

EXHIBIT F1



COPY

AGREEMENT

THIS AGREEMENT made and concluded this 28th day of April, 1977, between the CITY OF BEAVER FALLS, a municipal corporation of the Commonwealth of Pennsylvania, and a City of the Third Class, hereinafter called the "First Party" and Township of Patterson a municipal corporation of the Commonwealth of Pennsylvania, hereinafter called the "Second Party."

WHEREAS, First Party has heretofore constructed and is now operating a Sewage Plant and System; and

WHEREAS, the Borough of Patterson Heights, the Borough of West Mayfield, Patterson Township and White Township are presently utilizing the facilities and services of said Sewage Treatment Plant and System; and

WHEREAS, the First Party has adopted an Ordinance No. 1423, dated November 9, 1976, providing for a uniform user's charge; and

WHEREAS, the First Party has adopted a Resolution No. 567, dated November 9, 1976, providing rules and regulations for the use and operation of the Sewer System; and

WHEREAS, the parties desire to enter into an agreement incorporating the provisions of the aforesaid Ordinance and Resolution; and

WHEREAS, the parties desire to enter into a new agreement to take the place of an agreement between the parties, dated December 12, 1967; and

WHEREAS, First Party agrees to continue to make available said Sewage Treatment Plant and System facilities and services to Second Party.

NOW, THEREFORE, IN CONSIDERATION OF the Premises and the undertaking of each party to the other, the parties hereto, each intending to legally bind itself, its successors and its assigns, covenant and agree as follows:

1. The Second Party agrees to adopt an Ordinance which provides for the computation of the charges for sewer usage based on a ratio between operation and maintenance costs and meter reading volume, in accordance with said Ordinance No. 1423, a copy of which is attached hereto.

2. The Second Party agrees to pay to the First Party its proportionate share of the present and future cost and expenses of the operation, maintenance and repair of said Sewage Treatment Plant and System, used in common, based on the formula set forth in the aforesaid Ordinance No. 1423.

3. Before First Party shall permit other municipalities to connect with and utilize said Sanitary Sewer System and Plant, First Party agrees to obtain the consent of the Borough of Patterson Heights, Borough of West Mayfield, Patterson Township and White Township, but such consent shall not be unreasonably withheld.

4. None of the Boroughs or Townships presently connected with and utilizing the facilities of said Sanitary System and Plant shall allow any other municipality, except to the extent such use presently exists, to tap into its sewer system without the permission, in writing, of First Party and the said other Boroughs and Townships.

5. The Sewage Treatment Plant is designed only for the treatment of sanitary sewage and the deposit of any storm drainage, surface or sub-surface drainage into the sewerage system by any of the municipalities is strictly prohibited and shall be immediately terminated upon notice from First Party.

6. Neither party shall permit the discharging of industrial and processed waste water into the sewer system except pursuant to the rules and regulations adopted by the First Party by the aforesaid Resolution No. 567, a copy of which is attached hereto.

7. If the quality of service reflects the use of garbage disposals by any of the users of the plant and sewage system and if this becomes detrimental to the operation of the plant or

system, they shall be prohibited and be immediately terminated upon notice from First Party.

8. First Party shall render quarterly statements to Second Party at which time Second Party shall make payment within one month of the receipt of said statement.

9. Should any addition, enlargement, revision or renovation of the Sewage Treatment Plant or System be required

entirely by an increase of the service furnished to Second Party, the total cost of such addition, enlargement, revision or renovation shall be paid by Second Party.

10. In the event addition, enlargement, revision or renovation of the Sewage Treatment Plant or the Sewer System is required by more than one municipality using the same, the cost thereof shall be paid by the municipalities requiring the same, and in the event addition, enlargement, revision or renovation is required and would be beneficial to all municipalities using the same, the cost thereof shall be borne based on the formula set forth in Ordinance No. 1423, in the year that it is determined by the First Party that an addition, enlargement, revision or renovation is required. In determining whether any addition, enlargement, revision, or renovation is required by any one or more or all of the municipalities using said sanitary sewer system and sewage disposal plant, First Party, upon approval by the Environmental Protection Agency of the Commonwealth of Pennsylvania, or its successor, shall be the exclusive judge of this fact.

11. First Party and Second Party agree to maintain and keep their sanitary sewer systems in good repair. First Party through its Professional Engineer, shall have the right to make inspection, at all reasonable times, of the sanitary sewer system of Second Party and if any condition shall exist or be created as a result of which the efficiency or cost of First Party's sanitary Sewer System and Plant is adversely affected, said condition, on thirty (30) days written notice from First Party, shall be corrected.

12. The operation, management, addition, extension, enlargement, revision or renovation of said sewage disposal plant and sanitary sewer system shall be under the exclusive control of First Party. It is agreed that Second Party does not have, nor by the terms of this agreement, does it secure, any ownership in the sanitary sewer system or sewage disposal plant of the First Party, and its rights thereto are as herein defined, that is the right to tap into said system and to make use thereof in accordance with the terms hereof.

13. Second Party covenants and agrees that First Party shall be the sole and exclusive agency to provide sewage treatment and disposal service to residents of Second Party presently using the sewer system, and that Second Party will not engage in the business of providing said service to areas now served by the present sewage system.

14. This agreement shall supersede all previous agreements entered into by the parties hereto with regard to the Sewage Treatment Plant and System of First Party and all said agreements shall be terminated upon the execution of this agreement by the parties hereto.

15. This Agreement is entered into on the part of the First Party by virtue of a Resolution duly adopted on the _____ of _____, 1977, and on the part of the Second Party by virtue of a ~~Resolution~~ ^{Ordinance} duly adopted on the 5th ~~day~~ ^{of} April, 1977, authorizing the same to be done.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers, and attached hereto their official seal, by virtue of the above recited corporate action authorizing the same to be done, the day and year first above written.

ATTEST:

s/ Robert D. Yoho

s/ Edward Dixon
Secretary

CITY OF BEAVER FALLS:

BY: s/ Nick M. Camp
Mayor

TOWNSHIP OF PATTERSON
BY: s/ David E. Keenan
Chairman

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BILL NO. 23
ORDINANCE NO. 1423

AN ORDINANCE amending Section 2 of Ordinance No. 1227, passed February 27, 1967, as amended by Ordinance No. 1288, passed December 22, 1970 entitled "AN ORDINANCE of the City of Beaver Falls imposing upon each property in the City of Beaver Falls, served by the Beaver Falls sanitary sewer system, a sewer rental charge, payable by the owner and/or occupier of said premises; providing for the collection thereof and the filing of liens therefor; providing for rules and regulations; and providing for surcharges on delinquent accounts." By providing for computation of the rate for sewer usage based on a ratio between operation and maintenance costs and meter reading volume:

BE IT ORDAINED AND ENACTED by the Council of the City of Beaver Falls, hereinafter sometimes referred to as "City" and it is hereby ordained and enacted by authority of the same as follows:

Section I. Section 2 of Ordinance No. 1227, passed February 27, 1967, entitled "An Ordinance of the City of Beaver Falls imposing upon each property in the City of Beaver Falls, served by the Beaver Falls sanitary sewer system, a sewer rental charge, payable by the owner and/or occupier of said premises; providing for the collection thereof and filing of liens therefor; providing for rules and regulations; and providing for surcharges on delinquent accounts." as amended, is hereby amended to read as follows:

"Section 2 (a) The rate for said sewer usage shall be reviewed annually and computed as follows:

The total anticipated yearly flow, as reflected by the actual total sewage treated at the sewage treatment plant of all users for the preceding year, shall be divided into the total projected cost of operation and maintenance (as approved by City Council) of the City's treatment works for the coming calendar year to determine ratio "R." Ratio "R" is expressed numerically by the following:

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$$R = \frac{\text{Total Projected Operation and Maintenance Costs (\$)}}{\text{Total Sewage Treated (gallons)}}$$

The above rate ratio shall be used exclusively for determination of user charges (based upon each users water meter readings) except when the total users metered flow is less than or greater than the actual total volume of wastewater treated at the City's treatment works for the preceding year. In such case, the difference of the yearly revenues generated by the rate ratio "R" (Revenue = R x Total users metered flows) and the projected total cost of operation and maintenance for the treatment works shall be determined. This difference is labeled herein as "d" and is calculated as follows:

$$d = (\text{Projected Total Operation and Maintenance Cost, \$}) \\ - (R \times \text{Total Users Metered Flows, \$})$$

To incorporate this cost difference, "d", into each users treatment works charges, a new rate ratio "R₁" shall be determined and calculated as follows:

$$R_1 = \frac{d, \$}{\text{Total Users Metered Flows, gallons}}$$

Therefore, the actual user billing rate (\$/gallons recorded by water meter readings), R_S, shall be determined by the summation of rate ratios R and R₁. The user billing rate, R_S, can be expressed mathematically as follows:

$$R_S = R + R_1$$

Section II (b)

1. The rate ratios (R and R₁) applied to each users treatment works charges shall be reviewed annually by the City to determine the need to adjust the rate ratios based upon the actual annual operation and maintenance costs incurred by the

City, the actual quantity of wastewater flow treated by the City's treatment works, and the total revenue generated by the existing rate ratios. Upon evaluating the revenues required to meet the projected annual operation and maintenance costs, the rate ratios shall be adjusted periodically as determined necessary by the City to generate suitable funds to meet all operation and maintenance costs of the City's treatment works.

2. Records of all information pertaining to the annual review of the rate ratios and all components utilized to determine said rate ratios shall be maintained on file and open for public review during normal working hours at the City's Municipal Building.

3. The following general items (but not limited to these alone) shall be included in determining the annual operation and maintenance costs associated with the City's treatment works:

- (a) Wages and salaries
- (b) Materials and supplies
- (c) Utility requirements
- (d) Repairs - replacement
- (e) Administrative
- (f) Debt service charges
- (g) Reserve fund costs

4. The basis for actually determining the operation and maintenance costs for each of the items detailed above shall be made by the plant superintendent and approved by City Council based upon expenditures incurred for the same items over the past years of operation as well as projected expenditures for the next calendar year of operation.

Section II (c)

1. In instances where an industrial or commercial user consumes large quantities of water for processing, cooling, or heating, and said water is not discharged into the City's sewerage system for treatment, and said user does not desire to pay its sewage treatment fees for that part of water said user consumes but not discharges into the City's sewerage system for treatment, then said industrial or commercial users may install separate water meters for all fixtures which will eventually contribute wastewater to the City's treatment works or said user may install a separate sewage flowmeter (as approved by the City of Beaver Falls) at any and all connection points within the City's sewerage system. Any and all costs (including City inspection costs) to be incurred by the industrial or commercial user shall totally and solely be borne by said user."

Section II. All other provisions of said Ordinance 1227 shall remain in full force and effect.

Section III. All Ordinances or parts thereof inconsistent herewith are hereby repealed.

Section IV. This Ordinance shall become effective the _____ day of _____, 1976.

PASSED FINALLY by the Council of the City of Beaver Falls, this 9th day of November, 1976.

Paul H. Camp
Mayor

ATTEST:

Robert D. Gohc
City Clerk

RESOLUTION NO. 567

RESOLUTION adopting rules and regulations for the use and operation of the City's sewer system.

WHEREAS, the Council of the City of Beaver Falls, by Section 8 of Ordinance No. 1227 of the City of Beaver Falls, has reserved the right to adopt, revise and amend rules and regulations for the use and operation of the City's sewer system, and;

WHEREAS, the Council of the City desires to adopt certain rules and regulations for the discharge of industrial and processed wastewater into the City's sewer system;

NOW THEREFORE, be it resolved by the Council of the City of Beaver Falls that the following rules and regulations for the use and operation of the City's sewer system are hereby adopted and made a part of Ordinance 1227, as amended:

1. The discharging of industrial and processed wastewater into the City's sewerage system is strictly prohibited except as provided for herein.

2. In order for the City to consider any industrial user's connection into the City's treatment works, the following information shall be provided in duplicate to the City for evaluation of the proposed industrial wastewater discharge:

- (a) Name of Institution.
- (b) Address and Desired Location.
- (c) Desired Tap-in Location.
- (d) Estimated Quantity of Flow - include maximum gallons per minute discharge flowrate.
- (e) Description of the process which generated the wastewater.
- (f) Amount of sanitary wastes in the industrial wastewater and, if any, in what concentrations.

- (g) A complete chemical analysis of the proposed wastewater discharge providing as a minimum the following: BOD₅, COD, SS, D.S., D.O., Chlorine Demand, NH₃-N, Total N, NO₃-N, oil and grease, pH, PO₄-P, phenols, cyanide-total and amenable, mercury-total, temperature, heavy metals, and any other tests which will more appropriately describe the true characteristics of the proposed wastewater discharge.

3. The following conditions shall apply to all industrial wastewater contributors to the City's sewage treatment facilities which are approved by the City:

(a) Any user of the treatment works whose applied loading to the treatment plant exceeds any one of the following criteria shall be classified to the conditions of this program:

BOD₅ > 230 mg/l

SS > 220 mg/l

Dissolved Solids (D.S.) > 300 mg/l

Flow \geq 10% of Average Design Flow of Treatment Works

Delivery Flowrate \geq 175 GPM

pH - > 8.0 or > 6.0

Phenols - Any Amount

Heavy Metals - Any Amount

Cyanides - Any Amount

(b) Each industrial user of the said treatment works shall be required to pay its share of the total amount of the grant and any grant amendment awarded to the City pursuant to Federal Project No. C-420676-01 divided by the recovery period.

(c) The industrial recovery period is defined as the useful design life of the treatment works (until 1995) or 19 years based upon the treatment plant additions being completed in 1976.

(d) Payments shall be made by the industrial users no less often than annually. The first payment by the said user shall be made not later than one (1) calendar year after such time the user begins using the treatment works.

(e) The industrial user's share of the grant amount shall be based upon the following factors: strength (BOD, Suspended Solids, Dissolved Solids, etc.), volume, and delivery flowrate. These factors shall be proportioned in relation to the existing design parameters allocated for the existing sewage treatment facility. (Since the City presently accepts no industrial wastewater discharges, the actual proportioning of the costs will be determined by the City at the time of proposed industrial tap-in). If throughout the recovery period there is a substantial change in the strength, volume, and/or delivery flowrate characteristics introduced into the treatment works by said industrial user, such user's share shall be adjusted accordingly. As a minimum, an industrial user's share shall be proportional to its flow, in relation to the treatment works flow capacity.

(f) If there is an expansion or upgrading of the treatment works, each existing industrial user's share (at the time of the expansion or upgrading) shall be adjusted accordingly.

(g) The City shall retain 50 percent of the amounts recovered from said industrial user. The remainder, together with any interest earned thereon, shall be returned to the U.S. Treasury on an annual basis.

(h) The City shall use a minimum of 80 percent of the retained amounts, together with interest earned thereon, for any expansion and/or reconstruction which may be required of the treatment works. The City shall obtain the written approval of the retained amounts for any expansion and reconstruction.

The remainder of the retained amounts shall be used as the City sees fit. Pending use, the City shall invest the retained amounts for reconstruction and expansion in: (1) obligations of the U.S. Government; or (2) obligations guaranteed as to principal and interest by the U.S. Government or any agency thereof; or (3) shall deposit such amounts in accounts fully collateralized by obligations of the U.S. Government or obligations fully guaranteed as to principal and interest by the U.S. Government or any agency thereof.

ADOPTED BY COUNCIL OF THE CITY OF BEAVER FALLS, this
9th day of November, 1976

/s/ Nick L. Camp
Mayor

/s/ Robert D. Yoho
City Clerk - Coordinator