
EXHIBIT F18

WATER SERVICE TERMINATION AGREEMENT, DATED
MARCH 17, 2005, BY AND BETWEEN LOWER MAKEFIELD
TOWNSHIP AND THE MUNICIPAL AUTHORITY OF THE
BOROUGH OF MORRISVILLE

WATER SERVICE TERMINATION AGREEMENT

THIS AGREEMENT, made and concluded this 17th day of March, 2005, between LOWER MAKEFIELD TOWNSHIP, a Pennsylvania Municipality, having a principal place of business at 1100 Edgewood Road, Yardley, Pennsylvania ("LMT"), and the MUNICIPAL AUTHORITY OF THE BOROUGH OF MORRISVILLE, a municipal authority maintaining a principal place of business at 35 Union Street, Morrisville, Pennsylvania, 19067 (hereinafter referred to as "MMA").

WITNESSETH

WHEREAS, the LMT provides sanitary sewer collection service to its customers and imposes charges for the service; and,

WHEREAS, MMA is the owner and operator of the water distribution system serving customers in Lower Makefield Township; and,

WHEREAS, pursuant to the provisions of the Sewer Act as set forth at 53 P.S. Section 2261, et seq., MMA is authorized and required, at the request and direction of the LMT, to shut off and/or terminate the supply of water from its system to any premises to which sewer service charges payable to the LMT are unpaid and delinquent; and,

WHEREAS, MMA and the LMT are mutually desirous of setting forth the rights and obligations of each of them as it relates to water service termination as a result of a request made by the LMT to terminate water service because of delinquent sewer charges.

NOW, THEREFORE, intending to be legally bound and for other good and valuable consideration, the parties hereto agree as follows:

1. Termination of water service. In order to terminate water service to a customer of MMA by virtue of the customer's delinquent sewer charges to the LMT, an authorized representative of the LMT shall deliver to MMA a written request for termination which shall include the following information:

- a. the name and address of the sewer service customer;
- b. the physical address of the premises for which water service termination is requested;
- c. a certification that sewer charges related to the premises have remained unpaid for a period of at least thirty (30) days from the due date; and,

- d. a certification confirming that the LMT has fulfilled all applicable notice and procedural requirements imposed by law, statute, regulations, ordinances and other authorities including, without limitation, the requirements set forth in the Sewer Act (53 P.S. Section 2261, et seq.), and said certification shall also state that the LMT has not received written or other information the effect of which would make water service termination unlawful.

2. Obligations of MMA. Upon receipt of the information required pursuant to Paragraph 1 of this Agreement, MMA shall promptly initiate its water service termination procedures or shall promptly notify the LMT that the procedures cannot be undertaken and the reasons why not. MMA may decline to initiate water service termination procedures for the following reasons:

- a. the property in question is not receiving water service from MMA;
- b. MMA's customer is not the same customer that is receiving sewer service;
- c. MMA cannot terminate service to the LMT's customer without affecting other MMA customers or MMA's water distribution system;
- d. MMA has received a valid verbal or written notice prohibiting or requiring the postponement of the termination of water service;
- e. the physical nature of the water service makes termination impractical;
- f. MMA receives advice from its legal counsel that water service should not be terminated; and,
- g. other reasons by mutual agreement of the LMT and MMA.

When MMA initiates its water shut off procedures, it is understood and agreed that MMA shall comply with all applicable notice and procedural requirements relative to water service termination and shall also comply with any other applicable laws and regulations related to water shut off.

3. Contact with LMT Customer. Aside from the provisions of this Agreement, it is understood and agreed that the LMT shall be solely responsible for dealings with its customer including the payment of arrears and all procedures related to the resolution of any disputes between the LMT and its customer. At the time of the request for water termination, the LMT shall provide to MMA a Notice to be attached to MMA's service termination notices, notifying MMA's customer that any contacts with respect to arrearage or any dispute related to sewer service shall be made with the LMT, which said Notice shall include the appropriate phone number and person to whom contact should be made at the LMT.

4. **Physical Shut Off.** At the time for the physical shut off of water service, or at the time any Notices are required to be delivered pursuant to this Agreement or in accordance with applicable law, a representative of the LMT shall be present who shall have the sole responsibility to engage in any discussion and/or interaction with the involved customer. The decision as to whether or not to terminate water service shall be made by the LMT representative in attendance and the LMT representative may rely upon the decision of the MMA representative.

5. **Costs.** The LMT shall pay to MMA, when delivering the request for water service termination, the sum of Thirty-Five (\$35.00) Dollars which shall be non-refundable. Said sum, except as hereinafter set forth, shall constitute payment in full to MMA for its services hereunder including mailing the required Notices, fulfilling any other pre-termination proceedings.

In addition to the payment as set forth previously in this paragraph, the LMT shall pay to MMA the estimated loss of water revenues resulting from the termination of water service. The cost of water service to be reimbursed shall be the base rate determined on a daily basis and then multiplied by the number of days the water service is discontinued to the MMA customer.

6. **Indemnification.** The LMT agrees to hold MMA harmless from any liability that MMA may incur in performing or attempting to perform the water shut off as contemplated by this Agreement. The extent of the hold harmless shall also include defending any action taken against MMA as a result of MMA acting on behalf of the LMT to shut off or otherwise terminate water service. LMT, however, reserves the right to retain its own counsel and to participate independently in any proceedings.

7. **Disputes.** Should a dispute occur between the MMA and LMT regarding the provisions of this Agreement, the parties agree that said dispute shall be resolved by Arbitration. Both parties shall select and compensate their own arbitrator and the two (2) arbitrators shall appoint a third arbitrator, the costs for which shall be borne equally by each of the parties hereto. Each party shall bear their own counsel fees but the parties agree that the decision of the arbitrators in connection with any dispute shall be binding and final except as may be appealed by law.

8. **Miscellaneous.** This Agreement shall be for a period of five (5) years, but either party may terminate the Agreement upon providing thirty (30) days prior written notice thereof to the other party. The terms and conditions of this Agreement shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania and may only be modified by written document executed by the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

WITNESS:

LOWER MAKEFIELD TOWNSHIP

Henry A. Hoffmann
Henry A. Hoffmann

By: *Miriam J. Stator*

Attest: *Margaret Stator*

WITNESS:

MUNICIPAL AUTHORITY OF THE
BOROUGH OF MORRISVILLE

Jean F. Dretto-Weik
Jean F. Dretto-Weik

BY: *Leopold R. West*

Attest: *Dorothy M. Gaydula*