

MAHONING TOWNSHIP AUTHORITY
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AUG 8 2018

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VALLEY

SERVICE AGREEMENT

This Service Agreement, dated as of Oct. 17, 2005, is entered into between the Township of Valley Forge, County, Pennsylvania (the "Municipality") and the Mahoning Sewer 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 need for facilities for the collection, transmission and treatment of sewage 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 sewage collection 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, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

Service by Authority

1. The Municipality hereby appoints and recognizes the Authority as its exclusive agency to own and operate all publicly owned sewage collection facilities for the Municipal Service Area. The Municipality will enact and enforce a mandatory collection ordinance covering all improved properties in the Municipal Service Area in form satisfactory to the Authority. The Municipality will also enact an appropriate ordinance requiring proper disposal of industrial waste. If the Authority determines that such an ordinance is required by applicable law, 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 treatment, 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 collection and transmission service in each municipality served by it from time to time, and to allocate such costs it will establish a separate collection rate for users in each such district. The charges to users will be the sum of the treatment rate and the collection rate for the applicable district.

(b) When it becomes necessary to expand the capacity of the existing treatment capacity of the existing treatment 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 treatment 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 sewers by or at the expense of such developers in the Municipal Service Area.

II 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

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