters named Dutch Fork

in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts A, B, and C hereof.

**THIS PERMIT SHALL EXPIRE AT MIDNIGHT, NOV 22 2007.**

The authority granted by this permit is subject to the following further qualifications:

1. If there is a conflict between the application, its supporting documents and/or amendments and the terms and conditions of this permit, the terms and conditions shall apply.
2. Failure to comply with the terms, conditions, or effluent limitations of this permit is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal.
3. Complete application for renewal of this permit, or notification of intent to cease discharging by the expiration date, must be submitted to the Department at least 180 days prior to the expiration date (unless permission has been granted by the Department for submission at a later date), using the appropriate NPDES permit application form.

In the event that a timely and complete application for renewal has been submitted and the Department is unable, through no fault of the permittee, to reissue the permit before the expiration date, the terms and conditions of this permit, including submission of the Discharge Monitoring Reports, will be automatically continued and will remain fully effective and enforceable pending the grant or denial of the application for permit renewal.

4. This NPDES permit does not constitute authorization to construct or make modifications to wastewater treatment facilities necessary to meet the terms and conditions of this permit.

DATE PERMIT ISSUED

NOV 22 2002

ISSUED BY



DATE EFFECTIVE

DEC -1 2002

Tim V. Dreier, P.E.  
Water Management Program Manager

PART A

I. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS FOR OUTFALL 001 WHICH RECEIVES WASTE FROM:

the sewage treatment plant  
at Latitude 40° 06' 53" Longitude 80° 25' 54" Stream Code 32838 River Mile Index (RMI) 9.1

- a. The permittee is authorized to discharge during the period from effective date through expiration date.
- b. Based on the production data and/or anticipated wastewater characteristics and flows described in the permit application and its supporting documents and/or amendments, the following effluent limitations and monitoring requirements apply. Total (dissolved plus suspended fraction) is implied for each parameter unless otherwise indicated.

Discharge Parameter	DISCHARGE LIMITATIONS (gross unless otherwise indicated)						MONITORING REQUIREMENTS		
	Mass Units			Concentrations			Instant. Max.	Measurement Frequency	Sample Type
	Average Monthly	Average Weekly	Max. Daily	Average Monthly	Average Weekly	Max. Daily			
Flow (mgd)	Monitor and Report								
CBOD-5 Day	20	30		15	22.5		30	1/week	8-hour composite
Suspended Solids	33.4	50.7		25	38		50	1/week	8-hour composite
Ammonia Nitrogen	2.0	3.0		1.5	2.3		3.0	1/week	8-hour composite
	5.3	8.0		4.0	6.0		8.0	1/week	8-hour composite
Total Residual Chlorine <sup>(1)</sup>				0.03			0.10	30/month	grab
Phosphorus	2.7	4.0		2.0	3.0		4.0	1/week	8-hour composite
Dissolved Oxygen				7.0 mg/l minimum				1/week	grab
% Removal (BOD-5 Day & SS)	refer to Part C								
Fecal Coliform Organisms	refer to Part C for effective disinfection								
pH	not less than 6.0 nor greater than 9.0 standard units								

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location: at the outfall pipe

(1) See Part C of this permit for additional monitoring and reporting information relative to this permit.

## 2. DEFINITIONS

- a. "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility.
- b. "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.
- c. "Daily discharge" means the "discharge of a pollutant" measured during a calendar day or any 24-hour period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the "daily discharge" is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the "daily discharge" is calculated as the average measurement of the pollutant over the day.
- d. "Average" refers to the use of an arithmetic mean, unless otherwise specified in this permit.
- e. "Geometric average (mean)" means the average of a set of n sample results given by the  $n^{\text{th}}$  root of their product.
- f. "Average monthly discharge limitation" means the highest allowable average of "daily discharge" over a calendar month, calculated as the sum of all "daily discharge" measured during a calendar month divided by the number of "daily discharge" measured during that month.
- g. "Average weekly discharge limitation" means the highest allowable average of "daily discharge" over a calendar week, calculated as the sum of all "daily discharge" measured during a calendar week divided by the number of "daily discharge" measured during that week.
- h. "Maximum daily discharge limitation" means the highest allowable "daily discharge."
- i. "Maximum any time" (or instantaneous maximum) means the concentration not to be exceeded at any time in any grab sample.
- j. "Composite sample" (for all except GC/MS volatile organic analysis) means a combination of at least 8 individual samples of at least 100 milliliters collected manually or automatically at periodic intervals during the operating hours of a facility over a 24 hour period. The composite must be flow-proportional; either the volume of each individual sample is proportional to discharge flow rates, or the sampling interval (for constant volume samples) is proportional to the flow rates over the time period used to produce the composite.  
  
"Composite sample for GC/MS volatile organic analysis" consists of at least four (rather than eight) aliquots or grab samples collected during actual hours of discharge over a 24 hour period and need not be flow proportioned. The four samples are composited in the laboratory immediately before analysis, and only one analysis performed.

The maximum time period between individual samples used for any "composite sample" shall not exceed two hours, except that for wastes of a uniform nature the samples may be collected on a frequency of at least twice per working shift and shall be equally spaced over a 24-hour period (or over the operating day if flows are of a shorter duration).

- k. "Grab sample" means an individual sample of at least 100 milliliters collected at a randomly-selected time over a period not to exceed 15 minutes.
- l. "i-s" means immersion stabilization - in which a calibrated device is immersed in the wastewater until the reading is stabilized.
- m. "Daily average temperature" means the average of all temperature measurements made, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar day or during the operating day if flows are of a shorter duration.
- n. "Measured flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.
- o. "At outfall XXX" means a sampling location in outfall line XXX below the last point at which wastes are added to outfall line XXX, or where otherwise specified.
- p. "Estimated flow" means any method of liquid volume measurement based on a technical evaluation of the sources contributing to the discharge including, but not limited to, pump capabilities, water meters and batch discharge volumes.
- q. "Non-contact cooling water" means water used to reduce temperature which does not come in direct contact with any raw material, intermediate product, waste product (other than heat), or finished product.

Such water may on occasion, as a result of corrosion, cooling system leakage or similar cooling system failures contain small amounts of process chemicals: provided, that all reasonable measures have been taken to prevent, reduce, eliminate and control to the maximum extent feasible such contamination: and provided further, that all reasonable measures have been taken that will mitigate the effects of such contamination once it has occurred.

- r. "Toxic pollutant" means those pollutants, or combinations of pollutants, including disease-causing agents, which after discharge and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will, on the basis of information available to the Administrator of the United States Environmental Protection Agency, cause death, disease, behavioral abnormalities, cancer, genetic mutations, physiological malfunctions, including malfunctions in reproduction, or physical deformations in such organisms or their offspring.
- s. "Hazardous substance" means any substance designated under Title 40 Code of Federal Regulations Part 116 (40 CFR 116) pursuant to Section 311 of the Clean Water Act.
- t. "Publicly Owned Treatment Works" or "POTW" means a facility as defined by Section 212 of the Clean Water Act which is owned by a State or Municipality, as defined by Section 502(4) of the Clean Water Act, including any sewers that convey wastewater to such a treatment works, but not including pipes, sewers or other conveyances not connected to a facility providing treatment. The term also means the municipality as defined in Section 502(4) of the Clean Water Act which has jurisdiction over the indirect discharges to and the discharges from such a treatment works.

- u. "Industrial User" means an establishment which discharges or introduces industrial wastes into a Publicly Owned Treatment Works (POTW).
- v. "Total Dissolved Solids" means the total dissolved (filterable) solids as determined by use of the method specified in 40 CFR 136.
- w. "Storm water associated with industrial activity" means the discharge from any conveyance which is used for collecting and conveying storm water and which is directly related to manufacturing, processing, or raw materials storage areas as defined at 40 CFR 122.26(b)(14).
- x. "Storm water" means storm water runoff, snow melt runoff, and surface runoff and drainage.
- y. "Best Management Practices ("BMPs")" means schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to prevent or reduce the pollution of "Waters of the United States". BMPs also include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage.

### 3. SELF-MONITORING, REPORTING, AND RECORDS KEEPING

#### a. Representative Sampling

- (1) Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

#### (2) Records Retention

Except for records of monitoring information required by this permit related to the permittee's sewage sludge use and disposal activities which shall be retained for a period of at least 5 years, all records of monitoring activities and results (including all original strip chart recordings for continuous monitoring instrumentation and calibration and maintenance records), copies of all reports required by this permit, and records of all data used to complete the application for this permit shall be retained by the permittee for three (3) years from the date of the sample measurement, report, or application. The three year period shall be extended as requested by the Department or the EPA Regional Administrator.

#### (3) Recording of Results

For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record the following information:

- (i) The exact place, date, and time of sampling or measurements;
- (ii) The person(s) who performed the sampling or measurements;
- (iii) The date(s) the analyses were performed;
- (iv) The person(s) who performed the analyses;

(v) The analytical techniques or methods used; and the associated detection level; and

(vi) The results of such analyses.

(4) Test Procedures

Unless otherwise specified in this permit, the test procedures for the analysis of pollutants shall be those contained in 40 CFR 136 (or in the case of sludge use or disposal, approved under 40 CFR 136 unless otherwise specified in 40 CFR 503), or alternate test procedures approved pursuant to those parts, unless other test procedures have been specified in the permit.

(5) Quality Assurance/Control

In an effort to assure accurate self-monitoring analyses results:

- (a) Permittee or its designated laboratory shall participate in the periodic scheduled quality assurance inspections conducted by the Department and EPA.
- (b) The permittee or its designated laboratory shall develop and implement a program to assure the quality and accurateness of the analyses performed to satisfy the requirements of this permit in accordance with 40 CFR 136, Appendix A

b. Reporting of Monitoring Results

- (1) The permittee shall effectively monitor the operation and efficiency of all wastewater treatment and control facilities, and the quantity and quality of the discharge(s) as specified in this permit.
- (2) Unless instructed otherwise in Part C of this permit, monitoring results obtained each month shall be summarized for that month and reported on a Discharge Monitoring Report (DMR).
- (3) The completed DMR Form shall be signed and certified either by the following applicable person (as defined in 40 CFR 122.22(a)) or by that person's duly authorized representative (as defined in 40 CFR 122.22(b)):
  - For a corporation - by a responsible corporate officer
  - For a Partnership or Sole Proprietorship - by a general partner or the proprietor, respectively
  - For a Municipality, State, Federal or other public agency - by a principle executive officer or ranking elected official.

If signed by other than the above, written notification of delegation of DMR signatory authority must be submitted to the Department. The DMR and any other reports required herein shall be submitted to the appropriate agency at the address listed in Part C of this permit and postmarked no later than the 28th day of the following month.

- (4) If the permittee monitors any pollutant, using analytical methods described in A.3.a(4) above, more frequently than the permit requires, the results of this monitoring shall be incorporated, as appropriate, into the calculations used to report self-monitoring data on the DMR.

c. Reporting Requirements

(1) Planned Changes - The permittee shall give notice to the Department as soon as possible of any planned physical alterations or additions to the permitted facility. Notice is required only when:

- (a) The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in 40 CFR 122.29(b); or
- (b) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under 40 CFR 122.42(a)(1).
- (c) The alteration or addition results in a significant change in the permittee's sludge use or disposal practices, and such alteration, addition, or change may justify the application of permit conditions that are different from or absent in the existing permit, including notification of additional use or disposal sites not reported during the permit application process or not reported pursuant to an approved land application plan;

(2) Anticipated Non-Compliance

The permittee shall give advance notice to the Department of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

(3) Compliance Schedules

Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of this permit shall be submitted no later than 14 days following each schedule date.

(4) Twenty-Four Hour Reporting

- (a) The permittee shall report any noncompliance which may endanger health or the environment. Any information shall be provided orally within 24 hours from the time the permittee becomes aware of the circumstances. A written submission shall also be provided within 5 days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance.
- (b) The following shall be included as information which must be reported within 24 hours under this paragraph.
  - (i) Any unanticipated bypass which exceeds any effluent limitation in the permit.
  - (ii) Any catastrophic event which causes the discharge to exceed effluent limitations in this permit.
  - (iii) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Department in the permit to be reported within 24 hours.

(c) The Department may waive the written report on a case-by-case basis for reports under paragraph c (4)(a) of this section if the oral report has been received within 24 hours.

(5) Other Noncompliance

The permittee shall report all instances of noncompliance not reported under paragraphs c (3), (4) of this section, at the time monitoring reports are submitted. The reports shall contain the information listed in paragraph c (4) of this section.

Compliance with reporting requirements under A.3.c. above shall not excuse a person from immediate notification of incidents causing or threatening pollution pursuant to 25 Pa. Code, Chapter 91.33.

d. Specific Toxic Substance Notification Levels (for Manufacturing, Commercial, Mining, and Silvicultural Dischargers) The permittee shall notify the Department as soon as it knows or has reason to believe the following:

- (1) That any activity has occurred, or will occur, which would result in the discharge of any toxic pollutant which is not limited in the permit, if that discharge on a routine or frequent basis will exceed the highest of the following "notification levels".
  - (a) One hundred micrograms per liter.
  - (b) Two hundred micrograms per liter for acrolein and acrylonitrile.
  - (c) Five hundred micrograms per liter for 2,4-dinitrophenol and 2-methyl-4,6-dinitrophenol.
  - (d) One milligram per liter for antimony.
  - (e) Five (5) times the maximum concentration value reported for that pollutant in the permit application.
  - (f) Any other notification level established by the Department.
- (2) That any activity has occurred or will occur which would result in any discharge, on a non-routine or infrequent basis, of a toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
  - (a) Five hundred micrograms per liter;
  - (b) One milligram per liter for antimony;
  - (c) Ten (10) times the maximum concentration value reported for that pollutant in the permit application;
  - (d) Any other notification level established by the Department.

**I. MANAGEMENT REQUIREMENTS****a. Compliance Schedules**

- (1) The permittee shall achieve compliance with the terms and conditions of this permit within the time frames specified in Part C of this permit.
- (2) The permittee shall submit reports of compliance or noncompliance with, or progress reports as applicable, any interim and final requirements contained in this permit. Such reports shall be submitted no later than 14 days following the applicable schedule date or compliance deadline.

**b. Permit Modification, Termination, or Revocation and Reissuance**

- (1) This permit may be modified, terminated, or revoked in whole or in part during its term for cause including, but not limited to, any of the causes specified in 25 Pa. Code, Chapter 92.
- (2) The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated non-compliance, does not stay any permit condition.
- (3) In the absence of a Departmental action to modify or revoke and reissue this permit, the permittee shall comply with effluent standards or prohibitions established under Section 307(a) of the Clean Water Act for toxic pollutants within the time specified in the regulations that establish those standards or prohibitions.

**c. Duty to Provide Information**

- (1) The permittee shall furnish to the Department, within a reasonable time, any information which the Department may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit.
- (2) The permittee shall furnish to the Department, upon request, copies of records required to be kept by this permit.
- (3) Other Information - Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Department, it shall promptly submit such facts or information to the Department.
- (4) Where the permittee is a POTW, the permittee shall provide adequate notice to the Department of the following:
  - (a) Any new introduction of pollutants into the POTW from an indirect discharger which would be subject to Sections 301 and 306 of the Clean Water Act if it were otherwise discharging those pollutants.
  - (b) Any substantial change in the volume or character of pollutants being introduced into the POTW by an Industrial User which was discharging into the POTW at the time of issuance of this permit.

(c) Adequate notice shall include information on:

- (i) the quality and quantity of the effluent introduced into the POTW, and
- (ii) any anticipated impact of the change on the quantity or quality of the effluent to be discharged from the POTW.

The submission of the above information in the POTW's Annual Wasteload Management Report, required under the provisions of 25 Pa. Code Chapter 94, will normally be considered as providing adequate notice to the Department, unless a more stringent time period is required by law, regulation, or permit condition in which case the more stringent submission date shall apply.

- (d) The identity of Industrial Users served by the POTW which are subject to pretreatment standards adopted under Section 307(b) of the Clean Water Act; the POTW shall also specify the total volume of discharge and estimated concentration of each pollutant discharged into the POTW by the Industrial Users.
- (e) The POTW shall require all Industrial Users to comply with the reporting requirements of Sections 304(b), 307, and 308 of the Clean Water Act and any regulations adopted thereunder, and the Clean Streams Law and any regulations adopted thereunder.

d. Facilities Operation

The permittee shall at all times maintain in good working order and properly operate and maintain all facilities and systems which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit. Proper operation and maintenance includes, but is not limited to effective performance based on designed facility removals, adequate funding, effective management, adequate operator staffing and training, and adequate laboratory controls including appropriate quality assurance procedures. This provision also includes the operation of backup or auxiliary facilities or similar systems which are installed by the permittee, only when necessary to achieve compliance with the terms and conditions of this permit.

The permittee shall develop, install, and maintain Best Management Practices to control or abate the discharge of pollutants when the practices are reasonably necessary to achieve the effluent limitations and standards in this permit or to carry out the purposes and intent of the Clean Water Act, or when required to do so by the Department.

e. Adverse Impact

The permittee shall take all reasonable steps to minimize or prevent any discharge or sludge use or disposal in violation of this permit which has a reasonable likelihood of adversely affecting human health or the environment.

f. Bypassing

- (1) Bypassing Not Exceeding Permit Limitations - The permittee may allow a bypass to occur which does not cause effluent limitations to be violated, but only if the bypass is essential for maintenance to assure efficient operation. This type of bypassing is not subject to the reporting and notification requirements of Part A.3.c.

- (2) Other Bypassing - In all other situations bypassing is prohibited unless all of the following conditions are met:
- (a) A bypass is unavoidable to prevent loss of life, personal injury or "severe property damage";
  - (b) There are no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed (in the exercise of reasonable engineering judgment) to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance;
  - (c) The permittee submitted the necessary reports required under Part A.3.c.
- (3) The Department may approve an anticipated bypass, after considering its adverse effects, if the Department determines that it will meet the three conditions (a through c) listed above.

## 2. PENALTIES AND LIABILITY

### a. Violations of Permit Conditions

Any person violating Sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act or any permit condition or limitation implementing such sections in a permit issued under Section 402 of the Act is subject to civil, administrative, and/or criminal penalties as set forth in 40 CFR 122.41(a)(2).

Any person or municipality who violates any provision of this permit, any rule, regulation, or order of the Department, or any condition or limitation of any permit issued pursuant to the Clean Streams Law is subject to criminal and/or civil penalties as set forth in Sections 602, 603 and 605 of the Clean Streams Law.

### b. Falsifying Information

Any person who does any of the following:

Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit; or

Knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit (including monitoring reports or reports of compliance or non-compliance);

shall, upon conviction, be punished by a fine and/or imprisonment as set forth in 18 P.S. §4904 and 40-CFR 122.41(j)(5) and (k)(2).

c. Liability

Nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance pursuant to Section 309 of the Clean Water Act or Sections 602, 603 or 605 of the Clean Streams Law.

Nothing in this permit shall be construed to preclude the institution of any legal action or to relieve the permittee from any responsibilities, liabilities, or penalties to which the permittee is or may be subject to under the Clean Water Act and the Clean Streams Law.

d. Enforcement Proceedings

- (1) It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

## 3. OTHER RESPONSIBILITIES

a. Right of Entry

Pursuant to Sections 5(b) and 305 of Pennsylvania's Clean Streams Law and 25 Pa. Code, Chapter 92, the permittee shall allow the head of the Department, the EPA Regional Administrator, and/or their authorized representatives, upon the presentation of credentials and other documents as may be required by law:

- (1) To enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit;
- (2) To have access to and copy at reasonable times any records that must be kept under the conditions of this permit;
- (3) To inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices or operations regulated or required under this permit;
- (4) To sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the Clean Water Act, any substances or parameters at any location.

b. Transfer of Permits

- (1) *Transfers by modification.* Except as provided in paragraph (2) of this section, a permit may be transferred by the permittee to a new owner or operator only if the permit has been modified or revoked and reissued, or a minor modification made to identify the new permittee and incorporate such other requirements as may be necessary under the Clean Water Act.
- (2) *Automatic transfers.* As an alternative to transfers under paragraph (1) of this section, any NPDES permit may be automatically transferred to a new permittee if:
  - (a) The current permittee notifies the Department, at least 30 days in advance, of the proposed transfer date in paragraph (2)(b) of this section;

PART B

- (b) The notice includes the appropriate Department transfer form signed by the existing and new permittees containing a specific date for transfer of permit responsibility, coverage, and liability between them; and
- (c) The Department does not notify the existing permittee and the proposed new permittee of its intent to modify or revoke and reissue the permit. A modification under this subparagraph may also be a minor modification. If this notice is not received, the transfer is effective on the date specified in the agreement mentioned in paragraph (2)(b) of this section.

(3) In the event the Department does not approve transfer of the permit, the new owner or controller must submit a new permit application.

c. Property Rights

The issuance of this permit does not convey any property rights of any sort, or any exclusive privilege.

d. Other Laws

The issuance of a permit does not authorize any injury to persons or property or invasion of other private rights, or any infringement of State or local law or regulations.

## PART C

Page 14a of 14  
Permit PA0093165

## OTHER REQUIREMENTS

1. In accordance with Part A.3.b of this permit, the permittee shall submit a copy of the Discharge Monitoring Reports to each of the following:

Department of Environmental Protection  
Water Management  
400 Waterfront Drive  
Pittsburgh, PA 15222-4745

Attn: Water Quality Specialist  
Department of Environmental Protection  
McMurray District Office  
3913 Washington Road  
McMurray, PA 15317

2. In accordance with Part B.1.c of this permit, the permittee shall submit a copy of the attached Supplemental Sewage Sludge Report to accompany each copy of the monthly Discharge Monitoring Reports to the addresses as specified above. This form must be submitted even if sewage sludge is not hauled in a given month, in this event enter "no sludge hauled."
3. Collected screenings, slurries, sludges and other solids shall be handled and disposed of in compliance with 25 Pa. Code, Chapters 271, 273, 275, 283, and 285 (related to permits and requirements for landfilling, land application, incineration and storage of sewage sludge) Federal Regulations 40 CFR 257, and the Federal Clean Water Act and its amendments.
4. All discharges of floating materials, oil, grease, scum and substances which produce tastes, color, odors, turbidity or settle to form deposits shall be controlled at levels which will not be inimical or harmful to the water uses to be protected or to human, animal, plant or aquatic life.
5. Effective disinfection to control disease producing organisms shall be the production of an effluent which will contain a concentration of fecal coliform organisms not greater than
  - a. 200/100 ml as a monthly geometric mean, nor greater than 1000/100 ml in more than ten percent of the samples examined during any month from May through September inclusive.
  - b. 2000/100 ml as a monthly geometric mean based on five consecutive samples collected on different days during any month from October through April inclusive.

PART C

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- 6. In no case shall the arithmetic means of the effluent values of the biochemical oxygen demand (BOD-5 Day) and suspended solids discharged during a period of 30 consecutive days exceed 15 percent of respective arithmetic means of the influent values for those parameters during the same time period except as specifically authorized by the Department.
- 7. Any discharge from the treatment plant controlled diversion is subject to the requirements of Part B.1.f of this permit.
- 8. The effluent limitations for Outfall 001 were determined using an effluent discharge rate of 0.16 million gallons per day which is the design flow used to determine whether a "hydraulic overload" situation exists, as defined in 25 Pa. Code Chapter 94.
- 9. Total Residual Chlorine (TRC) Minimization

The permittee will ensure that applied chlorine dosages, used for disinfection or other purposes, are optimized to the degree necessary such that the total residual chlorine in the discharge does not cause an adverse stream impact. In doing so, the permittee shall consider relevant factors affecting chlorine dosage, such as wastewater characteristics, mixing and contact times, desired result of chlorination, and expected impact on the receiving water body.

To reduce or eliminate the amount of chlorine discharged into water bodies, the permittee must: (1) improve/adjust process controls and (2) improve operation/maintenance practices.

If the Department determines or receives documented evidence levels of TRC in the permittee's effluent are causing adverse impacts in the receiving water, the permittee shall institute necessary additional steps to reduce or eliminate such impact.

10. Water Quality-Based Effluent Limitations at or below Detection Limits

For the following parameters, the effluent limitations specified in Part A of this permit are lower than the detection limit of the most sensitive existing EPA approved (40 CFR Part 136) test method or other Department approved method.

<u>Parameter Name</u>	<u>Required Analytical Test Method</u>	<u>Detection Limit</u>
Total Residual Chlorine	EPA 330.5 Spectrophotometric, DPD(SM 4500-Cl G, DPD Colorimetric Method)	0.1 mg/l
	or EPA 330.4 Titrimetric, DPD-FAS (SM 4500-Cl F, DPD Ferrous Titrimetric Method)	0.1 mg/l

## PART C

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All samples shall be analyzed using the specified EPA method, or other equivalent test method, as approved by the Department. Using any of the specified methods for a pollutant above, an individual sample result less than the detection limit shall be considered "nondetectable (ND)". For computing averages for DMR reporting and for determining permit compliance, all individual "nondetectable (ND)" sample results shall be counted as zero values. If the sensitivity of the specified method improves or a more sensitive test method becomes available, the Department may modify the permit to require use of the more sensitive method.

11. Usage rates of any chemical additives used at this facility that may be discharged and blow-down rates shall be controlled by the permittee to prevent any impairments to receiving water uses and/or effluent limit violations. Chemical additives include, but are not limited to, any chemicals added to water for control of corrosion, scaling, algae, slime or fouling in cooling, boiler, or process water systems. Chemical additives also include, but are not limited to agents used to aid in treatment such as water softeners, flocculants, coagulants, emulsion breakers, anti-foaming agents, dispersants, oxygen scavengers, pH stabilizers, and regenerants. Usage rates shall be limited to the minimum amount necessary to accomplish the intended purpose of the chemical addition.

Accurate and complete records of chemical usage and discharge volumes must be maintained and summarized on a monthly basis using the attached form and kept on-site by the permittee. These records must be produced upon request by the Department. The "allowable usage rate" is the rate specified in the information submitted as required below unless notified otherwise by the Department.

The information described below must be submitted within ninety (90) days of the effective date of this permit (with 2 copies) for all chemical additives currently in use at this facility.

- a. Trade name of the additive.
- b. Name, address and phone number of the chemical additive manufacturer.
- c. A list of all the active and inactive ingredients.
- d. The additive usage rate (in lb/day or gal/day).
- e. The conditioned water discharge rate (MGD).
- f. The "in-system" concentration of whole product which the usage rate in item d. above will produce (mg/l). Include the product density (lb/gal) for liquids used to convert usage rate (gal/day) to concentration (mg/l).

## PART C

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- g. Any available data regarding in-system degradation or decomposition of the additive and any other data or information that would be helpful to the Department in completing its review.
- h. The expected concentration of the product at the final outfall.
- i. The analytical test method that could be used to verify final outfall concentrations and the associated minimum analytical detection level.
- j. A flow diagram showing the point of chemical addition and the affected outfalls.
- k. 96 hour - LC50 bioassay data on the whole product for at least one species of freshwater fish (mg/l).
- l. The MSDS and any mammalian toxicity data that is available for the whole product.

If the additive is currently in use at the facility, it may continue to be used at the maximum rate reported pursuant to item d. above unless the permittee is notified otherwise.

Whenever a change in chemical additives or an increase in usage rates is desired by the permittee, a complete written notification shall be submitted at least sixty (60) days prior to the proposed use of the chemical. This notification, at a minimum shall include the information outlined above. If the information is complete, and its use is not specifically denied, use of the proposed chemical additive is allowed 60 days after notification. The usage rate shall not exceed the maximum rate reported pursuant to item d. above.

Use of additives that contain one or more ingredients that are carcinogens are generally prohibited, and should be substituted with alternative products. If no alternatives are available, the permittee must submit written documentation with the information required above that no alternatives are available and that the carcinogen involved will be "not detectable" in the final effluent using the most sensitive analytical method available.

Based on the information submitted, the Department will determine if any effluent limitations or other restrictions are necessary to protect water quality standards for aquatic life or human health. The permittee is responsible for preventing impairments to receiving water uses independent of the Department's review of this material.

WATER QUALITY MANAGEMENT PERMIT

NO. 6381412

<p>A. PERMITTEE: (Name and Address)</p> <p>Claysville-Donegal Joint Municipal Authority P.O. Box 467 Claysville, PA 15323</p>	<p>B. PROJECT LOCATION</p> <p>Municipality <u>Claysville Borough Donegal Township</u></p> <p>County <u>Washington</u></p>
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<p>C. TYPE OF FACILITY (For Industrial wastes: type of establishment Sanitary Sewer, Pump Station, Force Main, and Sewage Treatment Plant</p>	<p>D. NAME OF MINE, PLANT, AREA SERVED, OUTFALL NO., ETC. Claysville-Donegal Joint Municipal Authority Sewage Treatment Plant</p>
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<p>E. THIS PERMIT APPROVES:</p>	<p>1. Plans For Construction Of:</p> <p>a. <input checked="" type="checkbox"/> Pump Stations: Sewers and Appurtenances</p> <p>b. <input checked="" type="checkbox"/> Sewage Treatment Facilities</p> <p>c. <input type="checkbox"/> Industrial Wastes Treatment Facilities</p> <p>d. <input type="checkbox"/> Mine Drainage Treatment Facilities</p> <p>e. <input checked="" type="checkbox"/> Outfall &amp; Headwall</p> <p>f. <input checked="" type="checkbox"/> Stream Crossing</p> <p>g. <input type="checkbox"/> Impoundment</p>			
	<p>2. The Discharge Of:</p> <p>a. <input checked="" type="checkbox"/> Treated</p> <p>b. <input type="checkbox"/> Untreated</p> <p>c. <input checked="" type="checkbox"/> Sewage</p> <p>d. <input type="checkbox"/> Industrial Wastes</p>			
	<p>3. Discharge To:</p> <p>a. <input checked="" type="checkbox"/> Surface Water</p> <p>b. <input type="checkbox"/> Ground Water</p> <p style="text-align: center;"><u>Dutch Fork of Buffalo Creek</u></p> <p style="text-align: center;"><small>Name of Stream to which discharged or drainage area in which groundwater discharge takes place or impoundment is located.</small></p>			

<p>4. The Operation of a Mine <input type="checkbox"/></p> <p>Maximum Area to be Deep Mined <u>NA</u> Acres</p>	<p>5. An Erosion and Sedimentation Control Plan <input checked="" type="checkbox"/></p> <p>Project Area is <u>21.4</u> Acres</p>
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F. THIS APPROVAL IS SUBJECT TO THE FOLLOWING CONDITIONS:

- ALL CONSTRUCTION, OPERATIONS, PROCEDURES AND DISCHARGE SHALL BE IN ACCORDANCE WITH APPLICATION NO. 6381412 DATED December 8, 1981 ITS SUPPORTING DOCUMENTATION, AND AMENDMENTS DATED through 1/3/83 SUCH APPLICATION, ITS SUPPORTING DOCUMENTATION AND AMENDMENTS ARE HEREBY MADE A PART OF THIS PERMIT.
- CONDITIONS NUMBERED \_\_\_\_\_ OF THE \_\_\_\_\_ STANDARD CONDITIONS DATED \_\_\_\_\_ OF THE \_\_\_\_\_ EROSION CONTROL STANDARD CONDITIONS DATED \_\_\_\_\_ WHICH CONDITIONS ARE ATTACHED AND MADE PART OF THIS PERMIT.
- SPECIAL CONDITIONS DESIGNATED A, B, C, D, E, F, G, H, I, J, K WHICH ARE ATTACHED AND ARE MADE A PART OF THIS PERMIT.

G. THE AUTHORITY GRANTED BY THIS PERMIT IS SUBJECT TO THE FOLLOWING FURTHER QUALIFICATIONS:

- IF THERE IS A CONFLICT BETWEEN THE APPLICATION ON ITS SUPPORTING DOCUMENTS AND AMENDMENTS AND THE STANDARD OR SPECIAL CONDITIONS, THE STANDARD OR SPECIAL CONDITIONS SHALL APPLY.
- FAILURE TO COMPLY WITH THE RULES AND REGULATIONS OF THE DEPARTMENT OR WITH THE TERMS OR CONDITIONS OF THIS PERMIT SHALL VOID THE AUTHORITY GIVEN TO THE PERMITTEE BY THE ISSUANCE OF THE PERMIT.
- THIS PERMIT IS ISSUED PURSUANT TO THE CLEAN STREAMS LAW, ACT OF JUNE 22, 1937, P.L. 1987 AS AMENDED 35 P.S. § 681.1 ET SEQ. AND/OR THE WATER OBSTRUCTION ACT, ACT OF JUNE 25, 1913, P.L. 535 AS AMENDED 32 P.S. § 681 ET SEQ. ISSUANCE OF THIS PERMIT SHALL NOT RELIEVE THE PERMITTEE OF ANY RESPONSIBILITY UNDER ANY OTHER LAW.

DEPARTMENT OF ENVIRONMENTAL RESOURCES

PERMIT ISSUED

DATE JAN 6 1983 BY Stephen F. Pedersen, P.E.

TITLE Regional Water Quality Manager

SPECIAL CONDITIONS FOR PART II PERMIT 6381412

- A. The authority granted by this permit is subject to all effluent requirements, monitoring requirements, and other conditions as set forth in Part I NPDES Permit PA0093165.
- B. No radical changes shall be made from the plans, designs, and other data herein approved unless the permittee first receives written approval from the Department. Upon request from the Department, the permittee shall file a satisfactory record or detail plans of the facilities as actually constructed together with any other information in connection therewith.
- C. It is required by law that this permit, before being operative, shall be recorded in the office of the Recorder of Deeds in Washington County.
- D. The sewage treatment works shall be operated by an operator certified in accordance with the Sewage Treatment Plant and Water Works Operators Certification Act, Act 322 approved November 18, 1968 as amended.
- E. No stormwater from pavements, area ways, roofs, foundation drains or other sources shall be admitted to the sanitary sewers herein approved.
- F. The local waterways patrolmen of the Pennsylvania Fish Commission shall be notified when the construction of the stream crossing and/or outfall is started and completed. A permit must be secured from the Pennsylvania Fish Commission if the use of explosives is required. The permittee shall notify the local waterways patrolmen when explosives are to be used.
- G. If future operations by the Commonwealth of Pennsylvania require modification of the stream crossing and/or outfall or there shall be unreasonable obstruction to the free passage of floods or navigation, the permittee shall remove or alter the structural work or obstruction without expense to the Commonwealth of Pennsylvania. If upon the revocation of the permit, the work shall not be completed, the permittee, at his own expense and in such time and manner as the Department may require, shall remove any or all portions of the incompleated work and restore the watercourse to its former condition. No claim shall be made against the Commonwealth of Pennsylvania on account of any such removal or alteration.
- H. The Washington County Conservation District shall be notified prior to the start of earth moving associated with the construction of the herein approved project.

- I. The permittee shall comply with Chapter 102 of the Department's Rules and Regulations regarding erosion control. Chapter 102 requires, in part, that the erosion control plan be available at the site at all times, that all upslope surface water be diverted away from the project area, that runoff from the project area pass through facilities for removal of sediment, that all disturbed areas be stabilized as soon as possible after final grade or final earthmoving, that interim stabilization measures be implemented promptly where it is not possible to permanently stabilize a disturbed area immediately after final earthmoving or where the activity ceases for more than 20 days, that erosion and sedimentation control facilities be maintained until stabilization is completed, and that all unnecessary and unusable control measures and facilities be removed upon completion of stabilization.
- J. The permittee shall adopt and enforce an ordinance or otherwise require all occupied buildings on premises accessible to a public sewer used in conformity with the requirements of State Law, to be connected thereto; also require the abandonment of privies, cesspools or similar receptacle for human excrement on said premises.
- K. Six (6) months prior to the initial operation of the approved facilities, the permittee shall obtain written approval from the Department for the method of sludge disposal.

Part II Permit 6387412  
Claysville-Donnegal Joint Municipal  
Authority  
Washington County

STATE OF PENNSYLVANIA  
COUNTY OF *Allegheny* >SS Stephen F. Pedersen, P.E.

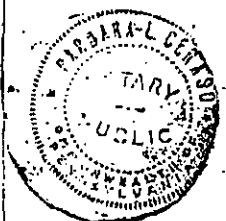
On the *6th* day of *January* in the year  
one thousand nine hundred and eighty-three before me,  
the Subscriber, a Notary Public, came the above named

Stephen F. Pedersen, P.E.

RECORDED  
JAN 25 1983 11:00 A.M.  
OLGA D. WOODWARD  
RECORDER  
WASHINGTON CO., PA

and duly acknowledged the foregoing permit to be his act  
and deed and desired that the same might be recorded as such.

Witness my hand and notarial seal the day and year  
aforesaid.



*Barbara L. Ceraso*  
NOTARY PUBLIC  
Feb. 3, 1984  
BARBARA L. CERASO, Notary Public  
Pittsburgh, Allegheny Co., PA  
My Commission Expires February 3, 1984



Pennsylvania } S. S.  
Washington Co. }  
Recorded in the office for Recording Deeds & c i q and  
for said county in Deed Book 2097 Page 117  
Given under my hand and seal of the said office this  
25th day of January A.D. 1983  
*Olga D. Woodward*, Recorder

ER-DWQ-15

BOOK 2060 PAGE 318

01726

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES  
BUREAU OF WATER QUALITY MANAGEMENT

AUTHORIZATION TO DISCHARGE UNDER THE  
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM  
PERMIT PA 0093165

In compliance with the provisions of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (the "Act") and Pennsylvania's Clean Streams Law, as amended, 35 P.S. Section 691.1 et seq.,

Claysville-Donegal Joint Municipal Authority  
201 Main Street  
Claysville, PA 15323

Is authorized to discharge from a facility located at

Claysville Water Pollution Control Plant  
Donegal Township  
Washington County

to receiving waters named

Dutch Fork

In accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts A, B, and C of this permit.

This permit and the authorization to discharge shall expire at midnight FEB 23 1987.

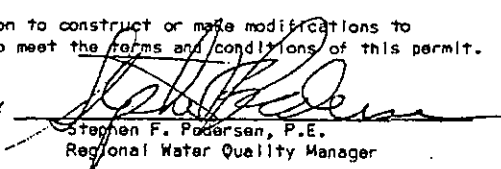
The authority granted by this permit is subject to the following further qualifications:

1. If there is a conflict between the application, its supporting documents and/or amendments and the terms and conditions of this permit, the terms and conditions shall apply.
2. Failure to comply with any of the terms or conditions of this permit is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of permit renewal.
3. If this permit authorizes a sewage discharge, the permit will not become operative until it is recorded in the office of the Recorder of Deeds in the county where the sewage discharge is located.
4. Application for renewal of this permit, or notification of intent to cease discharging by the expiration date, must be submitted to the Department at least 180 days prior to the expiration date (unless permission has been granted by the Department for submission at a later date), using the appropriate NPDES permit application form. In the event that a timely and complete application for renewal has been submitted and the Department is unable, through no fault of the permittee, to reissue the permit before the expiration date, the terms and conditions of this permit will be automatically continued and will remain fully effective and enforceable pending the grant or denial of permit renewal.
5. This permit does not constitute authorization to construct or make modifications to wastewater treatment facilities necessary to meet the terms and conditions of this permit.

PERMIT ISSUED

DATE FEB 23 1982

BY

  
Stephen F. Podersen, P.E.  
Regional Water Quality Manager

ER-BWQ-69 Rev. 1/78

NPDES Permit PA0093165  
Claysville-Donegal Joint Municipal  
Authority  
Claysville Water Pollution Control  
Plant  
Donegal Township  
Washington County

RECORDED  
MAR 1 - 1982 3:30 P.M.  
OLGA O. WOODWARD  
RECORDER  
WASHINGTON CO., PA.

STATE OF PENNSYLVANIA  
COUNTY OF *Washington*      >SS      Stephen F. Pedersen, P.E.

On the *23rd* day of *February* in the year  
one thousand nine hundred and eighty-two before me,  
the Subscriber, a Notary Public, came the above named

Stephen F. Pedersen, P.E.

and duly acknowledged the foregoing permit to be his act  
and deed and desired that the same might be recorded as such.

Witness my hand and notarial seal the day and year  
aforesaid.

*Barbara L. Ceraso*  
NOTARY PUBLIC

BARBARA L. CERASO, Notary Public  
Pittsburgh, Allegheny Co., PA  
My Commission Expires February 3, 1984



Feb. 3, 1984

Pennsylvania } S. S.  
Washington Co. }

Recorded in the office for Recording Deeds & c in and  
for said county in Deed Book 2060 Page 318  
Given under my hand and seal of the said office this  
1st day of March A.D. 1982

*Olga O. Woodward*  
Recorder



## Schedule 4.5

### Pending or Threatened Litigation

1. CDJMA v Donatelli  
No. 2005-8262

CDJMA was granted a preliminary injunction to prevent owner from building over an easement. Owner has decided to build elsewhere. No further action is warranted in this matter.

2. Subrick v CDJMA  
No. 2000-3855

Contractor sued CDJMA for escrow money. CDJMA used escrow money to compensate users of the system for the damage caused by Subrick. Case appears to be stale at this point.

3. Perano v CDJMA  
No. 2004-125

Perano sued CDJMA for bond money held by the Authority. Case is still pending.

**Schedule 4.6**

**Environmental Matters**

None.

**Schedule 4.8**

**Real Estate**

**Legal Description of Easements and Real Property Interests to Be Acquired.**

To Be Determined.

**Schedule 4.9**

**Easements and Rights-of-Way**

See Attached.

List of Easements and Rights of Way

Grantor	Date	Record Book, Page	Location
Borough of Claysville	12/9/1976	1723, 208	Borough of Claysville
Jesse M. and Elsie Myers	11/28/1962	1768, 34	Donegal Twp.
Condemnation of lands of Carl E. and Nancy F. Rush	3/17/1978 4/14/1978	1825,293 1832,197	Donegal Twp.
McGuffey School District	6/4/1979	1960,177	Claysville Borough
Jesse M. and Elsie Myers	8/8/1980	2001,86	Donegal Twp.
John H. and M. Joyce Reeves, et al	2/22/1978	2042,544	Donegal Twp.
Condemnation of lands of David McMillan Campsey	11/18/1981 10/12/1982	2050,348	Donegal Twp.
Condemnation of lands of Paul C. and Margaret McDonald	11/18/1981 1/6/1987	2050,357 2117,170 2266,524	Donegal Twp.
Condemnation of lands of Humble Oil & Refining Co.	11/20/1981	2050,469	Donegal Twp.
Borough of Claysville	11/17/1981	2053,251	Claysville Borough
Township of Donegal	9/19/1981	2053,255	Donegal Twp.
Exxon Corporation	11/23/1981	2053,259	Donegal Twp.
Howard J. and Caroline P. Ashbrook	11/10/1981	2053,263	Donegal Twp.
J. H. and Irma Gladden	11/9/1981	2053,267	Donegal Twp.
United Methodist Church of Claysville	11/1/1981	2053,270	Donegal Twp.
Robert G. and Joan E. Bruno	11/10/1981	2053,273	Donegal Twp.
McGuffey School District	11/6/1981	2053,276	Donegal Twp.
Anna S. Jolly	11/4/1984	2053,279	Donegal Twp.
Lena S. Kelly, Widow	11/6/1981	2059,137	Donegal Twp.
Columbia Gas Transmission Co.	11/9/1981	2063,250	Donegal Twp.
Howard J. and Caroline P. Ashbrook	2/23/1982	2067,250	Donegal Twp.
Anna S. Jolly	2/15/1982	2067,253	Donegal Twp.
Richard J. and Cathy A. Pauls	10/20/1982	2118,7	Donegal Twp.
Mary K. Campsey, Widow, John M. and Judith R. Campsey	10/20/1982	2118,13	Donegal Twp.
Hilltop Water Association	10/20/1982	2118,19	Donegal Twp.
Condemnation of lands of Leonard Associates	11/23/1983 1/6/1987	2132,201 2266,518	Donegal Twp.
Condemnation of lands of Guttman Realty Company	11/23/1983	2132,211	Donegal Twp.
Condemnation of lands of John W. and Jo Ann Corbly	12/7/1984	2174,449	Donegal Twp.

Grantor	Date	Record Book, Page	Location
Richard A. and Ruby Jones	12/7/1984	2175,363	Donegal Twp.
Robert W. and Catherine Walker	11/18/1983	2218,218	Donegal Twp.
Richard D. and Jean L. Lyons	11/18/0983	2218,224	Donegal Twp.
John R. and Leah H. Edgar	11/18/1983	2218,230	Donegal Twp.
James A. and Mildred E. Deitt	11/18/1983	2218,236	Donegal Twp.
Ruby M. and Red Warrell, Jr.	11/18/1983	2218,242	Donegal Twp.
Gladys S. Shipman, Widow	11/18/1983	2218,248	Donegal Twp.
Vance L. and Loretta Clutter	11/18/1983	2218,254	Donegal Twp.
Thomas R. and Barbara Plants	11/18/1983	2218,260	Donegal Twp.
Kenneth L. and Barbara W. Slyder	11/18/1983	2218,266	Donegal Twp.
Lucille L. Kuhn, Widow	11/18/1983	2218,272	Donegal Twp.
Howard V. and Virginia H. Ferrell	11/18/1983	2218,278	Donegal Twp.
J. Donald and Loretta M. Watson	11/18/1983	2218,284	Donegal Twp.
Jule D. Davis, Widow	11/18/1983	2218,290	Donegal Twp.
George R. White, Widower	11/18/1983	2218,296	Donegal Twp.
Ray L. and Mary Louise Finley	11/18/1983	2218,302	Donegal Twp.
John R. Jr. and Karen L. Eneix	11/22/1983	2218,308	Donegal Twp.
Robert E. and Marylyn F. Armstrong	11/19/1983	2218,314	Donegal Twp.
Burneda Jackson, Widow	11/18/0983	2218,320	Donegal Twp.
Nelson P., III and Michelle K. Watson	11/18/1983	2218,326	Donegal Twp.
S. Richard and Donna Mellon	11/18/1983	2218,332	Donegal Twp.
William R., Jr. and Lynn C. Clutter	1/16/1984	2218,338	Donegal Twp.
J. William and Jean H. Gibson	11/18/1983	2218,344	Donegal Twp.
Jean and J. William Gibson	11/18/1983	2218,350	Donegal Twp.
Fern E. Holmes, widow	11/18/1983	2218,356	Donegal Twp.
Charles S. and Marion E. Dailey	11/18/1983	2218,383	Donegal Twp.
Thomas M. and Virginia J. Cowden	11/18/1983	2218,369	Donegal Twp.
Cecil E. and Mary Lou Kennedy	11/22/1983	2218,375	Donegal Twp.
Cecil E. and Mary Lou Kennedy	11/22/1983	2218,381	Donegal Twp.
Cecil E. and Mary Lou Kennedy	11/22/1983	2218,387	Donegal Twp.
Mary B. Fordyce, widow	11/18/1983	2218,393	Donegal Twp.
Georgetta R. Camp, widow	11/18/1983	2218,399	Donegal Twp.

Grantor	Date	Record Book, Page	Location
Harry W. Jr. and Audrey L. Linville	11/17/1983	2218,405	Donegal Twp.
Carol R. and Paul I. Vanderhoof	11/28/1983	2218,411	Donegal Twp.
Walter E. Hersey, Sr., single	11/4/1983	2218,417	Donegal Twp.
P. Hayward and Dorothy M Ingram	11/18/1983	2218,453	Donegal Twp.
Lloyd W. and Gertrude F. Omps	11/7/1983	2218,459	Donegal Twp.
Margaret M. Hutchisson, widow	11/18/1983	2218,465	Donegal Twp.
Paul L. and Jean E. Hewitt	11/18/1983	2218,471	Donegal Twp.
Thomas R. and Baraba A. Plants	11/18/1983	2218,477	Donegal Twp.
G. Barry Gashel and Ruth J. Gashel	11/18/1983	2218,483	Donegal Twp.
D. Edwary and Diantha C. Baker	11/18/1983	2218,489	Donegal Twp.
Ralph O. Wise, widower	11/18/1983	2218,495	Donegal Twp.
William A. and Dorothy P. Stewart	11/18/1983	2218,501	Donegal Twp
Margaret Zilke McCullough, widow	11/18/1983	2218,507	Donegal Twp
Jack C. and Mary J. Causey	1/16/1984	2218,513	Donegal Twp
Harold A. and Anna L. McCrearey	11/18/1983	2219,72	Donegal Twp
Charles L. and Margaret S. McAnany	11/18/1983	2219,78	Donegal Twp
Richard I. and Twila B. Fanning	11/18/1983	2219,84	Donegal Twp
Robert L. and Leslie A. DeGarmo	11/18/1983	2219,90	Donegal Twp
Arthur R. and Chatherine Chess	11/18/1983	2219,96	Donegal Twp
Harold H. and Frances M. Blayney	11/18/1983	2219,102	Donegal Twp
Frederick F. and Theda K. Williams	11/18/1983	2219,108	Donegal Twp
Frederick F. and Theda K. Williams	11/18/1983	2219,114	Donegal Twp
Russell V. Sprowls, single	11/18/1983	2219,120	Donegal Twp
Mildred D. Garner, widow	11/18/1983	2219,126	Donegal Twp
Nannie Newman, widow	11/18/1983	2219,132	Donegal Twp
Nannie Newman, widow	11/18/1983	2219,138	Donegal Twp
Edythe M. and John A. Schrader	11/18/1983	2219,144	Donegal Twp
Walter P. and Lois J. Grose	11/30/1983	2219,150	Donegal Twp
Margaret J. Stewart, single	11/18/1983	2219,156	Donegal Twp
Paul M. and Bonnie S. Durilla	11/18/1983	2219,162	Donegal Twp

Grantor	Date	Record Book, Page	Location
Quentin S. and Dorothy W. Canan	11/9/1983	2219,168	Donegal Twp
Mearl C. Beatty, widow	11/21/1983	2219,174	Donegal Twp
Sarah E. Charlesworth, single	11/18/1983	2219,180	Donegal Twp
Mary E. Brandt, widow	11/18/1983	2219,186	Donegal Twp
Gaylord L. and Ruby A. Grimes	11/18/1983	2219,192	Donegal Twp
Margaret J. Armstrong, widow	11/18/1986	2219,198	Donegal Twp
Delbert and Anna L. Sprowls	11/18/1983	2219,204	Donegal Twp
Mary L. Palmer, single and Anna E. Palmer, single,	11/2/1983	2219,210	Donegal Twp
Ralph McDonald and Edythe J. McDonald	11/18/1983	2219,216	Donegal Twp
Irvin B. and Hazel J. Spalding	11/21/1983	2219,222	Donegal Twp
Irvin B. and Hazel Spalding	11/21/1983	2219,228	Donegal Twp
Irvin B. and Hazel Spalding	11/21/1983	2219,234	Donegal Twp
George R. White, widower	11/18/1983	2219,240	Donegal Twp
John R. and Norma Jean Neely	11/22/1983	2219,246	Donegal Twp
James, Jr. and Barbara L. Walker	11/22/1983	2219,252	Donegal Twp
Michael W. and Susan L. Danley	11/18/1983	2219,258	Donegal Twp
Joseph M. Frye, widower	11/18/1983	2219,264	Donegal Twp
Richard A. and Carol L. Lanoy	11/18/1983	2219,270	Donegal Twp
Richard A. and Carol L. Lanoy	11/18/1983	2219,276	Donegal Twp
F. Scott and Jean F. Howard	11/18/1983	2219,282	Donegal Twp
Clair L. Ammons, single	11/18/1983	2219,288	Donegal Twp
Carl W. and Julia M. Vanderhoof	11/18/1983	2219,294	Donegal Twp
Leroy and Iva M. Shaler	11/18/1983	2219,300	Donegal Twp
Charles E. and Nancy B. Gilmore	11/2/1983	2219,306	Donegal Twp
Linda S. Fischer, single	11/18/1983	2219,312	Donegal Twp
Raymond C. and Connie R. Filby	11/18/1983	2219,318	Donegal Twp
Jerry L. and Patricia Irwin	11/19/1983	2219,324	Donegal Twp
Raymond L. and Ruth E. Calvert	11/18/1983	2219,330	Donegal Twp
James and Ethel Narigon	11/18/1983	2219,336	Donegal Twp
Janet L. Strauss, single	11/16/1983	2219,342	Donegal Twp
Wilma M. Beattie, widow	11/18/1983	2219,348	Donegal Twp
Walter B. Paget, widower	11/2/1983	2219,354	Donegal Twp
Grace F. Miller, single	11/18/1983	2219,360	Donegal Twp
John W. Wise, widower	11/18/1983	2219,366	Donegal Twp

Grantor	Date	Record Book, Page	Location
Claysville Natural Gas Co.	2/7/1984	2219,372	Donegal Twp
Robert L. and Geraldine J. Kehn	9/6/1984	2219,379	Donegal Twp
Charles and Geraldine B. Pattison	9/6/1984	2219,385	Donegal Twp
Vera G. Porter, widow	9/6/1984	2219,391	Donegal Twp
Veterans Administration	2/15/1984	2219,397	Donegal Twp
Betty Jean H. Gibson, et al	9/6/1984	2219,403	Donegal Twp
Walter E. Hersey, Sr., single	9/6/1984	2219,409	Donegal Twp
Dorothy B. McVicker, widow	9/6/1984	2219,415	Donegal Twp
Mark E. and Sandra S. Welsh	9/6/1984	2219,421	Donegal Twp
D. Peter, Jr. and Elizabeth West	6/29/1984	2219,427	Donegal Twp
Guttman Realty Company	1/26/1984	2219,433	Donegal Twp
Theodore F. and Esther Dutton	1/16/1984	2219,439	Donegal Twp
Glenn W. and Anna Mae Swartz	11/19/1983	2219,445	Donegal Twp
Warren W. and Nellie M. Wolf	11/16/1983	2219,451	Donegal Twp
R. Leslie and Elizabeth B. Whiteman	11/18/1983	2219,457	Donegal Twp
Harold D. and Kathryn A. Shaner	11/18/1983	2219,463	Donegal Twp
Josephine White, widow	11/18/1983	2219,469	Donegal Twp
Glenn W. and Mildred V. Lohr	11/18/1983	2219,475	Donegal Twp
Glenn W. and Mildred V. Lohr	11/18/1983	2219,481	Donegal Twp
Mabel V. Kilgore, widow	11/2/1983	2219,487	Donegal Twp
Cornelia K. Bane, widow	11/18/1983	2219,517	Donegal Twp
Evelyn C. Fidler, widow	11/18/1983	2219,523	Donegal Twp
Glenn A. Crane, widower	11/18/1983	2219,529	Donegal Twp
William A. and Carolyn K. Hixenbaugh	11/18/1983	2219,535	Donegal Twp
Gary W. and Helen M. Whiteman	1/16/1984	2219,541	Donegal Twp
Gary W. and Helen M. Whiteman	1/16/1984	2219,547	Donegal Twp
Gary W. and Helen M. Whiteman	1/16/1984	2219,553	Donegal Twp
Fred M. and Beverly J. Gashel	1/16/1984	2219,559	Donegal Twp
Fred M. and Beverly J. Gashel	1/16/1984	2219,565	Donegal Twp
Betty H. and Robert L. Reed	11/16/1983	2219,571	Donegal Twp
Thomas L. and Edna C. Conner and Gailena L. Conner, single	11/18/1983	2219,577	Donegal Twp
Robert N. and Sue S. Hunt	2/27/1984	2219,583	Donegal Twp
Robert B. and Gladys B. Hunt	11/18/1983	2219,589	Donegal Twp
Hazel M. Richmond, widow	11/18/1983	2219,595	Donegal Twp

Grantor	Date	Record Book, Page	Location
Wheeling National Bank for Jerome E. and Helen M. Kellett	11/29/1983	2220,01	Donegal Twp
Paul S. and Ruth C. Mankey	11/18/1983	2220,07	Donegal Twp
Claysville-Dnegal Joint Municipal Authority	11/15/1985	2220,13	Donegal Twp
Mary Parshall, widow, et al	12/6/1984	2266,513	Donegal Twp
Robert D. and Cheryl L. Cumer	7/17/1985	2266,532	Donegal Twp
William P. and Velma B. Minter	7/17/1985	2266,538	Donegal Twp
Vernon E. and Rebecca A. Archer	1/16/1984	2266,544	Donegal Twp
Howard J. Jr. and Caroline P. Ashbrook	11/18/1983	2266,550	Donegal Twp
Borough of Claysville	11/18/1983	2266,556	Donegal Twp
Borough of Claysville	11/18/1983	2266,562	Donegal Twp
Borough of Claysville	11/18/1983	2266,568	Donegal Twp
Borough of Claysville	11/18/1983	2266,574	Donegal Twp
David M. and Shirley Campsey	11/22/1983	2266,580	Donegal Twp
CDJMA	11/18/1983	2266,586	Donegal Twp
Claysville Cemetery Association	11/18/1983	2266,592	Donegal Twp
Charles B. and Charmaine Ealy	5/30/1984	2266,598	Donegal Twp
Paul and Susan J. Goldstein	11/18/1983	2267,01	Donegal Twp
David and Beverly Jochynek	7/17/1985	2267,07	Donegal Twp
Donald G. and Dawn D. Lindsay	9/6/1984	2267,13	Donegal Twp
Anna L. Maroon, widow	11/28/1983	2267,19	Donegal Twp
Grace F. Martin, widow, et al	9/6/1984	2267,26	Donegal Twp
George R. and Arlis R. Patterson	11/18/1983	2267,33	Donegal Twp
William M. Pattison	11/18/1983	2267,39	Donegal Twp
William M. Pattison	11/18/1983	2267,45	Donegal Twp
Louis P. and Fayette J. Rush	11/18/1983	2267,51	Donegal Twp
Dennis L. and Patricia A. Seaman	9/6/1984	2267,57	Donegal Twp
Glenn F. and Wilda M. Smith	11/18/1983	2267,63	Donegal Twp
Richard M and Alexandra Sprowls	4/5/1984	2267,69	Donegal Twp
Vaughn D. Jr. and Vera M. Sprowls	11/18/1983	2267,75	Donegal Twp
Sidney A. and Inez S. Stimeling	11/18/1983	2267,82	Donegal Twp
Sidney A. and Inez S. Stimeling	11/28/1983	2267,88	Donegal Twp

Grantor	Date	Record Book, Page	Location
Timothy G. and Goldie E. Walker	5/30/1984	2267,94	Donegal Twp
Robert A. and Patricia A. Wheeler	11/18/1983	2267,100	Donegal Twp
George R. White and William F. A. White, co-partners	11/22/1983	2267,106	Donegal Twp
Alvin H. and Mary S. Carl	11/18/1983	2322,50	Donegal Twp
Halden J. and Sarah w. Ramage	7/17/1985	2322,527	Donegal Twp
Michael F. and Olive V. Vasiliou	12/7/1983	2322,534	Donegal Twp
Glenn F. and Wilda Smith	10/10/1991	2467,134	Claysville Borough
Robert L. Jr. and Ina E. Boyle	10/20/1992	2513,195	Donegal Twp
CDJMA	5/16/1994	2582,521	Donegal Twp
Commonwealth of PA	6/29/1995	2745,61	Donegal Twp
Vincent S. and Cindy L Chmel	7/12/1999	Inst. No. 199976830	Donegal Twp
Mark A. and Debra Fajerski	9/20/2001	Inst. No. 200131375	Donegal Twp
CDJMA to Columbia Gas	6/8/2006	Inst. No. 200618329	Donegal Twp
CDJMA to Columbia Gas	10/4/2005	Inst. No. 200533859	Donegal Twp

**Schedule 4.10**

**Personalty**

Meter Reading Devices

- (1) Sensus Meter Reading System - Serial #3005 - SD - 67595B - Model 3005
- (2) Auto Read for Windows Version 5.05 - Computer Software

**Schedule 4.11**

**Leases**

None.

**Schedule 4.13**

**Contracts**

None.

**Schedule 4.15**

**Liabilities**

Payoff Figures as of December 31, 2006

National City:	\$1,142,363.56
Pennvest:	\$ 453,076.19
RUS:	\$ 818,433.71

**Schedule 4.16**

**Contracts**

None.

**Schedule 5.1.8**

**Storm Water Ordinances**

Claysville Borough - Ordinance No. 75 - Adopted 11/07/83

Donegal Township - Ordinance No. 2002-2 - Adopted 03/26/02

Copies Attached.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]**

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**ARTICLE III, Connection to Public Sewers <sup>EN(1)</sup> [Adopted 11-7-1983 by Ord. No. 75]**

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**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-14. Establishment of sewer system.**

**§ 45-14. Establishment of sewer system.**

All sewers and branches thereof for the disposal of sanitary sewage and industrial wastes within the Borough at any time heretofore and hereafter constructed or otherwise acquired by or on behalf of the Borough and/or Claysville-Donnegal Joint Municipal Authority (the "Authority") are hereby adopted and declared to be, for the purposes of this article, a common system of sanitary sewers for the Borough and are hereinafter called the "Borough sewer system."

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-15. Connection required.**

**§ 45-15. Connection required.**

The owner or owners of each property accessible to and whose principal building, heretofore and/or hereafter constructed, is within 150 feet of a sewer line of the Borough sewer system shall connect therewith at any time within 60 days after notice to make such connection is served on such owner or owners by the Borough or its agent, either by personal service or by registered or certified mail with return receipt requested. The terms "to connect," "connection" and "sewer connection," as used herein, shall mean the extension of the private sanitary sewage and industrial waste drainage system of the building or premises to the public "Ys" or "Ts" or extensions thereof forming a part of the Borough sewer system.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-16. Failure to comply; work to be done by Borough; collection of costs and  
penalty.**

**§ 45-16. Failure to comply; work to be done by Borough; collection of costs and penalty.**

In case any property owner or owners of such building or premises shall neglect or refuse to connect with the Borough sewer system within the sixty-day period immediately following service of the notice to connect with the Borough sewer system, the Borough or its agent may enter upon such property and construct such sewer connection. Upon construction of such sewer connection by the Borough or its agent, the Borough or its agent shall send an itemized bill of costs of the construction of such sewer connection (together with the connection fee hereinafter mentioned) to the owner or owners of such property, which bill shall be payable forthwith. In case such owner or owners neglect or refuse to pay such bill of costs, the Borough may file a municipal lien for the costs of said construction, plus a penalty of 5% thereof, within six months after the completion of the construction of such sewer connection, as provided by law, or the Borough may pursue any other legal or equitable remedy available to it to collect such bill of costs and such 5% penalty. This section is not intended to restrict or limit any legal or equitable remedy that the Borough may have with respect to the failure of a property owner to connect to the Borough sewer system.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-17. Connection permits required.**

**§ 45-17. Connection permits required.**

- A. No person shall be authorized to uncover, make any connections with or opening into, alter or disturb the Borough sewer system without having received a permit (renewable annually) from the Borough to do so, having registered with the Borough Secretary or its agent a bond payable to the Borough and the Authority, as their respective interests may appear, complying with the requirements set forth in § 45-18 hereof as applicable to such person.
- B. No unauthorized person shall uncover, make any connections with or opening into, use, alter or disturb the Borough sewer system without the owner or owners of the building or premises affected first obtaining a written sewer connection permit. The owner or owners of a building

or premises desiring or required to connect with the Borough sewer system shall first make application therefor in writing to the Borough or its agent, who upon approval of the application shall refer it to the Borough Secretary or its agent.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-18. Bond requirements.**

**§ 45-18. Bond requirements.**

- A. If the owner or owners of such building or premises shall have to connect with the Borough sewer system by means other than through an existing "Y" or "T" on the Borough sewer system and the extension thereof to the curblineline or cartway line of the road or street or public right-of-way line, as the case may be, the Borough Secretary or its agent upon receipt of the approved application shall prepare and deliver to the applicant a form of bond payable to the Borough and the Authority, as their respective interests may appear, and the Authority, in the sum of \$2,000, with sufficient corporate sureties to indemnify the Borough and the Authority:
- (1) Against all damages or injury to the Borough sewer system relating to the making of such connection;
  - (2) To replace in good condition any curbing, pavement or earth disturbed;
  - (3) To indemnify and save harmless the Borough and the Authority for two years from the completion of the work, from all damages, repairs, costs and expenses, injuries and such actions and suits as are caused or occasioned by defective materials and workmanship, and from all damages from any accident (including death) and from all costs and attorney's fees incurred by reason of any matter or thing done, committed or omitted by such owner, his agents or employees under or in any way connected with such permit; and
  - (4) To comply in all respects with the ordinances, resolutions, rules and regulations of the Borough, the Authority and any other governmental agency having jurisdiction with respect to the same now in force or hereafter to be passed.
- B. Upon receipt by the Borough Secretary or its agent of the bond duly executed, he shall submit the bond to the Borough or its agent for approval.

**10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-19. Issuance of connection permits.**

**§ 45-19. Issuance of connection permits.**

Upon the return to the Borough Secretary or its agent of the bond approved by the Borough or its agent in all cases where a bond is required as above provided, and, in all cases, upon payment of the sewer connection fee hereinafter provided, the Borough Secretary or its agent shall issue a sewer connection permit authorizing the approved applicant to connect such building or premises with the Borough sewer system.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-20. Connection fee. EN**

**§ 45-20. Connection fee. EN(2)**

The sewer connection fee to be paid by the owner or owners of such building or premises being connected to the Borough sewer system for each connection shall be as set forth in the current schedule of fees authorized by the Claysville-Donnegal Joint Municipal Authority.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-21. Costs and expenses to be borne by property owner; indemnification of  
Borough and Authority.**

**§ 45-21. Costs and expenses to be borne by property owner; indemnification of Borough  
and Authority.**

All costs and expenses incident to the installation of the sewer connection and the connection of such building or premises with the Borough sewer system shall be borne by the owner or owners of such building or premises. Such owner or owners shall indemnify and save harmless the Borough and the Authority from any loss or damage directly or indirectly caused by or arising out of such installation and connection.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-22. Methods of connection.**

**§ 45-22. Methods of connection.**

A separate sewer connection shall be provided for every principal building, except that, where a building stands at the rear of another and no separate connection to the Borough sewer system can be made through an adjoining alley, court, yard or driveway, the sewer connection from the front building may be extended to the rear building only upon prior written approval of the Borough or its agent.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-23. Standards for connection.**

**§ 45-23. Standards for connection.**

All sewer connections, materials therefor, jointing materials and methods used shall at all times be subject to the direction, supervision and approval of the Borough or its agent according to uniform rules and standards as adopted from time to time by the Borough or its agent.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-24. Size and slope of connection.**

**§ 45-24. Size and slope of connection.**

The size and slope of the sewer connection shall be subject to the approval of the Borough or its agent, but in no event shall the diameter be less than four inches nor shall the slope of such four-inch pipe be less than 1/4 of an inch per foot, unless under extenuating conditions written consent of the Borough or its agent is obtained and greater-sized pipe and greater slope may be required by the Borough or its agent for multiple EDU users and for similar problems. The invert of the sewer connection at the point of connection with such building or premises shall be at the same or at a higher elevation than the invert at the point of connection with the Borough sewer

system.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-25. Special sewer connection permit.**

**§ 45-25. Special sewer connection permit.**

No person or persons shall connect with the Borough sewer system other than through, by or into "Ys" and "Ts" in the Borough sewer system without a special sewer connection permit and the designation of the location of the "Ys" and "Ts" by the Borough or its agent. No person shall drill into or tap the Borough sewer system without written permission from the Borough or its agent.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-26. Inspections.**

**§ 45-26. Inspections.**

The owner or owners holding sewer connection permits shall notify the Borough or its agent when the sewer connection is ready for inspection and connection with the Borough sewer system. In no case shall backfill be placed until such inspection has been made. The Borough or its agent may from time to time and at reasonable times inspect, test, and require repair or replacement of all sewer line connections to the Borough sewer system to assure compliance with applicable laws and rules and regulations.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-27. Safety provisions.**

**§ 45-27. Safety provisions.**

All excavations for sewer connection shall be adequately guarded with barricades and lights to protect the public from hazards. All streets, sidewalks and public property disturbed in the course of making a sewer connection shall be restored to the same condition they were in prior to such

disturbance, to the extent practicable, in a manner satisfactory to the Borough or its agent.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-28. Abandonment of privies, cesspools, sinkholes, septic tanks and similar  
receptacles.**

**§ 45-28. Abandonment of privies, cesspools, sinkholes, septic tanks and similar receptacles.**

After 60 days have lapsed since such owner or owners received notice to connect with the Borough sewer system as above provided, such owner or owners shall forthwith abandon all privies, cesspools, sinkholes, septic tanks and other receptacles on the premises for receiving sewage and/or industrial wastes (unless specific written permission to the contrary has been given by the Borough), and shall not at any time thereafter erect, construct, use or maintain any pipe, conduit, drain or other facility for the discharge of sewage and/or industrial wastes except into the Borough sewer system (unless specific written permission to the contrary is given by the Borough); and all privy vaults or cesspools or similar receptacles for human excrement shall be cleansed and filled (as the Borough or its agent may require) under the direction of the Borough or its agent; and no connection shall be permitted from any privy vault or cesspool to the Borough sewer system.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-29. Prohibited discharges.**

**§ 45-29. Prohibited discharges.**

No such owner or owners shall discharge or permit the discharge of any stormwater, surface water, roof runoff, swimming pool waters, subsurface drainage, cooling water or unpolluted industrial process waters into the Borough sewer system.

**CODE OF THE BOROUGH OF CLAYSVILLE, PENNSYLVANIA, v3 Updated  
10-01-2006 / THE CODE / Chapter 45, SEWERS AND SEWAGE DISPOSAL /  
ARTICLE III, Connection to Public Sewers EN [Adopted 11-7-1983 by Ord. No. 75]  
/ § 45-30. Violations and penalties.**

**§ 45-30. Violations and penalties.**

Any person, firm or corporation, or its officers, violating any of the provisions of this article shall, upon conviction thereof before any Magisterial District Judge, be sentenced to pay a fine of not more than \$300 for each and every offense, and costs, or be imprisoned in the Washington County Jail for a period not exceeding 30 days, or both. Whenever such person, firm or corporation, or any of its officers, shall have been notified in writing by the Borough or its agent that such person, firm or corporation, or any of its officers, is violating this article, each full week that he shall continue such violation after receipt of such notification shall constitute a separate offense punishable by a like fine or imprisonment, or both, hereunder upon conviction thereof.

**Endnotes**

**1 (Popup - Popup)**

Editor's Note: See the rules and regulations of the Claysville-Donnegal Joint Municipal Authority for information regarding hookup and administration of the local water and sewage systems.

**2 (Popup - Popup)**

Editor's Note: Amended at time of adoption of Code (see Ch. 1, Administration and Government, Art. I).

and the disposal thereof shall be made only at such site or sites as may be approved by the *Department of Environmental Protection of the Commonwealth of Pennsylvania*.

- B. The Township will receive, review and retain pumping receipts from permitted holding tanks.
- C. The Township will complete and retain annual inspection reports for each permitted tank.

#### **§ 92-12. Duties of improved property owner.**

The owner of an improved property that utilizes a holding tank shall:

- A. Maintain the holding tank in conformance with this or any other ordinance of this Township, the provisions of any applicable law, rules and regulations of the Township and any other administrative agency of the Commonwealth of Pennsylvania.
- B. Permit only the Township or its agent to inspect holding tanks on an annual basis.
- C. Permit only the Township or its agent to collect, transport, and dispose of the contents therein.

#### **§ 92-13. Violations and penalties.** <sup>3</sup>

Any person who violates or permits a violation of this article shall, upon conviction in a summary proceeding brought before a District Justice under the Pennsylvania Rules of Criminal Procedure, be guilty of a summary offense and shall be punishable by a fine of not more than \$1,000, plus costs of prosecution. In default of payment thereof, the defendant may be sentenced to imprisonment for a term not exceeding 90 days. Each day or portion thereof that such violation continues or is permitted to continue shall constitute a separate offense, and each section of this article that is violated shall also constitute a separate offense.

#### **§ 92-14. Abatement of nuisances.**

In addition to any other remedies provided in this article, any violation of this article above shall constitute a nuisance and shall be abated by the Township of Donegal by either seeking mitigation of the nuisance or appropriate equitable or legal relief from a court of appropriate jurisdiction.

### ARTICLE III

#### **Mandatory Sewer Connections**

[Adopted 3-26-2002 by Ord. No. 2002-2]

#### **§ 92-15. Title.**

This article shall be known and cited as the Township of Donegal "Mandatory Sewer Connection Ordinance."

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3. Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

**§ 92-16. Scope; interpretation.**

- A. The subject matter of this article is the requirement that all buildings on premises abutting public sanitary sewers connect thereto.
- B. In this article, the singular shall include the plural, the plural shall include the singular, and the masculine shall include the feminine.

**§ 92-17. Duty to connect.**

The owner of any improved property abutting or contiguous to any public sewer line or of any noncontiguous property on which the principal structure is situated within 150 feet from any public sewer line shall connect such improved property to, and shall use, the public sewage system in accordance with the provisions of this article within 60 days after notice to such owner to make such connection is issued by the Township or its designee for the purpose of collecting and discharging all sewage from such improved property.

**§ 92-18. Use of septic tanks and similar receptacles prohibited.**

It shall be unlawful for any owner, lessee or occupier of any property in the Township abutting upon any the aforementioned public sanitary sewer to employ any means, either by septic tank, cesspool, privy vault, mine hole or otherwise, for the disposal of acceptable sanitary sewage other than into and through said public sanitary sewers.

**§ 92-19. Time to connect.**

Where any house, building or structure in the Township, abutting upon any aforementioned public sanitary sewer, is now or hereafter may be using any method for the disposal of acceptable sanitary sewage other than through said public sanitary sewers, it shall be the duty of the Township, or an authorized representative of the Township, to notify the owner, lessee or occupier of such structure in writing, either by personal service, certified mail or registered mail, to disconnect the same and make proper connection for the discharge and disposal of all acceptable sanitary sewage through the said public sanitary sewers, as herein provided, within 60 days after receipt of such notice. Any owner or lessee or occupier of a structure who cannot comply with the provisions of this section as to connection within the 60 day period stipulated above due to causes beyond his control shall apply to the Township within said 60 day period for a time extension of up to six months in duration. Said application shall be made on a form to be furnished by the Township and shall contain a voluntary agreement on the part of the applicant under which the applicant shall agree to commence paying the regular monthly sewer rates immediately even though actual connection to the public sanitary sewers will not be accomplished until some stated later date within the said six month extension period.

**§ 92-20. Connection of septic tanks and similar receptacles prohibited.**

No privy vault, cesspool, septic tank, mine hole or similar receptacle for human excrement shall at the present time or at any time hereafter be connected with the aforesaid public sanitary sewers.

**§ 92-21. Connection of roof drains prohibited.**

It shall be unlawful for any person, partnership, firm or corporation connected to any aforementioned public sanitary sewers to connect any roof drain thereto or permit any roof drain to remain connected thereto, or to permit, allow or cause to enter into said public sewers any stormwater, foundation drain water, spring water or surface water, or any sewage or industrial waste from any property other than that for which a permit is issued.

**§ 92-22. Connection procedure.**

No person, firm or corporation shall make or cause to be made any connection with any of the aforementioned public sanitary sewers until he has fulfilled all of the following conditions:

- A. Property owner(s) (hereinafter "applicant") shall make application to the Township, or its designee, upon a permit form to be formulated and supplied by the Township, or its designee, for permission to connect to the aforementioned public sanitary sewers. Among other things, the applicant must state the character and use of each structure located upon his property.
- B. The applicant shall pay to the Township, or its designee, the required tap-in connection fee, or other similar fee, for each building unit on each property connected to the aforementioned public sanitary sewers at the time of making application for permission to make such connection(s). The Township reserves the right to alter the amount of future tap-in connection fees, or other similar fees.
- C. No work shall commence before the payment of the aforesaid tap-in connection fee(s), or other similar fees, and issuance of the aforementioned connection permit(s).
- D. The applicant shall give the Township, or its designee, at least a twenty-four-hour notice of the time when such connection shall be made in order that said Township, or its designee, can be present to inspect and approve the connection work. The Township Enforcement Officer shall signify his approval of the connection by endorsing his name and the date of approval on the aforementioned connection permit obtained by the applicant.
- E. At the time of inspection of the connection, the applicant shall permit the Township, or its designee, with full and complete access to all sanitary and drainage arrangement and facilities in each building and in and about all parts of the property. No building sewer line shall be covered over, or in any manner concealed, until after it is inspected and approved by the Township or its designee.

**§ 92-23. Sewer system rules and regulations.**

The construction and number and size of all building sewer lines or house service sewers shall be done in accordance with the specifications, plans and procedures established by the Township in its sewer system rules and regulations, as the same may be from time to time published and amended, copies of which, upon adoption, shall be maintained on file with the Township Secretary/Treasurer.

**§ 92-24. Failure to connect.**

If the applicant of any house, building or structure in the Township shall neglect or refuse to comply with the provisions of this article or the written notice as prescribed in § 92-19 hereof, the Township may perform, or cause to be performed, such work and labor and furnish, or cause to be furnished, such material as may be necessary to comply with the provisions of this article at the cost and expense of said applicant, together with 10% additional thereof and all charges and expenses incidental thereto, which sum shall be collected from said applicant for the use of the Township as debts are at law collectable, or the Township, or its designee, may file a municipal claim or lien therefor against said premises as provided by law.

**§ 92-25. Definitions.**

"Unacceptable sanitary sewage" and other terms used herein for purposes of this article shall have the same definitions as those which are set forth in the sewer system rules and regulations, with said rules and regulations to be applicable to all users of the aforementioned public sanitary sewers.

**§ 92-26. Violations and penalties.<sup>4</sup>**

In addition to any penalty hereinabove prescribed, any person who violates or permits a violation of this article shall, upon conviction in a summary proceeding brought before a District Justice under the Pennsylvania Rules of Criminal Procedure, be guilty of a summary offense and shall be punishable by a fine of not more than \$1,000, plus costs of prosecution. In default of payment thereof, the defendant may be sentenced to imprisonment for a term not exceeding 90 days. Each day or portion thereof that such violation continues or is permitted to continue shall constitute a separate offense, and each section of this article that is violated shall also constitute a separate offense.

---

4. Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

Schedule 8.1.9

Certification of Financial Information

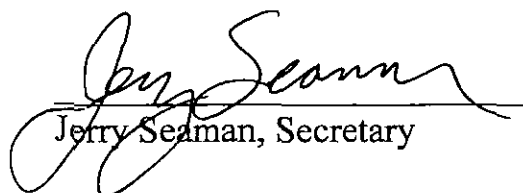
CERTIFICATE AS TO DEBT, CONTRIBUTIONS,  
AND ADDITIONS AND RETIREMENTS

The undersigned officer of CLAYSVILLE DONEGAL JOINT MUNICIPAL AUTHORITY ("CDJMA"), with regard to the Purchase Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 2006 (the "Agreement") between the CDJMA, as Seller, and Pennsylvania-American Water Company ("PAWC"), as Purchaser, for the sale by CDJMA to PAWC of the public water supply system now owned by CDJMA (the "Water System"), hereby certifies that:


1. The amount of CDJMA's net outstanding long-term debt or notes related to the Water System is \$ 2,275,920.09.
2. The amount of all unexpired customers' advances for construction and unexpended contributions in aid of construction is zero dollars, (\$ 0.00).
3. The additions or retirements to the Water System during the period \_\_\_\_\_, 2006, through the date of this Certificate, together with the cost thereof, are: \$ \_\_\_\_\_.

All of the foregoing statements are true and correct as of the \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

ATTEST:

  
Jerry Seaman, Secretary

CLAYSVILLE DONEGAL JOINT  
MUNICIPAL AUTHORITY

  
Earl Tustin, Chairman

(SEAL)

**Schedule 8.1.11**

**Opinion of Counsel**

See Attached.

Pennsylvania-American Water Company  
800 West Hersheypark Drive  
Hershey, PA 17033

Ladies and Gentlemen:

I have acted as counsel for Claysville-Donegal Joint Municipal Authority, a municipal authority (the "CDJMA") in connection with the execution and delivery by CDJMA of the Purchase Agreement (the "Agreement") dated the \_\_\_\_\_ day of November, 2006, between the CDJMA and Pennsylvania-American Water Company, a Pennsylvania corporation ("PAWC"). This opinion is delivered to you pursuant to Paragraph 8.1.11 of the Agreement. All capitalized Terms used herein without definition shall have the respective meanings ascribed to them in the Agreement unless otherwise noted.

In connection with the opinions expressed below, I have made such examination of law and have examined originals, or copies certified or otherwise identified to my satisfaction, of the Agreement and all other agreements and instruments to be executed by CDJMA in connection with the Agreement ("Transaction Documents"), and such documents and records of the CDJMA, certificates of public officials and of officers of the CDJMA, and such other documents as I have deemed necessary or appropriate.

Based upon and subject to the foregoing, it is my opinion that as of the date hereof:

1. CDJMA is validly existing under the laws of the Commonwealth of Pennsylvania and has all requisite municipal power and municipal authority to perform its obligations under the Agreement, and to own the Acquired Assets as now owned or leased and to operate the Acquired Assets as now operated.
2. All proceedings required to be taken by or on the part of the CDJMA to authorize the execution, delivery and performance of the Agreement and the Transaction Documents, and the consummation of the transactions thereby, have been duly and properly taken. Each of the Agreement and the Transaction Documents have been duly and validly executed and delivered.


3. All consents, approvals, authorizations or orders of any court or governmental authority of the United States or the Commonwealth of Pennsylvania required for the consummation by CDJMA of the transactions contemplated by the Agreement have been obtained.

4. Neither the execution and delivery of the Agreement and the Transaction Documents by CDJMA nor the consummation of the transactions contemplated thereby will conflict with, or result in a breach of, the terms, conditions, or provisions of, or constitute a default under, the terms of any agreement or instrument to which CDJMA is a party or by which the Acquired Assets may be bound or affected. The execution, delivery and performance of, and compliance with, the Agreement and the Transaction Documents by CDJMA will not violate any provision of any law, rule, regulation, or to my knowledge, order, permit, certificate, writ, judgment, injunction, decree, determination, award or other decision of any court, arbitrator or governmental authority, by which CDJMA is bound or to which it is subject.

5. The Agreement and other agreements and documents to be executed pursuant thereto, when executed and delivered by CDJMA, will constitute legal, valid and binding obligations of CDJMA, enforceable against it in accordance with their respective terms.

Very truly yours,

By:



Dennis M. Makel, Esquire

DMM: bjp

cc: Claysville Donegal Joint Municipal Authority

**Schedule 8.1.16**

**DEP Consent Order and Approval**

Will be supplied at a later date.

**Schedule 8.1.20**

**Water and Wastewater Rates**

See Attached.

**CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY  
SEWAGE RATE CHART**

TAP IN FEE----\$1500.00      EFFECTIVE AUGUST 2, 2005

Minimum \$25.50 for first 1000 gallons or any part thereof. \$5.75 per 1000 thereafter.

USED	\$ AMT	USED	\$ AMT	USED	\$ AMT	USED	\$ AMT
1000 Min.	25.50	5000	48.50	9000	71.50	13000	94.50
1100	26.08	5100	49.08	9100	72.08	13100	95.08
1200	26.65	5200	49.65	9200	72.65	13200	95.65
1300	27.23	5300	50.23	9300	73.23	13300	96.23
1400	27.80	5400	50.80	9400	73.80	13400	96.80
1500	28.38	5500	51.38	9500	74.38	13500	97.38
1600	28.95	5600	51.95	9600	74.95	13600	97.95
1700	29.53	5700	52.53	9700	75.53	13700	98.53
1800	30.10	5800	53.10	9800	76.10	13800	99.10
1900	30.68	5900	53.68	9900	76.68	13900	99.68
2000	31.25	6000	54.25	10000	77.25	14000	100.25
2100	31.83	6100	54.83	10100	77.83	14100	100.83
2200	32.40	6200	55.40	10200	78.40	14200	101.40
2300	32.98	6300	55.98	10300	78.98	14300	101.98
2400	33.55	6400	56.55	10400	79.55	14400	102.55
2500	34.13	6500	57.13	10500	80.13	14500	103.13
2600	34.70	6600	57.70	10600	80.70	14600	103.70
2700	35.28	6700	58.28	10700	81.28	14700	104.28
2800	35.85	6800	58.85	10800	81.85	14800	104.85
2900	36.43	6900	59.43	10900	82.43	14900	105.43
3000	37.00	7000	60.00	11000	83.00		
3100	37.58	7100	60.58	11100	83.58		
3200	38.15	7200	61.15	11200	84.15		
3300	38.73	7300	61.73	11300	84.73		
3400	39.30	7400	62.30	11400	85.30		
3500	39.88	7500	62.88	11500	85.88		
3600	40.45	7600	63.45	11600	86.45		
3700	41.03	7700	64.03	11700	87.03		
3800	41.60	7800	64.60	11800	87.60		
3900	42.18	7900	65.18	11900	88.18		
4000	42.75	8000	65.75	12000	88.75		
4100	43.33	8100	66.33	12100	89.33		
4200	43.90	8200	66.90	12200	89.90		
4300	44.48	8300	67.48	12300	90.48		
4400	45.05	8400	68.05	12400	91.05		
4500	45.63	8500	68.63	12500	91.63		
4600	46.20	8600	69.20	12600	92.20		
4700	46.78	8700	69.78	12700	92.78		
4800	47.35	8800	70.35	12800	93.35		
4900	47.93	8900	70.93	12900	93.93		

**USAGE OF 15000+ GALLONS**

15000	106.00	100	0.58
16000	111.75	200	1.15
17000	117.50	300	1.73
18000	123.25	400	2.30
19000	129.00	500	2.88
20000	134.75	600	3.45
21000	140.50	700	4.03
22000	146.25	800	4.60
23000	152.00	900	5.18
24000	157.75		
25000	163.50		
26000	169.25		
27000	175.00		
28000	180.75		
29000	186.50		
30000	192.25		

Example: 7500 gallons usage	
Minimum Rate	25.50
7500-1000 gal min = 6500	
6500/1000 = 6.50	
6.50 x 5.75	37.38
	<hr/>
	62.88

Flat Rate is based on average use of 3100 gallons per month

25.50 Minimum
12.08 2100 gals
<hr/>
37.58

**Effective February 1, 2006**

**CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY  
WATER RATE CHART**

CONNECTION FEE---\$800.00 As of September 16, 2005

Minimum \$28.00 for first 1000 gallons or any part thereof. \$5.25 per 1000 gallons for the next 10,000 gallons.  
\$4.00 per 1000 gallons thereafter.

USED	\$ AMT	USED	\$ AMT	USED	\$ AMT	USED	\$ AMT
1000 Min.	28.00	5000	49.00	9000	70.00	13000	88.50
1100	28.53	5100	49.53	9100	70.53	13100	88.90
1200	29.05	5200	50.05	9200	71.05	13200	89.30
1300	29.58	5300	50.58	9300	71.58	13300	89.70
1400	30.10	5400	51.10	9400	72.10	13400	90.10
1500	30.63	5500	51.63	9500	72.63	13500	90.50
1600	31.15	5600	52.15	9600	73.15	13600	90.90
1700	31.68	5700	52.68	9700	73.68	13700	91.30
1800	32.20	5800	53.20	9800	74.20	13800	91.70
1900	32.73	5900	53.73	9900	74.73	13900	92.10
2000	33.25	6000	54.25	10000	75.25	14000	92.50
2100	33.78	6100	54.78	10100	75.78	14100	92.90
2200	34.30	6200	55.30	10200	76.30	14200	93.30
2300	34.83	6300	55.83	10300	76.83	14300	93.70
2400	35.35	6400	56.35	10400	77.35	14400	94.10
2500	35.88	6500	56.88	10500	77.88	14500	94.50
2600	36.40	6600	57.40	10600	78.40	14600	94.90
2700	36.93	6700	57.93	10700	78.93	14700	95.30
2800	37.45	6800	58.45	10800	79.45	14800	95.70
2900	37.98	6900	58.98	10900	79.98	14900	96.10
3000	38.50	7000	59.50	11000	80.50		
3100	39.03	7100	60.03	11100	80.90		
3200	39.55	7200	60.55	11200	81.30		
3300	40.08	7300	61.08	11300	81.70		
3400	40.60	7400	61.60	11400	82.10		
3500	41.13	7500	62.13	11500	82.50		
3600	41.65	7600	62.65	11600	82.90		
3700	42.18	7700	63.18	11700	83.30		
3800	42.70	7800	63.70	11800	83.70		
3900	43.23	7900	64.23	11900	84.10		
4000	43.75	8000	64.75	12000	84.50		
4100	44.28	8100	65.28	12100	84.90		
4200	44.80	8200	65.80	12200	85.30		
4300	45.33	8300	66.33	12300	85.70		
4400	45.85	8400	66.85	12400	86.10		
4500	46.38	8500	67.38	12500	86.50		
4600	46.90	8600	67.90	12600	86.90		
4700	47.43	8700	68.43	12700	87.30		
4800	47.95	8800	68.95	12800	87.70		
4900	48.48	8900	69.48	12900	88.10		

USAGE OF 15,000+ GALLONS			
15000	96.50	100	0.40
16000	100.50	200	0.80
17000	104.50	300	1.20
18000	108.50	400	1.60
19000	112.50	500	2.00
20000	116.50	600	2.40
21000	120.50	700	2.80
22000	124.50	800	3.20
23000	128.50	900	3.60
24000	132.50		
25000	136.50		
26000	140.50		
27000	144.50		
28000	148.50		
29000	152.50		
30000	156.50		

Example: 7500 gallons usage	
Minimum Rate	28.00
7500-1000 gal min = 6500	
6500/1000 = 6.50	
6.50 x 5.25	34.13
	<u>62.13</u>

**Effective February 1, 2006**

**SCHEDULE OF RATES**  
Revised and Approved 01-10-06

**EFFECTIVE FEBRUARY 1, 2006**

All water usage will be billed at the following rates:

**RESIDENTIAL**

Minimum meter charge per month for Residential Customers for 1000 gallons-----\$28.50

First 1000 gallons or any part thereof	\$28.50
For the next 10,000 gallons	\$5.25/1000 gallons
Everything over 11,000 gallons	\$4.00/1000 gallons

**COMMERCIAL**

Minimum meter charge per month for Commercial Customers for 30,000 gallons-----\$300.00

First 30,000 gallons or any part thereof	\$300.00
Everything over 30,000 gallons	\$4.00/1000 gallons

**Schedule 8.1.22**

**Dam Facilities**

Currently the dam is under contract of sale with a licensed Realtor.

PENNSYLVANIA AMERICAN WATER COMPANY  
BALANCE SHEET

PRO FORMA  
DEC, 2006

ASSETS	
UTILITY PLANT	\$ 2,486,698,205
CONSTRUCTION WORK IN PROGRESS	32,373,160
ACCUMULATED DEPRECIATION	(557,121,344)
UTILITY PLANT ACQUISITION ADJ.	16,357,603
OTHER UTILITY PLANT ADJUSTMENTS	0
	<u>1,978,307,624</u>
NONUTILITY PROPERTY	291,098
OTHER INVESTMENTS	<u>39,985,641</u>
CURRENT ASSETS	
CASH AND CASH EQUIVALENTS	1,798,289
TEMPORARY INVESTMENTS	0
CUSTOMER ACCOUNTS RECEIVABLE	37,161,918
ALLOWANCE FOR UNCOLL. ACCT.	(6,021,346)
UNBILLED REVENUES	22,685,734
FIT REFUND DUE FROM ASSOC. COMPANY	2,145,673
MISCELLANEOUS RECEIVABLES	977,236
MATERIALS AND SUPPLIES	2,931,170
OTHER	7,685,080
	<u>69,363,754</u>
DEFERRED DEBITS	
DEBT AND PREF. STOCK EXPENSE	14,834,776
EXPENSE OF RATE PROCEEDINGS	0
PREL. SURVEY AND INVEST. CHARGES	5,120,135
REG ASSET-INC TAX RECOVERABLE THRU RATES	109,045,070
OTHER	40,225,267
	<u>169,225,248</u>
	<u>\$ 2,257,173,365</u>
CAPITAL AND LIABILITIES	
COMMON STOCK	\$ 21,506,887
PAID IN CAPITAL	487,983,004
RETAINED EARNINGS	<u>258,544,777</u>
	768,034,668
TOTAL COMMON EQUITY	768,034,668
PREFERRED STOCK	1,720,200
LONG-TERM DEBT	<u>680,203,184</u>
	1,449,958,052
TOTAL CAPITALIZATION	1,449,958,052
CURRENT LIABILITIES	
BANK DEBT-PENDING ISSUANCE OF SEC.	176,786,890
CURR. PORTION OF LONG-TERM DEBT	49,615,828
ACCOUNTS PAYABLE	29,121,397
TAXES ACCRUED	26,818,615
INTEREST ACCRUED	10,047,468
CUSTOMER DEPOSITS	0
DIVIDENDS DECLARED	0
OTHER	20,384,457
	<u>312,774,655</u>
DEFERRED CREDITS	
CUSTOMER ADVANCES FOR CONSTR.	89,267,777
DEFERRED INCOME TAXES	294,681,811
DEFERRED INCOME TAX CREDIT	7,474,896
REGULATORY LIAB - INCOME TAX REFUND THRU RATES	(10,125,968)
OTHER	24,411,240
	<u>405,709,756</u>
CONTRIBUTIONS IN AID OF CONSTRUCTION	<u>88,730,902</u>
	<u>\$ 2,257,173,365</u>

PENNSYLVANIA AMERICAN WATER COMPANY  
 STATEMENT OF INCOME AND RETAINED EARNINGS  
 TWELVE MONTHS ENDED DECEMBER 31, 2006

	<u>Pro Forma Consolidated</u>
OPERATING REVENUES	<u>\$ 403,083,141</u>
OPERATION EXPENSES	
OPERATIONS AND MAINTENANCE	183,776,590
DEPRECIATION & AMORTIZATION	52,758,199
TAXES ON OPERATING INCOME	
GENERAL TAXES	10,785,087
STATE INCOME	10,206,845
FEDERAL INCOME	<u>31,581,759</u>
	<u>289,108,480</u>
UTILITY OPERATING INCOME	113,974,661
OTHER INCOME	
INTEREST	132,844
ALLOW. FOR OTHER FUNDS FOR CONSTRUCT.	1,136,316
GAIN (LOSS) ON SALE OF PROPERTY	3,842
MISCELLANEOUS OTHER INCOME	<u>-60,906</u>
	<u>115,186,757</u>
OTHER DEDUCTIONS	
MISCELLANEOUS	(1,152,581)
TAXES ON OTHER INCOME AND DEDUCTIONS	
GENERAL	91,707
STATE INCOME	93,472
FEDERAL INCOME	<u>327,479</u>
	<u>(639,923)</u>
INCOME BEFORE INTEREST CHARGES	<u>115,826,680</u>
INTEREST CHARGES	
INTEREST ON LONG-TERM DEBT	49,615,743
AMORTIZATION OF DEBT EXPENSE	2,013,216
OTHER INTEREST	1,902,900
ALLOW. FOR BORROWED FUNDS FOR CONSTRUCT.	<u>(167,527)</u>
	<u>53,364,332</u>
NET INCOME	62,462,348
DIVIDENDS ON PREFERRED STOCK	<u>67,683</u>
NET INCOME TO COMMON	<u>\$ 62,394,665</u>

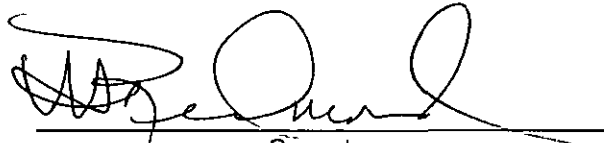
PENNSYLVANIA-AMERICAN WATER COMPANY

I, V.A. REDMOND, Secretary of Pennsylvania-American Water Company, a Pennsylvania corporation, (the "Company") DO HEREBY CERTIFY that below is a true and correct copy of resolutions duly adopted by the Board of Directors of the Company at a meeting thereof duly convened and held on December 19, 2006 at which meeting a quorum was present and acting throughout, and that such resolutions have not been amended or rescinded and are still in full force and effect:

*RESOLVED*, that the proper officers of the Company be, and hereby are, authorized and directed to execute and deliver to Claysville-Donnegal Joint Municipal Authority an agreement to purchase; and

*RESOLVED*, that the appropriate officers of the Company be, and hereby are, authorized and directed to execute and deliver any and all documents, make all filings and do any other thing which they may deem necessary, proper or desirable to effectuate the purposes of the foregoing resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of this Company this 24<sup>th</sup> day of May, 2007.

  
Secretary

**Exhibit I**

CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY

AUTHORIZATION TO CONVEY THE AUTHORITY'S PUBLIC WATER  
SYSTEM AND WASTEWATER SYSTEM TO PA AMERICAN WATER COMPANY

RESOLUTION NO. 1-07

A RESOLUTION OF THE CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY ("AUTHORITY/CDJMA") APPROVING THE SALE OF THE AUTHORITY'S PUBLIC WATER SYSTEM AND WASTEWATER SYSTEM TO PENNSYLVANIA AMERICAN WATER COMPANY

*WHEREAS*, the Authority recognizes the need for adequate and dependable public water supply and wastewater system in the Claysville/Donnegal Township areas; and

*WHEREAS*, the constant goal of the Authority is to provide quality water service and wastewater removal at affordable costs; and

*WHEREAS*, Pennsylvania American Water Company (PAWC) has expressed an interest in purchasing the Authority's public water system and wastewater systems, ("the assets") and has agreed to supply the Authority's customers with potable water from their treatment plant; and

*WHEREAS*, the Authority has taken action at a public meeting held on March 21, 2007 to consider the sale of the Authority's public water system and wastewater system to PA American Water Company, contingent upon the resolution of certain matters affecting the title and ownership to these assets;

*BE IT RESOLVED*, by the Board members of the Claysville-Donnegal Joint Municipal Authority, and it is hereby enacted pursuant to the authority granted by the Municipal Authorities Act of 1945, as amended, as follows:

**Exhibit J**

1. The Claysville-Donnegal Joint Municipal Authority (the "Authority") has approved the provisions of the Purchase Agreement dated March 21, 2007 as amended, and hereby authorizes the execution of said Agreement by the Chairman and Secretary. Further, the Secretary of the Authority is authorized to deliver a signed copy of this Resolution to PAWC.
2. The assets being sold to PA American Water Company include but are not limited to:
  - a) Water lines and rights of way
  - b) Certain real estate
  - c) Two (2) water impoundments
  - d) Water filtration plant
  - e) Sewage treatment plant
  - f) Customer contracts
  - g) Miscellaneous tools and equipment
3. The Chairman and Secretary are authorized to execute any additional forms, agreements or applications necessary to have the sale of the Authority's assets to PAWC approved by the Pennsylvania Public Utility Commission (PUC).
4. The within Resolution is enacted pursuant to the authority granted by the Municipalities Authorities Act of 1945, 53 C.S. §5601, et seq.
5. This Resolution is enacted and intended to be in compliance with the provisions of the Acts of Assembly recited above, and where the interpretation of terms or provisions of this Resolution are not in accordance with or in compliance with the provisions of said Acts of Assembly, the provisions of said Acts are intended to be adopted, resolved or enacted by this Resolution as fully as though incorporated, set forth, and made a part of this Resolution.

6. Any resolution in part of any ordinance or resolution conflicting with the provisions of this Resolution are hereby rescinded insofar as the conflict exists.

THIS RESOLUTION is adopted this 21<sup>st</sup> day of March, 2007, to become effective immediately

ATTEST:

CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY

*Deanna S. Sherman*  
Secretary

By: *R. Earl Fritch*  
Chairman

\*Approved by the Solicitor for the Claysville-Donnegal Joint Municipal Authority.

Date: 3-21-07

*Gary L. Sweet*  
Gary L. Sweet, Esquire

SCHEDULE OF RATES  
APPLICABLE TO CLAYSVILLE-DONEGAL SYSTEM

Serving the territory of Claysville Borough, Donegal Township, Washington  
County

Schedule of Rates for Service

Metered Rate

All metered customers shall be subject to a monthly minimum charge of \$25.50.

Consumption Charges

The following rates shall apply per 100 gallons of water consumption.

Monthly

The First	1,000 gallons	minimum charge
All over	1,000 gallons	\$.575 per hundred

Unmetered Rates

All unmetered customers shall be subject to a monthly charge of \$37.58 per equivalent dwelling unit.

PENNSYLVANIA-AMERICAN WATER COMPANY  
(Hereinafter referred to as the "Company")

D/B/A

Pennsylvania American Water

RATES, RULES AND REGULATIONS GOVERNING  
THE PROVISION OF WASTEWATER COLLECTION, TREATMENT  
AND/OR DISPOSAL SERVICE TO THE PUBLIC IN  
CLAYSVILLE BOROUGH, DONEGAL TOWNSHIP,  
WASHINGTON COUNTY  
ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Filed in compliance with the Pennsylvania Public Utility Commission  
Order at A-230073F---, entered ----.

Issued:                      Effective:

BY: D. W. Warnock, President  
    Pennsylvania American Water

Exhibit L

LIST OF CHANGES

Changes

This tariff supplement is being originally filed as Tariff Wastewater PA P.U.C. No. 6 for the Pennsylvania-American Water Company in accordance with Commission approval at A-230073F---- for the acquisition of Claysville-Donnegal Joint Municipal Authority by Pennsylvania-American Water Company, entered \_\_\_\_\_.

Issued:

Effective:

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SCHEDULE OF RATES  
APPLICABLE TO CLAYSVILLE-DONEGAL SYSTEM

Serving the territory of Claysville Borough, Donegal Township, Washington  
County

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Unmetered Rates

All unmetered customers shall be subject to a monthly charge of  
\$37.58 per equivalent dwelling unit.

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STATE TAX ADJUSTMENT SURCHARGE

In addition to the net charges provided for in this Tariff, a surcharge of negative 0.00% will apply to all services rendered.

The above surcharges will be recomputed, using the elements prescribed by the Commission whenever any of the tax rates used in calculation of the surcharge are changed.

The above recalculations will be submitted to the Commission within 10 days after the occurrence of the event or date which occasioned such recomputations. If the recomputed surcharge is less than the one in effect, the Company will, and if the recomputed surcharge is more than the one in effect the Company may, submit with such recomputation a Tariff or Supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after filing.

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## PART II: DEFINITIONS

The following words and phrases, when used in this tariff, shall have the meanings assigned below unless the context clearly indicates otherwise:

1. **Applicant:** A person, association, partnership, corporation, municipality, authority, state or federal governmental agency or other entity who applies to become a customer of the Company in accordance with Part III, Section A, of this tariff.
2. **B.O.D. (Biochemical Oxygen Demand):** The quantity of oxygen, expressed in milligrams per liter, utilized in the biochemical oxidation of organic matter under the 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.
3. **Bona Fide Service Applicant (for line extension purposes):** A person or entity applying for wastewater service to an existing structure for which a valid occupancy permit has been issued or lot for which a building permit has been issued provided the structure or lot is within the Company's certificated service territory, the proposed service connection is consistent with the Act 537 Plan adopted by the municipality and approved by PaDEP, and the structure is either a primary residence of the applicant or a place of business. An applicant shall not be deemed a bona fide service applicant if:
  - (a) applicant is requesting wastewater service to a building lot, subdivision or a secondary residence;
  - (b) the request for service is part of a plan for the development of a residential dwelling or subdivision; or
  - (c) the applicant is requesting special utility service.
4. **Commission:** The Pennsylvania Public Utility Commission.
5. **Company:** Pennsylvania-American Water Company and its duly authorized officers, agents and employees, each acting within the scope of his authority and employment.

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6. **Company Service Line:** Company owned wastewater service lateral from the collection facilities of the Company which connects to the customer service line at the edge of the right-of-way or actual property line.
7. **Customer:** A person or entity who is an owner or occupant and who contracts with the Company for or who takes or receives wastewater collection, treatment and/or disposal service without a contract.
8. **Customer Service Line:** Customer owned wastewater service lateral extending from the end of the Company service line or connection to the point of connection into and within the customer's premise
9. **Domestic Wastewater:** 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 wastewater, non-commercial laundering water, 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 storm water introduced from roof leaders, sump pumps, floor drains or industrial wastewater. To include sanitary wastes having suspended solids (SS) less than 300mg/L, 5 day Biochemical Oxygen Demand (BOD%) less than 300 mg/L, and a chlorine demand less than 25mg/L.
10. **Dwelling Unit:** A structure or dwelling intended to be occupied as a whole by one family.
11. **Equivalent Dwelling Units (EDU):** The EDU is a measure based upon the estimated maximum daily wastewater flow for the type of business, as calculated by the PaDEP Regulation at 25 Pa Code: 73.17 divided by the typical estimated maximum daily wastewater flow from a current single-family unit (One EDU shall be equal to 262.5 gallons per day for a single-family unit, unless modified by the Company).
12. **Garbage:** The solid wastes from domestic cooking and dispensing of food, and from the handling and storage of produce.
13. **Garbage Properly Shredded:** The term "Properly Shredded Garbage", as used herein, shall mean the wastes from the preparation, cooking, and dispensing of food that have been shredded to such degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-half inch in dimension.
14. **Grinder pump:** Any mechanical or powered device, owned by the Customer, used to grind, macerate or fluidize garbage so that it can be discharged into the wastewater system of the Company.

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15. **Industrial Wastes:** Any liquid, gaseous or water borne wastes from industrial processes or commercial establishments, as distinct from sanitary sewage.
16. **Industrial Waste Permit:** A wastewater permit periodically issued by the Company to an industrial user which discharges industrial waste as provided in Section L-4 of these Rules and Regulations.
17. **Line extension (for line extension purposes):** An addition to the Company's main line which is necessary to serve the premises of a customer.
18. **Main:** The Company's pipe, excluding service connections, located in a public highway, street, alley or private right-of-way which pipe is used in transporting wastewater.
19. **Meter:** Any device supplied by the Company, except as approved by the Commission, for the purpose of measuring water or wastewater consumption.
20. **Nonresidential Service:** Wastewater service supplied to a commercial or industrial building, including a hotel or motel, or to a master-metered water)trailer park or multi-tenant apartment building, or to any customer who purchases wastewater service from the Company for the purpose of resale.
21. **Pretreatment:** 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 Sewer System.
22. **Public Utility:** Persons or corporations owning or operating equipment or facilities in this Commonwealth for water, electric or wastewater collection, treatment, or disposal for the public for compensation.
23. **Residential Service:** Wastewater service supplied to an individual single-family residential dwelling unit.
24. **Regulatory Agency:** Agencies, including but not limited to the Commission, the Pennsylvania Department of Environmental Protection (DEP), U.S. Environmental Protection Agency (EPA), which have authority over the operations of and/or discharges into and/or from the Company's treatment facilities.
25. **Sanitary Sewer:** A sewer which carries sanitary wastewater and excludes storm, surface and ground water.

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26. **Special Utility Service:** Residential or Non-Residential service which exceeds that required for ordinary residential purposes. See additional clarification in Section H, Part 2(d) of this tariff.
27. **Storm Sewer:** A sewer which receives discharges from storm water building sewers and/or carries off surface, subsurface, or storm water from the buildings, ground, streets, or other areas, including street wash.
28. **Suspended Solids:** Solids that either float on the surface of, or are in suspension in water, wastewater, or other liquids, and which are largely removable by filtration.
29. **Tariff:** All of the service rates, rules and regulations issued by the Company, together with any supplements or revisions thereto, officially approved by the Commission and contained in this document.
30. **Toxic Substances:** Any substances where gaseous, liquid or solid waste which, when discharged to a public sewer in sufficient quantities, will be detrimental to any biological wastewater treatment process, constitute a hazard to human beings or animals, inhibit aquatic life, or create a hazard to recreation in receiving waters of the effluent from a wastewater treatment plant, or as defined pursuant to PL 92500 (Federal Water Pollution Control Act Amendments of 1972) or its amendments.
31. **Wastes:** Any liquid, gaseous, or solid substances or combination thereof which are discarded, leached, or spilled substances or combination thereof including sanitary wastewater but excluding storm-water.
32. **Wastewater:** 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 Company's sewer system.

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**PART III: RULES AND REGULATIONS****Section A - Applications for Service**

1. **Service Application Required:** All applications for service must be in writing on a form provided by the Company and signed by the owner or owners of the property to which wastewater collection service will be provided; except that where a lessee of property occupies or uses the property under a lease having a fixed term of more than six (6) months, the lessee may request service as an applicant. The Company may, at its sole discretion, require that a separate contract for service be signed by the applicant.
  2. **Change in Ownership or Tenancy:** A new application must be made to the Company upon any change in ownership where the owner of the property is the customer, or upon any change in the identity of a lessee where the lessee of the property is the customer. The Company shall have the right to discontinue or otherwise interrupt wastewater collection service upon three (3) days notice if a new application has not been made and approved for the new customer.
  3. **Acceptance of Application:** An application for service shall be considered accepted by the Company only upon oral or written approval by the Company. The Company may provide service to the applicant pending formal review and acceptance of the application.
  4. **Temporary Service:** In the case of temporary service for less than a 12-month period, the Company may require the customer to pay all costs of making the service connection and for its removal after the service has been discontinued, or to pay a fixed amount in advance to cover such expenses. If the actual costs differ from the estimate, the Applicant will pay to the Company any excess amount due or the Company will refund to the Applicant any excess amount paid.
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**Section B - Construction and Maintenance of Facilities**

1. **Customer Service Line:** The customer service line shall be furnished, installed, maintained and/or replaced, when necessary, by and at the sole expense of the customer. The Company reserves the right to determine the size, kind and depth of customer service lines. The Company reserves the right to determine the size, type, quality, depth, and connection location of the customer service lines. Prior to connection to the Company service line, the Customer, at their sole cost, shall have the customer service line air pressure tested and checked for alignment by a certified plumber under the supervision of a Company representative.
2. **Separate Trench:** The customer wastewater service line shall not be laid in the same trench with drain or water pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a public utility service.
3. **Customer's Responsibilities:** All service lines, connections and fixtures furnished by the customer shall be maintained by the customer in good working order. All valves, meters and appliances furnished by the Company and on property owned or leased by the customer shall be protected properly by the customer. All leaks in the customer service line or any pipe or fixtures in or upon the customer's premises must be repaired immediately by the customer as determined solely by the Company.
4. **Customer Grinder Pump:** In areas of the collection system where the Company has installed a pressure sewage collection system or where required as determined by the Company, the Customer, in conjunction with the construction of their service line, shall install, own, operate, and maintain and replace a grinder pump and holding tank at the customer's expense as specified by the Company prior to connection and shall maintain such facilities in good order and repair.
4. **Right to Reject:** The Company may refuse to connect with any piping system or furnish wastewater collection, treatment and/or disposal through a service already connected if such system or service is not properly installed or maintained.
5. **Water Use Standards for Certain Plumbing Fixtures:** This rule establishes maximum water use criteria for certain plumbing fixtures installed in all new construction or renovation. Such standards have been implemented to achieve maximum efficiency of water use which the Commission has determined is technologically feasible and economically justified.

(a) Maximum permitted water usage levels shall be as follows:

<u>Plumbing Fixture</u>	<u>Maximum Water Use</u>
water closets	1.6 gallons/flush
urinals	1.5 gallons/flush

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(b) The Company may exempt particular customers, or classes of customers, when it is determined that the water use standards for plumbing fixtures listed above are unreasonable, cannot be accommodated by existing technology or are otherwise inappropriate.

6. **Individual Service Lines:** Except as otherwise expressly authorized by the Company, each individual customer shall be served only through a separate service line connected directly to the Company's collection main, and that service line shall not cross over the property of or serve any other customer or premise. The maximum service line length shall be two hundred and fifty (250) feet from the point of connections and the Company shall have the right to waive this maximum length requirement at its sole discretion. No additional attachment may be made to any customer's service line for any purpose without the express written approval of the Company.
7. **Connection to Company Mains:** No connection shall be made to the Company's main, nor detachment from it, except under the direction and control of the Company. All such connections shall be property of the Company and shall be accessible to it and under its control. The Company will furnish, install and maintain all service lines from the main to the property line or right-of-way.

#### Section C - Discontinuance, Termination and Restoration of Service

1. **Discontinuance by Customer:** Where a customer requests the Company to discontinue service, the following rules shall apply:
  - (a) A customer who wishes to have service discontinued shall give at least three (3) days notice to the Company, specifying the date on which service is to be discontinued. In the absence of proper notice, the customer shall be responsible for all service rendered until the time that the Company shall have actual or constructive notice of the customer's intent to discontinue service. The customer shall not begin to use nor cease to use wastewater service without the prior written consent of the Company. A customer discontinuing service remains a customer for purposes of paying turn-on fees pursuant to Rule 3 of this Section for a period of nine (9) months.
  - (b) Where a customer requests turn-on of service within six (6) months of disconnection, the customer shall be subject to monthly minimum billing for the period of disconnection.

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2. **Termination by Company:** Water service to the customer may be terminated for good cause, including, but not limited to, the following:
- (a) making an application for service that contains material misrepresentations;
  - (b) failure to repair leaks in pipes or fixtures;
  - (c) tampering with any service line, or installing or maintaining any unauthorized connection;
  - (d) theft of service, which shall include taking service without having made a proper application for service under Part III, Section A;
  - (e) failure to pay, when due, any charges accruing under this tariff;
  - (f) discharge of any prohibited substance listed in Section N into the wastewater system;
  - (g) receipt by the Company of an order or notice from the Department of Environmental Protection, a health agency, local plumbing inspector or other similar authority, to terminate service to the property served on the grounds of violation of any law or ordinance, or upon notice to the Company from any such authority that has ordered an existing violation on the property to be corrected and that such order has not been complied with or
  - (h) material violation of any provisions of the tariff;
  - (i) failure to properly install and maintain a grinder pump, including its replacement when improperly functioning as solely determined by the Company;
  - (j) any unauthorized, un-inspected, or improper connection, as herein defined, found to exist will be required to be disconnected within ten (10) days. The Company may require a plumber's sworn statement or certificate as evidence that the connection has been discontinued.
3. **Turn-on Charge:** Whenever service is discontinued or terminated pursuant to Rule 1 or Rule 2 of this Section, service shall be permitted by the Company only upon the payment by the customer of a turn-on charge and the curing of the problem that gave rise to the termination if under Rule 2. Refer to Section F for turn-on fee.

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**Section D - Billing and Collection**

1. **Issuance of Bills:** The Company will bill each customer within fifteen (15) days of the last day of each billing period.
2. **Billing Due Date:** The due date for payment of a bill for nonresidential service shall be no less than fifteen (15) days from the date of transmittal. The due date for payment of a bill for residential service shall be no less than twenty (20) days from the date of transmittal. If the last day for payment falls on a Saturday, Sunday or bank holiday, or on any day when the offices of the Company are not open to the general public, the due date shall be extended to the next business day. The Company may not impose a late-payment charge unless payment is received more than five (5) days after the stated due date.
3. **Late-Payment Charge:** All amounts not paid when due shall accrue a late-payment charge at the rate not to exceed one and fifty one-hundredths percent (1.50%) per billing period, not to exceed eighteen percent (18%) per year when not paid as prescribed in Rule 2 of this Section.
4. **Change in Billing Address:** Where a customer fails to notify the Company of a change in billing address, the customer shall remain responsible to remit payment by the billing due date.
5. **Application of Payment:** Utility bills rendered by the Company shall include only the amount due for utility service. Where a customer remittance to the Company includes payment for any non-utility services, proceeds will be applied first to pay all outstanding regulated utility charges.
6. **Return Check Charges:** The customer will be responsible for the payment of a \$20.00 charge for each time a check presented to the Company for payment on that customer's utility bill is returned by the payer bank for any reason including, but not limited to, insufficient funds, account closed, payment stopped, two signatures required, post-dated, stale date, account garnished, or unauthorized signature. This charge is in addition to any charge which may be assessed against the customer by the bank.
7. **Disputed Bills:** In the event of a dispute between the customer and the Company with respect to any bill, the Company will promptly make such investigation as may be required by the particular case and report the result to the customer. The customer is not

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obligated to pay the disputed amount during the pendency of the Company's investigation. When the Company has made a report to the customer sustaining the bill as rendered, the customer shall have fifteen (15) days from the date of such report in which to pay the bill. If the Company determines that the bill originally rendered is incorrect, the Company will issue a corrected bill with a new due date for payment. Any amounts received by the Company in excess of the amount determined to be due by the Company's investigation of the dispute shall be refunded to the customer.

## Section E - Deposits

### 1. Residential Customers:

- (a) New Applicants—The Company will provide service without requiring a deposit unless the applicant was terminated for nonpayment within the prior twelve (12) months or has an unpaid balance for prior service from the Company. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (b) Existing Customers—If a customer has paid late on two (2) consecutive occasions or a total of three (3) times within the prior 12-month period, the Company may send a letter informing the customer that a deposit may be required if another late payment is received within the next twelve (12) months. An existing customer may be required to pay a deposit as a condition to having service restored after termination for nonpayment or for failure to comply with a payment agreement. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (c) Deposit Refunds and Interest—A deposit will be refunded if service is discontinued and the final bill is paid or if the customer has paid the bills for the prior 12-month period without having been late on more than two (2) occasions and is not currently delinquent. Deposits from residential customers shall bear simple interest at the rate of the average of one-year Treasury Bills for September, October and November of the previous year, payable annually without deductions for taxes thereon unless otherwise required by law. The applicable interest rate for each year shall be determined as of January 1 of that year.

**2. Nonresidential Customers:**

- (a) New Applicants - A deposit may be required from any new applicant who does not have prior satisfactory credit history with the Company. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (b) Existing Customers—Deposit requirements for existing nonresidential customers shall be as established for residential customers in Rule 1 of this Section.
- (c) Deposit Refunds and Interest—A deposit will be refunded if the customer pays all bills on time over a 12-month period or if service is disconnected and the final bill has been paid. There will be no interest paid on deposits for nonresidential accounts.

**Section F- Service Reconnection and Discontinuance Fee**

A fee will be charged for the shut-off and turn-on of any service. The fee for service performed during regularly scheduled hours shall be \$30.00. For non-regularly-scheduled working hours, the fee is equivalent to the cost incurred by the Company.

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**Section G- Wastewater Control Regulations****1. General:**

- (a) No storm water from pavements, area ways, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pumps, unpolluted industrial or commercial process water or other sources shall be admitted to the Company mains.
- (b) The discharge of garbage to the sewer system is expressly prohibited. Properly shredded garbage may be discharged into the sewer system when expressly authorized by the Company.
- (c) This does not exclude or preclude pump-out of manholes by a utility company or of manholes on plant premises which should be kept in dry or reasonably dry condition.

**2. Sampling and Analysis:**

- (a) All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in the Company's rules may be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater" as prepared, approved and published jointly by the American Public Health Association, the American Water Works Association, and/or the Water Pollution Control Federation or other reference sources specified by regulatory agency requirements, such as "Methods for Chemical Analysis of Water and Wastes," U.S.E.P.A. 1974 or its subsequent updated version.
- (b) All measurements, test, inspections and analyses deemed by the Company to be necessary under this Section or any other part of the Rules and Regulations of the Company, shall be done by the Company or its agents, employees or contractors. If the measurements, test, inspections and/or analyses determine that a customer has created a situation which is in violation of any statute, ordinance, rule or regulation then the customer shall be required to pay all costs incurred in order to measure, test, inspect, analyze and remedy the situation. Otherwise, the costs involved are to be borne by the Company. Costs assessed against a Customer pursuant to this Section shall be in addition to any other fees charged by the Company. The costs shall be payable within 30 days of presentation of a bill for such costs by the Company to the Customer(s).
- (c) Where the Company deems it advisable, it may require any person discharging wastes to install and maintain, at his or her own expense, in a manner approved by the Company or its representative, a suitable device to continuously measure and record the pH of the wastes so discharged.

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Issued:

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(d) In the event any person, firm or corporation producing any industrial wastes otherwise excluded from the sewer system, desires to discharge the same into any portion of the Company's sanitary sewer system, the Company may at its option, consent to such discharge at a charge in accordance with the Company's established Schedule of Rates, Surcharges and discounts applicable to such industrial wastes applicable to such industrial wastes, as provided in Section N3 entitled "Surcharge for Industrial Wastes." Such consent may be made contingent upon the applicant providing and maintaining apparatus for regulating the rate of discharge and/or treating the wastes at his or its expense prior to discharge as the Company may deem necessary. Such consent will stipulate the location and type of metering device to be used for measuring the quantity of such wastes discharged to the sewage system, and will also stipulate the method and frequency of sampling such wastes. Each analysis will be made on a composite of twenty-four (24) hourly (or a larger number of more frequent) samples of wastes collected over a singly twenty-four (24) hour day; the volume of each of the samples will be proportional to the rate of Waste flow. The average suspended solid content or acid equivalent of the wastes for the quarter will be calculated in such a manner as to be as truly representative of the entire quarterly flow and composition of the waste as possible. Particular care will be exercised to insure that the difference in character or composition of the wastes during the week ends or nights when industrial operations are at a minimum, are properly considered in arriving at quarterly averages.

3. **Disposal of Wastes From Septic Tanks and Cesspools:** No person shall dispose of wastes from septic tanks, cesspools, or other such sources of sanitary sewage to the Company's wastewater system, except as designated by the Company.
4. **Penalties:** The Company reserves the right to deny wastewater service for violation of any provision of these regulations, subject to PUC rules and regulations.
5. **Damage to System and Indemnification:** In the event of any damage to the Company's wastewater system caused by a customer, such damage shall be immediately reported to the Company and said customer shall reimburse Company for the costs of such repairs.

**Section H- Line Extensions**

1. **Requests by Bona Fide Service Applicant:** Upon request by a bona fide service applicant, the Company shall construct line extensions within its franchised territory consistent with the following directives:
  - (a) The company will extend existing collection mains a distance of thirty-five (35) feet for each bona fide prospective customer making application in accordance with these Rules and Regulations for sewer service there from for a period of one (1) year or more. Such extensions will be made without cost to such customer(s).
  - (b) When an extension greater than thirty-five (35) feet in length for each bona fide prospective customer is required or requested, such extension will be made under the terms of an Extension Deposit Agreement for Bona Fide Service Applicant, as herein after set forth in Section IV, and subject to the applicable provisions of these Rules and Regulations.
2. **Customer advance financing, refunds and facilities on private property:**
  - (a) When a customer advance is required of a service applicant and an additional customer or customers attach service lines to the line extension within five (5) 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.

- (b) The company will refund to the bona fide prospective applicant, during a period of five (5) years from the date of the extension deposit, the average cost of thirty-five (35) feet of main (based on the year of the original installation) for each additional bona fide prospective customer 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 five (5) year period shall become the property of the Company and shall be treated as Contributions in Aid of Construction for ratemaking purposes. The refund period shall be five (5) years from the actual date of the payment of the extension. The bona fide service applicant may request refunds once in each Calendar quarter, furnishing the Company at such time, a listing of additional bona fide service applicants; however, failure on the part of the bona fide service applicant to make such request shall not constitute a waiver of any rights hereunder or relieve the Company of the obligation to make refunds with reasonable promptness.
- (c) 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.

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Issued:

Effective:

- (d) When an extension is requested or required to serve a Bona Fide Service Applicant requiring Special Utility Service, as herein after set forth in Section IV, construction of the extension or of any facilities needed to provide such Special Utility Service will not commence until a Special Utility Service Agreement has been executed and all applicable terms and conditions therein have been satisfied by the Applicant including, but not limited to, paying the requisite sum of money for construction of the facilities needed to furnish Special Utility Service, in accordance with the Preliminary Memorandum to such Special Utility Service Agreement, and subject to the applicable provisions of these Rules and Regulations. Special utility service shall mean residential or non-residential service which exceeds that required for ordinary residential purposes. Section H Rule 1 (a) through (b) of this tariff does 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, including, but not limited to the cost to design, permit, engineer, construct and inspect the extension of facilities.

4. **Size of Main and Other Facilities:** The Company shall have the exclusive right to determine the type and size of mains 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 property line or right-of-way, which is equidistant from the side property lines of the last lot for which service was requested except where the Company, in its sole opinion, determines that it is necessary to extend beyond the last lot and connect to an existing main to provide adequate and reliable wastewater service. 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. Costs shall include, but not be limited to, the costs to design, permit, engineer, construct and inspect the extension of facilities.

#### Section I- Service Continuity

1. **Regularity of Service:** The Company may, at any time, shut off service in case of accident or for the purpose of making connections, alterations, repairs or changes, or for other reasons. The Company will, pursuant to Commission regulations at 52 Pa. Code '67.1 and as circumstances permit, notify customers to be affected by service interruptions.

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## 2. Liability for Damages:

- (a) Limitation of Damages for Service Interruptions—The Company's liability to a customer for any loss or damage from any excess or deficiency in the wastewater collection service due to any cause other than willful misconduct or negligence by the Company, its employees or agents shall be limited to an amount no more than the customer charge or minimum bill for the period in question. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but cannot and does not guarantee that such will not occur.
- (b) Responsibility for Customer Facilities—The Company shall not be liable for any loss or damage caused by reason of any break, leak or other defect in a customer's own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its employees or agents. The Company shall in no event be responsible for maintenance of, or for damage done by sewage escaping from our blockage of the lateral or any other pipe or fixture, or from any other cause occurring to any premise or within any house or building.

### Section J- Waivers

The Company may, at its sole discretion, waive any of the Rules contained herein that operate for the benefit of the Company; provided, that no such waiver will be valid unless in writing and signed by an authorized representative of the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Commission or of any other applicable statute, law or regulation.

### Section K- Amendment of Commission Regulations

Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this tariff, this tariff is deemed to be amended so as to be consistent with the amendments to the regulations, except that if application of the amendment to Title 52 is discretionary, this tariff will remain unchanged.

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Section L - Industrial and Commercial Service Limitations.

1. **Pretreatment:** All industrial and commercial waste proposed for discharge into the sewer system shall be categorized to determine the degree of pretreatment, if any, necessary in order that the waste will not adversely affect the system or the sewage treatment facilities. The Company will have the authority to properly control any waste discharge into its sewage system by regulating the rate of any waste discharge into its sewer system and/or by requiring necessary pretreatment, and excluding certain waste, if necessary, to protect the integrity of the Company's system.
  
2. **Customer Limitations:** Customers specifically agree that service applies exclusively for domestic/household sewage. If any Customer discharges industrial or commercial waste that:
  - (a) the existing wastewater treatment plant is unable to satisfactorily treat; or,
  - (b) is not in compliance with discharge permit standards, disrupts the normal functioning of the existing wastewater treatment plant; or,
  - (c) is more costly to treat than typical domestic wastewater; or,
  - (d) requires the utilization of more wastewater treatment plant capacity per gallon of effluent than that required by average typical domestic waste water,

then the customer shall provide, at the customer's own expense, such pretreatment as may be necessary before such waste is discharged into the Company mains. No commercial or industrial waste, whether pretreated or not, may be discharged without prior written authorization from the Company. The Company reserves the right to set the applicable discharge limits on any waste stream entering its collection system. An Industrial Waste Pretreatment Agreement will need to be finalized prior to allowing the discharge to occur.

3. **Flow Limitations:** The Company reserves the right to control quantities and rate of discharge of such industrial wastes on the basis of 24 hours per day and 7 days per week.

4. **Industrial Wastes Permits:** All persons who discharge industrial wastes to the Public Sanitary sewer system shall be required to complete and file with the Company, an industrial waste questionnaire, as prescribed and furnished by the Company, which shall include pertinent data inclusive of flow and analysis of all wastes discharged to the sewer system. Such surveys will be required at a frequency not to exceed five (5) years. All persons altering their discharge streams will be required to consult with the Company prior to finalizing any changes to the process as described in the current questionnaire.
- (a) Failure to comply with the above requirements shall be cause for termination of service in accordance with these Rules and Regulations.
- (b) Acceptance of industrial wastes to the sewage system from major contributing industries will be the basis of an Industrial Waste Pretreatment Permit, issued by the Company, conforming to the parameters required, from time to time, by the United States Environmental Protection Agency, (EPA) to insure compliance with all applicable limitations of the Company's Current National Pollution Discharge Elimination System Permits (NPDES). Issuance of a permit containing parameters to be met, may require pretreatment of industrial wastes regulation of the rate of discharge and providing such metering or monitoring of the industrial wastes, as the Company may require. The Company reserves the right to change the permit parameters from time to time to conform to changes to its NPDES Permits. The Company may impose self-monitoring requirements for targeted parameters, and may conduct its own sampling at the discharge point to the collection system. Penalties and/or surcharges may be placed on certain waste streams.
5. **Company Limitations:** The Company will not be liable nor bound to increase wastewater treatment plant operations to accommodate industrial or commercial waste.

6. **Specific Dangers:** In general, any waste will be considered harmful to the Company wastewater system if it may cause any of the following damaging effects:
- (a) chemical reaction either directly or indirectly with the materials of construction of the system in such a manner as to impair the strength or durability of the sewer structures;
  - (b) mechanical action that will destroy the sewer structures;
  - (c) restriction of the hydraulic capacity of the sewer structures;
  - (d) restriction of the normal inspection or maintenance of the sewer structures;
  - (e) danger to public health and safety; or
  - (f) obnoxious condition contrary to public interest.

**Section M. Privilege to Investigate/Right of Access**

The Company's authorized representatives shall have the right of access at all reasonable times to all parts of any premises connected with the system, for the purpose of examining and inspecting connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause.

**Section N. Industrial Waste for Claysville-Donegal System****1. Discharges:**

The Company reserves the right to refuse connection to its sewage system and/or to compel the discontinuance of the use of any system, or to require pre-treatment of industrial wastes by any industry, in order to prevent the discharge of any industrial wastes to the sewage system which may be deemed harmful to the sewage system, or to have an adverse effect on the sewage treatment processes. Except from the written consent of the Company, there shall be excluded from the sewage system, any industrial wastes having suspended solids (SS) in excess of 300 mg/L, 5 day Biochemical Oxygen Demand (BOD5) in excess of 300 mg/L, a chlorine demand in excess of 25 mg/L and industrial wastes having any or all of the following characteristics:

- (a) Wastes containing any gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the wastewater system or its operation.
- (b) Wastes having a temperature in excess of 120 degrees F. or less than 32 degrees F.
- (c) Wastes having a pH lower than 6.0 or higher than 9.0, or having any corrosive property capable of causing damage or hazards to structures, equipment or personnel of the wastewater system.
- (d) Wastes containing any noxious or malodorous gas or substance that either singly or by interaction with sewage or other wastes is likely in the opinion of the Company to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance and repair.
- (e) Wastes containing ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, hair, chemical or paint residues, greases, paunch, manure, dairy products, cotton, wool, plastic or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in the opinion of the Company may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the sewer system.
- (f) Wastes containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.

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- (g) Wastes containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.
- (h) Wastes containing any of the following substances in concentrations exceeding those shown in the following table as measured by an acceptable method:

<u>Substance</u>	<u>Max. Concentration</u>
Aluminum, Total	5 mg/L
Chromium, Trivalent as Cr+3	0.5 mg/L
Chromium, Hexavalent as Cr+6	0.1 mg/L
Copper, Total	1.0 mg/L
Cyanides as CN	0.025 mg/L
Iron, Total	5.0 mg/L
Lead, Total	0.1 mg/L
Mercury, Total	0.002 mg/L
Phenols	0.10 mg/L
Phosphorus	5.0 mg/L
Silver, Total	0.1 mg/L
Zinc, Total	1.0 mg/L

- (i) Wastes containing other matter detrimental to the operation of a sewage treatment plant or sanitary sewers causing erosion, corrosion or deterioration in sewers, equipment and structures of a sanitary or sewage treatment plant.
- (j) Wastes containing grease, oil or other substances that will solidify or become viscous between temperature of 32° F and 160° F.
- (k) Wastes containing an average concentration of oils and greases, of the Hydrocarbon variety or any Freon extractables which are not biodegradable in excess of 10 mg/L.
- (l) Wastes containing more than 10 mg/L of any of the following gases: hydrogen sulfide; sulfur dioxide; nitrous oxide; or any of the halogens.
- (m) Wastes containing a toxic or poisonous substance, in a sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals or create any hazard in the sewer system operation.
- (n) Any waste containing toxic substances in quantities sufficient to interfere with the biochemical processes of the sewage treatment works or that will pass through the sewage treatment works and exceed the state and/or federal requirements in respect thereof.

- (o) Any waste containing radioactive isotopes.
- (p) Sludges resulting from the treatment of concentrated solutions that are not acceptable for discharge to the sewage system.
- (q) Effluent limitations promulgated as categorical standards, 40 C.F.R. Chapter 1, Subchapter N and 40 C.F.R. 403.6 shall apply in any instance where they are more stringent than those in this section.
- (r) The local limits in this section may be supplemented with more stringent limitations if the Company determines that the limitations in subsection (a) through (p) above may not be sufficient to protect the operation of the sewerage system or to enable the water pollution control plant to comply with water quality standards or effluent limitations specified in the Company's NPDES permit.

**3. Surcharge for Industrial Wastes:**

- (a) In the event that the Company consents to accept into the sewage system industrial wastes containing more than 300 milligrams per liter by weight (mg/L) of suspended solids and/or 300 mg/L of 5 day biochemical oxygen demand, otherwise prohibited under this Section, there is hereby imposed for such service in addition to the sanitary sewage quantity, a surcharge for the Suspended Solids and 5 day Biochemical Oxygen Demand (BOD5) contained in said wastes in excess of 300 mg/L and a chlorine demand in excess of 25 mg/L in accordance with the following schedule:
  - (i) \$0.10 per pound of BOD5 in excess of 300 mg/L.
  - (ii) \$0.06 per pound of Suspended Solids in excess of 300 mg/L.
  - (iii) Actual chlorine cost per pound of chlorine demand in excess of 25 mg/L.
- (b) In the event the Company elects to accept industrial wastes having a pH below 6.0, the total acid equivalent of such wastes, expressed as 100% sulfuric acid shall be considered as one pound of Suspended Solids. For purposes of calculating Surcharges, the total sum computed by adding the acid equivalent so determined to the actual Suspended Solids content shall be considered to be the Suspended Solids content of the acidic wastes. The charges for treatment of such acidic wastes shall be subject to the same Surcharges as above set forth for wastes containing excessive solids.

PART IV: AGREEMENT TEMPLATES

Section A - Extension Deposit Agreement for Bona Fide Service Applicant

THIS AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between Pennsylvania-American Water Company hereinafter called the "COMPANY," and hereinafter called the "DEPOSITOR."

WHEREAS, the DEPOSITOR desires extension of the wastewater mains of the COMPANY, as hereinafter described;

NOW, THEREFORE, this agreement WITNESSETH:

FIRST: THE COMPANY contracts and agrees to lay the wastewater main(s) (and other facilities, if any) as shown in red on the diagram hereto attached and made a part hereof described and located as follows:

(LEAVE SPACE FOR DESCRIPTION)

SECOND: It is expressly understood and agreed that if the COMPANY shall be delayed or prevented from installing the wastewater main (s) (and other facilities, if any) hereinabove described because of its failure to secure pipe or other construction materials, or for any other causes beyond its control, such failure or delay in performance shall be excused; provided, however, if such failure or delay in performance shall extend for a period of more than one (1) year from the date thereof, the Bona Fide Service Applicant shall have the right to cancel and terminate this agreement on thirty (30) days' written notice to the COMPANY, and thereafter both parties shall be relieved of all duties and obligations arising hereunder. But this right to cancel and terminate by the Bona Fide Service Applicant shall not be invoked if the COMPANY has received the construction material and the Bona Fide Service Applicant has made the deposit as hereinafter required, in which event the COMPANY shall have the obligation to prosecute the work diligently to its completion.

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THIRD: The Bona Fide Service Applicant hereby agrees to deposit with the COMPANY, upon notice from the COMPANY that it is prepared and able to go forward with the work provided in Paragraph First hereof, an amount in cash equal to (1) the Estimated Cost less (2) the Applicable Credit, where items (1) and (2) are to be determined as follows:

- (1) The Estimated Cost shall be the estimated cost of the extension, including the estimated cost of said main(s) and the estimated cost of any other facilities which the COMPANY shall have decided are required to render adequate service.
- (2) The Applicable Credit shall be a credit equal to the amount produced by multiplying (a) the average Estimated Cost per foot of the extension by (b) thirty five (35) feet, and by multiplying the product thereof by (c) the number of bona fide prospective customers who will be directly served by said extension.

Upon such written notice, a Preliminary Memorandum in the form attached shall be prepared and signed by both parties showing the deposit required in accordance with foregoing provisions. Upon completion of the installation of the extension, a Final Memorandum in the form attached shall be prepared and signed by both parties showing the deposit required based on the same calculation as set forth above but by using the actual cost of the extension, including the actual installation cost of the mains and other facilities, for

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Issued:

Effective:

the Estimated Cost and in calculating the Applicable Credit. If the deposit shown to be due on the Final Memorandum differs from that shown on the Preliminary Memorandum, the Bona Fide Service Applicant will deposit any additional amount shown to be due or the COMPANY will refund to the Bona Fide Service Applicant any excess amount shown to have been deposited, it being the intent of this agreement that the deposit required shall be based on actual installation cost. If the actual installation costs exceeds the deposit required as shown on the Preliminary Memorandum, the additional amount of required deposit must be made by the Bona Fide Service Applicant to the COMPANY before the granting of refunds to the Bona Fide Service Applicant.

FOURTH: The COMPANY hereby agrees to refund to the Bona Fide Service Applicant during the period of five (5) years from actual date of deposit as shown on the Preliminary Memorandum a Per-Customer Refund Amount for each additional bona fide prospective Customer for 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 that all or any part of the deposit not refunded within said 5-year period shall become the property of the COMPANY. The Per-Customer Refund Amount shall be an amount equal to the average actual completed cost of thirty-five (35) feet of the said extension.

FIFTH: The Bona Fide Service Applicant may request refunds under Paragraph FOURTH, once in each Calendar quarter, furnishing the COMPANY, at such time, a listing of additional bona fide prospective customers; however, failure on the part of the Bona Fide Service Applicant to make such request shall not constitute a waiver of any rights hereunder or relieve the COMPANY of the obligation to make refunds with reasonable promptness.

SIXTH: The ownership of the wastewater main(s) and other facilities installed hereunder shall at all times be in the COMPANY, its successors and assigns.

SEVENTH: This agreement shall be valid and binding on the COMPANY only when executed by its authorized representative.

EIGHTH: This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

NINTH: Any notice given hereunder shall be deemed sufficient if in writing and sent by registered mail to the COMPANY at

\_\_\_\_\_  
(Address of COMPANY)

and to the Bona Fide Service Applicant AT \_\_\_\_\_

(Address of APPLICANT)

TENTH: This agreement is entered into pursuant to the legally established Rules and Regulations of the COMPANY, and the words, phrases, and terms hereof are to be understood and interpreted in conformity with said Rules and Regulations, which are hereby incorporated herein by reference.

Executed in triplicate by the parties hereto on the date first above written.

PENNSYLVANIA-AMERICAN WATER COMPANY

WITNESS:

\_\_\_\_\_

BY

\_\_\_\_\_  
Title:

WITNESS:

\_\_\_\_\_

BY

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Issued:

\_\_\_\_\_  
Effective:

PRELIMINARY MEMORANDUM

This Preliminary Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph THIRD of a certain agreement in writing between the parties entered into on the day of \_\_\_\_\_, 20\_\_\_\_, for the installation by the COMPANY of a certain wastewater main(s) therein described. It is, therefore, agreed and stipulated:

- (a) Estimated Cost Main(s) \$ \_\_\_\_\_
- (b) Estimated cost of other facilities \_\_\_\_\_
- (c) Total \$ \_\_\_\_\_
- (d) Credit Allowance:
  - (i) (a) + (b) Above divided by \_\_\_\_\_
  - feet of main(s) \$ \_\_\_\_\_
  - (ii) 35
  - (iii) Number of bona fide prospective customers to be directly served by extension \_\_\_\_\_
  - (iv) Product of (i), (ii), and (iii) \_\_\_\_\_
- (e) Amount of deposit: (c) minus (d) \_\_\_\_\_

This Preliminary Memorandum shall be attached to the original agreement in accordance with the provisions of Paragraph THIRD thereof.

Dated: \_\_\_\_\_ PENNSYLVANIA-AMERICAN WATER COMPANY  
Date of Deposit

WITNESS:

\_\_\_\_\_ BY \_\_\_\_\_  
Title:

WITNESS:

\_\_\_\_\_ Applicant

Issued: \_\_\_\_\_ Effective: \_\_\_\_\_

FINAL MEMORANDUM

This Final Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph THIRD of a certain agreement in writing between the parties entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, for the installation by the COMPANY of a certain water main(s) therein described. It is, therefore, agreed and stipulated:

- (a) Actual Cost Main(s) \$ \_\_\_\_\_
- (b) Actual cost of other facilities \_\_\_\_\_
- (c) Total \$ \_\_\_\_\_
- (d) Credit Allowance:
  - (i) (a) + (b) Above divided by feet of main(s) \$ \_\_\_\_\_
  - (ii) 35
  - (iii) Number of bona fide prospective customers to be directly served by extension \_\_\_\_\_
  - (iv) Product of (i), (ii), and (iii) \_\_\_\_\_
- (e) Amount of deposit: (c) min (d) \$ \_\_\_\_\_

This Final Memorandum shall be attached to the original agreement in accordance with the provisions of Paragraph THIRD thereof.

Dated: \_\_\_\_\_ PENNSYLVANIA-AMERICAN WATER COMPANY  
Date of Deposit on  
Preliminary Memorandum

WITNESS:

\_\_\_\_\_ BY \_\_\_\_\_  
Title

WITNESS:

\_\_\_\_\_ DEPOSITOR

Issued: \_\_\_\_\_ Effective: \_\_\_\_\_

Section B - Special Utility Service Agreement

THIS AGREEMENT entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between PENNSYLVANIA-AMERICAN WATER COMPANY hereinafter called the "COMPANY," and \_\_\_\_\_ hereinafter called the "APPLICANT."

WHEREAS, the APPLICANT desires Special Utility Service, as defined in the Company's tariff and as hereinafter described;

NOW, THEREFORE, this agreement WITNESSETH:

FIRST: THE COMPANY contracts and agrees to construct the facilities needed to furnish Special Utility Service shown in red on the diagram hereto attached and made a part hereof and described and located as follow:

(LEAVE SPACE FOR DESCRIPTION)

SECOND: It is expressly understood and agreed that if the COMPANY shall be delayed or prevented from installing facilities herein above described because of its failure to secure construction materials, or for any other causes beyond its control, such failure or delay in performance shall be excused; provided, however, if such failure or delay in performance shall extend for a period of more than one (1) year from the date thereof, the APPLICANT shall have the right to cancel and terminate this agreement on thirty (30) days' written notice to the COMPANY, and thereafter both parties shall be relieved of all duties and obligations arising hereunder. But this right to cancel and terminate by the APPLICANT shall not be invoked if the COMPANY has received the construction material and the APPLICANT has made the deposit as hereinafter required, in which event the COMPANY shall have the obligation to prosecute the work diligently to its completion.

THIRD: The APPLICANT hereby agrees to pay to the COMPANY, upon notice from the COMPANY that it is prepared and able to go forward with the work provided in Paragraph First hereof, an amount in cash equal to the Estimated Cost. The Estimated Cost shall be the estimated cost including material, labor and overheads of the facilities herein above described for providing Special Utility Service, exclusive of the cost of a main and appurtenances, and a street service connection, which the COMPANY shall have determined are required to adequately render the requested service.

Issued: \_\_\_\_\_

Effective: \_\_\_\_\_

Upon such written notice, a Preliminary Memorandum in the form attached shall be prepared and signed by both parties showing the payment required in accordance with foregoing provisions. Upon completion of the installation of the facilities, a Final Memorandum in the form attached shall be prepared and signed by both parties showing the payment required based on the same calculation as set forth above but by using the actual installation cost of the facilities, for the Estimated Cost. If the payment shown to be due on the Final Memorandum differs from that shown on the Preliminary Memorandum, the APPLICANT shall pay any additional amount shown to be due or the COMPANY will refund to the APPLICANT, without interest, any excess amount shown to have been paid, it being the intent of this agreement that the payment required shall be based on actual installation cost. If the actual installation cost exceeds the payment required as shown on the Preliminary Memorandum, the additional amount of required payment must be made by the APPLICANT to the COMPANY before service to the APPLICANT commences.

FOURTH: The ownership of the facilities installed hereunder shall at all times be with the COMPANY, its successors and assigns.

FIFTH: This agreement shall be valid and binding on the COMPANY only when executed by its duly authorized representative.

SIXTH: This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

SEVENTH: Any notice given hereunder shall be deemed sufficient if in writing and sent by registered mail to the COMPANY at

\_\_\_\_\_  
(Address of COMPANY)

and to the APPLICANT at

\_\_\_\_\_  
(Address of APPLICANT)

EIGHTH: This agreement is entered into pursuant to the legally established Rules and Regulations of the COMPANY, and the words, phrases, and terms thereof are to be understood and interpreted in conformity with said Rules and Regulations, which are hereby incorporated herein by reference.

Executed in triplicate by the parties hereto on the date first above written.

PENNSYLVANIA-AMERICAN WATER COMPANY

WITNESS:

BY:

\_\_\_\_\_  
Title:

WITNESS:

\_\_\_\_\_  
APPLICANT:

\_\_\_\_\_  
Issued:

\_\_\_\_\_  
Effective:



FINAL MEMORANDUM

This Final Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph THIRD of a certain agreement in writing between the parties entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, for the installation by the COMPANY of certain facilities therein described. It is, therefore, agreed and stipulated:

- (a) Actual Cost of Facilities for Special Utility Service (exclusive of the cost of the main and appurtenances and street service connection) \$\_\_\_\_\_

This Final Memorandum shall be attached to the original agreement in accordance with the provisions of Paragraph THIRD thereof.

Dated: \_\_\_\_\_ PENNSYLVANIA-AMERICAN WATER COMPANY  
Date of Payment on  
Preliminary Memorandum

WITNESS:

\_\_\_\_\_

BY: \_\_\_\_\_

Title: \_\_\_\_\_

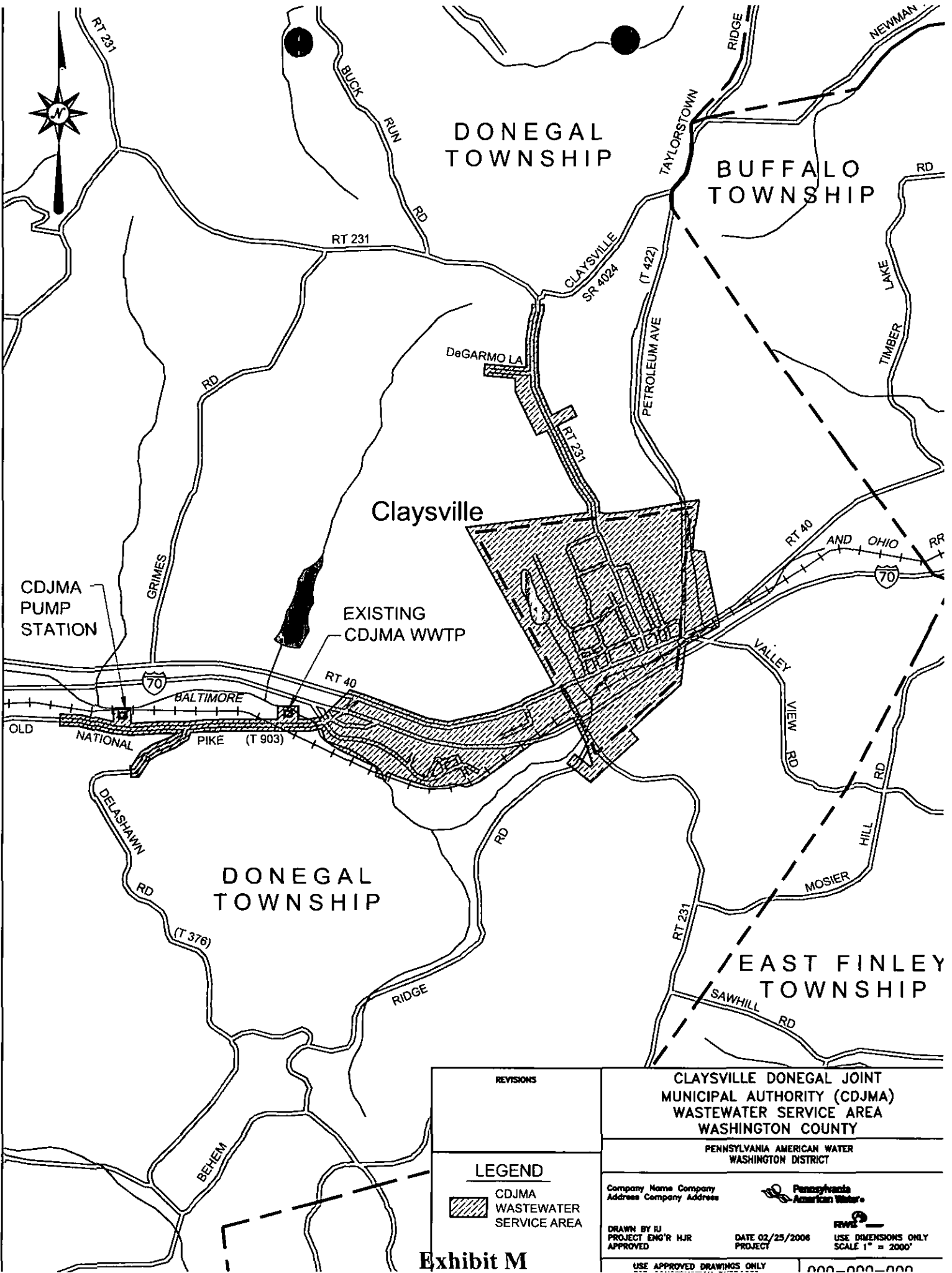
WITNESS:

\_\_\_\_\_

APPLICANT: \_\_\_\_\_

Issued:

Effective:



DONEGAL TOWNSHIP

BUFFALO TOWNSHIP

Claysville

DONEGAL TOWNSHIP

EAST FINLEY TOWNSHIP

REVISIONS

LEGEND

 CDJMA WASTEWATER SERVICE AREA

CLAYSVILLE DONEGAL JOINT MUNICIPAL AUTHORITY (CDJMA) WASTEWATER SERVICE AREA WASHINGTON COUNTY

PENNSYLVANIA AMERICAN WATER WASHINGTON DISTRICT

Company Name Company Address Company Address



DRAWN BY IJ PROJECT ENG'R HJR APPROVED

DATE 02/25/2006 PROJECT

 USE DIMENSIONS ONLY SCALE 1" = 2000'

Exhibit M

USE APPROVED DRAWINGS ONLY

1000-000-000

**DESCRIPTION OF PROPOSED SERVICE TERRITORY**  
**CLAYSVILLE-DONEGAL JOINT MUNICIPAL AUTHORITY – Wastewater system**  
**(Serving all of the Borough of Claysville and portions of Donegal Township,**  
**Washington County)**

By this application, Pennsylvania American Water Seeks the right to begin to offer or furnish wastewater service to the Claysville-Donegal Joint Municipal Authority wastewater system as shown on Exhibit ?and described below.

Claysville Borough, Washington County

All of the Borough of Claysville, Washington County

Donegal Township, Washington County (portions)

Beginning at a point, said point being the intersection of the centerlines of Prospect Alley and Petroleum Avenue (a.k.a. T422) and along the municipal boundary line between Claysville Borough and Donegal Township, Washington County, thence in due east parallel to the intersection of the centerlines of Prospect Alley and Petroleum Avenue to a point, said point being four hundred fifty (450) feet east of the intersection of the centerline of Prospect Alley and Petroleum Avenue Valley View Road and the municipal boundary line between Claysville Borough and Donegal Township, Washington County, thence due south approximately twelve hundred (1,200) feet parallel to the municipal boundary line between Claysville Borough and Donegal Township, Washington County to a point, said point being four hundred (400) feet east and two hundred (200) feet south of the intersection of the centerline of State Route 40 and the municipal boundary line between Claysville Borough and Donegal Township, Washington County, thence in a westerly direction parallel to the centerline of State Route 40 to a point, said point being two hundred (200) feet south of the intersection of the centerline of State Route 40 the municipal boundary line between Claysville Borough and Donegal Township, Washington County, thence in a northerly direction along the municipal boundary line between Claysville Borough and Donegal Townships to the point of beginning.

Beginning at a point, said point being one hundred and fifty (150) feet east of the intersection of the centerline of State Route 231 and the municipal boundary line between Claysville Borough and Donegal Township, Washington County, thence in a northern direction parallel to the centerline of State Route 231 to a point, said point being one hundred and fifty (150) feet northeast of the intersection of the centerlines of State Route 231 and State Route 4024 (a.k.a. Claysville-Taylorstown Ridge Road), thence in an eastern direction three hundred (300) feet to a point, said point being one hundred and fifty (150) feet west of the intersection of the centerlines of State Route 231 and State Route 4024, thence in a southern direction parallel to the centerline of State Route 231 to a point, said point being one hundred and fifty (150) feet northwest of the intersection of the centerlines of State Route 231 and DeGarmo Lane, thence in a western, southern, eastern direction parallel to the centerline of DeGarmo Lane to a point, said point being one hundred and fifty (150) feet southwest of the intersection of the centerlines of DeGarmo Lane and State Route 231, thence in a southern direction to a point, said point being one hundred and fifty 150 feet west of the intersection of the centerline of State Route 231 and the municipal boundary line between Claysville Borough and Donegal Township, Washington County, thence in a eastern direction three hundred (300) feet along the municipal boundary line between Claysville Borough and Donegal Townships to the point of beginning.

Beginning at a point, said point being one hundred and fifty (150) feet north of the intersection of the centerline of State Route 40 and the municipal boundary line between Claysville Borough and Donegal Township, Washington County, thence in a westerly direction parallel to the centerline of State Route 40 to a point, said point being one hundred and fifty (150) feet northwest of the intersection of the centerlines of State Route 40 and State Route 3024 (a.k.a. Old Route 40), thence in a southeasterly direction (across and under State Route 70), parallel to the centerline of State Route 3024 to a point, said point being one hundred and fifty (150) feet north of the intersection of the centerlines of State Route 3024 and Old National Pike (a.k.a. T903), thence in an eastern direction parallel to the centerline of Old National Pike to a point, said point being one hundred and fifty (150) feet north of the intersection of the centerline of Old National Pike and the centerline of the Baltimore and Ohio Railroad (a.k.a. B&O) tracks, thence continuing in an easterly direction parallel to the centerline of Old National Pike to a point, said point being one hundred and fifty (150) feet north of the intersection of the centerlines of Old National Pike and Delshann Road (a.k.a. T-377), thence continuing in an easterly direction parallel to the centerline of Old National Pike approximately two thousand (2,000) feet to a point, said point being one hundred and fifty (150) feet north of the centerline of Old National Pike, thence in a southern direction (across Old National Pike) three hundred (300) feet to a point, said point being one hundred and fifty (150) feet south of the centerline of Old National Pike, thence in a easterly direction parallel to the centerline of Old National Pike to a point, said point being one hundred and fifty (150) feet south of the intersection of the centerlines of Old National Pike and Delshann Road, thence parallel to the centerline of Delshann Road in a southwesterly direction approximately twelve hundred (1,200) feet to a point, said point being a meter pit along Delshann Road, thence in a northeasterly direction approximately twelve hundred (1,200) feet to a point, said point being one hundred and fifty (150) feet south of the centerlines of Old National Pike and Delshann Road, thence continuing in an easterly direction parallel to the centerline of Old National Pike to a point, said point being one hundred and fifty (150) feet south of the intersection of the centerline of Old National Pike and the centerline of the Baltimore and Ohio Railroad (a.k.a. B&O) tracks, thence parallel to the centerline of the B&O railroad tracks in a southeasterly, northeasterly direction to a point, said point being the intersection of the centerline of the B&O railroad tracks and the municipal boundary line between Claysville Borough and Donegal Township, Washington County, thence along the municipal boundary line between Claysville Borough and Donegal Township, Washington County in a northwesterly direction to the point of beginning.

ESTIMATE OF PENNSYLVANIA-AMERICAN WATER COMPANY'S  
ANNUAL REVENUES AND EXPENSES  
IN APPLICATION TERRITORY

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Revenue	\$333,000
Operation and maintenance	202,000
Depreciation	96,000
Income taxes	<u>3,000</u>
Utility operating income	\$ 32,000
Amortization of acquisition adjustment	<201,000>
<i>Interest expense on short-term debt</i>	38,000
Net income	\$ 195,000

**Exhibit O**

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

IN REPLY PLEASE  
REFER TO OUR FILE  
Secretary  
717-772-7777

June 8, 2007

A-230073F0012

VELMA A REDMOND ESQUIRE  
SUSAN D SIMMS ESQUIRE  
SETH A MENDELSONH ESQUIRE  
PENNSYLVANIA-AMERICAN WATER CO  
800 WEST HERSHEY PARK DRIVE  
HERSHEY PA 17033

DOCUMENT  
FOLDER

Dear Mr. Mendelsohn:

DOCKETED

Receipt is acknowledged of the Application of Pennsylvania American Water Company for approval of 1) the transfer by sale of substantially all of Claysville-Donnegal Joint Municipal Authority's wastewater assets, etc, to Pa American Water Co, and 2) the right of Pa American Water to begin to provide wastewater service to the public in all of Claysville Borough and portions of Donegal Township, Washington County, Pennsylvania, which has been captioned and docketed to the above number.

JUN 07 2007

It will be necessary for you to serve copies of the Application upon the following parties, then file proof of such service with this Commission, pursuant to 52 Pa. Code, §1.57 and 1.58:

Each city, borough, town, township, county and related planning office which is included, in whole or in part, in the proposed service area;

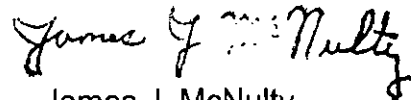
A water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment and disposal service to the public and whose service area abuts the service area proposed in the application;

The Office of Consumer Advocate, the Office of Small Business Advocate, and the Department of Environmental Protection's appropriate regional office.

You are directed upon receipt of this letter to publish the enclosed notice once a week for two consecutive weeks in a newspaper having a general circulation in the area involved and file proof of publication with the Commission on or before July 2, 2007.

This matter will receive the attention of the Commission and you will be advised of any further necessary procedure.

Sincerely,

A handwritten signature in cursive script that reads "James J. McNulty". The signature is written in black ink and is positioned above the printed name and title.

James J. McNulty  
Secretary

JJM:ddt

Enclosure

DATE: June 8, 2007

SUBJECT: A-230073F0012

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary *ddt*

DOCUMENT  
FOLDER

**Application of Pennsylvania-American Water Company**

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We attach hereto a copy of the Application of Pennsylvania-American Water Company for approval of 1) the transfer, by sale, of substantially all of Claysville-Donegal Joint Municipal Authority's wastewater system assets, etc, to Pennsylvania American Water Company, and 2) the right of Pennsylvania American Water Company to begin to supply wastewater service to the public in all of Claysville Borough and portions of Donegal Township, Washington County, PA, which has been captioned and docketed to the above number.

Applicant has been instructed to serve copies of the application upon each city, borough, town, township, county and related planning office which is included, in whole or in part, in the proposed service area; a water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment and disposal service to the public and whose service area abuts the service area proposed in the application; and on the Office of Consumer Advocate, the Office of Small Business Advocate, and the Department of Environmental Protection's appropriate regional office.

Applicant has been instructed to publish in a newspaper.

If no protests are received by July 2, 2007, will your Bureau please prepare a report for the attention of the Commission or instruct the Secretary's Bureau to re-assign this matter to the Office of Administrative Law Judge for hearing.

Attachment

cc: Law Bureau

ddt

**DOCKETED**

JUN 07 2007

PENNSYLVANIA PUBLIC UTILITY COMMISSION

NOTICE TO BE PUBLISHED

Application of Pennsylvania-American Water Company for approval of 1) the transfer, by sale, of substantially all of Claysville-Donegal Joint Municipal Authority's assets, properties and rights related to its wastewater system to Pennsylvania-American Water Company, and 2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in all of Claysville Borough and portions of Donegal Township, Washington County, Pennsylvania. Docket Number: A-230073F0012.

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Formal protests and petitions to intervene must be filed in accordance with Title 52 of the Pennsylvania Code, on or before July 2, 2007. All filings must be made with the Secretary of the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the Applicant. The documents filed in support of the Application are available for inspection and copying at the Office of the Secretary between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, and at the Applicant's business address.

Applicant:

Pennsylvania-American Water Company

Through and By Counsel:

Velma A. Redmond, Esquire  
Susan D. Simms, Esquire  
Seth A. Mendelsohn, Esquire  
800 West Hersheypark Drive  
Hershey, PA 17033

DOCUMENT  
FOLDER

DOCKETED

JUN 07 2007

BY THE COMMISSION

*James J. McNulty*

James J. McNulty  
Secretary

PA. CODE & BULLETIN

07 JUN -6 PM 2:56

RECEIVED  
LEGISLATIVE REFERENCE  
JUN 07 2007