

# MAHONING TOWNSHIP AUTHORITY

1101 BLOOM ST. • DANVILLE, PA 17821

Phone: 570-275-1132 • Fax: 570-271-3108

VALLEY

## SERVICE AGREEMENT

This Service Agreement, dated as of Oct. 17, 2005 is entered into between the Township of Valley, Montour, County, Pennsylvania (the "Municipality") and the Mahoning Water Authority (the "Authority"), a municipal authority organized and existing under the Municipality Authorities Act of 1945, as amended (the "Act").

### WITNESSETH:

WHEREAS, the Municipality has needs for facilities for the transmission and treatment of water for residents located in the part of the Municipality described specifically in Exhibit A attached hereto (the "Municipal Service Area"); and

WHEREAS, the Municipality has determined by official action that it will be advantageous to have the aforesaid facilities provided by the Authority; and

WHEREAS, the Authority operates an existing water system (the "System") with sufficient capacity to serve the users in the Municipal Service Area, and is willing to provide service in such Area subject to the provisions hereof;

NOW, THEREOF, the parties hereto, intending to be legally bound, hereby agree as follows:

#### I. Service by Authority

- I.1 The Municipality hereby appoints and recognizes the Authority as its exclusive agency to own and operate all publicly owned water distribution facilities for the Municipal Service Area. The Municipality will enact and enforce a mandatory connection ordinance covering all improved properties in the Municipal Service Area, in form satisfactory to the Authority. The Authority will provide service in the Municipal Service Area subject to the provisions of this Agreement and applicable law.

- 1.2 (a) The Authority's rates to users in the Municipal Service Area shall be fair and reasonable, as determined by it, reflecting the actual cost of service to the various classes of users and different geographic areas, consistent with the requirements of its financing arrangements. The Authority's rates will include two components. First, the Authority has in force a uniform rate to cover the cost of water, throughout its present service area, and to the extent it so determines, such rate will apply in future service areas outside its present service area. Second, it will establish rate districts representing and reflecting the differing costs (for capital and operation) of providing water transmission service in each municipality served by it from time to time, and to allocate such costs it will establish a separate water rate for users in each such district. The charges to users will be the sum of the water rate and the distribution rate for the applicable district.
- (b) When it becomes necessary to expand the capacity of the existing water capacity of the Authority, as determined by the Authority, the Authority will undertake any necessary financing. The Authority may, at its option, prorate the debt-service cost of any such financing among the various districts served or to be served by the expanded or new facilities, in accordance with the respective estimated projected needs for such facilities in such districts, and may increase the capacity component of the rates in the respective districts accordingly.
- (c) The Authority may recover, all or a portion of the costs of all its capital facilities, to the extent permitted by applicable law, from tapping fees and connection charges, which may be uniform or be based upon construction costs in different areas, all as it deems appropriate.
- (d) Following approval of subdivision plans by the Municipality, the Authority will use its best efforts to obtain agreements with real estate developers relating to the construction of water lines, pumping stations, tanks and all associated equipment by or at the expense of such developers in the Municipal Service Area.

H. MISCELLANEOUS

- 2.1 This Agreement shall continue in full force for a period of forty (40) years from the date hereof.
- 2.2 If any provision of this Agreement shall hereafter be held to be illegal or unenforceable the other provisions hereof shall be construed as if the illegal or unenforceable provision had not been included therein.
- 2.3 This Agreement shall be specifically enforceable.
- 2.4 This Agreement shall extend to and bind the successors and transferees of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

Mahoning Twp. Authority

By: [Signature]  
Chairman

[Signature]  
Secretary

(Seal)  
Attest:

[Signature]  
Authority Secretary

TOWNSHIP of Valley

By: [Signature]

(Seal)  
Attest:

[Signature]  
Township Secretary

570-524-7442

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MATCHED LOTS WILL HAVE HOMES  
LOCATED WITHIN WALLEY TOWNSHIP

**LIGHT HEIGEL & ASSOCIATES, INC.**  
ENGINEERS AND SURVEYORS  
LEWISBURG BRANCH OFFICE  
142 MAIN STREET  
PO BOX 120  
MONTANDON, INDIANA 47850  
(870) 524-7442

**WOODS OF WELCH AND  
WHISPER MEADOWS LOT LAYOUT**  
MAYNARD AND VALLE, INDIANA  
MONTGOMERY COUNTY, INDIANA  
SCALE: 1" = 33'

