

**Application of Pennsylvania-American Water Company for Acquisition of  
the Wastewater Assets of East Coventry Township  
66 Pa. C.S. §1329**

**Application Filing Checklist – Water/Wastewater**

**Docket No. A-2025-3053487**

25. Provide a copy of all municipal and affiliate contracts to be assumed by buyer as part of the acquisition and a list and annual dollar value of other contracts.

**RESPONSE:** The attached municipal, affiliate and other contracts to be assumed by PAWC as part of the acquisition are listed below and attached as **Appendix A-25**. No other contracts exist.

**Municipal and Affiliate Contracts**

<b>Tab</b>	<b>Agreement</b>	<b>Parties to Contract</b>	<b>Date of Contract</b>
Appendix A-25	<i>Pro Forma</i> Conveyance and Allocation Agreement	<ul style="list-style-type: none"><li>• PAWC</li><li>• East Coventry Township</li></ul>	---

## CONVEYANCE AND ALLOCATION AGREEMENT

This Agreement made this \_\_\_ day of \_\_\_\_\_, by and between Pennsylvania-American Water Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with offices at 852 Wesley Drive, Mechanicsburg, PA 17055 (“**PAWC**”) and East Coventry Township, a Pennsylvania Township of the Second Class, having offices at 855 Ellis Woods Road, Pottstown, PA 19465 (“**East Coventry**”);

WHEREAS, East Coventry is a party to an agreement (“**Authority Agreement**”) dated January 27, 2004 with North Coventry Township (“**North Coventry**”) and the North Coventry Municipal Authority (“**Authority**”) pursuant to the terms of which the Authority has among other things allocated to East Coventry wastewater treatment capacity of 510,000 gallons per day (“**Allocation**”) and East Coventry has, among other commitments, agreed to share in the operation and maintenance costs of the Authority’s wastewater treatment plant (“**WTP**”);

WHEREAS, East Coventry and PAWC have entered into an Asset Purchase Agreement dated February 7, 2024 (the “**Purchase Agreement**”), pursuant to which East Coventry has agreed to sell to PAWC its wastewater collection and conveyance system (“**East Coventry System**”);

WHEREAS, the Authority has refused to allow the assignment of the Authority Agreement from East Coventry to PAWC, so East Coventry and PAWC are entering into this Conveyance and Allocation Agreement pursuant to which East Coventry will retain a portion of the East Coventry System (which will include the interconnection with the WTP, hereinafter the “**WTP Interconnection**”) and agree to accept and convey all wastewater from the East Coventry System through the Retained System (defined below) to the WTP and PAWC will be responsible for all payments owed by East Coventry to the Authority incurred in connection with such acceptance and conveyance.

WITNESSETH, that for and in the consideration, the receipt and sufficiency of which is hereby acknowledged and the covenants contained herein, the parties are as follows:

### 1) DEFINITIONS

All capitalized terms used in this Agreement but not otherwise defined herein are given the meanings set forth in the Authority Agreement, which is attached hereto as Exhibit A and made a part hereof.

## 2) RETAINED SYSTEM AND POINT OF DELIVERY

PAWC and East Coventry agree that East Coventry will retain ownership of the interconnection between the WTP (“**Retained System**”) and the East Coventry System . The Retained System is further described in Exhibit B attached hereto and made a part hereof. Also identified on Exhibit B is the point of interconnection between the Retained System and the East Coventry System (“**PAWC/EC Interconnect**”). East Coventry agrees to convey all wastewater from the PAWC/EC Interconnect to the WTP.

As part of the consideration for this Agreement, PAWC agrees to operate and maintain the PAWC/EC Interconnect and the Retained System at no cost to East Coventry, including any and all required repairs and replacements.

## 3) ALLOCATION AND ALLOWABLE STRENGTH OF WASTEWATER

Except as otherwise set forth herein, East Coventry hereby sells, assigns, grants, conveys and transfers to PAWC all of East Coventry’s right, title and interest in and to the Allocation. PAWC hereby accepts such assignment and assumes all of East Coventry’s duties and obligations with respect to the Allocation and agrees to be responsible for all payments due from East Coventry to the Authority in connection with such assignment.

East Coventry agrees to use its reasonable best efforts to keep the Authority Agreement in place and assert any and all of its rights under the Authority Agreement, at the request of PAWC or otherwise.

Upon the Closing of the purchase of the East Coventry System, PAWC agrees that the flow from the East Coventry System will be limited to specific Discharge Criteria, both flow and qualitative, as defined in Exhibit C attached hereto and made a part hereof. Further, PAWC agrees that it will not discharge any Prohibited Wastes as defined in Exhibit D attached hereto and made a part hereof.

The Parties agree that the Allocation is subject to regulatory action and acts of nature and therefore cannot be construed to be an absolute value. Changes in the discharge criteria of the WTP, or changes in the definition of standard strength domestic wastewater by the Department of Environmental Protection (“**DEP**”) or other regulatory agencies, may result in a lesser allocation. Acts of nature, beyond the control of East Coventry or the Authority, including hurricanes, floods, tornadoes, etc., may temporarily delay PAWC’s full use of the Allocation.

## 4) OPERATIONAL COMPLIANCE

4.1. Compliance with all Discharge Criteria as stated in Exhibit C shall be the sole responsibility of PAWC. When received from the Authority, East Coventry will share flow metering data and will share the results of any periodic sampling or other information that is required to be shared with East Coventry by the Authority.

4.2. The Parties recognize that a magnetic flow meter has been installed by the Authority at the WTP Interconnection. The magnetic flow meter includes a totalizer, recording chart, and meter bypass for maintenance of the meter. Under the Authority Agreement, the Authority is responsible for scheduling with the manufacturer or other qualified testing agent, on at least a semi-annual basis, the calibration of the flow meter. Copies of the meter calibration certification are required to be shared by the Authority with East Coventry and East Coventry hereby agrees to share the same with PAWC immediately following receipt. Within thirty (30) days of its receipt of the report, PAWC may request that East Coventry contest the meter calibration certification report under terms of the Authority Agreement.

4.3. East Coventry will notify PAWC, in writing, when the flow from the East Coventry System is measured at 80% of its Annual Average Daily Flow as shown on Exhibit C. Upon notification, PAWC shall implement a Wasteload Management Program to monitor and, if necessary, restrict additional connections to the East Coventry System in order to meet PAWC's responsibility that the Flow Criteria listed in Exhibit C are not exceeded. East Coventry will provide similar notice to PAWC when the flow from PAWC is measured at 80% of its maximum monthly average flow, maximum weekly average flow, maximum daily flow, or peak instantaneous flow as shown on Exhibit C. Upon notification, PAWC agrees to investigate and, thereafter, report to East Coventry, within seventy-five (75) days of the date of the East Coventry's notice, PAWC's plan to manage/reduce flows in order to not exceed the Flow Criteria.

If PAWC is notified by East Coventry that the flow from the East Coventry System is measured at 90% of its Annual Average Daily Flow as shown on Exhibit C or that the flow from the East Coventry System is measured at 90% of its maximum monthly average flow, maximum weekly average flow, maximum daily flow, or peak instantaneous flow as shown on Exhibit C, then PAWC agrees to investigate and, thereafter, report to East Coventry within seventy-five (75) days of the date of the notice of the same from East Coventry, PAWC's written plan to manage/reduce flows in order to not exceed the Flow Criteria. The written plan shall include, but not be limited to, a description of the proposed methods to reduce flows, a schedule to limit new connections and/or a commitment to plan for, and fund additional treatment capacity. East Coventry will notify PAWC if the plan is acceptable and PAWC agrees to consider suggestions from East Coventry for changes to the plan.

4.4. East Coventry will promptly notify PAWC, in writing, if the monthly flow from the East Coventry System exceeds the maximum monthly average flow and/or exceeds the annual average daily flow, as shown in Exhibit C, for a period of ninety (90) consecutive days.

A. Upon notification of exceeding any of the Flow Criteria in Exhibit C, PAWC agrees to investigate and thereafter submit to East Coventry, within one hundred (100) days of the date of East Coventry's notice, an Overload Remediation Plan to manage/reduce flows in order to maintain compliance with the Flow Criteria. Said Overload Remediation Plan shall include an implementation schedule showing the dates on which each step of the plan will be undertaken. Activities include, but may not be

limited to, planning, design, financing, and construction, as may be necessary to provide the required capacities and/or eliminate the excess flows. The Plan shall be reviewed by East Coventry, and if deemed acceptable by East Coventry, a limited number of connections may be allocated to PAWC during the implementation of the Overload Remediation Plan.

B. If, upon the completion of the implementation of the Overload Remediation Plan, PAWC is not able to demonstrate a reduction in flows, then further connections to the East Coventry System shall be prohibited until such time as additional treatment capacity has been made available at the WTP and provisions have been made to increase the flow allocation.

C. If, ninety (90) days after notification, the monthly flow from the East Coventry System exceeds the Flow Criteria stated in Exhibit C and East Coventry is required to pay a surcharge to the Authority on the excess flow above the allowable flow, then PAWC will be responsible for any surcharge East Coventry is required to pay the Authority. Upon reasonable advance notice of such obligation to pay, PAWC will use its reasonable commercial efforts to pay East Coventry in advance of the due date of the payment to the Authority

D. PAWC agrees to pay any fines and penalties and make all improvements to the East Coventry System that are imposed by DEP or any other governmental agency due to violations at the treatment plant that are attributable to PAWC's exceeding the Flow Criteria. PAWC also agrees to prepare and submit all reports and filings mandated by DEP or any other governmental agency about the East Coventry System.

E. In addition to the penalty provisions contained herein, if, at any time, the flow from the East Coventry System exceeds the Flow Criteria, East Coventry, to the extent permitted by law, may pursue any one or more of the following additional remedies:

- (1) Require PAWC to purchase reserve capacity, if East Coventry is required by the Authority to purchase excess capacity, with the price being established by the Authority; or
- (2) Pursue an injunction or any other equitable remedy in any Court or agency of competent jurisdiction; or
- (3) Pursue damages or any other legal remedy in any Court of competent jurisdiction; or
- (4) Pursue any other remedy or administrative order available at law, in equity, or administrative proceeding or otherwise.

4.5. East Coventry will advise PAWC, in writing, if the Authority's random sampling of the discharge from East Coventry does not comply with the Qualitative Criteria on Exhibit C,

or if the discharge contains any Prohibited Waste listed on Exhibit D. Upon notification, PAWC shall identify and eliminate the source of the Prohibited Waste.

A. If the Authority imposes a surcharge on East Coventry for any non-conforming wastewater discharged from the East Coventry System through the PAWC/EC Interconnect to the Authority's system, PAWC will be responsible for paying such surcharge. In addition to the payment of the surcharge, PAWC agrees that if repeated assessments of the surcharge occur, it may (a) be required to pre-treat the offending wastewater, (b) terminate the particular discharger(s) responsible for the non-conforming waste from discharging into the East Coventry System, or (c) if this discharger cannot be identified, refuse further connections to the East Coventry System.

B. PAWC will be responsible for any payment levied by the Authority for any other non-conforming waste that contains any one or more of the Prohibited Waste listed in Exhibit D, which can be shown as being directly attributable to PAWC's wastewater passing through the WTP Interconnection. Additional charges may include fines, repairs to the treatment process, additional laboratory expenses, additional sludge disposal expenses, legal expenses, engineering expenses, etc. Upon reasonable advance notice of such obligation to pay, PAWC will use its reasonable commercial efforts to pay East Coventry in advance of the due date of the payment to the Authority.

4.6. PAWC agrees to prohibit the discharge into the East Coventry System of all industrial wastewaters, unless written approval for such discharge is obtained from the Authority by East Coventry and PAWC adopts pretreatment standards in compliance and with approval of EPA, DEP, the Authority, and other appropriate agencies. PAWC agrees that if any form of industrial wastewaters are accepted in the future by the Authority, PAWC will pay all the costs for additional sampling, treatment, and administrative charges for monitoring and processing of any industrial wastewaters discharged to the East Coventry System.

4.7. PAWC agrees that it shall not permit the dumping of bulk wastewater, septage, sludge, or other wastes into the East Coventry System by private haulers or other persons engaged in the business of transporting wastewater, septage, sludge, or other wastes.

## **5) CHARGES FOR CONVEYANCE OF WASTEWATER**

5.1. Under the terms of the Authority Agreement, East Coventry and the Authority share the annual operating costs for the WTP in proportion to the volume of wastewater discharged by each party into the WTP. PAWC hereby agrees to be responsible for East Coventry's share of the operating costs, provided East Coventry agrees to take all reasonable steps under the Authority Agreement to limit its share.

5.2. The Authority's fiscal year is from February 1 to January 31. On an annual basis, the Authority has agreed to prepare an Estimate for the Operation Costs for the WTP ("Estimate") for the upcoming year. Under the terms of the Authority Agreement, the Estimate is to be forwarded to East Coventry when complete and East Coventry hereby agrees to promptly

provide a copy to PAWC after it receives the Estimate from the Authority. East Coventry is expected to receive the Estimate on or before February 28th of each year. In addition, on or before November 1st of each year, the Authority has agreed to provide East Coventry with a Preliminary Estimate of Operating Costs based upon information then available, which East Coventry agrees to promptly provide to PAWC.

5.3. Invoices for payment for wastewater treatment services, surcharges for flows which exceed the Discharge Criteria, and any other invoice sent to East Coventry by the Authority in accordance with the Authority Agreement shall be promptly forwarded by East Coventry to PAWC shall be paid by PAWC to East Coventry within thirty (30) days of the date of the invoice was forwarded. PAWC agrees to be responsible for any late payments charged to it by the Authority if PAWC is late in paying the invoice to East Coventry. Upon reasonable advance notice of such obligation to pay, PAWC will use its reasonable commercial efforts to pay East Coventry in advance of the due date of the payment to the Authority

5.4. Under the terms of the Authority Agreement, at the end of the Authority's fiscal year, an audit of the operation and maintenance costs will be performed by an independent certificated public accountant. The operating and maintenance costs described in Section 5.1 hereof are to be reduced by any operating grants received by the Authority. Based upon the audit of the previous year's operating costs for the WTP and based on the total flows recorded as discharged from the Authority and the WTP Interconnection, a reconciliation calculation will be performed to determine if there was any underpayment or overpayment on the amount due from East Coventry, based on the actual operating expenses. East Coventry will invoice PAWC for any underpayments, and the payment of the invoice shall be due within thirty (30) days of the date of the invoice. PAWC shall pay interest at the rate of Six Per Cent (6%) per annum after thirty (30) days and until the invoice is paid. Overpayments will be applied by East Coventry to future invoices.

5.5. A copy of each year's operating budget of the Authority is to be forwarded to East Coventry within thirty (30) days of the Authority's adoption of the budget and East Coventry agrees to promptly forward the same to PAWC.

5.6. In the event of a dispute regarding treatment charges, East Coventry agrees at PAWC's request to provide written objection to the Authority. East Coventry will work with PAWC to review the calculations and attempt to resolve the dispute with the Authority. Unresolved issues shall be settled in accordance with the dispute resolution provisions of the Authority Agreement. PAWC will continue to make full payment for each invoice until such time as the dispute is resolved. In the event PAWC is correct in its assessment of treatment charges, all overpayments shall be subject to simple interest at the rate of Six Percent (6%) per annum, beginning from the date when the overpayment was received by the Authority. East Coventry agrees to pay these overpayments to PAWC when received from the Authority.

## 6) COVENANTS OF PAWC

PAWC covenants and agrees with East Coventry that it will, at all times:

- A. Maintain the East Coventry System in good repair, working order, and condition.
- B. Continuously operate the East Coventry System, subject to “force majeure” or all orders, directives, and regulations of the Chester County Health Department, DEP, the Environmental Protection Agency, and any existing or successor agencies with authority to regulate and control the operations of the respective wastewater systems.
- C. From time to time, make all necessary repairs, renewals, and replacements thereof, and all improvements thereto in order to maintain adequate service.
- D. Make available at all reasonable times to East Coventry, or its agents, servants, employees, and representatives access to all records in so far as the same relate to matters covered in this Agreement. PAWC also agrees that East Coventry, its agents, servants, employees, and representatives shall have access to the physical facilities of the East Coventry System at reasonable times in order to assure compliance with the terms and provisions of this Agreement, which access may include representatives of the Authority pursuant to East Coventry’s obligations under the Authority Agreement.
- E. Construct and maintain all manholes, pumping stations, and other facilities in the East Coventry System in such a manner that the same shall be protected from physical damage by the 100-year flood, as determined by the Federal Emergency Management Agency. Pumping stations shall remain fully operational and accessible during the 25-year flood. Manholes subject to flooding shall be protected with solid (no vent holes in cover; no through pick holes) watertight covers.
- F. Provide by January 31 of each year information as requested by East Coventry to provide to the Authority to facilitate preparation of the Authority’s Chapter 94 Annual Wasteload Management Report.
- G. Upon completion of any expansion of the East Coventry System by PAWC, PAWC will provide, without cost to East Coventry, one complete set of reproducible as-built drawings of the expansion, showing complete information as to location, grade and depth of lines, location of manholes, design and location of pump stations, and, also, specifications and technical documents for all equipment installed as a part of the same, and other similar relevant information.

## 7) FUTURE PLANT EXPANSION COSTS AND CAPACITY

7.1. Under the Authority Agreement, the Authority and East Coventry agreed that the total Project costs of any expansion, renovation, revision, and improvements to the WTP performed, to provide additional treatment capacity for one party, shall be borne solely by said

party. At the written request of PAWC, East Coventry hereby agrees to take any action required under the Authority Agreement to compel the Authority to agree to an expansion, renovation, revision or improvement to the WTP for the sole benefit of the East Coventry System, provided PAWC shall agree to be responsible for all reasonable costs borne by East Coventry in connection with such request and project.

7.2. Under the Authority Agreement, if a capital project is proposed that would add additional treatment capacity for both East Coventry and Authority, the costs of said future project shall be reviewed by the parties and shared pro rata, based on the proportional additional capacity assigned to each party. PAWC agrees to be responsible for East Coventry's reasonable costs in connection with any such capital project provided East Coventry agrees to assign such additional treatment capacity to PAWC

7.3. Under the Authority Agreement, the Authority and East Coventry agreed that if the total project costs for future expansion, renovation, revision, or improvement of the WTP are performed to upgrade the WTP to enable it to meet more stringent effluent standards required of one party's influent stream, then those costs are borne solely by that party. PAWC agrees to be responsible for East Coventry's reasonable costs in connection with any such capital project.

7.4. Under the Authority Agreement, the Authority and East Coventry agreed that the total project costs for future expansion, renovation, revision, or improvement of the WTP performed to upgrade the WTP to enable it to meet more stringent effluent standards and/or to provide for capital improvements or extraordinary repairs which will not increase the total treatment plant capacity shall be shared by Authority and East Coventry, pro rata, based on the proportional capacity assigned to each of these parties. PAWC agrees to be responsible for East Coventry's reasonable costs in connection with any such capital project.

7.5. Under the Authority Agreement, the Authority and East Coventry agreed notwithstanding anything contained in the Authority Agreement to the contrary, that the cost of any expansion, renovation, revision, or improvement to the WTP required as the result of any contributing party other than East Coventry shall not be passed through, charged, or paid in part by East Coventry. East Coventry agrees to use its best efforts to enforce the terms of this agreement.

## **8) INDEMNIFICATION**

8.1. Under the Authority Agreement, East Coventry has agreed to indemnify and save the Authority harmless from any and all costs, expenses, and fines incurred, including any and all legal and administrative expenses incurred, resulting from any waste, substance, material, or gas deposited or discharged into the East Coventry System and released into and/or treated or discharged at the WTP, resulting in Authority being charged with a violation of the Clean Streams Law, the terms, criteria, and conditions of the Authority's Operating Permit, and/or any other statute, administrative regulation, Ordinance, Code, or Order. In any such event, PAWC agrees to indemnify and save East Coventry harmless from any such claim by the Authority to the same extent as East Coventry is obligated to indemnify the Authority.

8.2. Under the Authority Agreement, East Coventry has agreed to be financially responsible for all losses incurred by Authority as a result of the East Coventry System exceeding of the Discharge Criteria contained in the Authority Agreement, and East Coventry further agreed to indemnify and hold harmless the Authority against any and all costs, expense, loss, damage, financial liability, fines, and penalties, including any and all legal and administrative expenses incurred by Authority in regard thereto, that may be incurred by or imposed upon Authority by DEP, EPA, or any other regulatory body with jurisdiction thereof, resulting in whole or in part by reason of wastewater being discharged from the East Coventry System into the WTP in violation of any of the Discharge Criteria of the Authority Agreement or any other terms, conditions, or limits set forth in the Authority Agreement. In any such event, PAWC agrees to indemnify and save East Coventry harmless from any such claim by the Authority to the same extent as East Coventry is obligated to indemnify the Authority.

8.3. Under the Authority Agreement, the Authority agrees to insure, or cause to be insured, the WTP with a responsible company or companies authorized and qualified to do business under the laws of the Commonwealth of Pennsylvania, against loss or damage by fire and such other risks (including public liability) and casualties and in such amounts as are usually carried on like properties in said Commonwealth and as approved by the Authority's Engineer. The Authority does not maintain flood insurance and nothing in the Authority Agreement can be interpreted as requiring the Authority to carry flood insurance on its WTP. The Authority agreed that immediately upon the occurrence of any loss or damage to any part of the WTP which is covered by insurance, the Authority will commence and promptly complete, or cause to be so commenced and promptly completed, the repairing, replacement, or reconstruction of the damaged or destroyed property according to plans and specifications prepared by the Authority's Engineer and shall collect and apply, or cause to be applied, the proceeds of such insurance to the cost of such repair, replacement, or reconstruction. East Coventry hereby assigns to PAWC all rights it has with respect to the Authority's insurance obligations in the Authority Agreement.

8.4 PAWC agrees to indemnify and save East Coventry harmless from any claim for "Losses", as such term is defined in the Purchase Agreement, arising from or relating to the maintenance and operation of the PAWC/EC Interconnect and the Retained System.

## 9) NOTICES

Notices required herein or as may be necessary during this Agreement shall be deemed made if sent to the parties at the following addresses. A party may change its address by notifying the other via certified mail.

Township of East Coventry  
855 Ellis Woods Road,  
Pottstown, PA 19465 Mechanicsburg, PA 17055

Pennsylvania-American Water Company  
852 Wesley Drive,

**10) PENNSYLVANIA PUBLIC UTILITY COMMISSION APPROVAL**

The parties recognize and expressly agree that the consummation of this transaction is conditioned upon the Pennsylvania Public Utility Commission (“Pennsylvania PUC”) approval of this Agreement. PAWC covenants and agrees to file the Agreement and faithfully defend if necessary the Agreement in any proceedings (and East Coventry agrees to cooperate in such proceedings) in order to obtain the approval of the Pennsylvania PUC. This provision shall not submit East Coventry to any further jurisdiction of the Pennsylvania PUC than is absolutely necessary to proceed pursuant to this Agreement. East Coventry does not, by this Agreement subject itself to the jurisdiction of the Pennsylvania PUC.

**11) OTHER REGULATORY APPROVALS**

The parties recognize and expressly agree that the consummation of the transaction is conditioned upon receiving all necessary permits and approvals required by PA DEP and any other state or local agencies.

Each party to this agreement will bear their own costs of obtaining their necessary permits under this Agreement. Furthermore each party agrees to provide any information needed by the other party for submission to PA DEP or any other regulatory or governmental agency in connection with securing permits necessary to fulfill the Agreement.

**12) DISPUTES**

12.1. In addition to any action that may be brought at law or in equity in a Court of competent jurisdiction, the parties hereto agree that if, at any time, a dispute shall arise between them concerning factual determinations under the terms of this Agreement, the matter of dispute may, by consent of both parties, be:

A. Referred to three (3) independent registered consulting engineers registered in the Commonwealth of Pennsylvania, one to be appointed by PAWC, one to be appointed by East Coventry, and one to be appointed by the two appointees so selected.

B. Provided, however, that in the event such appointees cannot agree on the third arbitrator, the President Judge of the Court of Common Pleas of Chester County; Pennsylvania, shall, upon petition of both parties, appoint the third arbitrator.

C. If the parties have mutually agreed to submit a matter to arbitration, the Decision or Award of the majority of such arbitrators shall be final and binding upon the parties hereto, and their respective successors and assigns. East Coventry and PAWC shall each pay the costs of its own appointee and one-half of the costs of the third arbitrator.

**13) TERM; AMENDMENTS**

13.1. This Agreement shall be effective from the date of signing by all parties until terminated by mutual written consent of PAWC and East Coventry.

13.2. Amendment. This Agreement may be amended from time to time by written consent of the parties to this Agreement.

**14) ASSIGNMENTS**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and to the respective successors or assigns thereof. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon, or to give to any person, firm, corporation, or association other than the parties hereto, any right, remedy or claim, under or by reason of the Agreement or any covenant, condition or stipulation thereof; and this Agreement and covenants, conditions and stipulations set forth herein are and shall be for the sole and exclusive benefit of the parties hereto, their respective successors and assigns. None of the parties hereto shall assign or sublet this Agreement or any of its rights hereunder without the prior written consent of the parties hereto.

**15) MISCELLANEOUS**

15.1. Inspection. Each party to this Agreement shall provide the others, from time to time, all information relevant and appropriate to the proper administration of their respective responsibilities under this Agreement, or in respect to the interpretation hereof, as, and in such form and detail as, may be reasonably requested, and each shall, at all reasonable times and from time to time, permit their representatives to examine and inspect their respective records and physical facilities relevant to the subject matter of this Agreement.

15.2. Force Majeure. Notwithstanding any other provision of this Agreement, no party to this Agreement shall be responsible for damages to any other for any failure to comply with this Agreement resulting from an act of God or looting(?), sabotage, public calamity, flood, strike, acts of terrorists, breakdown of the Authority's wastewater treatment plant, or other event beyond its reasonable control. The party having the responsibility for the facilities affected, however, shall proceed promptly to remedy the consequences of such event, with costs to be shared to the extent provided elsewhere herein.

15.3. Severability. Should any provision hereof for any reason be held illegal or invalid; no other provision of this Agreement shall be affected; and this Agreement shall then be construed and enforced as if such illegal or invalid provision had not been contained herein.

15.4. Headings. The headings in this Agreement are solely for convenience and shall have no effect in the legal interpretation of any provision hereof.

15.5. **Effective Date.** This Agreement shall become effective as of the date of execution and delivery hereof by the parties hereto.

15.6. **Waiver.** The failure of a party hereto to insist upon strict performance of this Agreement or of any of the terms or conditions hereof shall not be construed as a waiver of any of its rights hereunder.

15.7. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be regarded for all purposes as an original, but such counterparts shall together constitute but one and the same instrument.

15.8. **Modification.** This Agreement may not be modified or amended except in a writing signed by the parties hereto.

15.9. **Pennsylvania Law.** This Agreement shall be construed according to, be subject to, and be governed by the laws of the Commonwealth of Pennsylvania.

**IN WITNESS WHEREOF**, East Coventry and PAWC, intending to be legally bound hereby, have hereunto set their respective hands and seals the day and year first above written.

**TOWNSHIP OF EAST COVENTRY**

ATTEST:

\_\_\_\_\_ (Seal)                      By: \_\_\_\_\_

**PENNSYLVANIA-AMERICAN  
WATER COMPANY**

ATTEST:

\_\_\_\_\_ (Seal)                      By: \_\_\_\_\_

Exhibit A – Agreement Among North Coventry Municipal Authority and North Coventry  
Township and East Coventry Township, dated January 27, 2004

# **AGREEMENT**

**among**

**NORTH COVENTRY MUNICIPAL  
AUTHORITY**

**and**

**NORTH COVENTRY TOWNSHIP**

**and**

**EAST COVENTRY TOWNSHIP**

TABLE OF CONTENTS

	<u>Page</u>
Preamble.....	1
Article I – Definitions.....	2
Article II – Act 537 Plan Revisions.....	7
Article III – Treatment Plant Expansion.....	7
Article IV – Procedures to Implement Treatment Plant Expansion.....	8
Article V – Payment to Authority for Share of Existing Facilities.....	13
Article VI – East Coventry Sewer System.....	14
Article VII – Acceptance of East Coventry Sewage Flows Prior to Completion of Treatment Plant Expansion Project.....	15
Article VIII – Flow Metering and Wastewater Sampling.....	17
Article IX – Flow Allocation and Allowable Strength of Wastewater.....	21
Article X – Charges for Treatment of East Coventry Wastewater.....	26
Article XI – Covenants of the Parties.....	28
Article XII – As-Built Drawings.....	31
Article XIII – Future Plant Expansion Costs and Capacity.....	31
Article XIV – Indemnifications.....	32
Article XV – Disputes and Arbitration.....	33
Article XVI – Term of Agreement; Amendments.....	33
Article XVII – Miscellaneous.....	33
Article XVIII – List of Exhibits.....	35

AGREEMENT

THIS AGREEMENT, made this 27<sup>th</sup> day of *January*, A.D. 2004, by and among:

NORTH COVENTRY MUNICIPAL AUTHORITY, a Pennsylvania Municipality Authority, whose office is located at 1485 East Schuylkill Road, Pottstown, North Coventry Township, Chester County, Pennsylvania, (hereinafter referred to as "Authority"); and

NORTH COVENTRY TOWNSHIP, a Pennsylvania Township of the Second Class, whose office is located at 845 South Hanover Street, Pottstown, North Coventry Township, Chester County, Pennsylvania, (hereinafter referred to as "North Coventry"); and

EAST COVENTRY TOWNSHIP, a Pennsylvania Township of the Second Class, whose office is located at 855 Ellis Woods Road, Pottstown, East Coventry Township, Chester County, Pennsylvania, (hereinafter referred to as "East Coventry"),

## WITNESSETH:

WHEREAS, Authority has constructed, owns, and is operating a municipal wastewater collection system, a wastewater treatment plant, and related facilities in North Coventry Township, Chester County, Pennsylvania; and

WHEREAS, the Authority's wastewater treatment plant has received a Permit from the Pennsylvania Department of Environmental Protection (hereinafter referred to as "DEP") to treat up to 1,500,000 gallons of wastewater per day; and

WHEREAS, East Coventry and North Coventry are located in the northern portion of Chester County, both having a northern border along the Schuylkill River, and both sharing a common municipal boundary line; and

WHEREAS, East Coventry has adopted an Act 537 Sewage Facilities Plan, identifying a need for wastewater treatment plant capacity for 510,000 gallons of wastewater per day from portions of East Coventry Township which are experiencing malfunctioning on-site sewer systems and demands for new development; and

WHEREAS, Authority and North Coventry have determined that the currently remaining treatment capacity of the Authority's wastewater treatment plant must be retained for property owners within North Coventry Township; and

WHEREAS, East Coventry has agreed to provide all construction and non-construction costs, as well as all other related expenses, for the Authority's expansion of the Authority's existing wastewater treatment plant to provide for 510,000 gallons per day of additional

wastewater treatment capacity (hereinafter referred to as "Treatment Plant Expansion Project" or "Project"); and

WHEREAS, Authority and North Coventry have agreed that Authority should construct the required additional facilities for the Treatment Plant Expansion Project to increase the Authority's Permit by 510,000 gallons per day and to provide for treatment of up to 510,000 gallons of wastewater per day from East Coventry; and

WHEREAS, in addition to paying all of the costs for the Treatment Plant Expansion Project, (estimated at \$2,353,000.00) which represents only a minor expansion of the Authority's facilities because existing treatment units and infrastructure can be utilized for the additional capacity, East Coventry has agreed to pay its proportionate share of the net costs for East Coventry's use of the Authority's existing treatment facilities and infrastructure, as well as the purchase by Authority of additional land, with East Coventry's proportionate share being One Million Four Hundred Sixty-four Thousand Dollars (\$1,464,000.00); and

WHEREAS, East Coventry will be constructing its own wastewater collection system within East Coventry Township for the conveyance of wastewater to the Authority's wastewater treatment plant; and

WHEREAS, North Coventry Municipal Authority and North Coventry Township are agreeable to providing East Coventry Township with not more than 800 EDU's of treatment capacity during the period from signing the Agreement through construction to satisfy and accommodate East Coventry in accordance with the terms and provisions of this Agreement.

WHEREAS, the parties further wish to establish the sharing of the operation and maintenance costs of the Authority's expanded wastewater treatment plant after the completion of the Project; and

WHEREAS, the parties wish to establish the sharing of the costs of future repairs, replacements, and upgrades to the Authority's wastewater treatment plant after completion of the Project.

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

## ARTICLE I

### Definitions

1.1. Terms and phrases defined in this Section 1.01, for all purposes of this Agreement, as herein defined, shall have the meanings herein specified, unless the context clearly otherwise requires:

**"AADF"** shall mean Annual Average Daily Flow, a measurement of wastewater flow expressed in gallons per day, determined by dividing the total wastewater flow (in gallons) under consideration during a calendar year by the actual number of days in such year.

**"Act 537"** shall mean the Pennsylvania Sewage Facilities Act of January 24, 1966, P.L. (1965) 1535, No. 537, as amended, 35 P.S. §750.1, et seq.

**"Act 537 Sewage Facilities Plan"** shall mean the comprehensive plan, including all revisions thereto, for the provision of adequate sewage systems adopted by East Coventry and North Coventry, respectively, and submitted to and approved by DEP as provided in and by Act 537 and the regulations of DEP promulgated thereunder.

**"Agreement"** shall mean this document, its Exhibits, and all modifications, alterations, amendments and supplements hereto made and delivered in accordance with provisions hereof, which phrase sometimes is referred to in this document by use of such words as "hereto", "hereby", "herein", "hereof" or "hereunder".

**"Authority"** shall mean North Coventry Municipal Authority, a municipality authority incorporated pursuant to the provisions of the Pennsylvania Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as amended and supplemented.

**"Authority's Treatment Plant"** shall mean all facilities which shall be owned and operated by Authority, from time to time, for the treatment and disposal of wastewater, together with any additions or alterations therein.

**"Authority's Wastewater System"** shall mean the existing wastewater system, including, but not limited to, all interceptors, collection sewers, and pump stations, the Authority's Treatment Plant, and all related facilities, from time to time, connected therewith, located in and servicing North Coventry and all future additions and alterations thereto, exclusive of the East Coventry Wastewater Collection System; as that term is hereinafter defined.

**"Board"** shall mean the governing body of the Authority.

**"Construction Fund Account"** shall mean the special bank account to be established and maintained by the Authority under Section 4.9 of this Agreement and to be used for the payment of all expenses of the Treatment Plant Expansion Project.

**"Cost of Treatment Per Gallon"** shall mean the quotient obtained by dividing the cost for operation of the wastewater treatment plant during a given period of time by the number of gallons discharged by the plant during the same period of time.

**"DEP"** shall mean Department of Environmental Protection of the Commonwealth of Pennsylvania or its successor agency.

**“Domestic Wastewater”** shall mean the normal water-carried household and toilet wastes or wastewater from single or multi-family residences, buildings, structures, businesses, institutions, commercial establishments, and industrial establishments, specifically excluding industrial waste used in production of any commercial or industrial product or water to which there is any contribution of any deleterious, hazardous, toxic, or other waste as may be designated from time to time by the Ordinances, Resolutions, or administrative requirements adopted by the Board of the Authority.

**“East Coventry”** shall mean the Township of East Coventry, Chester County, Pennsylvania, a political subdivision of the Commonwealth of Pennsylvania, acting by and through its Board of Supervisors and, in appropriate cases, acting by and through its authorized representatives.

**“East Coventry Wastewater Collection System”** shall mean the wastewater collection system to be constructed in the Township of East Coventry, which will be owned and operated by East Coventry, and which will convey and transport wastewater so collected to the Authority’s Treatment Plant under and in accordance with this Agreement.

**“EDU”** shall mean Equivalent Dwelling Unit, a measure of wastewater flow anticipated for planning purposes to be received from each Residence. For the purposes of this Agreement, the flow for each EDU shall be calculated as 300 gallons per day.

**“Engineer”** shall mean a Person, who shall be Independent, appointed by the Board of the Authority or the Board of Supervisors of a Township, qualified to pass upon engineering questions relating to wastewater systems and having a favorable reputation for skill and experience in connection with construction and operation of wastewater systems. If such Person shall be an individual, he shall be a professional engineer duly registered under laws of the Commonwealth of Pennsylvania. If such Person shall be a partnership, a corporation, or an association, it shall have a partner, officer, employee or member who is a professional engineer duly registered under laws of the Commonwealth.

**“EPA”** shall mean the United States Environmental Protection Agency, or, where appropriate, the Administrator or other duly authorized official of said agency or its successor agency.

**“Flow Proportioned Composite Sample”** shall mean a sample of wastewater taken in proportion to the volume of flow in not greater than one hour increments for a specified period of time in order to accurately represent the wastewater characteristics in the total volume of wastewater being sampled.

**“GPD”** shall mean gallons per day of wastewater, calculated as total gallons recorded in a particular time period expressed in days divided by the total number or fractional part of days in the same time period.

**“Grab Sample”** shall mean an individual sample of at least 100 milliliters collected at a randomly-selected representative time over a period not exceeding 15 minutes (or as subsequently defined and amended by DEP relative to NPDES permits).

**“Improved Property”** shall mean any property, tract, lot, or parcel of real estate upon which is situate an occupied or occupiable structure, building, establishment, use, or activity consistent with the statutes of the Commonwealth of Pennsylvania, as would require wastewater facilities planning, service, and/or improvements as therein defined in Act 537, or other statutes of the Commonwealth of Pennsylvania, as amended.

**“Independent”** shall mean, with respect to an Engineer, a Person who is not a member of the Board, an officer or employee of the Authority or an elected or appointed official or employee of East Coventry or North Coventry Township, or which is not a partnership, a corporation or an association having a partner, director, officer, member or substantial stockholder who is a member of the Board, an officer or employee of the Authority or an elected or appointed official or employee of either Township; provided, however, that the fact that such Person is retained regularly by the Authority or the Municipality shall not make such Person an employee within the meaning of this definition.

**“Industrial Establishment”** shall mean any improved property used or intended for use, wholly or in part, for the manufacturing, processing, cleaning, laundering, or assembly of any product, commodity, or article, or any other improved property from which wastes, in addition to other than domestic wastewater, shall or may be discharged, and further subject to the terms, conditions, and provisions hereinafter set forth regarding industrial waste receipt, conveyance, pre-treatment, or treatment.

**“Industrial Waste”** shall mean any solid, liquid, or gaseous substance or form of energy emitted, expelled, exhausted, rejected, or escaping in the course of any industrial, manufacturing, trade, or business process, or in the course of the development, recovery, or processing of natural resources, as distinct from Domestic Wastewater, as that term is herein defined.

**“Maximum Monthly Average Daily Flow”** shall mean a measurement of wastewater flow expressed in gallons per day, determined by dividing the total wastewater flow (in gallons) under consideration by the number of days since the last recorded monthly reading, generally 31 days.

**“MGD”** shall mean million gallons per day of wastewater, calculated as the total gallons expressed in millions of gallons recorded in a particular time period divided by the total number or fractional part of days in the same time period.

**“Month”** shall mean a calendar month consisting of the days in the particular month (i.e. February has 28 or 29 days, depending upon leap year or not. April, June, September and November have 30 days, with the remaining months having 31 days).

**“North Coventry”** shall mean the Township of North Coventry, Chester County, Pennsylvania, a political subdivision of the Commonwealth of Pennsylvania, acting by and through its Board of Supervisors and, in appropriate cases, acting by and through its authorized representatives.

**“NPDES (National Pollution Discharge Elimination System) Permit”** shall mean a permit or equivalent document or requirement issued pursuant to Section 402 of the Federal Water Pollution Control Act, also known as the Clean Water Act, 33 U.S.C.A. §1342.

**“Project”** shall mean the Treatment Plant Expansion Project.

**“Residence”** shall mean any room, group of rooms, motel unit, mobile home, or other enclosure occupied or intended for occupancy as separate living quarters by a family or other group of persons living together or by persons living alone, and shall include townhouse units, condominium units, apartment units, and apartments in converted single family dwellings, each such unit being deemed a single residence.

**“Treatment Plant Expansion Project”** or **“Project”** shall mean the expansion of the Authority’s Treatment Plant, as the same now exists, as such expansion is contemplated and provided for under and by this Agreement.

**“Wastewater”** shall mean liquid and water carried Industrial Waste or Domestic Wastewater from dwellings, commercial buildings, industrial facilities and institutions, together with any groundwater, surface water and storm water that may be present, whether treated or untreated, which is contributed into or permitted to enter the Authority’s Treatment Plant.

**“24-Hour Composite Sample”** shall mean a combination of at least eight-sample aliquots 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 which can be achieved by one of three ways:

(1) Constant sample volume taken at time intervals, between samples, that are proportional to the discharge flow.

(2) Constant time intervals between samples, with varying sample volume proportional to total discharge flow at the time of sampling.

(3) Constant time intervals between samples with varying sample volume proportional to total discharge flow since the last sample was taken.

(or as subsequently defined and amended by DEP relative to NPDES permits).

ARTICLE II

Act 537 Plan Revisions

2.1. North Coventry agrees that the Authority should prepare and present to North Coventry a revision to North Coventry's Act 537 Sewage Facilities Plan for adoption, providing for Authority's wastewater treatment plant capacity to be increased to 2,010,000 gallons per day and to provide for the Authority's wastewater treatment plant to treat up to 510,000 gallons per day of wastewater from East Coventry.

2.2. East Coventry agrees to revise its Act 537 Sewage Facilities Plan to provide for up to 510,000 gallons per day of wastewater from East Coventry to be treated at the Authority's wastewater treatment plant, upon the capacity of the Authority's wastewater treatment plant being increased to 2,010,000 gallons per day, and upon the completion of the Treatment Plant Expansion Project.

2.3. Each party agrees to further amend its Act 537 Plans to be consistent with any approvals required by the Pennsylvania Department of Environmental Protection. Each party shall endeavor to achieve approval by the Pennsylvania Department of Environmental Protection of the capacities stated above.

2.4. Each party shall attempt to implement its Act 537 Selected Plan Alternative in accordance with the proposed schedule found in Section 4.12 of this Agreement.

2.5. Each party to this Agreement agrees to prepare and submit an application for a Fifty Per Cent (50%) reimbursement provided by the Pennsylvania Department of Environmental Protection for preparation of Act 537 Plans and Special Studies.

2.6. East Coventry agrees to pay all costs incurred by North Coventry and Authority in planning and revising North Coventry's Act 537 Sewage Facilities Plan as the Plan relates to East Coventry Township. East Coventry shall have the opportunity to review and comment on the North Coventry/Authority Engineer's estimated cost to prepare an Act 537 Plan for North Coventry. These costs shall be a part of the non-construction costs hereinafter required to be paid by East Coventry.

ARTICLE III

Treatment Plant Expansion

3.1. Authority agrees that, provided East Coventry performs all of its obligations under this Agreement and pays to the Authority all amounts required under this Agreement, and upon obtaining the required approvals of DEP, the Authority will construct an expansion of the Authority's wastewater treatment plant, as described in this Agreement, and Authority will, upon

completion of the Treatment Plant Expansion Project, accept and treat, in accordance with applicable regulations and permits, an amount of wastewater from East Coventry not to exceed an Annual Average Daily Flow, "AADF", of 510,000 gallons of wastewater per day, subject to the terms of this Agreement.

ARTICLE IV

Procedures to Implement Treatment Plant Expansion

4.1. The Authority's Engineer, Spotts, Stevens and McCoy, Inc., has prepared an opinion of estimated expansion project costs to increase the plant capacity for the Authority's wastewater treatment plant to 2,010,000 gallons per day. This opinion was last revised on December 3, 2001, to increase the total estimated Treatment Plant Expansion Project costs to \$2,353,000.00. A copy of the December 3, 2001, cost opinion is attached hereto as Exhibit "A" and made a part hereof. The estimated Project costs listed below shall be revised in accordance with the Act 537 Plans of North Coventry and East Coventry Townships as approved by the Pennsylvania Department of Environmental Protection. The components of the cost opinion are as follows:

Opinion of probable construction costs	
Major process units	\$1,475,200.00
Bonds and insurance (2%)	29,504.00
Mobilization, demobilization (1.5%)	22,128.00
General conditions (4%)	<u>59,008.00</u>
Total Opinion of probable construction costs	\$1,585,840.00
20% construction contingency	317,160.00
Non-construction (budget value only)	<u>450,000.00</u>
Total estimated expansion project costs	\$2,353,000.00

4.2. The costs associated with increasing the capacity of the Authority's treatment plant consist of both construction and non-construction costs. Non-construction costs include, but are not limited to, planning, legal, design, preparation of this Agreement, permitting, bidding, redesign and rebidding (if necessary), construction observation, contract administration, testing, start-up, auditor's fees, permit fees, and all other similar Project expenses.

4.3. East Coventry has requested to connect to the Authority's Treatment Plant shortly after the execution of this Agreement to receive the immediate benefit of wastewater treatment before the Treatment Plant Expansion Project scope and costs are fully known or the construction is completed. There is a risk that the scope, costs and completion time could change substantially as the Project develops. No planning, design or permitting has yet been prepared or approvals obtained. No preliminary treatment requirements for the Expansion Project have been received. No bids for the Expansion Project have been received. The premise of the Project is that all

regulatory approvals can be obtained, and the concept for the plant expansion is based on 2001 regulations. East Coventry is to be solely responsible for the payment of all actual construction and non-construction costs of the Treatment Plant Expansion Project, which may be greater than or less than the estimated Project costs stated above in Section 4.1. The estimated costs of the Expansion Project identified above are cost opinions currently based on limited detail. East Coventry will be responsible for the payments due for all change orders and all other costs and expenses that arise during the course of the Expansion Project. Neither North Coventry nor the Authority will be responsible for the payment of any of the Treatment Plant Expansion Project costs.

4.4. East Coventry will pay Authority Three Hundred Thousand Dollars (\$300,000.00) at the time of the signing of this Agreement, which amount is meant to be used for the payment of the engineering and other non-construction costs of the Treatment Plant Expansion Project anticipated through the time of the receipt of construction bids. This amount is to be placed in a separate Construction Fund Account by Authority and is to be used by Authority for the payment of actual invoices and costs incurred in proceeding with the engineering fees, legal fees, permits, and administration costs of the Treatment Plant Expansion Project. Payments will be made upon approval by Authority of Requisitions submitted. Copies of approved Requisitions with supporting documentation will be provided to East Coventry.

4.5. After the execution of this Agreement and the Authority's receipt of the Three Hundred Thousand Dollars (\$300,000.00) required in Section 4.4 above, the Authority's Engineer will begin the preparation of the requirements for DEP approval, design for bidding, and the bidding and contract drawings, specifications, and documents for the Treatment Plant Expansion Project, in accordance with the preliminary Anticipated Implementation Schedule in Section 4.12 hereafter. Updated estimates of project costs (i.e. updated construction cost opinions, plus updated estimates of non-construction costs) shall be provided by Authority to East Coventry at the following stages of the Expansion Project:

- A. 30 days after completion of Preliminary Design Report. The Report will be based upon the Part 1 NPDES discharge permit issued by the Pennsylvania Department of Environmental Protection;
- B. 30 days after submittal of the Water Quality Management Part 2 Permit application to the Pennsylvania Department of Environmental Protection;
- C. 30 days prior to advertising for bids;
- D. 30 days after receipt of bids.

East Coventry will be given the opportunity to review the design and bidding documents. East Coventry may make suggestions concerning these documents, but the decision concerning the final design, specifications, and bidding documents shall be made solely by Authority.

4.6. After receipt of bids, and provided that the total of the construction contract bids received from the apparent lowest responsible bidders does not exceed One Hundred Ten Per Cent (110%) of the last updated opinion of probable construction costs issued by the Authority's Engineer prior to bidding, the Authority may proceed with the awarding of the construction contracts without any approval from East Coventry.

4.7. If, after receipt of bids, the total of the construction contract bids received from the apparent lowest responsible bidders does exceed One Hundred Ten Per Cent (110%) of the last updated opinion of probable construction costs issued by the Authority's Engineer prior to bidding, Authority and East Coventry shall review the bids received and collectively evaluate what revisions, if any, may be possible to reduce the cost of the construction contracts. If, within forty (40) days of the receipt of bids, both the Authority and East Coventry agree that the contracts should be awarded based upon the bids received, the Authority shall proceed with the awarding of the construction contracts.

If it is necessary to redesign the plant expansion and/or rebid the construction contracts, a revised opinion of probable construction costs shall be issued by the Authority's Engineer. After receipt of the "rebid", and provided that the total of the construction contract bids received from the apparent lowest responsible bidders does not exceed One Hundred Ten Per Cent (110%) of the revised opinion of probable construction costs issued by the Authority's Engineer prior to the "re-bidding", the Authority may proceed with awarding of the construction contracts without any approval from East Coventry.

If, after receipt of the "rebid", the total of the construction contract bids received from the apparent lowest responsible bidders does exceed One Hundred Ten Per Cent (110%) of the revised opinion of probable construction costs issued by the Authority's Engineer prior to rebidding, East Coventry agrees that it will either:

A. Within forty (40) days of the receipt of the rebids, agree that the Authority proceed to award the construction contracts.

B. Stop any further connections to East Coventry's collection system that discharge into the Authority's system, until the Treatment Plant Expansion Project is funded at One Hundred Ten Per Cent (110%) of the total construction contract bid amounts. (Note: the solution to the eventual funding may be the result of further redesign, further rebidding, and/or further negotiation and cost sharing between the parties, or other alternatives, etc.)

4.8. Within thirty (30) days after the award of the construction contracts by the Authority, East Coventry agrees to pay to the Authority any additional sum of money necessary to provide that the Authority's Construction Fund Account contains a balance at least equal to the remaining estimated non-construction Project costs and One Hundred Ten Per Cent (110%) of the Project construction costs (based upon the construction contracts awarded).

4.9. The amounts paid by East Coventry to the Authority under Sections 4.4, 4.8, and 7.4(B) of this Agreement will be placed in the Authority's Construction Fund Account by the Authority, and will be used by the Authority for the payment of construction costs, non-construction costs, change orders, and related Treatment Plant Expansion Project expenses. The Construction Fund Account shall be an interest-bearing account, with interest being used for the Project costs. Payments will be made from the Construction Fund Account upon the approval of the Authority of Requisitions submitted. Copies of Requisitions with supporting documentation scheduled for action by the Authority will be provided to East Coventry seven (7) days prior to the Authority meeting where action is scheduled to be taken on the Requisitions.

The Authority's Engineer shall monitor the balance remaining in the Construction Fund Account, and compare the remaining balance with the amount of work, including change orders, remaining to complete the Project. If, during the construction phase of the Treatment Plant Expansion Project, the amount remaining in the Construction Fund Account is less than the amount at any time or times determined by the Authority's Engineer to be needed to complete the wastewater Treatment Plant Expansion Project, East Coventry will pay to Authority the additional amount or amounts determined by the Authority's Engineer and the Authority to be necessary. The additional amount(s) are to be paid by East Coventry within thirty (30) days of the notification from the Authority to East Coventry of the additional amount(s) which, from time to time, are necessary.

4.10. After the Certificate of Substantial Completion has been issued by the Authority's Engineer and approved by the Authority, East Coventry will be a bulk customer of the Authority's expanded wastewater treatment plant, subject to the limitations in this Agreement. The Authority shall, at all times, be the sole owner of the original treatment plant facilities and of all of the additional treatment plant facilities constructed during the Treatment Plant Expansion Project.

4.11. After final payment to all of the construction contractors, the Authority's Engineer will issue a Report of Final Project Costs. Provided that all payments required by this Agreement have been made by East Coventry to Authority, after approval by the Authority of the Report of Final Project Costs, any balance remaining in the Construction Fund Account, including remaining interest, if any, shall be paid to East Coventry.

4.12. Anticipated Implementation Schedule. A preliminary schedule for implementing the Project is included in this Section. The schedule is labeled "preliminary" at this time because the full scope of some activities is not fully known, nor is the response time from governmental and regulatory agencies known. The schedule is subject to change as the Project develops.

<u>Task</u>	<u>Estimated Duration (months)</u>	<u>Cumulative Time (months)</u>
1 - DEP conditional approval of E. Coventry Act 537 Plan	---	---
2 - Intermunicipal Agreements executed	---	---
3 - Approval to receive limited flow from East Coventry prior to completion of Expansion Project (Note 1)	---	---
4 - Prepare and submit N. Coventry Act 537 Plan of Study	1	---
5 - DEP approval of N. Coventry Act 537 Plan of Study	2	start of time
6 - Prepare N. Coventry Act 537 Plan for Plant Expansion	3	3
7 - DEP review and approval of N. Coventry Act 537 Plan	4	7
8 - Design, permit applications, bid documents (12 month duration)		
8(a) Preliminary Design Report and 30% Design Review	4	11
8(b) 60% Design Review	3	14
8(c) Submit Part 2 Permit Application to DEP	2	16
8(d) 95% Design Review	(2)	
9 - DEP review complete, all permits issued	4	20
8(e) Finalize Plans, Specifications, and Bid Documents	1	21
10 - Authorization to advertise for bids	1	22
11 - Copy, distribute documents, receive bids	2	24
12 - Review bids, bid recommendation	1	25
13 - Notice to East Coventry of required funds, if any	---	25
14 - Receipt of project funds from East Coventry (30 days)	1	27
15 - Issue Notice of Award to lowest responsible bidders	---	27
16 - Preparation, review, execution of contract documents	2	29
17 - Issue Notice to Proceed	1	30
18 - Construction (14 month duration)		
18(a) 30% Construction review	4	34
18(b) 60% Construction review	4	38
18(c) Substantial Completion, Certificate of Substantial Completion to be issued, full flow allocation for East Coventry now		

available	4	42
18(d) Final inspection, final payment to contractors	2	44
19 - Project complete, Report of Final Project Costs to be issued, unused project funds returned	1	45

Notes:

(1) Beginning of actual discharge of flow from East Coventry is dependent on construction of certain East Coventry conveyance facilities. That construction will occur concurrently with the Expansion Project, but does not further impact completion of the above tasks.

## ARTICLE V

Payment to Authority for Share of Existing Facilities

5.1. The Authority has determined that the net cost basis of the Authority's existing treatment plant facilities is Five Million Six Hundred Thirty-eight Thousand Four Hundred One Dollars (\$5,638,401.00). This cost basis is calculated based upon the actual expenditures at the treatment plant since 1960 and escalated to September, 2002 values, as provided in Exhibit H.

5.2. In addition to all amounts required to be paid by East Coventry to Authority for the Treatment Plant Expansion Project, East Coventry agrees to pay to Authority One Million Four Hundred Sixty-four Thousand Dollars (\$1,464,000.00), which represents East Coventry's contribution toward the portion of the Authority's existing wastewater treatment plant anticipated to be used by East Coventry and East Coventry's contribution toward the Purchase Price of the additional 4.45 acres of land being purchased by the Authority from East Coventry Township. The required payment of One Million Four Hundred Sixty-four Thousand Dollars (\$1,464,000.00) is based upon East Coventry's allocation of 510,000 gallons of available treatment capacity per day of the 2,010,000 gallons per day total treatment plant capacity available after completion of the Treatment Plant Expansion Project. East Coventry's 25.4% of \$5,638,401.00 equals \$1,432,154.00, together with \$31,750.00 toward the land acquisition, for a total of \$1,463,904.00, which is rounded to \$1,464,000.00. East Coventry agrees to pay to the Authority the \$1,464,000.00 as follows:

(a) \$1,250,000.00 at the same time as East Coventry is required to pay to the Authority the 110% of the total of the construction contract bid amounts received from the apparent lowest responsible bidders for all of the required construction contracts under Sections 4.6 and 4.7 of this Agreement.

(b) \$214,000.00 on or before thirty (30) days after the issuance of the Certificate of Substantial Completion by the Authority's Engineer.

In accordance with the provisions of Section 7.4 of this Agreement, payment by East Coventry for sewer permits in excess of the Project construction costs and Project non-

construction costs shall be credited against the above \$1,464,000.00. The above payments, as received, will be deposited to the Authority's accounts.

5.3. The payment by East Coventry of One Million Four Hundred Sixty-four Thousand Dollars (\$1,464,000.00) is a fixed cost, and is not subject to further cost escalation after execution of this Agreement.

5.4. All of the Authority's existing treatment plant facilities shall continue to be solely owned by the Authority. No payments made by East Coventry pursuant to any provision of this Agreement shall entitle East Coventry to ownership of the existing or expanded treatment plant, or any interest therein, except for the treatment capacity as expressly granted to East Coventry pursuant to this Agreement.

## ARTICLE VI

### East Coventry Sewer System

6.1. East Coventry shall, at its sole cost and expense, construct its own wastewater collection facilities within East Coventry Township. The East Coventry wastewater collection system shall be solely owned by East Coventry, and East Coventry will be responsible for the proper repair and maintenance of the East Coventry wastewater collection system.

6.2. East Coventry's Engineer shall inspect the construction of the East Coventry wastewater collection system, and shall, upon completion of each section of construction of the East Coventry conveyance/collection system, issue a written Certificate of Completion to East Coventry and the Authority for each section of the construction which could discharge wastewater for treatment that this section of the East Coventry wastewater collection system has been properly completed and is available for conveyance of wastewater to the Authority's wastewater treatment plant.

6.3. East Coventry's wastewater collection system shall connect to the Authority's treatment plant facilities at a location or locations approved by the Authority.

6.4. East Coventry service area is the East Coventry Act 537 Plan sewer service area as approved by the Pennsylvania Department of Environmental Protection. The initial service area proposed by East Coventry is generally north of Bickel's Run and north of Pigeon Creek and within the East Coventry Township boundaries, as shown on Exhibit "C" attached hereto. Nevertheless, East Coventry may not exceed the flow limitations of this Agreement, or any modifications thereto.

6.5. Existing Improved Properties located in East Coventry Township which are currently connected to the Authority's wastewater collection and treatment system will remain customers of the Authority and will not become customers of East Coventry. The flows from

these Improved Properties will not be included as a part of the East Coventry flow allocation under this Agreement.

## ARTICLE VII

### Acceptance of East Coventry Sewage Flows Prior to Completion of Treatment Plant Expansion Project

7.1. The Authority has previously established 300 gallons per day as the equivalent flow for each residential unit or for each EDU. East Coventry agrees with the use of 300 gallons per day per EDU for the period prior to the completion of the Treatment Plant Expansion Project.

7.2. Within 120 days of the date of this Agreement, East Coventry shall purchase sewer connection permits from the Authority for 800 EDU's of capacity by payment to the Authority of Four Million Six Hundred Thousand Dollars (\$4,600,000.00). Credit shall be given to East Coventry for the Three Hundred Thousand Dollars (\$300,000.00) paid under Section 4.4 of this Agreement. Upon receipt of the net payment of Four Million Three Hundred Thousand Dollars (\$4,300,000.00), the Authority shall issue a bulk sewer permit for these 800 EDU's. East Coventry, in its sole discretion, shall thereafter allocate the EDU's which East Coventry has purchased to those property owners within East Coventry Township. East Coventry shall give written instructions from its Township Secretary to North Coventry Township and the Authority to sign sewer modules for specific projects within East Coventry Township which have been allocated wastewater capacity by East Coventry as a part of the 800 EDU's purchased herein, and stating the number of EDU's allocated to that particular project by East Coventry.

7.3. The Authority agrees to begin accepting wastewater from the East Coventry collection system upon approval of sewer planning modules from East Coventry projects by DEP and upon the receipt of the Certificate of Completion by East Coventry's Engineer that the East Coventry wastewater collection system has been properly completed.

7.4. Upon receipt of the Four Million Three Hundred Thousand Dollar (\$4,300,000.00) payment from East Coventry, the Authority shall:

A. Deposit One Million Four Hundred Sixty-four Thousand Dollars (\$1,464,000.00) as funds of the Authority, which represents the amount required to be paid by East Coventry as its contribution under Article V of this Agreement.

B. Deposit Two Million Eight Hundred Thirty-six Thousand Dollars (\$2,836,000.00) into the Authority's Construction Fund Account to be credited by the Authority against the payments required to be made by East Coventry for the Project construction costs and the Project non-construction costs that are required to be paid by East Coventry under Article IV of this Agreement.

7.5. Until completion of the Treatment Plant Expansion Project, East Coventry shall give no allocation to industrial users discharging process wastewater that would require pre-treatment of sewage effluent and wastewater in accordance with the United States Environmental Protection Agency (U.S. EPA) guidelines, procedures and categorical standards published in 40 CFR and future revisions thereto.

7.6. By the 10<sup>th</sup> day of each month after East Coventry has begun to allow connections to its wastewater collection system, East Coventry will provide the Authority with a written report of the number of single family units and other EDU's which have been connected to the East Coventry wastewater collection system during the previous month and the date of each connection based upon "Use and Occupancy Permits" as have been issued for the particular uses connected to the East Coventry Township collection and conveyance system. Sewer rental bills during the first quarter that an EDU is connected will be pro-rated on a daily basis in that quarter, beginning with the date that the East Coventry Township's Use and Occupancy Permit was issued. Quarterly bills for all connections made to the East Coventry wastewater collection system will be sent as a bulk bill to East Coventry on or about the 15<sup>th</sup> day following each calendar quarter. In computing the bill to East Coventry, the amount of the quarterly sewer rental for each EDU connected to the East Coventry wastewater collection system will be the same amount charged by the Authority to its customers (currently One Hundred Dollars {\$100.00} per quarter). Payment of invoices shall be as stated in Section 10.7 of this Agreement. These quarterly EDU charges to East Coventry shall continue until the Authority's Engineer has issued the Certificate of Substantial Completion for the Treatment Plant Expansion Project.

7.7. The maximum available EDU's for purchase by East Coventry shall remain at 800 EDU's until the Certificate of Substantial Completion has been issued by the Authority's Engineer for the Treatment Plant Expansion Project.

7.8. Until such time as the Certificate of Substantial Completion of the Treatment Plant Expansion Project has been issued, it is recognized that the capacity for the Authority's treatment plant to accept wastewater from East Coventry Township could be limited by committed EDU's within North Coventry Township and the actual flows recorded at the Authority's wastewater treatment plant. East Coventry releases Authority, and its Board members, from any and all claims, actions, causes of action, of any kind whatsoever, both in law or in equity, that East Coventry now has or may have, should the Authority be unable to accept wastewater flow from East Coventry in accordance with this Agreement because of delays in the completion of the construction of the expansion of the Authority's treatment plant, the certification that the treatment plant has been completed, or because of a prohibition, ban, or restriction from accepting new connections to the Authority's sewer treatment plant imposed by the County of Chester, the Commonwealth of Pennsylvania, the DEP, the Environmental Protection Agency, or any other department or agency of the Commonwealth of Pennsylvania or the United States of America, or any governmental unit, agency, or subdivision thereof, whatsoever. All projections and evaluations shall be performed by the Authority or its Engineer in accordance with Title 25, Chapter 94, of the Pennsylvania Department of Environmental Protection Rules and Regulations in effect at the time the evaluation is performed.

7.9. At any time that the treatment plant, after completion of the Project, is re-permitted at a higher capacity, then the excess of such total actual capacity over the designed and rated capacity shall be allocated Seventy-four and Six-Tenths Per Cent (74.6%) to Authority and Twenty-five and Four-Tenths Per Cent (25.4%) to East Coventry. Likewise, after the completion of the Project, if the total actual treatment plant capacity shall be less than the design or rated capacity of the upgraded treatment plant due to a change in regulations to more stringent effluent standards or to other causes beyond the control of the Authority, then such reduced capacity shall be similarly allocated, Seventy-four and Six-Tenths Per Cent (74.6%) reduction to Authority and Twenty-five and Four-Tenths Per Cent (25.4%) reduction to East Coventry, as a reduction in the respective capacities after the completion of the Project.

## ARTICLE VIII

### Flow Metering and Wastewater Sampling

8.1. All wastewater flow discharged from one party's system into another party's system shall be metered. Flow meters shall be the continuous measuring type that establishes daily flow measured as gallons per day, that include a totalizer and recording chart and may utilize digital recording of flow data with telemetering.

A. All flow that is pumped or flow that is under pressure in a pipeline shall utilize a magnetic flow meter having a minimum system accuracy at the metering point of plus or minus three per cent of actual flow (metering system includes primary measuring element, transmitter, totalizer, recorder and re-transmitter.)

B. All flow that is not pumped, and is conveyed by gravity, shall utilize an area-velocity flow meter having a minimum system accuracy at the metering point of plus or minus five per cent of actual flow (metering system includes primary measuring element, transmitter, totalizer, recorder and re-transmitter). In addition to the area-velocity flow meter, the installation shall include a standard flume (Palmer Bowlus, Parshall or other non-clog design) which shall be used as a calibration standard for the area-velocity flow meter.

Flow meter system accuracy shall be determined as the square root of the sum of the squares of the accuracy statement of each individual component of the system. All flow meter installations shall be installed in accordance with the manufacturer's recommendations and good design practice. Based on the type of meter installation, these recommendations may include requirements for smooth, tranquil upstream flow conditions, smooth, level flow through flumes, free discharge from flumes, minimum length of straight pipe upstream of the primary measuring device, NEMA 4X classification, and corrosion resistance. Flow meter requirements are subject to change to incorporate future improvements in technology and the most recent specifications from the manufacturer.

Flow Metering of East Coventry Flows Discharged Into Authority System

8.2. The East Coventry sewer service area, under consideration in this Agreement, is proposed to be connected to the Authority's wastewater facilities at only one location. That location is at the Authority's wastewater treatment plant. A magnetic flow meter will be installed on the discharge pipe from the East Coventry's collection system, where the pipe enters the wastewater treatment plant. The magnetic flow meter will include a totalizer, recording chart, and meter bypass for maintenance of the meter. The cost of the flow meter is included in the cost for the Treatment Plant Expansion Project.

8.3. Upon completion of construction, the Authority will own any flow meters that measure flow from East Coventry into the Authority system. The Authority shall be responsible to schedule with the meter manufacturer or other qualified testing agent, on at least a semi-annual basis, the calibration of the flow meter. Copies of the meter calibration certification shall be sent to East Coventry. East Coventry may contest the meter calibration certification report within thirty (30) days of receipt of the meter calibration report. If the meter calibration certification report is not contested within the thirty (30) days, the report shall be deemed accepted, and not subject to further dispute.

8.4. The flow meter shall be owned by the Authority, and the Authority shall be responsible for the operation, maintenance, and replacement of the flow meter. Where clearly identifiable, the costs of operation, maintenance and replacement of the flow meter will be invoiced to East Coventry. Certain costs that are common for all equipment/instruments at the plant, like electric, which is not easily definable for the specific flow meter, will be included in the overall operation and maintenance costs of the treatment plant, which costs will be shared by East Coventry and Authority in accordance with this Agreement.

8.5. In the event the flow meter is out of service, an estimate of flow will be performed by the Authority based on flow records of the recent past. The estimate will incorporate sound engineering principles, and be adjusted as necessary to account for any unique circumstances. Unique circumstances that would require an adjustment to historical flow records, would include items like extreme wet weather events (hurricane, flood), the recent addition of a large number of connections in East Coventry that would not be reflected in the historical flow records, or other circumstances. If the East Coventry sewer service area is serviced by a water system, water meter readings may be utilized to perform the estimate. The Authority will provide an explanation and calculations for any estimated flows.

8.6. East Coventry connections to the Authority's system at additional point(s) other than contemplated in Section 8.2 can only be made upon approval of the Authority. A flow meter will be required at each point(s) of connection. The flow meter shall be similar in all respects to the meter described above. Design and specifications for additional flow meters shall be submitted to the Authority for review and approval. The costs for flow meters at additional connection points than that described in Section 8.2 shall be paid entirely by East Coventry. Once construction is certified to be complete by the Engineer for East Coventry, and the meter is

installed, calibrated, and certified, the Authority will assume responsibility thereafter for calibration and any future maintenance or replacement. The actual costs of calibration, operation, maintenance and replacement of the flow meter will be included in the operating and maintenance costs of the treatment plant to be shared by East Coventry and Authority in accordance with this Agreement.

8.7. If wastewater flows are insufficient at future points of connection to provide an accurate measurement by a flow meter, the amount of flow shall be determined by the Authority. First, the Authority will determine the number of EDU's connected in the non-metered sewer service area of East Coventry. The number of EDU's will be based on the Authority's adopted "Schedule of EDU's for Type of Use". Next, the number of EDU's will then be multiplied by the Authority's then prevailing unit rate of flow for an EDU (currently, the Authority has established 300 gallons per day as the equivalent flow for each residential unit or for each EDU). The resultant product will be the calculated average daily wastewater flow from the non-metered sewer service area in East Coventry.

The calculated average daily wastewater flow will then be multiplied by the number of days in that month to determine the total flow that month from the non-metered sewer service area, which will then be added to the metered flow from the East Coventry collection system to determine the total flow from the East Coventry collection system that is discharged into the Authority's wastewater facilities. This value for total flow will be used in Article 10 to calculate the charges for treatment of East Coventry wastewater.

The Authority has previously established 300 gallons per day as the equivalent flow for each residential unit or for each EDU. After completion of the Expansion Project, East Coventry may request the use of a different value, and the Authority will consider the request. Any request to use a different value should include documentation that incorporates sound engineering principles. An example method to calculate the gallons per day for an EDU would be to divide the total recorded daily flow through an individual collection system flow meter by the number of residential units of the same or similar type connected to and flowing through that individual flow meter.

8.8. Samples of wastewater discharged by East Coventry to the Authority's wastewater facilities may be sampled and analyzed by the Authority on a random basis to insure compliance with the terms of this Agreement. However, compliance with the allowable discharge criteria shall be the responsibility of East Coventry. The costs of sampling and laboratory analysis will be included in the operation costs of the treatment plant.

#### Flow Metering of Authority Flows Discharged into the East Coventry Collection System

8.9. There is no sewer service area in North Coventry under consideration at this time that is proposed to be connected to any East Coventry collection system. If, however, at some future time, due to topography, cost effectiveness, etc., a sewer service area from North Coventry is connected to an East Coventry collection system, all wastewater flow discharged from North

Coventry into the East Coventry collection system shall be metered. Meter requirements shall comply with Section 8.1.

8.10. Upon completion of construction, East Coventry will own any flow meters that measure flow from Authority into the East Coventry system. East Coventry shall be responsible to schedule with the meter manufacturer or other qualified testing agent, on at least a semi-annual basis, the calibration of the flow meter. Copies of the meter calibration certification shall be sent to Authority. The Authority may contest the meter calibration certification report within thirty (30) days of receipt of the meter calibration report. If the meter calibration certification report is not contested within the thirty (30) days, the report shall be deemed accepted, and not subject to further dispute.

8.11. The flow meter shall be owned by East Coventry, and East Coventry shall be responsible for the operation, maintenance, and replacement of the flow meter. The actual costs of operation, maintenance, and replacement of the flow meter shall be the responsibility of the Authority and invoiced in arrears quarterly by East Coventry.

8.12. In the event the flow meter is out of service, an estimate of flow will be performed by East Coventry based on flow records of the recent past. The estimate will incorporate sound engineering principles, and be adjusted as necessary to account for any unique circumstances. Unique circumstances that would require an adjustment to historical flow records would include items like extreme wet weather events (hurricane, flood), the recent addition of a large number of connections in North Coventry that would not be reflected in the historical flow records, or other circumstances. If the Authority sewer service area is serviced by a water system, water meter readings may be utilized to perform the estimate. East Coventry will provide an explanation and calculations for any estimated flows.

8.13. Authority connections to the East Coventry system can only be made upon approval of East Coventry. A flow meter will be required at each point(s) of connection. The flow meter shall be similar in all respects to the meter described in Section 8.1. Design and specifications for flow meters shall be submitted to East Coventry for review and approval. The costs for flow meters shall be paid entirely by Authority. Once construction is certified to be complete by the Engineer for Authority and the meter is installed, calibrated and certified, East Coventry will assume responsibility thereafter for calibration and any future maintenance or replacement. The actual costs of calibration, operation, maintenance, and replacement of the flow meter will be the responsibility of Authority and invoiced in arrears quarterly by East Coventry.

8.14. If wastewater flows are insufficient at future points of connection to provide an accurate measurement by a flow meter, the amount of flow shall be determined by East Coventry. First, East Coventry will determine the number of EDU's connected in the non-metered sewer service area of Authority. The number of EDU's will be based on the Authority's adopted "Schedule of EDU's for Type of Use". Next, the number of EDU's will then be multiplied by the Authority's then prevailing unit rate of flow for an EDU (currently, the

Authority has established 300 gallons per day as the equivalent flow for each residential unit or for each EDU). The resultant product will be the calculated average daily wastewater flow from the non-metered sewer service area in North Coventry.

The calculated average daily wastewater flow will then be multiplied by the number of days in that month to determine the total flow that month from the non-metered sewer service area, which will then be added to the metered flow from the Authority's collection system to determine the total flow from the Authority's collection system that is discharged into the East Coventry collection facilities. This value for total flow will be deducted from East Coventry total wastewater flow used in Article 10 to calculate the charges for treatment of East Coventry wastewater.

The Authority has previously established 300 gallons per day as the equivalent flow for each residential unit or for each EDU. If, in the future, connections from an Authority sewer service area are connected to the East Coventry collection system, the Authority may request the use of a different value, and East Coventry will consider the request. Any request to use a different value should include documentation that incorporates sound engineering principles. An example method to calculate the gallons per day for an EDU would be to divide the total recorded daily flow through an individual collection system flow meter by the number of residential units of the same or similar type connected to and flowing through that individual flow meter.

8.15. Samples of wastewater discharged by Authority to the East Coventry collection system may be sampled and analyzed by East Coventry on a random basis to insure compliance with the terms of this Agreement. However, compliance with the allowable discharge criteria shall be the responsibility of Authority. The costs of sampling and laboratory analysis will be the responsibility of the Authority if the Authority is not in compliance with the standards contained in this Agreement. If the Authority is in compliance with the standards in this Agreement, then the costs shall be borne by East Coventry.

## ARTICLE IX

### Flow Allocation and Allowable Strength of Wastewater

9.1. Upon completion of the Treatment Plant Expansion Project and issuance of a Certificate of Substantial Completion by the Authority's Engineer, the Authority will allocate 510,000 gallons per day (gpd) of wastewater treatment capacity to East Coventry. East Coventry agrees that its flow is limited to specific Discharge Criteria, both flow and qualitative, as defined in Exhibit "D", attached hereto and made a part hereof. Further, East Coventry agrees that it will not discharge any Prohibited Wastes as defined in Exhibit "E", attached hereto and made a part hereof.

9.2. The allocation of 510,000 gpd is subject to regulatory action and acts of nature, and therefore shall not be construed to be an absolute value. Changes in the discharge criteria of the treatment plant, or changes in the definition of standard strength domestic wastewater by DEP or other regulatory agencies, may result in a lesser allocation. Acts of nature, beyond the control of the Authority, including hurricanes, floods, tornadoes, etc., may temporarily delay East Coventry's full use of the allocated capacity.

9.3. Compliance with all Discharge Criteria as stated in Exhibit "D" shall be the sole responsibility of East Coventry. On a monthly basis, the Authority will share flow metering data, and will share the results of any periodic sampling that is conducted. It is not anticipated that the Authority would initiate a sampling of flow from East Coventry at the early stages when there will be limited initial flow from East Coventry unless the Authority's plant is not meeting the criteria under the Authority's permit or an unusual occurrence is noted at the Authority's treatment plant.

9.4. The Authority will notify East Coventry, in writing, when the flow from East Coventry is measured at 80% of its Annual Average Daily Flow as shown on Exhibit "D". Upon notification, East Coventry shall implement a Wasteload Management Program to monitor and, if necessary, restrict additional connections to its system in order to meet East Coventry's responsibility that the Flow Criteria listed in Exhibit "D" are not exceeded. The Authority will provide similar notice to East Coventry when the flow from East Coventry is measured at 80% of its maximum monthly average flow, maximum weekly average flow, maximum daily flow, or peak instantaneous flow as shown on Exhibit "D". Upon notification, East Coventry agrees to investigate and, thereafter, report to the Authority, within ninety (90) days of the date of the Authority's notice, East Coventry's plan to manage/reduce flows in order to not exceed the Flow Criteria.

9.5. The Authority will notify East Coventry, in writing, when the flow from East Coventry is measured at 90% of its Annual Average Daily Flow as shown on Exhibit "D". To prevent an overload and/or permit violation to the treatment plant, East Coventry shall thereafter consult with the Authority before issuing any building permits which would provide for connections of Improved Properties to the East Coventry wastewater collection system. The Authority will provide similar notice to East Coventry when the flow from East Coventry is measured at 90% of its maximum monthly average flow, maximum weekly average flow, maximum daily flow, or peak instantaneous flow as shown on Exhibit "D". Upon notification, East Coventry agrees to investigate and, thereafter, report to the Authority, within ninety (90) days of the date of the Authority's notice, East Coventry's written plan to manage/reduce flows in order to not exceed the Flow Criteria. The written plan shall include, but not be limited to, a description of the proposed methods to reduce flows, a schedule to limit new connections and/or a commitment to plan for, and fund additional treatment capacity. The Authority shall review East Coventry's plan and may make suggestions concerning the plan. The Authority's review shall be to determine if the plan is reasonable, incorporates proven methods to manage/reduce flows and is implementable. The Authority will notify East Coventry, in writing, when the plan is acceptable. East Coventry agrees to consider suggestions from the Authority.

If, at any time after the ninety (90) day investigation period, East Coventry's flows exceed 95% of the allowable flows due to infiltration and/or inflow problems, East Coventry agrees that it will not issue any building permits for uses on Improved Properties which would be connected to the East Coventry wastewater collection system, unless approval for the connection is made in advance by the Authority.

9.6. The Authority will notify East Coventry, in writing, if the monthly flow from East Coventry exceeds the maximum monthly average flow and/or exceeds the annual average daily flow, as shown on Exhibit "D", for a period of ninety (90) consecutive days.

A. Upon notification of exceeding any of the Flow Criteria in Exhibit "D", East Coventry agrees to:

(1) Stop issuing any further building permits for uses which would connect to the East Coventry wastewater collection system, and

(2) Investigate and thereafter submit to the Authority, within one hundred twenty (120) days of the date of the Authority's notice, an Overload Remediation Plan to manage/reduce flows in order to maintain compliance with the Flow Criteria. Said Overload Remediation Plan shall include an implementation schedule showing the dates on which each step of the plan will be undertaken. Activities include, but may not be limited to, planning, design, financing, and construction, as may be necessary to provide the required capacities and/or eliminate the excess flows.

The Plan shall be reviewed by the Authority, and if deemed acceptable, a limited number of connections may be allocated to East Coventry during the implementation of the Overload Remediation Plan.

B. If, upon completion of the Overload Remediation Plan, East Coventry is able to demonstrate a reduction of flows, then restrictions/prohibitions to further building permits and connections, that were temporarily instituted by East Coventry, may be removed.

C. If, upon the completion of the implementation of the Overload Remediation Plan, East Coventry is not able to demonstrate a reduction of flows, then further connections to the East Coventry system shall be prohibited until such time as additional treatment capacity has been made available at the plant and provisions have been made to increase the flow allocation to East Coventry.

D. If, ninety (90) days after notification, the East Coventry monthly flow exceeds the Flow Criteria stated in Exhibit "D", Subsection I, East Coventry agrees to pay Authority a surcharge on the excess flow above the allowable flow. The surcharge for flow in excess of the allowable flow shall be calculated at the rate of Two Hundred Per Cent (200%), multiplied by the cost of treatment per gallon of wastewater during the month, multiplied by the number of gallons from East Coventry that are in excess of the Maximum Monthly Average Flow. If the

Authority determines that East Coventry is not making a good faith effort to reduce the excess flows, at the end of the calendar year, a similar Two Hundred Per Cent (200%) surcharge is to be paid by East Coventry if the Annual Average Daily Flow from East Coventry exceeds the flow criteria.

E. East Coventry agrees to pay any fines that are imposed by DEP or any other governmental agency due to violations at the treatment plant that are attributable to East Coventry's exceeding the Flow Criteria.

F. In addition to the penalty provisions of this Article, if, at any time, the flow from East Coventry's wastewater collection system exceeds the Flow Criteria, Authority, to the extent permitted by law, may pursue any one or more of the following additional remedies:

- (1) Require East Coventry to purchase reserve capacity, if the Authority determines that such capacity exists, and the Authority is willing to sell such capacity, with the price being established by the Authority;
- (2) Pursue an injunction or any other equitable remedy in any Court or agency of competent jurisdiction;
- (3) Pursue damages or any other legal remedy in any Court of competent jurisdiction; or
- (4) Pursue any other remedy or administrative order available at law, in equity, or administrative proceeding or otherwise.

9.7. The Authority will advise East Coventry, in writing, if the Authority's random sampling of the discharge from East Coventry does not comply with the Qualitative Criteria on Exhibit "D", or if the discharge contains any Prohibited Waste listed on Exhibit "E". Upon notification, East Coventry shall identify and eliminate the source of the Prohibited Waste.

A. The Authority will impose a surcharge for any non-conforming wastewater discharged from East Coventry to the Authority's system. The surcharge will be based on a composite flow proportioned sample taken at the point of connection to the Authority's system.

The surcharge will be calculated based upon the following formula:

$$\% \text{ Surcharge} = 0.5(\text{BOD}_5 - 204) + 0.4(\text{TSS} - 240) + 0.05(\text{NH}_3\text{-N} - 30) + .05 (\text{P} - 10)$$

The cost of treatment per gallon is multiplied by the percent surcharge for nonconforming wastewater, and the resultant product is then added to the cost of treatment per gallon of wastewater to determine the Total cost of treatment per gallon. The Total cost of treatment per gallon will be multiplied by the total gallons recorded (and/or calculated), as discharged from East Coventry to Authority during that billing period, and then multiplied by the

number of days in the billing period to determine the total treatment charge for East Coventry wastewater.

Notes:

1. When a value of BOD, TSS,  $\text{NH}_3\text{N}$ , and (or) P is less than the maximum allowable concentrations set forth in the formula, then the maximum allowable value shall be used.
2. The concentrations used in the formula shall be the mean values for any samples analyzed for that period.
3. All sample values are in mg/l.

Payment of the surcharge shall not be deemed as acceptance of a non-conforming waste by the Authority. In addition to the payment of the surcharge, East Coventry agrees that if repeated assessments of the surcharge occur, the Authority may (a) require pre-treatment of the offending wastewater by East Coventry, (b) compel East Coventry to terminate the particular discharger(s) responsible for the non-conforming waste from discharging into the East Coventry system, or (c) if this discharger cannot be identified by East Coventry, require East Coventry to refuse further connections to the East Coventry collection system, all in order to prevent discharges deemed harmful or to have a deleterious effect upon the treatment plant or receiving stream.

B. The surcharge formula specified in 9.7A applies to non-conforming waste that exceeds normal strength sanitary sewage. East Coventry further agrees to pay any charges for any other non-conforming waste that contains any one or more of the prohibited substances listed in Exhibit "E" which can be shown as being directly attributable to East Coventry wastewater passing through one of the East Coventry connection points. Additional charges may include fines, repairs to the treatment process, additional laboratory expenses, additional sludge disposal expenses, legal expenses, engineering expenses, etc.

9.8. The discharge of any industrial wastewater into the Authority's sanitary sewer system, pump stations or treatment plant is prohibited, except as provided for below in this Section. Industrial wastes are typically more concentrated in nature, and contain toxins that are not amenable to biological treatment and/or may inhibit the normal biological process. East Coventry agrees to prohibit the discharge into the East Coventry collection system of all industrial wastewaters, unless written approval for such discharge is obtained from the Authority, and East Coventry adopts pretreatment standards in compliance and with approval of EPA, DEP, the Authority, and other appropriate agencies. East Coventry agrees that if any form of industrial wastewaters are accepted in the future by the Authority, East Coventry will pay all the costs for additional sampling, treatment, and administrative charges for monitoring and processing of any industrial wastewaters discharged to East Coventry's collection system.

9.9. Private or Bulk Dumping Prohibited. East Coventry agrees that it shall not permit the dumping of bulk wastewater, septage, sludge, or other wastes into its wastewater collection system by private haulers or other persons engaged in the business of transporting wastewater, septage, sludge, or other wastes.

## ARTICLE X

### Charges for Treatment of East Coventry Wastewater

10.1. Upon completion of the Treatment Plant Expansion Project and issuance of a Certificate of Substantial Completion by the Authority's Engineer, East Coventry and the Authority will share the annual operating costs for the wastewater treatment plant in proportion to the volume of wastewater discharged by each party into the wastewater treatment plant. Monthly billings to East Coventry based upon proportionate flow shall commence on the next full month after the Certificate of Substantial Completion is issued.

10.2. The Authority will separate its operating costs between treatment plant costs and collection system costs.

10.3. This Agreement envisions East Coventry connecting and discharging directly at the treatment plant and not utilizing any portion of the Authority's collection system. Under this concept, only East Coventry's proportionate share of the operating costs for the treatment plant would be assessed to East Coventry. If, however, East Coventry connects to the Authority's collection system at some future time, charges for use of the Authority's collection system may be applied, and East Coventry agrees to pay the charges.

10.4. The Authority's fiscal year is from February 1 to January 31. On an annual basis, the Authority will prepare an Estimate for the Operation Costs for the wastewater treatment plant for the upcoming year. The Estimate of Operation Costs will be forwarded to East Coventry. Based on the Estimate, and the anticipated connections to the East Coventry collection system during the upcoming year, East Coventry can establish an estimated user charge for its connections. East Coventry shall receive the Estimate for Operating Costs on or before February 28 of each year. On or before November 1 of each year, the Authority shall provide East Coventry with a Preliminary Estimate of Operating Costs based upon information then available, for East Coventry's use in preparing its budget in accordance with the Township Code.

10.5. On a monthly basis, the Authority will review the flow meter records, and calculate East Coventry's percentage share of the total flow recorded at the treatment plant. East Coventry's percentage share will be multiplied by one-twelfth (1/12) of the Estimate of Annual Operation Costs for the wastewater treatment plant. The product of this multiplication will be the estimated monthly charge for treatment of East Coventry wastewater.

10.6. Based on the resultant charge in Section 10.5, the Authority will invoice East Coventry fifteen (15) days after the close of each month, an estimated monthly treatment charge, for treatment services provided during the previous month. The minimum monthly payment of Three Thousand One Hundred Twenty-five Dollars (\$3,125.00), as provided in Section 10.9C, shall be applied.

10.7. Payment for wastewater treatment services, surcharges for flows which exceed the Discharge Criteria, and any other invoice sent in accordance with this Agreement shall be made by East Coventry within forty-five (45) days of the date of the Authority's invoice. If payment is not made by East Coventry within forty-five (45) days of the date of the invoice, East Coventry agrees to pay to the Authority interest on the unpaid amount at the rate of Six Per Cent (6%) per annum, beginning forty-five (45) days after the date of the invoice and until full payment is made.

10.8. At the end of the Authority's fiscal year, an audit of the operation and maintenance costs will be performed by an independent certified public accountant. The operating and maintenance costs will be reduced by any operating grants received by the Authority. Based upon the audit of the previous year's operating costs for the wastewater treatment plant, and based on the total flows recorded as discharged from each party, a reconciliation calculation will be performed to determine if there was any underpayment or overpayment on the amount due from East Coventry, based on the actual operating expenses. East Coventry will be invoiced for any underpayments, and the payment of the invoice shall be due within forty-five (45) days of the date of the invoice. East Coventry shall pay interest at the rate of Six Per Cent (6%) per annum after forty-five (45) days and until the invoice is paid. Overpayments will be applied to future invoices.

10.9. A listing of the items that are typically included in the operating cost of the wastewater treatment plant are included in Exhibit "F". A copy of the Current Annual Budget for the Authority is attached as Exhibit "G", and a copy of each year's operating budget shall be forwarded to East Coventry within thirty (30) days of the Authority's adoption of the budget.

A. The listing of items is not fixed, and items may be added or deleted as circumstances dictate.

B. The parties acknowledge that not all costs for the operation of the treatment plant can be readily segregated, so, to simplify the calculations for cost sharing, the following items and related percentages are adopted:

<u>Item</u>	<u>Portion Allocable to Treatment Plant</u>
(1) Routine engineering services to Authority	50%
(2) Routine legal services to Authority	50%

(3) Wages, taxes, benefits paid to Authority operating personnel	80%
(4) Wages, taxes, benefits paid to Authority administrative personnel	50%
(5) Administrative expenses	50%
(6) General Insurance (not specific to plant)	80%

C. The parties acknowledge that in the initial period after the Treatment Plant Expansion Project is completed, East Coventry may only have a small number of connections discharging to the treatment plant. The proportioning of operating costs based only on the East Coventry share of total plant flow would create a disproportionate burden on the Authority. Certain expenses will be incurred by the Authority regardless of the amount of wastewater discharged by East Coventry. These "fixed" expenses will increase with the completion of the Treatment Plant Expansion Project and will increase with the additional treatment facilities required to be maintained and available for service.

After East Coventry becomes a bulk user, invoices will be sent to East Coventry on a monthly basis. East Coventry agrees to pay to the Authority each month (a) East Coventry's proportionate share of the operating costs of the treatment plant, based upon flow, or (b) a minimum monthly payment of Three Thousand One Hundred Twenty-five Dollars (\$3,125.00), whichever is greater.

D. The Authority's budget for the current fiscal year is attached to this Agreement.

10.10. In the event of a dispute regarding treatment charges, East Coventry shall provide written objection to the Authority. The parties agree to review the calculations and attempt to resolve the dispute. Unresolved issues shall be settled in accordance with Article XVI. East Coventry shall continue to make full payment for each invoice until such time as the dispute is resolved. In the event East Coventry is correct in its assessment of treatment charges, all overpayments shall be subject to simple interest at the rate of Six Per Cent (6%) per annum, beginning from the date when the overpayment was received by the Authority.

## ARTICLE XI

### Covenants of the Parties

11.1. Covenants of both East Coventry and Authority: East Coventry and Authority covenant and agree with the other that each will, at all times:

A. Maintain its wastewater system in good repair, working order, and condition.

B. Continuously operate its wastewater system, subject to "force majeure" or all orders, directives, and regulations of the Chester County Health Department, DEP, the

Environmental Protection Agency, and any existing or successor agencies with authority to regulate and control the operations of the respective wastewater systems.

C. From time to time, make all necessary repairs, renewals, and replacements thereof, and all improvements thereto in order to maintain adequate service.

D. Make available at all reasonable times to the other parties or their agents, servants, employees, and representatives access to all records insofar as the same relate to matters covered in this Agreement. Each party also agrees that the other parties, their agents, servants, employees, and representatives shall have access to the physical facilities of the other parties hereto at reasonable times in order to assure compliance with the terms and provisions of this Agreement.

11.2. Covenants of Authority: In addition to the covenants under Section 12.1, Authority covenants and agrees that it will, at all times:

A. Operate and maintain the wastewater treatment plant and make such alterations, repairs, replacements, renewals, and improvements thereto, and to keep the equipment and facilities therein as may be necessary to keep the treatment plant in good repair and efficient operating condition and to meet the standards prescribed by the DEP, United States Environmental Protection Agency, and any other state or Federal governmental authority having jurisdiction thereof. Operation of the plant shall be under the supervision of a treatment plant operator(s) certified by the Commonwealth of Pennsylvania.

B. At all times during the term of this Agreement, for the purpose of performing and carrying out the duties imposed upon the Authority's Engineer by this Agreement, employ as consulting engineers, an independent agency or firm or an independent professional engineer having a favorable reputation for skill and experience in the construction and operation of sewer systems and registered in the Commonwealth of Pennsylvania. The Authority's Engineer shall make and file annually with East Coventry a written report upon the treatment plant and the operation thereof during the prior fiscal year, setting forth its recommendations for the ensuing year and an Estimate of Operating Costs for the treatment plant for the ensuing year. In addition, the Engineer shall provide a copy of the Authority's Chapter 94 Annual Wasteload Management Report to East Coventry by March 31. Until notice to the contrary, the Authority's Engineer shall be Spotts, Stevens and McCoy, Inc., of Reading, Pennsylvania.

C. Maintain proper books of account and records relating to the operation of the treatment plant and employ an independent Certified Public Accountant or firm of accountants registered in the Commonwealth of Pennsylvania to perform the functions and duties required by this Agreement. Such accountant(s) will furnish to Authority and East Coventry, not more than one hundred eighty (180) days after the close of the Authority's fiscal year, a statement and report showing the Net Operating Costs of the treatment plant and the proper allocation thereof between the parties and any capital costs incurred and the proper sharing of those costs.

D. Construct all new manholes, pumping stations, and other facilities of the Authority's system in such a manner that the same shall be protected from physical damage by the 100-year flood, as determined by the Federal Emergency Management Agency. Pumping stations shall remain fully operational and accessible during the 25-year flood. Manholes subject to flooding shall be protected with solid (no vent holes in cover, no through pick holes) watertight covers.

11.3. East Coventry covenants and agrees that East Coventry will, at all times:

A. Charge to its customers sewer rates and charges which will provide receipts of revenues sufficient, together with other funds available, to make all payments required to be made by East Coventry under the provisions in this Agreement.

B. Adopt and enforce Ordinances, Resolutions, Rules, Regulations, and Permits governing wastewater connections and the admission of wastewater into the East Coventry collection system, which Ordinances, Resolutions, Rules, Regulations, and Permits shall be at least as stringent as existing and future Ordinances, Resolutions, Rules, Regulations, and Permits of North Coventry and the Authority. Copies of all such Ordinances, Resolutions, Rules, Regulations, and Permits shall be supplied to Authority within ninety (90) days after enactment by East Coventry of an Ordinance or Regulation.

C. Construct all manholes, pumping stations, and other facilities of the East Coventry collection system in such a manner that the same shall be protected from physical damage by the 100-year flood, as determined by the Federal Emergency Management Agency. Pumping stations shall remain fully operational and accessible during the 25-year flood. Manholes subject to flooding shall be protected with solid (no vent holes in cover; no through pick holes) watertight covers.

D. Adopt, by Ordinance, recognized plumbing standards at least as stringent as those adopted by North Coventry, the standards of BOCA Plumbing Code, and develop certain standards for the installation of "grease interceptors and oil separators".

E. Require each non-residential establishment to meter its water consumption as of the date that such user connects to the East Coventry collection system.

F. Provide to Authority by January 31 of each year information as required by Authority to facilitate preparation of the Authority's Chapter 94 Annual Wasteload Management Report.

ARTICLE XII

As-Built Drawings

12.1. Upon completion of the East Coventry collection system, East Coventry shall provide, without cost to Authority, one complete set of reproducible as-built drawings of the East Coventry collection system, for the use of Authority, showing complete information as to location, grade and depth of lines, location of manholes, design and location of pump stations, and, also, specifications and technical documents for all equipment installed as a part of the same, and other similar relevant information.

East Coventry agrees to provide the above information for any later expansions of the East Coventry collection system, within ninety (90) days of the completion of the expansion.

ARTICLE XIII

Future Plant Expansion Costs and Capacity

13.1. Future Plant Expansion – Single Party Cause. The parties agree that the total Project costs of any expansion, renovation, revision, or improvement to the Authority's wastewater treatment plant performed, to provide additional treatment capacity for one party, shall be borne solely by said party.

13.2. Future Plant Expansion – Overall Plant Upgrade. If additional treatment capacity is provided for both East Coventry and Authority, the costs of said future project shall be reviewed by the parties and shared pro rata, based on the proportional additional capacity assigned to each party.

13.3. Future Plant Expansion Resulting from Meeting Regulatory Requirements – Single Party Cause. Authority and East Coventry agree that if the total project costs for future expansion, renovation, revision, or improvement of the Authority's wastewater treatment plant are performed to upgrade the treatment facility to enable it to meet more stringent effluent standards required of one party's influent stream, then those costs are borne solely by that party.

13.4. Future Plant Expansion Resulting from Meeting Regulatory Requirements – Both Parties. The total project costs for future expansion, renovation, revision, or improvement of the Authority's wastewater treatment plant performed to upgrade the treatment facility to enable it to meet more stringent effluent standards and/or to provide for capital improvements or extraordinary repairs which will not increase the total treatment plant capacity shall be shared by Authority and East Coventry, pro rata, based on the proportional capacity assigned to each of these parties.

13.5. Future Plant Expansion Due to Third Parties Contributing to the System.

Notwithstanding anything contained herein to the contrary, Authority agrees that the cost of any expansion, renovation, revision, or improvement to Authority's wastewater treatment plant required as the result of any contributing party other than East Coventry shall not be passed through, charged, or paid in part by East Coventry.

ARTICLE XIV

Indemnifications

14.1. Should any waste, substance, material, or gas be deposited or discharged into the East Coventry wastewater system and be released into and/or treated or discharged at the Authority's wastewater treatment plant, resulting in Authority being charged with a violation of the Clean Streams Law, the terms, criteria, and conditions of the Authority's Operating Permit, and/or any other statute, administrative regulation, Ordinance, Code, or Order, East Coventry shall indemnify and save Authority harmless from any and all costs, expenses, and fines incurred and resulting therefrom, including any and all legal and administrative expenses incurred in defense of such action.

14.2. East Coventry shall be financially responsible for all losses incurred by Authority as a result of East Coventry's exceeding of the Discharge Criteria contained in this Agreement, and East Coventry does hereby further indemnify and hold harmless Authority against any and all costs, expense, loss, damage, financial liability, fines, and penalties, including any and all legal and administrative expenses incurred by Authority in regard thereto, that may be incurred by or imposed upon Authority by DEP, EPA, or any other regulatory body with jurisdiction thereof, resulting in whole or in part by reason of wastewater being discharged from East Coventry into the Authority's treatment facilities in violation of any of the Discharge Criteria of this Agreement or any other terms, conditions, or limits set forth in this Agreement.

14.3. East Coventry agrees to indemnify and save harmless the Authority against all costs, losses, or damage on account of any injury to persons or property occurring in the performance of this Agreement due to the negligence of East Coventry or its agents or employees.

14.4. Authority agrees to indemnify and save harmless East Coventry against all costs, losses, or damage on account of any injury to persons or property occurring in the performance of this Agreement due to the negligence of Authority or its agents or employees.

ARTICLE XV

Disputes and Arbitration

15.1. In addition to any action that may be brought at law or in equity in a Court of competent jurisdiction, the parties hereto agree that if, at any time, a dispute shall arise between them concerning factual determinations under the terms of this Agreement, the matter of dispute may, by consent of both parties, be:

A. Referred to three (3) independent registered consulting engineers registered in the State of Pennsylvania, one to be appointed by Authority, one to be appointed by East Coventry, and one to be appointed by the two appointees so selected.

B. Provided, however, that in the event such appointees cannot agree on the third arbitrator, the President Judge of the Court of Common Pleas of Chester County, Pennsylvania, shall, upon petition of both parties, appoint the third arbitrator.

C. If the parties have mutually agreed to submit a matter to arbitration, the Decision or Award of the majority of such arbitrators shall be final and binding upon the parties hereto, and their respective successors and assigns. East Coventry and Authority shall each pay the costs of its own appointee and one-half of the costs of the third arbitrator.

ARTICLE XVI

Term of Agreement; Amendments

16.1. Term of this Agreement. This Agreement shall be effective from the date of signing by all parties until terminated by mutual written consent of North Coventry, Authority, and East Coventry.

16.2. Amendment. This Agreement may be amended from time to time by written consent of the parties to this Agreement.

ARTICLE XVII

Miscellaneous

17.1. Insurance, Repairs, and Reconstruction. The Authority will insure, or cause to be insured, the Authority's wastewater treatment plant with a responsible company or companies authorized and qualified to do business under the laws of the Commonwealth of Pennsylvania, against loss or damage by fire and such other risks (including public liability) and casualties and in such amounts as are usually carried on like properties in said Commonwealth and as approved

by the Authority's Engineer. The Authority does not currently maintain flood insurance; and, nothing in this Agreement is to be interpreted as requiring the Authority to carry flood insurance on its wastewater treatment plant. Immediately upon the occurrence of any loss or damage to any part of said Authority's wastewater treatment plant which is covered by insurance, the Authority will commence and promptly complete, or cause to be so commenced and promptly completed, the repairing, replacement, or reconstruction of the damaged or destroyed property according to plans and specifications prepared by the Authority's Engineer and shall collect and apply, or cause to be applied, the proceeds of such insurance to the cost of such repair, replacement, or reconstruction.

17.2. Inspection. Each party to this Agreement shall provide the others, from time to time, all information relevant and appropriate to the proper administration of their respective responsibilities under this Agreement, or in respect to the interpretation hereof, as, and in such form and detail as, may be reasonably requested, and each shall, at all reasonable times and from time to time, permit their representatives to examine and inspect their respective records and physical facilities relevant to the subject matter of this Agreement.

17.3. Force Majeure. Notwithstanding any other provision of this Agreement, no party to this Agreement shall be responsible in damages to any other for any failure to comply with this Agreement resulting from an act of God or riot, sabotage, public calamity, flood, strike, acts of terrorists, breakdown of the Authority's wastewater treatment plant, or of any party's collection system, or other event beyond its reasonable control. The party having the responsibility for the facilities so affected, however, shall proceed promptly to remedy the consequences of such event, with costs to be shared to the extent provided elsewhere herein.

17.4. Severability. Should any provision hereof for any reason be held illegal or invalid, no other provision of this Agreement shall be affected; and this Agreement shall then be construed and enforced as if such illegal or invalid provision had not been contained herein.

17.5. Headings. The headings in this Agreement are solely for convenience and shall have no effect in the legal interpretation of any provision hereof.

17.6. Effective Date. This Agreement shall become effective as of the date of execution and delivery hereof by the parties hereto.

17.7. Waiver. The failure of a party hereto to insist upon strict performance of this Agreement or of any of the terms or conditions hereof shall not be construed as a waiver of any of its rights hereunder.

17.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be regarded for all purposes as an original, but such counterparts shall together constitute but one and the same instrument.

17.9. Successors and Assigns. East Coventry may not voluntarily assign this Agreement without the consent of the Authority, except to a municipality authority incorporated by East Coventry, pursuant to applicable law. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto.

17.10. Supersedes Prior Agreements. This Agreement supersedes and repeals any prior agreement, contracts, and understandings, written or oral, by or among the parties hereto with respect to the subject matter contained herein. This Agreement contains the entire agreement among the parties hereto, and no oral statements or representations or prior written matter not contained in this instrument shall have any force and effect.

17.11. Modification. This Agreement may not be modified or amended except in a writing signed by the parties hereto.

17.12. Pennsylvania Law. This Agreement shall be construed according to, be subject to, and be governed by the laws of the Commonwealth of Pennsylvania.

## ARTICLE XVIII

### List of Exhibits

Exhibit "A" – Construction Cost Opinion for proposed treatment facilities, last revised 12-3-01.

Exhibit "B" – Wastewater Treatment Plant Expansion to 2.01 MGD, by Spotts, Stevens and McCoy, Inc., last revised 7-23-03.

Exhibit "C" – East Coventry Sewer Service Planning Areas, dated 10-20-99, last revised 2-4-03.

Exhibit "D" – Discharge Criteria (both flow and qualitative), 2 pages, last revised 1-14-03.

Exhibit "E" – Prohibited Wastes, 7 pages, last revised 1-14-03.

Exhibit "F" – Line Items Included in the Operating Cost for the Wastewater Treatment Plant, 3 pages, last revised 1-28-03.

Exhibit "G" – Current Annual Budget for Authority's fiscal year 2003-2004, 2 pages.

Exhibit "H" – Estimate of Cost of Existing Treatment Facilities, 4 pages, last revised 9-4-02.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized appropriate officers and their respective seals to be affixed hereto, all as of the day and year first above written.

NORTH COVENTRY MUNICIPAL AUTHORITY

By: Alain H. Floquet Chairman

Attest: [Signature] Secretary

TOWNSHIP OF NORTH COVENTRY

By: William R. Duguid Chairman

Attest: [Signature] Secretary

TOWNSHIP OF EAST COVENTRY

By: [Signature] Chairman

Attest: [Signature] Secretary

EXHIBIT "A"

NORTH COVENTRY MUNICIPAL AUTHORITY  
CONCEPTUAL STUDY - WASTEWATER TREATMENT PLANT EXPANSION TO 2.01 MGD

COST OPINION FOR MAJOR PROCESS UNITS

\*Revised 12-3-01

<u>Item</u>	<u>Description</u>	<u>Construction Sub-Total</u>
1	Relocate raw wastewater discharge piping to screen	\$ 15,000
2	Influent Screen and Structure	\$ 273,000
3	Modifications to Oxidation Ditch	\$ 228,000
4	New Final Clarifier	\$ 384,000
5	Modifications to Flow Division Box	\$ 15,000
6	Modifications to Final Settling Tank	\$ 36,000
7	Outfall Pumps and Piping	\$ 38,000
8	New Aerobic Digesters and Blower Building	\$ 361,000
9	Site Work	\$ 29,000
10	Enclosure for Second Sludge Dumpster	\$ 39,000
11	E. Coventry Force main, Flow meters, Sampler	\$ 37,200
12	Miscellaneous	\$ 20,000
Subtotal, Major Process Units		\$ 1,475,200
Bonds and Insurance (2%)		\$ 29,504
Mobilization, Demobilization (1.5%)		\$ 22,128
General Conditions (4%)		\$ 59,008
Total Opinion of Construction		\$ 1,585,840
Construction Contingency (20%)		\$ 317,160
Non-Construction (budget value only)		\$ 450,000
Total Opinion of Probable Project Cost		\$ 2,353,000

EXHIBIT "D" – DISCHARGE CRITERIA

The Intermunicipal Agreement provides for treatment of wastewater from East Coventry Township based on specific discharge criteria. The criteria are defined on the basis of flow parameters (gallons discharged) and on qualitative parameters (i.e. the strength of the wastewater discharged).

I FLOW CRITERIA

The amount of wastewater treated from East Coventry is measured on a "bulk allocation" basis that is, by total flow received at the North Coventry Municipal Authority wastewater treatment plant, rather than by total connections, EDUs, hook-ups, customer bills, etc. that are in East Coventry.

The allocation of treatment capacity for East Coventry is measured and hereby limited to the following flow criteria:

1. Annual Average Daily Flow (AADF) 510,000 gallons per day.
2. Maximum Monthly Average Flow (AADF x 1.2 =) 612,000 gallons per day.  
Calculated as a calendar month and as a maximum 30 day running average.
3. Maximum Weekly Average Flow (AADF x 1.5 =) 765,000 gallons per day  
Calculated as a calendar week and as a maximum 7 day running average.
4. Maximum Daily Flow (AADF x 2.5 =) 1,275,000 gallons per day
5. Peak Instantaneous Flow (AADF x 4 =) 2,040,000 gallons per day

II QUALITATIVE CRITERIA

The strength or quality of wastewater discharged by East Coventry into the North Coventry Municipal Authority wastewater treatment plant is measured and hereby limited to the following criteria:

A. CONCENTRATIONS

<u>Criteria</u>	<u>Monthly Avg.</u>	<u>Weekly Maximum</u>	<u>Instantaneous Maximum</u>
BOD <sub>5</sub>	204 mg/L	306 mg/L	408 mg/L
Total Suspended Solids	240 mg/L	360 mg/L	480 mg/L
Ammonia as N	30 mg/L	-----	-----
Phosphorous	10 mg/L	-----	-----

B. MASS UNITS

<u>Criteria</u>	<u>Monthly Average</u>	<u>Weekly Maximum</u>	<u>Instantaneous Maximum</u>
BOD <sub>5</sub>	868 lbs per day	1302 lbs per day	
Total Suspended Solids	1021 lbs per day	1532 lbs per day	
Ammonia as N	127 lbs per day	-----	-----
Phosphorous	42.5 lbs per day	-----	-----

C. NPDES PERMIT LIMITS

The above criteria are based on the current treatment plant process design, and on the current NPDES discharge permit values. Any future change of criteria as required in future NPDES permits will be applied proportionately to the East Coventry qualitative limits.

D. ANY PROHIBITED WASTE AS DEFINED IN EXHIBIT "E"

END OF SECTION

**EXHIBIT "E" - PROHIBITED WASTES**

Prohibited wastes include any discharge other than that traditionally defined as Sanitary Sewage, where Sanitary Sewage means the normal water-carried household and toilet wastes from residences, apartments, business buildings, institutions, commercial and industrial (non-process discharges only) establishments or any other improved property.

The Authority reserves the right to refuse permission to connect to the Sewer System, to compel discontinuance of use of the Sewer System, or to compel pretreatment of Industrial Wastes by any establishments, in order to prevent discharges deemed harmful, or deemed to have a deleterious effect upon the Sewer System.

A discharge exceeds normal strength Sanitary Sewage and is a prohibited waste if any one or more of the following criteria enumerated in 1 through 6 (inclusive) are exceeded:

1. Any discharge exceeding normal domestic strength sanitary sewage, as defined by the following criteria:

BOD <sub>5</sub>	204 mg/L
Total Suspended Solids	240 mg/L
Total Dissolved Solids	500 mg/L
Settleable Solids	10 ml/L
COD	500 mg/L
Ammonia-nitrogen	30 mg/L
Organic Nitrogen as N	15 mg/L
Total Kjeldahl Nitrogen	45 mg/L
Phosphorus (as P)	10 mg/L
Alkalinity (as CaCO <sub>3</sub> )	between 50 mg/L and 200 mg/l
pH (standard units)	between 6.5 and 9.0

2. Any discharge containing storm water, surface water, spring water, roof runoff, subsurface drainage, building foundation drainage, cellar drainage, drainage from roof leader connections.
3. The following discharges of any liquid or solid wastes, substances or matter, are prohibited:
  - A. Any discharge having a temperature higher than 140 degrees Fahrenheit, or less than 32 degrees Fahrenheit.
  - B. Any discharge containing more than 100 milligrams per liter of dissolved fat, oil, wax, grease, either vegetable or mineral, or containing any substance which may solidify between 32 and 100 degrees Fahrenheit. Any discharge containing floatable oils, fats or grease.

- C. Any discharge of liquids, solids or gases which by reason of their nature or quantity are, or may be sufficient either alone or by interaction with other substances to cause fire or explosion or be injurious in any other way to the sewer facilities or to the operations of the sewer facilities.

At no time shall two successive readings on an explosion hazard meter at the point of discharge into the system (or at any point in the system) be more than five percent (5%) nor any single reading over ten percent (10%) of the Lower Explosive Limit (LEL) of the meter.

Prohibited materials include, but are not limited to: gasoline, kerosene, naphtha, benzene, toluene, xylene, alcohols, ethers, ketone, aldehydes, peroxides, chlorates, perchlorates, bromate, carbides, hydrides, sulfides, fuel oil, motor oil, paint products, acid or other volatile, explosive or flammable substance which by reason of its nature or quality may cause fire or explosion, or be in any way injurious to persons, to the sanitary sewers or to the wastewater treatment facilities.

- D. Any discharge containing toxic, noxious, poisonous or malodorous solids, liquids or gases, vapors, fumes or substance, which either singly or by interaction with other wastes, is capable of:
- creating a public nuisance or hazard to life;
  - preventing routine entry into sewers for normal maintenance and repair;
  - may cause worker health and safety problems;
  - interfering with any wastewater treatment process;
  - constituting a hazard to humans or animals;
  - causing, alone or in conjunction with other sources, the treatment plant's effluent to fail a Whole Effluent Toxicity test;
  - creating any hazard in the receiving waters or in the wastewater treatment plant.

Toxic wastes shall include but not be limited to wastes containing cyanide, chromium, copper and nickel ions, or any pollutant identified pursuant to Section 307 of the Clean Water Act, as amended 33 U.S.C. 1251, et. seq.

- E. Any discharge containing any garbage from kitchen wastes that has not been properly shredded.
- F. Any discharge, in quantities or of such size capable of causing obstructions in the sewers, pump stations or other interferences with the proper operation of the wastewater treatment facilities, containing, but not limited to:
- animal guts or tissues, paunch manure, butchers, offal, bones, hair, hides or fleshing, entrails.
  - antifreeze
  - any solids greater than one-half inch in any dimension,
  - ashes

- bentonite
- blood or blood components or products
- building materials
- ceramic wastes
- china
- cinders
- detergents, surfactants or other agents in quantities that cause excessive foaming at the wastewater treatment plant
- feathers
- glass, glass grindings or polishing wastes
- grass clippings
- hair
- leather
- lye
- medical wastes
- metal
- mud
- paper dishes, paper cups, paper or cardboard containers,
- petroleum products (including plastics, gasoline, tar, asphalt residues, residues from refining or processing of fuel or lubricating oil)
- plastic
- porcelain
- rags
- rubber
- sand
- sharps (needles, razor blades, syringes, scalpels, etc.),
- shavings
- sludge, screenings or other residues from treatment processes of others
- spent grains
- spent hops
- spent lime
- straw
- stone or marble dust
- tar
- waste paper
- wood
- or any other solids or viscous substances capable of causing obstruction to the flow in sewer system or other interference with the proper operation of the sewer system or wastewater treatment plant.

G. Any discharge containing inert, insoluble solids such as: asphalt, clay, slag, mill scale, or sludges and slurries:

H. Any discharge having a pH lower than 6.5 or higher than 9.0, or having any other corrosive property capable of causing damage or hazard to structures, equipment or personnel.

- I. Any discharge containing total solids of such character and quality that unusual attention or expense is required to handle such materials at the wastewater treatment plant.
- J. Any discharge containing radioactive isotopes.
- K. Any discharge of discolored materials containing true color from any source and of any hue with less than the equivalent luminescence and greater than the equivalent purity of a 250 color unit platinum-cobalt stock standard, as determined by spectrophotometric methods. Equivalent values shall be determined at the dominant wave length of the sample and compared to the values determined at the dominant wavelength of the stock standard.

Any discharge with sufficient color that is not removed by the treatment process that causes the plant effluent to have true color discharge in excess of 100 color units.

Any dye that is non-responsive to removal by alum coagulation to remove suspended or colloidal matter, and/or non-responsive to chlorine bleaching of the dissolved dyes.

- L. Any discharge, that individually or in combinations with other wastes, exerts a chlorine demand in excess of 12 mg/L, at a detention time of 15 minutes, on the effluent of the plant after biological treatment and prior to disinfection.
- M. Any discharge which will cause the wastewater treatment plant to violate its NPDES and /or Water Management Permit, or violate the water quality standards for the receiving stream. Any discharge containing wastes which are not amenable to biological treatment or removal by the existing treatment processes, or are only partially amenable to treatment such that the plant effluent does not meet the regulatory requirements; specifically, any discharge containing non-biodegradable complex carbon compounds.
- N. Any discharge containing suspended solids of such character and quantity that unusual attention or expense shall be required to handle such water or waste at the wastewater treatment plant.
- O. Any discharge containing more than 25 mg/L of petroleum oil, non-biodegradable cutting oils, or products of mineral oil origin.
- P. Any discharge prohibited by any permit or regulation of Pennsylvania Department of Environmental Protection, or the Environmental Protection Agency.
- Q. Any discharge of waste slugs, such that the discharge exceeds the allocated flow criteria and the peaking factors associated with the flow allocation.

- R. Any discharge of concentrations of anions, cations, and other various objectionable substances that would make the Authority responsible discharging such substances in excess of that amount permitted in the allocated portion of the critical flow of the receiving stream.
- S. Any discharge from a trucked or hauled source.
- T. Any discharge which may cause the treatment plant's effluent or other product of the treatment plant (such as residues, sludge, or scum) to be unsuitable for reclamation, disposal, and reuse, or to interfere with the reclamation process.

In no case shall a substance discharged to the sewer system cause the treatment plant to be in noncompliance with sludge use or disposal criteria, guidelines, or regulations developed under Section 405 of the Clean Water Act, the Solid Waste Disposal Act, the Clean Air Act, the Toxic Substances Control Act, or state criteria applicable to the sludge management method being used at the treatment plant.

- U. Any waste stream with a closed cup flashpoint of less than 140 degrees fahrenheit (that is, discharges whose vapors ignite and burn at less than 140 degrees fahrenheit.)
  - V. Any discharge containing detergents, surface active agents, or other substances which may cause excessive foaming in the treatment plant.
4. Any discharge which violates the Federal Categorical Pretreatment Standards as defined in 40 C.F.R., Subchapter N, Part 401 to 471, as amended and revised.
  5. Any discharge which violates the Pennsylvania State Pretreatment Standards, where those state standards are more stringent than Federal or the Authority's standards:
  6. Concentrations for elements or compounds in excess of the following:

Aluminum	5.00 mg/L
Ammonia (as N)	30.00 mg/L
Antimony	0.10 mg/L
Arsenic	0.05 mg/L
Barium	1.00 mg/L
Beryllium (as Be)	0.10 mg/L
BOD <sub>5</sub>	204.00 mg/L
Boron	1.00 mg/L
Bromides	250.00 mg/L
Cadmium (as Cd)	0.01 mg/L
Chemical Oxygen Demand	500.00 mg/L
Chlorides	50.00 mg/L
Chrome	0.10 mg/L

Chromium (hexavalent)	0.10 mg/L
Chromium (trivalent)	0.50 mg/L
Cobalt	0.50 mg/l
Copper	1.00 mg/L
Cyanides (as CN)	0.20 mg/L
Endrin	0.0004 mg/L
Fluorides	5.0 mg/L
Hydrogen Sulfides	0.10 mg/L
Iron	5.0 mg/L
Lead	0.05 mg/L
Lithium	2.50 mg/L
Lindane	0.008 mg/L
Magnesium	25.00 mg/L
Manganese	0.20 mg/L
Methoxychlor	0.20 mg/L
Methylene Chloride	0.40 mg/L
Molybdenum	0.10 mg/L
Mercury	0.05 mg/L
Nickel	0.25 mg/L
Phenols	0.001 mg/L
Phosphates (as PO <sub>4</sub> )	50.00 mg/L
Phosphorus (as P)	10.00 mg/L
Selenium	0.01 mg/L
Silver	0.10 mg/L
Sulfates	500.00 mg/L
Suspended Solids	240.00 mg/L
Tin	1.00 mg/L
Total Dissolved Solids	500.00 mg/L
Total for all Priority Pollutants	15.0 mg/L
Total Halogenated Organics	2.00 mg/L
Total Kjeldahl Nitrogen	45.00 mg/L
Toxaphene	0.01 mg/L
Vanadium	0.10 mg/L
Zinc	0.50 mg/L
2,4,5-TP Silvex	0.02 mg/L

Specific Toxic Substance Notification Levels (for manufacturing, commercial, mining, silvicultural discharges):

Acrolein	200 ug/L
Acrylonitrile	200 ug/L
2-, 4-Dinitrophenol	200 ug/L
2-methyl, -4, -6 dinitrophenol	500 ug/L

The above criteria is subject to amendment based on process performance, new requirements from regulatory agencies, or technical developments.

Laboratory analysis shall be performed on a representative 24-hour composite sample (or grab sample at discretion of the Authority) and all analytical procedures shall be consistent with the latest revised edition of Standard Methods for the Examination of Water and Wastewater.

END OF SECTION

EXHIBIT "F"  
NORTH COVENTRY MUNICIPAL AUTHORITY

LINE ITEMS INCLUDED IN OPERATING COST  
for  
WASTEWATER TREATMENT PLANT

Item	Fiscal Year 2003 Values for Cost Sharing
1. Salaries, wages, payroll expenses, benefits at 80% =	\$ 231,281.60
2. Parts, maintenance and repairs	\$ 29,500.00
3. Sludge Dewatering and Disposal	\$ 53,400.00
4. Chlorine and Chemicals	\$ 3,600.00
5. Electric	\$ 65,000.00
6. Heating (natural gas)	\$ 2,500.00
7. Laboratory analysis(including outside labs) and supplies	\$ 2,000.00
8. Permit fees and testing (permit renewal every 5 years)	\$ -
9. Materials and Supplies	\$ 4,000.00
10. Computer system program and technical support at 80% =	\$ 3,200.00
11. Plant Flowmeters: maintenance, repair and calibration	\$ 500.00
12. Engineering Services for Plant	\$ 7,200.00
13. Legal Services for Plant	\$ 500.00
14. Insurance for Plant	\$ 11,220.00
15. Administrative Costs at 50% =	\$ 96,639.00
16. less Act 339 Grant	<u>\$(132,764.00)</u>
 TOTAL NET OPERATING COST FOR PLANT	 \$ 377,776.60

EXHIBIT "F"  
NORTH COVENTRY MUNICIPAL AUTHORITY

WORKSHEET - ITEMS INCLUDED IN PLANT OPERATING COST

Item	Fiscal Year, 2003 Budget Value	Extension
1. Salaries, wages, payroll expenses, benefits		
Wages	\$ 200,382.00	
Benefits and retirement	\$ 62,800.00	
Unemployment compensation	\$ 520.00	
Insurance - Workers compensation	\$ 10,070.00	
Social Security	\$ 15,330.00	
	\$ 289,102.00	80% \$ 231,281.60
2. Parts, maintenance and repairs	\$ 29,500.00	\$ 29,500.00
3. Sludge Dewatering and Disposal		
Belt press- maintenance and supplies	\$ 9,500.00	
Landfill costs	\$ 35,000.00	
transportation	\$ 8,900.00	
	\$ 53,400.00	\$ 53,400.00
4. Chlorine	\$ 3,600.00	\$ 3,600.00
5. Electric	\$ 65,000.00	\$ 65,000.00
6. Heating (natural gas)	\$ 2,500.00	\$ 2,500.00
7. Outside laboratory analysis and lab supplies	\$ 2,000.00	\$ 2,000.00
8. Permit fees and testing (NPDES renewal every 5 yrs)	\$ -	\$ -
9. Materials and Supplies	\$ 5,000.00	80% \$ 4,000.00
10. Computer system program and support	\$ 4,000.00	80% \$ 3,200.00
11. Plant Flowmeters: maintenance, repair and calibration	\$ 500.00	\$ 500.00
12. Engineering Services for Plant	\$ 7,200.00	\$ 7,200.00
13. Legal Services for Plant (allowance)	\$ 500.00	\$ 500.00
14. Property Insurance for Plant	\$ 11,220.00	\$ 11,220.00

15. Administrative Costs			
salaries and wages	\$	90,120.00	
benefits and retirement	\$	28,600.00	
unemployment compensation	\$	208.00	
social security	\$	7,280.00	
auditor fee	\$	3,500.00	
paying agent fee	\$	1,100.00	
officer compensation	\$	5,000.00	
office supplies	\$	3,400.00	
telephone - Authority office	\$	6,000.00	
billing expenses	\$	3,800.00	
routine legal services	\$	12,200.00	
legal expenses	\$	1,000.00	
routine engineering services	\$	16,000.00	
public officials E&O insurance	\$	4,100.00	
insurance - gen. liability, auto, umbrella	\$	7,000.00	
bonding for Authority treasurer	\$	470.00	
vehicle maintenance & expenses	\$	3,500.00	
		<u>\$ 193,278.00</u>	50% \$ 96,639.00
		Total Budgeted Plant Operating Cost	\$ 510,540.60
		less Act 339 Operating Grant	<u>\$ (132,764.00)</u>
		<b>Net Plant Operating Cost</b>	<b>\$ 377,776.60</b>

16 Non-Plant Items		
collection system maintenance	\$	18,000.00
pump station maintenance	\$	25,000.00
electric - pump stations	\$	20,500.00
misc. operating expenses	\$	658.00
telephone - pump stations	\$	3,500.00
property insurance - pump stations	\$	1,950.00
legal services	\$	17,800.00
legal expenses	\$	1,000.00
engineering services	\$	14,800.00
engineering services for special projects	\$	20,000.00
miscellaneous	\$	577.00
		<u>\$ 123,785.00</u>

check calc, TOTAL 2003 Expenditures = \$,790,585.00

North Coventry Municipal Authority 2003 Budget

OPERATING FUND	2003 Budget
<b>Operation Expenses</b>	
Wages	\$ 200,382.00
Transportation	\$ 3,500.00
Plant - Operation & Maintenance	\$ 30,000.00
Collection System - Maintenance	\$ 18,000.00
Pump Station - Maintenance	\$ 25,000.00
Sludge Removal ; Landfill	\$ 35,000.00
Sludge Removal ; Transportation	\$ 8,900.00
Sludge Filter Press Maint. & Supply	\$ 9,500.00
Computer Sys. Program & Support	\$ 4,000.00
Chlorine	\$ 3,600.00
Materials & Supplies	\$ 5,000.00
Electricity Pump Stations	\$ 20,500.00
Electricity Treatment Plant	\$ 65,000.00
Heating Natural Gas	\$ 2,500.00
Outside Lab. Analysis & Supply	\$ 2,000.00
Employee Benefits & Retirement	\$ 62,800.00
Unemployment Compensation	\$ 520.00
Workers Compensation Insurance	\$ 10,070.00
Miscellaneous	\$ 658.00
Social Security	\$ 15,330.00
<b>Subtotal</b>	\$ 522,260.00
<b>Administration Expenses</b>	
Wages	\$ 90,120.00
Telephone Pump Stations	\$ 3,500.00
Telephone Treatment Plant	\$ 6,000.00
Billing Expenses	\$ 3,800.00
Legal Services	\$ 30,500.00
Legal Expenses	\$ 2,000.00
Engineer Services	\$ 38,000.00
Special Engineer Services	\$ 20,000.00
Auditor Fee	\$ 3,500.00
Paying Agent	\$ 1,100.00
Office Supplies	\$ 3,400.00
Insurance-Gen. Liability, Auto, Umbr.	\$ 7,000.00
Insurance-Property Treatment Pt.	\$ 11,220.00
Insurance-Property Pump Stations	\$ 1,950.00
Insurance-Public Official	\$ 4,100.00
Insurance- Treasurer Bond	\$ 470.00
Employee Benefits & Retirement	\$ 28,600.00
Unemployment Compensation	\$ 208.00
Officers Compensation	\$ 5,000.00
Social Security	\$ 7,280.00
Miscellaneous	\$ 577.00
<b>Subtotal</b>	\$ 268,325.00
<b>Total Expenditures</b>	\$ 790,585.00
<b>Debt Service</b>	
Principal	\$ 220,000.00
Interest	\$ 486,415.00
<b>Subtotal</b>	\$ 706,415.00
<b>TOTAL EXPENDITURES</b>	\$ 1,497,000.00

North Coventry Municipal Authority 2003 Budget

Receipts Anticipated		2003 Budget
Rentals	\$	1,125,000.00
Tapping Fees	\$	350,000.00
Earned Interest	\$	53,100.00
Pa. Act 339 Subsidy	\$	132,950.00
NCWA Reimbr. Personnel Time	\$	30,000.00
<hr/>		
Total Receipts	\$	1,691,050.00

Recommended Projects		
Collection Line Repairs Creek Rd.	\$	314,400.00
Collection Line TV Camera	\$	7,500.00
Brick Manhole Repairs	\$	80,000.00
Geographical Information System		
East Main St. P.S. Force Main & Riverside Dr. Sewer Line		

EXHIBIT "H" -- ESTIMATE OF COST OF EXISTING TREATMENT FACILITIES

NORTH COVENTRY MUNICIPAL AUTHORITY  
ESTIMATE OF COST OF EXISTING TREATMENT FACILITIES  
Summary of Cost Components

		ENR	Costs
		Index	Indexed to
			3/1/01
1.0	Original Wastewater Treatment Plant - 1960		
	Construction		\$ 296,822.49
	Non-Construction		\$ 34,305.25
		7.62	\$ 2,523,193
2.0	1989 Plant Upgrade		
	Construction		\$ 48,340.40
	Non-Construction		\$ 16,483.54
		1.36	\$ 88,161
3.0	Deduction for demolished facilities		
3.1	Deduction for demolished facilities		
	1960 Project	7.62	\$ (1,093,222)
	1989 Project	1.36	\$ (54,287)
3.2	Deduction for Grants, Assessments received		\$ (268,229)
4.0	1997 Plant Expansion		
	Construction	1.0757	\$ 6,243,269
	Non-construction		\$ 1,525,654
			\$ 7,329,566.85
5.0	Deduction for Contributions received		\$ (5,016)
6.0	Deduction for Portion of Plant that benefits Existing Users		\$ (3,585,816)
	Net Cost Basis for Treatment Plant		\$ 5,373,707
	USE		\$ 5,374,000
	Update from March 2001 to Sept 2002		1.0492
			\$ 5,638,401
	East Coventry share		25.4%
			\$ 1,432,154
	Round to		\$ 1,432,000

NORTH COVENTRY MUNICIPAL AUTHORITY  
ESTIMATE OF COST OF EXSITING TREATMENT FACILITIES

A. COST OF TREATMENT FACILITIES

"Trended Historical Costs Method"

General Formula:

Historical cost of facilities indexed to current year  
Deduct for grants & assesments received  
Deduct for demolished facilities  
Deduct for facilities which benefit existing users  
then divide the adjusted net-cost basis by available capacity = cost per gallon

1.0 Original Wastewater Treatment Plant - 1960  
(source - A339 file 5339-160)

Plant site asquisition	\$	6,365.00	
General Construction	\$	138,444.00	
Mechanical	\$	92,646.43	
Heating & Ventilating	\$	9,785.00	
Electric	\$	23,654.66	
Well	\$	857.70	
Interceptors	\$	25,069.70	
Subtotal Construction			\$ 296,822.49
Design	\$	16,581.27	
Legal	\$	2,995.45	
Financial costs	\$	543.43	
Interest during construction	\$	4,461.20	
Inspection	\$	9,723.90	
Subtotal, non-construction			\$ 34,305.25
Total project cost, 1960 dollars =			\$ 331,127.74

Update to March 2001 dollars

ENR 1960 = 824  
ENR 3/01 = 6280

$6280/824 = 7.62$

7.62

Indexed cost of 1960 treatment plant in March 2001 dollars \$ 2,523,193.38

2.0 Expansion of Chlorine Contact Tank & Chopper pump-1989

Construction	\$	48,340.40
Engineering	\$	16,308.04
Administrative	\$	175.50

Total project cost of 1989 additions \$ 64,823.94

Update to March 2001 dollars

ENR 1989 = 4615  
ENR 3/01 = 6280

Factor =  $6280/4615 = 1.36$

1.36

Cost of 1989 additions in March 2001 dollars \$ 88,160.56

COST OF EXISTING TREATMENT PLANT INDEXED TO MARCH 2001 DOLLARS: \$ 2,611,353.94

3.0 Adjustments

3.1 Deduction for demolished facilities (valuation per DEP in Act 339)				
1960 project	\$	143,467.47	index to 3/01	7.62 \$ (1,093,222.12)
1989 project	\$	39,917.00	index to 3/01	1.36 \$ (54,287.12)

3.2 Deduction for proportionate share of grants, assessments, etc

Federal Grant (1959-60)	\$	122,323.81
Federal Grant (1965-66)	\$	12,090.00
Resolution of Assesment (1959-60)	\$	433,324.80
Resolution of Assesment (1965-66)	\$	102,075.00
Resolution of Assesment (1971)	\$	210,220.00
<b>TOTAL GRANTS &amp; ASSESSMENTS</b>	<b>\$</b>	<b>880,033.61</b>

Proportion grants between existing plant and existing collection system:

Existing Plant in 3/01 dollars	\$	2,611,353.94		
Existing Lines in 3/01 dollars	\$	5,956,250.00	factor =	0.30479
	\$	880,033.61	0.30479	\$ (268,228.93)
<b>ADJUSTED COST BASIS OF EXISTING FACILITIES:</b>				<b>\$ 1,195,615.77</b>

4.0 Estimated Final Construction Costs for New Plant

General	\$	4,700,768.13
Concrete testing	\$	16,316.47
Owner direct purchase	\$	80,000.00
HVAC	\$	78,083.23
Plumbing	\$	160,262.00
Electrical	\$	768,482.89
<b>Total Cost for New Plant</b>	<b>\$</b>	<b>5,803,912.72</b>

Update Construction Costs from receipt of bid November 1997 to March 2001

ENR 11/97 = 5838	6280/5838=1.0757	1.0757	\$ 6,243,268.91
ENR 3/01 = 6280			

5.0 Ratio of New Plant Construction Contracts to New Collection System Contracts

Plant - Contract #1	\$	4,700,768.13
Plant - Contract #2	\$	78,083.23
Plant - Contract #3	\$	160,262.00
Plant - Contract #4	\$	768,482.89
Lines - Contract # 5	\$	3,395,300.00
Lines - Contract # 6	\$	3,349,092.66
<b>Total Construction</b>	<b>\$</b>	<b>12,451,988.91</b>

Ratio of Plant to Total Construction =	0.4584
Ratio of Collection System to Total Construction =	0.5416

6.0 Non-Construction Costs

6.1 Engineering thru 12/31/00 for plant

Design (-107,-108,-109,-110)	\$	215,000.00	
Permits (-111, -120)	\$	8,774.77	
Construction Phase(130,131,132,133,-134)	\$	236,692.66	
Operations Consulting	\$	18,289.67	
Estimated engr to complete	\$	<u>5,000.00</u>	
SUBTOTAL			\$ 483,757.10

6.2 Non engineering costs to 12/31/00 for plant

Permit fees	\$	6,600.00	
Initial start-up supplies	\$	<u>10,000.00</u>	
SUBTOTAL			\$ 16,600.00

6.3 Project development costs common to plant & lines:

Reimburse Authority advanced funding	\$	145,991.36	
Planning Costs (un-reimbursed portion)	\$	35,500.00	
Solicitor	\$	23,684.72	
Bidding	\$	28,923.35	
Project Admin-101	\$	5,483.78	
Interest on Loan	\$	508,153.45	
Capitalized Interest	\$	1,041,996.17	
Insurance Premium	\$	42,603.00	
OID	\$	224,975.15	
Underwriter Discount	\$	62,135.00	
Issuance cost - Loan	\$	28,678.34	
Pennvest Application	\$	12,014.51	
Issuance cost - Bonds	\$	49,078.90	
Misc. financing fees	\$	3,234.89	
Engineers Assistance w/ financing	\$	<u>24,388.73</u>	
SUBTOTAL			\$ 2,236,841.35

Project development costs proportioned for plant	0.4584	\$	<u>1,025,297.03</u>
TOTAL BASE COST FOR EXIST & NEW TREATMENT PLANT			\$ 8,964,538.81

7.0 Adjustments to Base Costs for treatment plant

7.1 Deduction for contributions toward construction Spotts, Stevens, & McCoy		\$	(5,016.00)
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7.2 Deduct portion of cost that benefits existing users

Allow existing users are 0.6 mgd (AADF prior to construction)  
then, benefit to existing user = 0.6 mgd/1.5 mgd = 40%

Deduct 40% of Base Costs	\$	8,964,538.81	40%	\$	<u>(3,585,815.53)</u>
NET COST BASIS for TREATMENT PLANT					\$ 5,373,707.29

Exhibit B – Retained WW Collection Assets

Ownership of the identified retained asset currently in the East Coventry Collection system will remain with East Coventry Township. The retained asset is a 1' of section of 8" PVC Force Main located immediately upstream of the collection system's entry to North Coventry's collection system. The retained asset is identified in the drawing below.

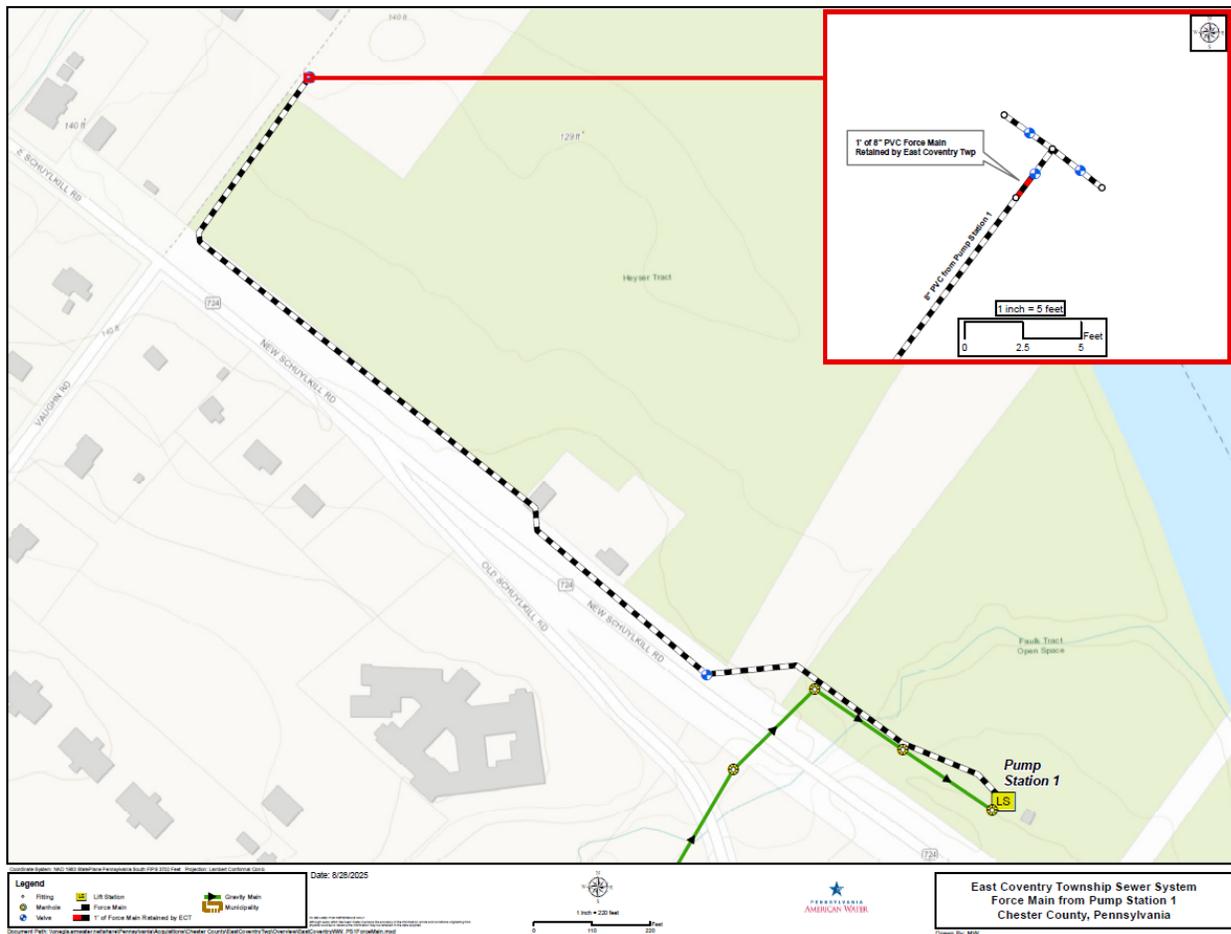


Exhibit C – Discharge Criteria

The conveyance allowance agreement provides for treatment of wastewater from PA American through East Coventry’s retained asset based on specific discharge criteria. The criteria are defined on the basis of flow parameters (gallons discharged) and on qualitative parameters (i.e. the strength of the wastewater discharged).

I. Flow Criteria

The amount of wastewater treated from PA American is measured on a “bulk allocation” basis that is, by total flow received at meter in advance of the North Coventry Municipal Authority (“Authority”) collection system, rather than by total connections, EDUs, hook-ups, customers’ bills, etc. that are in the PA American service area.

The allocation of treatment capacity for PA American is measured and is hereby limited to the following flow criteria:

1. Annual Average Daily Flow (AADF) 510,000 gallons per day
2. Maximum Monthly Average Flow (AADF x 1.2=) 612,000 gallons per day  
Calculated as a calendar month and as a maximum 30 day running average
3. Maximum Weekly Average Flow (AADF x 1.5 =) 765,000 gallons per day  
Calculated as a calendar week and as a maximum 7 day running average
4. Maximum Daily Flow (AADF x 2.5 =) 1,275,000 gallons per day
5. Peak Instantaneous Flow (AADF x 4 =) 2,040,000 gallons per day

II. Qualitative Criteria

The strength or quality of wastewater discharged by PA American to the retained asset of East Coventry Township is measured and hereby limited to the following criteria:

A. Concentrations

<u>Criteria</u>	<u>Monthly Avg.</u>	<u>Weekly Maximum</u>	<u>Instantaneous Maximum</u>
BOD <sub>5</sub>	204 mg/L	306 mg/L	408 mg/L
Total Suspended Solids	240 mg/L	360 mg/L	480 mg/L
Ammonia as N	30 mg/L	-----	-----
Phosphorus	10 mg/L	-----	-----

**B. Mass Units**

<u>Criteria</u>	<u>Monthly Avg.</u>	<u>Weekly Maximum</u>	<u>Instantaneous Maximum</u>
BOD <sub>5</sub>	868 lbs per day	1302 lbs per day	-----
Total Suspended Solids	1021 lbs per day	1532 lbs per day	-----
Ammonia as N	127 lbs per day	-----	-----
Phosphorus	42.5 lbs per day	-----	-----

**C. NPDES Permit Limits**

The above criteria are based on the current treatment plant process design, and on the current NPDES discharge permit values. Any future changes of criteria as required in future NPDES permits will be applied proportionately to the PA American qualitative limits. Additionally, should notification be made to East Coventry Township regarding NPDES permit renewal applications and NPDES renewal permit issuance, notification should be provided immediately to Pennsylvania American Water.

**D. Any Prohibited Waste As Defined in Exhibit "D"**

**Exhibit D – Prohibited Wastes**

Prohibited wastes include any discharge other than that traditionally defined as Sanitary Sewage, where Sanitary Sewage means the normal water-carried household and toilet wastes from residences, apartments, business buildings, institutions, commercial and industrial (non-process discharges only) establishments and any other improved property.

Pennsylvania American Water reserves the right to refuse permission to connect to the Sewer System, to compel discontinuance of use of the Sewer System, or to compel pretreatment of Industrial Wastes by any establishments, in order to prevent discharges deemed harmful, or deemed to have a deleterious effect upon the Sewer System.

A discharge exceeds normal strength Sanitary Sewage and is a prohibited waste if any one or more of the following criteria enumerated in 1 through 6 (inclusive) are exceeded:

1. Any discharge exceeding normal domestic strength sanitary sewage, as defined by the following criteria:

BOD <sub>5</sub>	204 mg/L
Total Suspended Solids (TSS)	240 mg/L
Total Dissolved Solids (TDS)	500 mg/L
Settleable Solids	10 mg/L
COD	500 mg/L
Ammonia-nitrogen	30 mg/L
Organic Nitrogen as N	15 mg/L
Total Kjeldahl Nitrogen	45 mg/L
Phosphorus as P	10 mg/L
Alkalinity (as CaCO <sub>3</sub> )	Between 50 mg/L and 200 mg/L
pH (standard units)	Between 6.5 and 9.0

2. Any discharge containing storm water, surface water, spring water, roof runoff, subsurface drainage, building foundation drainage, cellar drainage, drainage from roof leader connections.

3. The following discharges of any liquid or solid wastes, substances or matter, are prohibited:

A. Any discharge having a temperature higher than 140 degrees Fahrenheit, or less than 32 degrees Fahrenheit.

B. Any discharge containing more than 100 milligrams per liter of dissolved fat, oil, wax, grease, either vegetable or mineral, or containing any substance which may solidify between 32 and 100 degrees Fahrenheit. Any discharge containing floatable oils, fats or grease.

C. Any discharge of liquids, solids or gases which by reason of their nature or quantity are, or may be sufficient either alone or by interaction with other substances to cause fire or explosion or be injurious in any other way to the sewer facilities or to the operations of the sewer facilities.

At no time shall two successive readings on an explosion hazard meter at the point of discharge into the system (or at any point in the system) be more than five percent (5%) nor any single reading over ten percent (10%) of the Lower Explosive Limit (LEL) of the meter.

Prohibited materials include, but are not limited to: gasoline, kerosene, naphtha, benzene, toluene, xylene, alcohols, ethers, ketone, aldehydes, peroxides, chlorates, perchlorates, bromate, carbides, hydrides, sulfides, fuel oil, motor oil, paint products, acid or other volatile, explosive or flammable substance which by reason of its nature or quality may cause fire or explosion, or be in any way injurious to persons, to the sanitary sewers or to the wastewater treatment facilities.

D. Any discharge containing toxic, noxious, poisonous or malodorous solids, liquids or gases, vapors, fumes or substance, which either singly or by interaction with other wastes, is capable of:

- Creating a public nuisance or hazard to life;
- preventing routine entry into sewers for normal maintenance and repair;
- may cause worker health and safety problems;
- interfering with any wastewater treatment process;
- constituting a hazard to humans or animals;
- causing, alone or in conjunction with other sources, the treatment plant's effluent to fail a Whole Effluent Toxicity test;
- creating any hazard in the receiving waters or in the wastewater treatment plant.

Toxic wastes shall include but not be limited to wastes containing cyanide, chromium, copper and nickel ions, or any pollutant identified pursuant to Section 307 of the Clean Water Act, as amended 33 U.S.C. 1251, et. seq.

E. Any discharge containing any garbage from kitchen wastes that has not been properly shredded.

F. Any discharge, in quantities or of such size capable of causing obstructions in the sewers, pump stations or other interferences with the proper operation of the wastewater treatment facilities, containing, but not limited to:

- animal guts or tissues, paunch manure, butchers, offal, bones, hair, hides or fleshing, entrails.
- antifreeze
- any solids greater than one-half inch in any dimension,
- ashes
- bentonite
- blood or blood components or products
- building materials
- ceramic wastes
- china
- cinders
- detergents, surfactants or other agents in quantities that cause excessive foaming at the wastewater treatment plant
- feathers
- glass, glass grindings or polishing wastes
- grass clippings
- hair
- leather
- lye
- medical wastes
- metal
- mud
- paper dishes, paper cups, paper or cardboard containers
- petroleum products (including plastics, gasoline, tar, asphalt residues, residues from refining or processing of fuel or lubricating oil)
- plastic
- porcelain
- rags
- rubber
- sand
- sharps (needles, razor blades, syringes, scalpels, etc.),
- shavings
- sludge, screenings or other residues from treatment processes of others

- spent grains
- spent hops
- spent lime
- straw
- stone or marble dust
- tar
- waste paper
- wood
- or any other solids or viscous substances capable of causing obstruction to the flow in the sewer system or other interference with the proper operation of the sewer system or wastewater treatment plant.

G. Any discharge containing inert, insoluble solids such as: asphalt, clay, slag, mill scale, or sludges and slurries.

H. Any discharge having a pH lower than 6.5 or higher than 9.0, or having any other corrosive property capable of causing damage or hazard to structures, equipment or personnel.

I. Any discharge containing total solids of such character and quality that unusual attention or expense is required to handle such materials at the wastewater treatment plant.

J. Any discharge containing radioactive isotopes.

K. Any discharge of discolored materials containing true color from any source and of any hue with less than the equivalent luminescence and greater than the equivalent purity of a 250 color unit platinum-cobalt stock standard, as determined by spectrophotometric methods. Equivalent values shall be determined at the dominant wave length of the sample and compared to the values determined at the dominant wavelength of the stock standard.

Any discharge with sufficient color that is not removed by the treatment process that causes the plant effluent to have hue color discharge in excess of 100 color units.

Any dye that is non-responsive to removal by alum coagulation to remove suspended or colloidal matter, and/or non-responsive to chlorine bleaching of the dissolved dyes.

L. Any discharge, that individually or in combinations with other wastes, exerts a chlorine demand in excess of 12 mg/L, at a detention time of 15 minutes, on the effluent of the plant after biological treatment and prior to disinfection.

M. Any discharge which will cause the wastewater treatment plant to violate its NPDES and /or Water Management Permit, or violate the water quality standards for the receiving stream. Any discharge containing wastes which are not amenable to biological treatment or removal by the existing treatment processes, or are only partially amenable to treatment such that the plant effluent does not meet the regulatory requirements; specifically, any discharge containing non-biodegradable complex carbon compounds.

N. Any discharge containing suspended solids of such character and quantity that unusual attention or expense shall be required to handle such water or waste at the wastewater treatment plant.

O. Any discharge containing more than 25 mg/L of petroleum oil, non-biodegradable cutting oils, or products of mineral oil origin.

P. Any discharge prohibited by any permit or regulation of the Pennsylvania Department of Environmental Protection, or the Environmental Protection Agency.

Q. Any discharge of waste slugs, such that the discharge exceeds the allocated flow criteria and the peaking factors associated with the flow allocation.

R. Any discharge of concentrations of anions, cations, and other various objectionable substances that would make the Authority responsible discharging such substances in excess of that amount permitted in the allocated portion of the critical flow of the receiving stream.

S. Any discharge from a trucked or hauled in source.

T. Any discharge which may cause the treatment plant's effluent or other product of the treatment plant (such as residues, sludge, or scum) to be unsuitable for reclamation, disposal, and reuse, or to interfere with the reclamation process.

In no case shall a substance discharged to the sewer system cause the treatment plant to be in noncompliance with sludge use or disposal criteria, guidelines, or regulations developed under Section 405 of the Clean Water Act, the Solid Waste Disposal Act, the Clean Air Act, the Toxic Substances Control Act, or state criteria applicable to the sludge management method being used at the treatment plant.

- U. Any waste stream with a closed cup flashpoint of less than 140 degrees Fahrenheit (that is, discharges whose vapors ignite and burn at less than 140 degrees Fahrenheit.)
- V. Any discharge containing detergents, surface active agents, or other substances which may cause excessive foaming in the treatment plant.
4. Any discharge which violates the Federal Categorical Pretreatment Standards as defined in 40 C.F.R., Subchapter N, Part 401 to 471, as amended and revised.
5. Any discharge which violates the Pennsylvania State Pretreatment Standards, where those state standards are more stringent than Federal or the Authority's standards:
6. Concentrations for elements or compounds in excess of the following:

Aluminum	5.00 mg/L,
Ammonia (as N)	30.00 mg/L
Antimony	0.10 mg/L
Arsenic	0.05 mg/L
Barium	1.00 mg/L
Beryllium (as Be)	0.10 mg/L
BOD <sub>5</sub>	204.00 mg/L
Boron	1.00 mg/L
Bromides	250.00 mg/L
Cadmium (as Cd)	0.01 mg/L
Chemical Oxygen Demand	500.00 mg/L
Chlorides	50.00 mg/L
Chrome	0.10mg/L
Chromium (hexavalent)	0.10 mg/L
Chromium (trivalent)	0.50.mg/L
Cobalt	0.50 mg/L
Copper	1.00 mg/L
Cyanides (as CN)	0.20 mg/L
Endrin	0.0004 mg/L
Fluorides	5.0 mg/L
Hydrogen Sulfides	0.10 mg/L
Iron	5.0 mg/L
Lead	0.05 mg/L

Lithium	2.50 mg/L
Lindane	0.008 mg/L
Magnesium	25.00 mg/L
Manganese	0.20 mg/L
Methoxychlor	0.20 mg/L
Methylene Chloride	0.40 mg/L
Molybdenum	0.10 mg/L
Mercury	0.05 mg/L
Nickel	0.25 mg/L
Phenols	0.001 mg/L
Phosphates (as PO <sub>4</sub> )	50.00 mg/L
Phosphorus (as P)	10.00 mg/L
Selenium	0.01 mg/L
Silver	0.10 mg/L
Sulfates	500.00 mg/L
Suspended Solids	240.00 mg/L
Tin	1.00 mg/L
Total Dissolved Solids	500.00 mg/L
Total for all Priority Pollutants	15.0 mg/L
Total Halogenated Organics	2.00 mg/L
Total Kjeldahl Nitrogen	45.00 mg/L
Toxaphene	0.01 mg/L
Vanadium	0.10 mg/L
Zinc	0.50 mg/L

2,4,5-TP Silvex	0.02 mg/L
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Specific Toxic Substance Notification Levels (for manufacturing, commercial, mining, silvicultural discharges):

Acrolein	200 ug/L
Acrylonitrile	200 ug/L
2-, 4-Dinitrophenol	200 ug/L
2-methyl,-4, -6 dinitrophenol	500 ug/L

The above criteria is subject to amendment based on process performance, new requirements from regulatory agencies, or technical developments.

Laboratory analysis shall be performed on a representative 24-hour composite sample (or grab sample at discretion of the Authority) and all analytical procedures shall be consistent with the latest revised edition of Standard Methods for the Examination of Water and Wastewater.