

BOARD ACTION/DISCUSSION ITEMS
JANUARY 2012 – MARCH 201

PRIORITY*	PROJECT/ISSUE	TYPE OF ACTION	TIMING**
<i>AS NEEDED</i>			
H	Update on wastewater treatment capacity evaluation/steering committee	Status Report	As needed
H	Acquisition/Growth Strategy Activities	Status Report	As needed
H	Jordan Creek Wastewater Plant – Zoning Hearing	Status Report	As needed
<i>WITHIN 45 DAYS</i>			
H	Park Pump Station- Comminutor Replacement <i>Project & Professional Services Authorization</i> <i>Amendments-for Construction phase & Contract Award</i>	Approval	Jan (B)
H	The Information Technology and Management Master Plan	Presentation	Jan (B)
H	Wastewater Capacity Act 537 Planning <i>Professional Services Authorizations</i>	Approval	Jan (B)
<i>WITHIN 75 DAYS</i>			
H	Western Weisenberg WTP (re-bid) <i>Project Authorization Construction, Contract Awards</i>	Approval	Feb (B)
H	Park Pump Station- Fuel Tank Replacement <i>Project & Professional Services Authorization</i> <i>Amendments-for Construction phase & Contract Award</i>	Approval	Mar(B)
H	Jordan Creek Wastewater System- <i>LCA/Wal-Mart cost sharing Agreement</i>	Approval	Mar (B)
01/23/12	January Board Meeting		
02/13/12	February Workshop Meeting		
* H – High M – Medium L – Low			** (W) – Workshop (B) – Board (W/B) - Either

LEHIGH COUNTY AUTHORITY
WORKSHOP AGENDA
Monday, January 9, 2012 – 12:00 PM

INITIAL ITEMS *(Collectively 5 Minutes)*

1. **Identify items for January Board Meeting**

- Review Board Discussion items, January 2012 – March 2012

ACTION/DISCUSSION ITEMS

1. **Water/Wastewater Rules and Regulations Updates** *(Approval)*

Attached are the updates to the Water and Wastewater rules and regulations which address changes arising from the approved 2012 Budget for approval (**blue**).

2. **Henninger Lease** *(Approval)*

This is a renewal of an existing farming lease of LCA's 26 acres at the Tillage Road well field with Kyle Henninger, a Breinigsville farmer. Mr. Henninger agreed to an increase of \$10/acre/year or 16.4% to \$71.5/acre/year if the lease term is extended from 1 to 3 years. There are several restrictions on the lease for well head protection. In addition, the lessee is responsible for mowing the lawn in the area around the well that is not farmed. There may be some adjustments to the acreage in the lease due to the required conservation plan, but more time is needed to make that determination. The Staff recommends approval of a lease agreement with Mr. Henninger in substantially the attached form, authorizing the Staff to make any final changes as long as these changes are not material. If there are material changes, the Staff will bring the lease agreement back to the Board at a future meeting for reconsideration (**pink**).

3. **Arcadia West Treatment Plant Upgrade** *(Approval)*

We recommend that the Board formally reject all bids received on March 17, 2011 to prepare for re-bidding the following contracts:

Contract 1 - General Construction

Contract 2 - Electrical Construction

Contract 3 - Mechanical and Plumbing Construction

4. **Lynn Township Wastewater System Conveyance Agreement** *(Approval)*

Over the last year, Lehigh County Authority (LCA), Lynn Township Sewer Authority (LTSA) and Lynn Township (LT) have been working toward the LCA acquisition of the Sanitary Sewer System. On Thursday, December 8, 2011 LT executed the Conveyance (Acquisition) Agreement for the LCA acquisition of the system (**green**). The Staff recommends Board approval.

5. **Wastewater Treatment Capacity Options Process** *(Discussion)*

A discussion regarding the official planning and approval process to be pursued in order to move this project forward to the point of a construct ready project will be conducted.

INFORMATION ITEMS

1. **Education and Training**

Emily Gerber Pat Mandes Frank Leist Liesel Adam Cristin Garger Jason Peters Ed Hoyle Mike Barron Lance Babbitt	Microsoft Project Professional 2010 Training – at LCA Offices	1/19; \$1,395 Total Cost
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OTHER ITEMS

None.

Please insert completion date below so I know who has reviewed and updated information if necessary:

LEHIGH COUNTY AUTHORITY

RULES AND REGULATIONS

FOR

WATER SERVICE

Effective: 25 August 2008

SERVING YOUR WATER NEEDS

Lehigh County Authority welcomes the opportunity to serve you and accepts the responsibility of providing quality water at economical prices.

Our professional staff offers prompt, courteous service, 24 hours each day, 7 days per week, with a full-time customer service representative available Monday through Friday, 8:15 am to 4:45 pm to answer your questions. The customer service telephone number is 398-1444. In case of emergency, we can be reached at 398-2503.

To help us better serve you, please be aware of the water facilities on your property and ensure that they are maintained and accessible. These include such facilities as a water meter, backflow-prevention assembly, shutoff valve and curb box - all more thoroughly described in this document. Of course, hydrants can be equally important water service facilities and should be easily accessible at all times.

Your efforts to keep your facilities in good working order, and to avoid leaks through dripping faucets, leaking toilets and the like, can help to hold down the cost of your water service.

The Authority appreciates the opportunity to serve you and will strive to continually improve the quality of your water service.

Should you want more information about LCA and our operations, please call us at either 398-2503 or 398-1444. Meanwhile...

Use all the water you need - WASTE NONE!

RULES AND REGULATIONS FOR WATER SERVICE

1. DEFINITIONS

Except where context indicates otherwise, the following meanings shall apply when used in these Rules and Regulations regardless of whether the first letter of the word is upper case or lower case.

- a. Applicant: A person who applies for service.
- b. Authority: Lehigh County Authority.
- c. Authority's Service Line: The lateral pipe, including the tee or tap in the main, from the main to a point at or near the property line, and the curb stop and curb box.
- d. Backflow: Water or other substances in the customer's facility flowing back into the Authority system.
- e. Backflow-Prevention Assembly: The assembly installed on the customer's service line to prevent backflow.
- f. Backflow Prevention Testing Program, Non-Compliance Fee: The fee established in §6.b herein for non-residential customers to recover Authority costs involved with that termination of water service to enforce the testing requirements in the Policy and Procedures Manual for Backflow Prevention/Cross-Connection Control Protection of the Public Water Supply System by Containment.
- fg. Capital Recovery Charges: The up-front charges, set forth in the Authority's Schedule of Rates and Charges, including Connection, Customer Facility and Tapping Fees, and Assessments.
- hg. Connection Fee: The fee established in §3.m herein which is based on the cost of connecting to the Authority water line and extending the Authority's Service Line to the property line.
- ih. Cross-Connection: Any actual or potential connection between the Authority's system and a system containing a source or potential source of contamination or pollution.
- ji. Curb Box: A structure which permits access to the curb stop.

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| kj. Curb Stop: A shutoff valve placed on a service line generally at the property line.

| lk. Customer: Any person who receives service from the Authority.

| ml. Customer Facilities Fee: The fee established in §3.m herein reflecting the Authority's cost of providing and/or installing a Meter and backflow-prevention assembly and/or Customer's Service Line.

| nm. Customer's Service Line: The pipe from the customer-side of the curb stop to the meter setting.

| on. Extension of Service: Providing facilities which connect the system to one or more premises not previously connected.

| p. Fire Flow Test Charge: A charge established in §8.g herein representing the Authority's administrative and operational costs to perform a fire flow test as well as the retail value of the water used during the test.

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| qe. Lien Administration Fee: The fee established in §3.p herein representing the Authority's administrative costs as a result of a customer failing to make timely payment, thus requiring a municipal lien to be filed.

| rp. Main: An Authority-owned pipeline suitable for the connection of a service line.

| sq. Main Extension: Extension of service requiring additional water main construction.

| tf. Meter: A device for measuring the quantity of water used.

| us. Meter Inspection Fee: A fee, established in the Authority's Commercial/Industrial Water Meter and Fire Protection System Installation Policy and set forth in the Authority's Schedule of Water Rates and Charges, for each inspection of the meter setting and fire protection piping in commercial/industrial installations.

| vt. Meter Setting: The location of the meter and components, including shutoff valves and any meter bypass.

| w#. Meter Test Fee: A fee established in §3.k herein charged for performance of a special test to determine the accuracy of a meter.

| x#. Non-sufficient Funds (NSF) Fee: A fee charged if a customer's check is returned by the bank for insufficient funds, closed account or other such reasons, established herein and set forth in the Authority's Schedule of Water Rates and Charges.

yww. Person: An individual, partnership, company, corporation, school, association, corporate political body, joint ownership, or any other entity capable of functioning in the context used herein.

zz. Plan Review Deposit: A fee to reimburse the Authority for engineering, legal, administrative and other justifiable expenses incurred in the review of preliminary or final plans submitted for new service.

aaa. Plan Review Fee: A fee to reimburse the Authority for engineering, legal, administrative and other related expenses incurred in the review of Sketch Plans submitted for new service.

bbb. Premises: The property, building or other site to which service is furnished, comprising, but not limited to the following:

- (1) a residential building under one roof occupied by one person or family; or
- (2) a nonresidential building or combined residential/non-residential building under one roof occupied by more than one person; or
- (3) each combination of buildings owned by one person, or leased and occupied by one person, and served by a single service line on a single lot; or
- (4) each side of a double house, a townhouse, a condominium unit, a mobile home site or an apartment, having an individual service line; or
- (5) a complex of buildings, including mobile homes, which are connected to a water system not owned by the Authority, but which water system is connected to and served by the Authority System through a single connection.
- (6) such other situations as the Authority shall deem applicable.

caa. Property Owner: The person in whose name the property is deeded.

ddb. Schedule of Rates and Charges: The adopted Authority rates and charges for service.

eee. Service: (1) Furnishing or readiness to furnish water for any purpose, including the extinguishment of fires, and/or (2) any installation or improvement or change in the service line or the system facilities, at the customer's request or as required by the Authority, and/or (3) any Authority activities related thereto.

ffd. Service Initiation Fee: A fee, set forth in the Schedule of Water Rates and Charges, to defray the labor and administrative costs associated with the establishment of a new water account.

gee. Service Line: The pipeline comprised of the Authority's service line and the customer's service line.

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~~hh.~~ Service Order Fee: A fee established in §3.r herein, to recoup Authority costs with associated a site visit where it is determined that the water service issue is with customer equipment or facilities.

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~~ii.~~ Service Restoration Charge: A charge established in §3.n herein for restoring service to a premises which has had service terminated or discontinued.

~~jj.~~ Site Visit Charge: A charge, established in §3.i herein and set forth in the Schedule of Water Rates and Charges, for Authority personnel to visit a customer's property with a termination notice.

~~kk.~~ Site Revisitation Charge: A charge established in §3.q. herein and set forth in the Schedule of Water Rates and Charges, to recover the Authority's costs for a return visit due to inadequate preparation or follow through by the party requesting the appointment.

~~ll.~~ Specifications for Water System Construction: The Authority's published specifications which outline methods of installation, materials, and testing and disinfection requirements.

~~mm.~~ System: The Authority's water supply, transmission and distribution facilities, in whole or in part.

~~nn.~~ Tapping Fee: A fee by a new customer, contributing its fair share of the Authority's cost of constructing the existing System which was available for the new customer's connection and use.

~~oo.~~ Tenant: A person who leases or rents premises.

~~pp.~~ Use of Easement Preparation Fee: a fee established in §10.d herein to recover Authority costs in preparing and recording documentation, upon Authority approval of a request, providing for a non-allowed use under the original easement document.

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2. APPLICATION FOR SERVICE

- a. General: Owners of premises abutting existing mains may obtain service by filing an application, obtaining a construction permit, submitting plumbing and site development plans for review, paying all applicable fees and charges and fulfilling all other requirements of the Authority. Owners of premises requiring a water main extension from the Authority System to serve the premises must also comply with the terms established in Section 7.
- b. Application and Contract: An applicant shall complete the appropriate Authority water service form. Upon approval by the Authority, this application shall constitute the contract between the Authority and the customer. In situations

where an application has not been completed, the provision of service to a property by the Authority shall constitute the contractual relationship between the Authority and the customer. The contract shall be subject to the provisions of these Rules and Regulations.

- c. Separate Application for Each Premises: Any person who desires service at more than one premises must make separate application for each premises.
- d. Tenant as Applicant: A tenant may make application for service, provided the application is cosigned by the property owner. In cosigning, the property owner agrees to guarantee the payment of all bills rendered to that tenant; however, the property owner will be held liable for payment regardless of cosignature. Where private fire service is rendered to a multiple-tenant premises, such bills for fire service shall be billed to the property owner.
- e. Change in Occupancy Requires New Application: A new application must be made upon any change in ownership of a property, in tenancy where the tenant is the applicant, or in use. Similarly, a customer moving from one premises to another within the Authority's system must make a new application for service.
- f. Standby Service: Any applicant desiring service intended to supplement a source of supply other than the Authority's shall state so on the application form.
- g. Water for Temporary Use: An applicant who wishes to use water for temporary purposes shall indicate which of the following methods of obtaining water shall be employed:
 - (1) Installation of a temporary service line from an approved main and abandonment of that service line (remove the tap and plug the main) upon termination of service.
 - (2) Connection to an installed permanent service line.
 - (3) Hauling of water from an Authority-approved source.

If method (1) or (2) is used, metered service will be required. The Authority will supply and install a meter after the posting of a deposit equal to the replacement cost of the meter plus the estimated cost of meter installation and removal. The customer shall protect the meter from loss or damage. The deposit, less any Authority cost, will be refunded to the customer upon return of the meter in good condition and after payment of the final bill. Bills will be calculated in accordance with the Authority's Schedule of Rates and Charges. In the case of a lost or damaged meter, a bill for the applicable time period shall be based, solely at the Authority's discretion, on either (1) ten times the minimum charge for that size meter or (2) the Authority-estimated consumption.

If method (3) is used, a letter authorizing the customer to remove water from the designated location, together with an explanation and instructions, will be issued by the Authority. Fire hydrants may not be used to supply temporary service, unless they are specifically designated in writing for such use. Bills will be calculated on the

basis of the quantity of water used, charged at the highest priced unit rate in the Authority's Schedule of Rates and Charges.

Water for temporary use will not be subject to Capital Recovery Charges.

- h. Construction Permit: Owners of premises abutting existing mains and connecting to the System without requiring a main extension to either serve the premises or comply with these Rules and Regulations, shall apply for and comply with a Construction Permit from the Authority. The connection of one single-family residential dwelling shall be exempt from the construction permit requirement.
- i. Plan Review for Service: Whenever new service is requested the applicant shall submit plans acceptable to the Authority showing how that service will be provided. The Authority may waive this requirement if it determines that the plans will be of minimal value. The applicant shall complete a plan review application and pay the applicable fees and charges before review of the plans.

With the plan review application, the applicant shall pay either a non-refundable Plan Review Fee when a sketch plan is submitted or a Plan Review Deposit when either a preliminary or final plan is submitted. The amount of the Plan Review Fee or Plan Review Deposit, as set forth in the Authority's Schedule of Rates and Charges, shall be based upon whether the plan submitted is for a land development, small subdivision (less than twenty lots), or large subdivision (twenty lots or greater).

The Plan Review Deposit shall be used by the Authority for recovery of engineering, legal, administrative and other related expenses incurred in the review of the plans submitted. Payment for such review shall be based on the actual costs incurred. Each deposit account will be reviewed on a biweekly basis during periods of activity. An additional deposit will be required before the review will continue if the balance is deemed by the Authority to be insufficient to complete review. Any unspent funds will be refunded to the applicant without interest within forty-five days following review completion or plan withdrawal. When a municipality permits the applicant to omit the sketch plan phase of a plan review and the Authority determines during the preliminary or final plan review that it is not feasible for it to serve the premises, the Authority will refund the difference between the Plan Review Deposit and the Plan Review Fee to the applicant.

3. FEES AND CHARGES; PAYMENT AND COLLECTION

- a. General: This section establishes and discusses fees and charges applying to water service by the Authority. While there are additional Authority fees and charges included in other Authority policies, the terms for payment and collection established in this Section apply to all Authority rates, fees and charges, unless different terms are specified elsewhere for a particular fee or charge.

- b. Charges for Water Service: Charges for service shall be in accordance with the Authority Schedule of Rates and Charges. Each premises shall be billed separately.

If the Authority permits more than one service line to serve a property, and if a single premises is served, the metered usage through all service lines shall be totaled and a single volume billing calculation made.

- c. Service Initiation Fee: A non-refundable fee, set forth in the Schedule of Water Rates and Charges, due prior to initiation of a new water service account for a premises. This fee is established to defray the labor and administrative costs associated with the establishment of the new account.
- d. Billing Period: Customers served by meters sized $\frac{5}{8}$ -inch through one-inch shall be billed quarterly. Customers with meters larger than one-inch shall be billed monthly.
- e. Fractional Bills: Fractional bills shall be prorated to the nearest day, on the basis of thirty-day months and ninety-day quarters.
- f. Estimated Bills: Bills shall be estimated by the Authority in cases where the meter is unable to be read, where the meter is out of service during a billing period, or where water has been used which does not pass through a meter.
- g. Due Dates: All bills shall be due and payable on the due date as indicated on the original bill. For purposes of determining timely payment, the Authority will use the payment receipt date.

If a bill is not paid by the due date, the bill together with a five (5) percent late payment charge, shall be owing and a past due notice will be issued.

- h. Returned Check: If a customer's check is returned by the bank for insufficient funds, closed account or other such reasons, the customer's account will be treated as though no payment was received as of that date and a NSF Fee will be added to that customer's account.
- i. Termination: If the bill remains unpaid 23 additional days after the due date another late payment charge of five (5) percent of the bill will be added. Also at this time a warning notice shall be issued by regular mail, with a Certificate of Mailing by the post office, to the last address given the Authority for billing purposes. This notice will specify the day on which service will be discontinued if payment is not received and the availability of a dispute resolution procedure.

If the entire amount due is not paid within an additional 15 days after the date of the warning notice nor has the customer filed a dispute under the procedure detailed in §3.1 below, a termination notice shall be issued and delivered to the subject property. The Authority may then discontinue service. Instituting and

following the dispute resolution and/or termination procedures shall not preclude the Authority from pursuing other legal options to collect the delinquency.

The customer will be assessed a Site Visit Charge if it becomes necessary for Authority personnel to visit a premises with a termination notice, which fee will apply even if service is not terminated. The customer must pay the initial bill, penalties and the Site Visit Charge or service will be terminated. Service will not be terminated on Fridays or the day before a holiday. Personal checks will be accepted. Authority personnel cannot make change when performing a site visit; therefore, any overpayment will be credited to the customer's account.

In situations where the charges for water service to a premises are being paid by a landlord rather than the tenant, the termination procedure will follow the provisions of Pennsylvania's Utility Service Tenants Rights Act.

If the bill remains unpaid beyond 38 days after the due date, an additional charge will be added in the amount of 1½ percent of the principal amount each month or fraction thereof.

- j. Failure to Receive Bill: Failure to receive a bill shall not exempt any customer from the obligation to pay the bill by its due date.
- k. Questions Regarding Billings: Any customer doubting the accuracy of the meter or meter reading shall bring or mail the bill, together with an explanatory note, preferably at least 10 days prior to its due date to the office of the Authority for investigation. The Authority, upon receipt, will then check the billing in question and either confirm the original billing or issue a corrected bill. Where special tests are requested, or in the case of the correction of a billing error, the due date will be adjusted by the time required to check and reissue the bill.

When a customer doubts the accuracy of a meter and requests a special test, the Authority shall perform such test upon payment of a Meter Test Fee set forth in the Authority's Schedule of Rates and Charges. If results of such test indicate that the meter registers more than four percent higher than the actual amount, the fee shall be refunded and an appropriate adjustment made in the customer's billing; otherwise, the fee will be retained by the Authority.

- l. Dispute Resolution: Except as covered in §3k above, if a customer disputes a bill, payment shall still be made in full by the due date; however, the customer may make this payment under protest by including a letter with the payment indicating such and detailing the reason for the disagreement or presenting the dispute in person to the customer service representative at the Authority's office.

Should the customer not be satisfied with the handling of this dispute by the customer service representative or that person's supervisors, then a request should be made for a hearing with Authority Board of Directors for review of the dispute. This hearing shall be held prior to termination, if applicable.

Thereafter, if the customer wishes to pursue the billing dispute, the customer must deliver to the customer service representative a written statement, under oath or affirmation, describing the details of the dispute and further declaring that the written statement is not being executed for the purpose of delay. After receiving this statement, the Authority will not terminate service until the claim has been judicially determined; however, the customer shall continue to pay all billings under protest thereafter, until judicial resolution, into an escrow account to be established by the Authority for this purpose. If after ninety days the customer has not instituted judicial proceedings to resolve the suit and continued to make payment of all billings, the Authority may begin the termination proceedings at the warning notice stage, as set out in §3.i above, with the customer having waived its ability to file a dispute on the same issues.

m. Capital Recovery Charges: The up-front charges at the rates set forth in the Schedule of Water Rates and Charges, including Connection, Customer Facilities and Tapping Fees.

- i) Connection Fee: A capital recovery fee charged for each new Service which shall be based on the cost of connecting to the System, inspecting the Customer Service Line, and installing and/or inspecting the Authority Service Line.
- ii) Customer Facilities Fee: A fee reflecting the Authority's cost of providing the meter and backflow-prevention assembly, as well as installing the meter, for new services. The fee can also include, at the customer's option and based on actual cost, installation of the backflow-prevention assembly and customer's service line by the Authority.
- iii) Tapping Fee: A fee by a new customer contributing its fair share of the Authority's cost of constructing the existing System which was available for the new customer's connection and use.

n. Service Restoration Charge: A charge, set forth in the Authority's Schedule of Rates and Charges, shall be made for restoring any service which has been discontinued because of a delinquent account, for violation of these Rules and Regulations, or where a customer has requested a temporary discontinuance of service. This charge shall have two components - one for situations where the customer requests service to be restored during business hours and a larger amount, to reflect overtime costs, if the request is for restoration after business hours and on weekends. Once service is terminated, the customer must pay the initial bill, penalties, the Site Visit Charge and the Service Restoration Charge before service will be restored. Payment must be made by cash, money order or certified check. Authority personnel cannot make change when performing a service restoration visit; therefore, any overpayment will be credited to the customer's account.

o. Security Deposits: The Authority may require a security deposit before commencement of service or resumption of service after termination. Such deposit will be 1.5 times the estimated water bill for one billing period. This deposit will

not be applied to billing delinquencies and will be refunded after one year of prompt payment of bills for service.

- p. Lien Administration Fee: A fee, set forth in the Authority's Schedule of Rates and Charges, shall be charged whenever a municipal lien is filed as a result of that customer failing to make timely payment. This fee represents the Authority's administrative costs involved with this process and shall be charged in addition to any lien filing, service and any other fees charged by the appropriate government offices to process the lien.
- q. Site Revisitation Charge: A charge set forth in the Schedule of Water Rates and Charges, for a return visit by the Authority to perform work or conduct an inspection when the originally scheduled appointment is unable to be completed due to inadequate preparation or follow through by the party requesting the appointment. The Charge will be assessed to the party requesting the appointment.

r. Service Order Fee: A fee, set forth in the Schedule of Water Rates and Charges, applicable when the Authority is requested by a customer to check out problems with water service that the customer is experiencing and it is determined that the problem is with customer equipment or facilities and not an Authority issue, to recoup associated Authority costs with the site visit.

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4. CONDITIONS OF WATER SERVICE

- a. All Service Metered: Except as noted or allowed herein, all service shall be provided utilizing meters with outside registers, with a separate meter for each premises.
- b. No Service Except to Customer Premises: No customer shall, by means of hoses or otherwise, provide service to premises other than those covered in his application.
- c. Authority Service Line: The Authority's service line shall run perpendicular to the distribution main and directly toward the building. The curb stop shall be located at or near the property line, approximately 2 feet behind the curb, if established, and at a minimum depth of 4 feet below final grade. The Authority is responsible for maintenance of its service line. The Authority may, solely at its option, provide a single service line for more than one premises, with branch and individual curb stops for each premises.
- d. Customer's Service Line: The customer shall construct his service line to Authority standards, from the curb stop to the meter setting. There shall be no tee or branch in the customer's service line. The customer is responsible for maintenance of his service line. Where utility ground wires are attached to the customer's service line, they shall be attached on the street side of the meter.

- e. Pressure Control: Where the customer considers prevailing pressures to be higher than desirable, he may at his own expense install a pressure control valve after the backflow-prevention assembly. The customer shall be responsible for the maintenance of any such valve.

Where the customer considers prevailing pressures to be lower than desirable, he may at his own expense install a pressure boosting system after the backflow-prevention assembly. The customer shall be responsible for the maintenance of any such system.

Under certain circumstances the Authority may require that a pressure control valve or pressure boosting system be installed upon connection to the Authority System by a developer or home owner. Thereafter, however, the customer shall be responsible for the maintenance of such facilities.

- f. Operation of Valves: No person, except Authority personnel, shall operate curb stops or any main line valves, except with the written permission of the Authority.
- g. Leakage or Waste: No person shall allow water waste by unrepaired leaks or by willful action. Use of all water passing through a meter shall be charged at the regular rate, and no allowance will be made for excessive consumption due to leakage or waste on the customer's premises.
- h. Cross-connections: No cross-connections will be permitted.
- i. Backflow Prevention: A backflow-prevention assembly shall be installed on all service lines.
- j. Special Uses: No device or use having an adverse effect on the water system or service shall be permitted.
- k. Vacation of Premises: Service shall be terminated as of the date stipulated in a written notice by the customer for the vacation of the premises.
- l. Water Conservation Fixtures: The Delaware River Basin Commission requires all municipalities to adopt minimum water-conservation plumbing codes. For service within a municipality which has not adopted such a code, the applicant for water service to a building constructed after 1 October 1992 shall provide certification, in a form acceptable to the Authority, of compliance with the then-current water conservation performance standards for plumbing fixtures and fittings of the Delaware River Basin Commission.

5. METERS

- a. Cost and Ownership: The cost of all meters shall be borne by the applicant. Meters two inches and smaller shall be provided by the Authority upon payment of the

meter component. Meters larger than two inches shall be furnished by the applicant, subject to Authority specifications, approval, inspection and inspection cost (including the Meter Inspection Fee), all as established in the Authority's Commercial/Industrial Water Meter and Fire Protection System Installation Policy. Upon commencement of service, the meter shall automatically become the property of the Authority.

- b. Size and Type: Size and type of meters shall be determined by the Authority.
- c. Meter Setting: The applicant shall provide a suitable meter setting at his/her cost and shall maintain it.
- d. Installation of Meters: All meter installations shall be made in accordance with the Authority's meter installation policies. The Authority will install all meters two inches and smaller upon payment of the applicable parts of the Customer's Facilities Fee. If the meter installation cannot be completed due to deficiencies within the home, inaccessibility of the curbstop, or a service line pressure test failure, a charge in the amount established in the Authority's Residential Water Meter Installation Policy shall be charged to the property owner, or contractor who scheduled the meter installation. Larger meters shall be installed by the applicant. The installation of the meter will constitute commencement of service for billing purposes.
- e. Location: Meters shall be located, as approved by the Authority, to provide for flow measurement at the earliest practicable point within the customer's premises.
- f. Sealing: Meters, inlet couplings and by-pass valves shall be sealed by the Authority, and no one, except Authority personnel, shall disturb or tamper with such seals.
- g. Protection and Accessibility: The customer shall provide access to and be responsible for protecting the meter and readout against damage from freezing, hot water or other cause. Any such damage to the meter shall be repaired at the customer's expense.
- h. Normal Maintenance and Testing: The Authority shall be responsible for normal maintenance of meters and for such routine testing as it deems proper.

6. BACKFLOW-PREVENTION ASSEMBLY

All installations, maintenance and operation shall be in accordance with the Authority's Backflow Prevention/Cross-Connection Control by Containment Policy.

- a. Cost and Ownership: All new and existing non-residential customers shall install a backflow-prevention assembly approved by the Authority. The cost of furnishing and installation of the assembly shall be the customer's responsibility. The

customer shall retain ownership of the assembly. A means of providing for thermal expansion shall also be included.

All new residential customers shall install a backflow-prevention assembly, which will be supplied by the Authority after payment of the applicable parts of the Customer Facilities Fee. The device will be installed directly after the meter and in a configuration specified and approved by the Authority. The device will remain the property of the Authority. A thermal expansion tank shall be installed by the customer before a water meter is installed.

All existing residential customers shall have a backflow-prevention assembly installed and supplied by the Authority, on a schedule to be determined by the Authority and at no cost to the customer. The device will remain the property of the Authority. The Authority highly recommends the installation of a thermal expansion tank by the customer.

- b. Normal Maintenance and Testing: Non-residential customers will be responsible for periodic testing and maintenance of the devices as required by the Authority in the Policy and Procedures Manual for Backflow Prevention/Cross-Connection Control Protection of the Public Water Supply System by Containment. If an owner fails to test in accordance with that policy and ignores notices, the Authority may terminate water service and the owner shall be responsible to pay the Backflow Prevention Testing Program, Non-Compliance Fee hereby established to recover Authority costs involved with that termination.

The Authority will be responsible for periodic testing and maintenance of the residential devices.

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7. EXTENSION OF SERVICE

- a. Service Extensions on Existing Main: Where new service is requested for a premises abutting existing mains, but the existing mains do not extend in or along the entire length of any public roads crossing or adjoining the subject property, the owner shall make application, submit plumbing and site development plans for review, and enter into a developer's water system agreement with the Authority to extend the mains in accordance with the terms of the Authority's Main Extension Policy, as well as pay all applicable fees and charges and fulfill all other pertinent requirements of the Authority.
- b. Main Extension Constructed by Customer: Where new service requires a main extension, the customer shall make application, submit plumbing and site development plans for review, enter into a developer's water system agreement with the Authority, pay all applicable fees and charges, and fulfill all other pertinent requirements of the Authority. Extensions will be in accordance with the terms of the Authority's Main Extension Policy.

- c. Main Extension Constructed by Authority: Where new service is provided by a main extension constructed by the Authority, the customer may obtain service by filing an application, submitting plumbing and site development plans for review, paying applicable fees and charges and fulfilling all other pertinent requirements of the Authority. Assessment, if applicable, shall be established in accordance with the terms of the Authority's assessment policy.

8. FIRE PROTECTION

- a. Public Fire Hydrants: When a municipality desires the installation of a fire hydrant in the system, it shall make application to the Authority. The installation shall be made at no cost to the municipality. The municipality shall be responsible for payment for public fire protection service in accordance with the prevailing Authority Schedule of Rates and Charges.
- b. Change in Hydrant Location: When a municipality desires that the location of a fire hydrant be changed, it shall make application for such change. The change shall be made by the Authority at the expense of the municipality.
- c. Hydrant Usage: A fire hydrant may be used without the Authority's permission for the extinguishing of fires. Street and sewer flushing, fire department practice or other non-emergency shall be permitted at designated hydrants and shall be subject to the Authority's written approval and designation of hydrant(s) to be used.
- d. Private Fire Service: When a customer desires private fire protection service, plans showing the fire protection service connection to the system shall first be approved by the Authority. The customer shall be responsible for the installation and all costs required to provide such service to the premises. The customer shall be responsible for payment for private fire protection service in accordance with the Authority Schedule of Rates and Charges. If line size is the determining factor for payment, the size shall be based on the size of the backflow-prevention assembly or, if before the assembly, the line size at the first fire service connection.
- e. Private Fire Service Usage: A customer's private fire protection service line shall only be used for the extinguishing of fires or testing of the protection system.
- f. Private Fire Service Backflow Prevention and Monitoring: A backflow-prevention assembly with metered by-pass shall be required on all private fire service lines in accordance with the Authority's Backflow Prevention/Cross-Connection Control Policy. The customer shall own the backflow-prevention assembly and shall be responsible for periodic maintenance and testing. The meter on the by-pass shall be provided by the Authority upon payment of the applicable fee by the customer. The Authority shall retain ownership of the by-pass meter, and shall be responsible for maintenance and testing.

All metered or estimated usage for a purpose other than the actual extinguishing of fires will be charged in accordance with the Authority Schedule of Rates and Charges. In addition, the customer shall be responsible for locating and discontinuing any usage of water from the private fire service line other than for fire protection purposes.

- g. Fire flow testing: The Authority shall perform fire flow test upon request by a person or entity, but a Fire Flow Test Charge shall be paid to cover the Authority's costs and recover the retail value of the water used during the test.

9. VIOLATIONS AND PENALTIES

Unauthorized use and/or operation of the system is a prohibited activity, subject to the Authority penalties as set forth below. The application of these penalties shall in no way effect the enforceability of pertinent government statutes, ordinances or regulations for the same offenses.

- a. Fire Hydrant Use: For unauthorized use of fire hydrants, all wrenches, hoses and other equipment may be confiscated and a charge of \$50 per incident may be levied against the responsible party.
- b. Unauthorized Connections: For unauthorized connections, a charge of \$50 per day may be levied against the responsible party.
- c. Unauthorized Water Use: For unauthorized use of water for any purpose, including the violation of any drought restrictions adopted by the Authority, a charge of \$50 per day may be levied against the responsible party.
- d. Meter Tampering: Where any meter seal has been broken, a charge for all consequential costs may be levied. In addition, a bill based, solely at the Authority's discretion, on either (1) ten times the minimum charge for that size meter or (2) the estimated consumption for the billing period may also be issued.
- e. Unauthorized Operation of Authority's System: Where unauthorized operation of valves, curb stops, etc., has occurred, the responsible party may be charged \$200 per incident.
- f. Supplemental Charges and Actions: The Authority reserves the right to charge against the responsible party any and all expenses incurred in exposing, correcting and/or litigating any violations, as well as any damages suffered by the Authority or other parties as a result of the action.

The right to prosecute any person who shall have committed an unlawful act as a result of any violations is preserved.

10. MISCELLANEOUS

- a. Amendments: The Authority reserves the right to amend these Rules and Regulations.
- b. Access to Premises: Any authorized employee of the Authority, upon presentation of credentials, shall have access at all reasonable hours to any premises supplied with water, for the purpose of reading, changing or repairing meters, making inspections and securing such information relative to service as may be deemed necessary by the Authority.
- c. Curtailment or Termination of Service: The Authority may terminate service, as set forth in §3, for violation of these Rules and Regulations or for the nonpayment of charges owed to the Authority by a customer when due. In the event of an emergency, the Authority reserves the right to discontinue service with or without prior notification. In the event of a general water shortage, such as could be occasioned by a drought, the Authority reserves the right to require the curtailment of water usage by customers generally and to discontinue service to any customer failing to cooperate in such curtailment, such as that referred to in the Authority's Water Management Plan or Emergency Management Plan.
- d. Use of Authority easements and realty rights: The Authority obtains many easements, rights-of-way, licenses, and other realty interests for its various facilities in which it does not retain a fee simple ownership of the underlying property. At times others request the right to jointly use these property interests or the permission for a use that is not allowed under the original document. A Use of Easement Agreement Preparation Fee shall be established to recoup the Authority's drafting, negotiation, recording and other personnel time involved. This fee shall be waived for other utilities and municipal entities. Furthermore, if the request is involved with a development, the costs shall in the alternative be billed to that capital project account for payment by the developer.
- e. Waiver: The Authority retains the right to waive provisions of these Rules and Regulations, solely at its discretion. The waiver of a provision in one circumstance does not obligate the Authority to waive the same provision under the same or similar circumstances at another time; and further the act of waiving a provision one time shall not be interpreted to compromise the Authority's position in applying that provision at any time before or after such waiver.

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RULES & REGULATIONS FOR SEWERAGE SERVICE

LEHIGH COUNTY AUTHORITY

EFFECTIVE 10 AUGUST 2009

It is our pleasure to welcome you as a Lehigh County Authority wastewater customer. We look forward to providing prompt, reliable service.

Our professional staff is available twenty-four hours each day, seven days per week. During our normal business hours of 8:15 a.m. - 4:45 p.m., Monday through Friday, inquiries should be directed to our customer service representative by telephone at 610-398-1444 or by email at service@lehighcountyauthority.org. After-hour emergencies may be reported by calling 610-398-2503.

To help us better serve you, please be familiar with the location of sewer facilities on your property, and be sure that they are readily accessible.

We will strive to be responsive to your needs and look forward to serving you. Should you want more information about LCA, or your wastewater service, please feel free to call us. General information is also provided at the Authority's website - www.lehighcountyauthority.org.

RULES & REGULATIONS FOR SEWERAGE SERVICE

1. DEFINITIONS

- a. Applicant: A person who applies for Service.
- b. Authority: Lehigh County Authority ("LCA"), 1053 Spruce Street, P.O. Box 3348, Allentown, Pennsylvania 18106-0348.
- c. Authority Lateral: The pipe from the sewer main to a point at or near the street right-of-way line.
- d. BOD (5-day Biochemical Oxygen Demand): the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedures for five (5) days at 20° centigrade, expressed as a concentration of mg/l measured analytically according to prescribed standard methods.
- e. Capital Recovery Charges: The up-front charges, set forth in the *Schedule of Wastewater Rates and Charges*, including Connection, Customer Facilities and Tapping Fees.
- f. Connection Fee: The fee established in §7.1 herein which is based on the cost of connecting to the Authority sewer main and extending the Authority Lateral to the property line.
- g. Customer: Any person who receives Service from the System.
- h. Customer Facilities Fee: The fee established in §7.1 herein reflecting the Authority's cost of providing a Customer Lateral and/or other customer facilities.
- i. Customer Lateral: The pipe connecting the Authority Lateral to the premises.
- j. Extension of Service: Providing facilities that connect to the System for one or more premises not previously connected.
- k. General Specifications for Sanitary Sewer Construction: The Authority's published standard specifications that outline materials, methods of installation, and testing requirements.

- l. Lien Administration Fee: The fee established in §7.r herein representing the Authority's administrative costs resulting from the filing of a municipal lien due to a customer's failure to make timely payment of service charges.
- m. Main: A pipeline in a street or right-of way, suitable for the connection of a lateral.
- n. Main Extension: Extension of Service requiring additional main construction.
- o. Meter: A device for measuring the quantity of water used or sewage discharged.
- p. Meter Fee: A fee, set forth in the *Schedule of Wastewater Rates and Charges*, for the cost of a meter provided by the Authority for installation by the owner.
- q. Meter Inspection Fee: A fee, set forth in the *Schedule of Wastewater Rates and Charges*, for each inspection of the meter setting and installations.
- r. Meter Installation Fee: A fee, set forth in the *Schedule of Wastewater Rates and Charges*, for having a meter installed and sealed by the Authority.
- s. Meter Test Fee: A fee, established herein, charged for performance of a special test to determine the accuracy of a meter and set forth in the Authority's *Schedule of Wastewater Rates and Charges*.
- t. Non-sufficient Funds (NSF) Fee: A fee charged if a customer's check is returned by the bank for insufficient funds, closed account or other such reasons, established herein and set forth in the Authority's *Schedule of Wastewater Rates and Charges*.
- u. Person: An individual, family, household, partnership, company, corporation, association, corporate political body, joint ownership, or any other entity capable of functioning in the context used herein.
- v. Plan Review Deposit: A deposit to fund Authority administrative, engineering, legal and other justifiable expenses incurred in the review of preliminary or final plans submitted for new Service.
- w. Plan Review Fee: A fee to reimburse the Authority for administrative, engineering, legal and other related expenses incurred in the review of sketch plans submitted for new Service.
- x. Premises: A single billable premises shall be the property, building or other site to which Service is furnished, comprising, but not limited to the following:
 - (1) a building under one roof occupied by one person; or
 - (2) a nonresidential building under one roof occupied by more than one person; or
 - (3) each combination of nonresidential buildings owned, or leased and occupied, by one person and served by a single Authority Lateral; or
 - (4) each side of a double house, or each townhouse or condominium unit, each apartment, or each trailer site; or
 - (5) such other situations as the Authority shall deem applicable.

- y. Pretreatment Plant: The facility constructed by the County of Lehigh, but presently operated by the Authority, which is located at the corner of Industrial Boulevard and Route 100 in Upper Macungie Township.
- z. Property Owner or Owner: The person(s) in whose name the property is deeded.
- aa. Schedule of Wastewater Rates and Charges: Schedules of user charges, fees and capital recovery charges titled *Schedule of Wastewater Rates and Charges* and adopted by the Authority for various sections of the System.
- bb. Service: (1) Providing or readiness to provide for the collection of wastewater for any premises or any services in connection therewith; and/or (2) any installation or improvement or change in the Customer Lateral or the System facilities at the customer's request or as required by the Authority; and/or (3) any Authority activities related thereto.
- cc. Service Initiation Fee: A fee, set forth in the *Schedule of Wastewater Rates and Charges*, to defray the labor and administrative costs associated with the establishment of a new sewer account.
- dd. Service Restoration Charge: A charge established in §7.p herein for restoring Service to a premises which has had Service terminated or discontinued, as set forth in the *Schedule of Wastewater Rates and Charges*.
- ee. Site Visit Charge: A charge for Authority personnel to visit a customer's property established herein and set forth in the *Schedule of Wastewater Rates and Charges*.
- ~~ff.~~ Service Order Fee: A fee established in §7.t herein, to recoup Authority costs with associated a site visit where it is determined that the sewer service issue is with customer equipment or facilities.
- ~~gg.~~ Site Revisitation Charge: A charge established in §7.s. herein and set forth in the Schedule of Water Rates and Charges, to recover the Authority's costs for a return visit due to inadequate preparation or follow through by the party requesting the appointment.
- ~~ggh.~~ Suspended Solids: the quantity of solid particles that float on the surface of, or are suspended in, sewage flows, measured analytically according to prescribed standard methods.
- ~~hhi.~~ System: All facilities owned and/or operated by the Authority, along with acquired property interests, used for collecting, pumping, transporting, treating and/or disposing of sewage, except the Pretreatment Plant.
- ~~ij.~~ Tapping Fee: A fee by a new customer contributing its fair share of the Authority's cost of constructing the existing System which was available for the new customer's connection and use.
- ~~jjk.~~ Tenant: A person who leases or rents a premises.
- ~~kk.~~ TKN (Total Kjeldahl Nitrogen): the quantity of both organic nitrogen and ammonia whereby the organically-bound, reduced nitrogen can be determined after a

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digestion which converts the nitrogen in those compounds to ammonia and is then measured analytically according to prescribed standard methods.

mm. Use of Easement Preparation Fee: a fee established in §9.c herein to recover Authority costs in preparing and recording documentation, upon Authority approval of a request, providing for a non-allowed use under the original easement document.

nn. Western Lehigh Interceptor: A system of transmission mains that transports wastewater from a number of municipalities in western Lehigh County to the City of Allentown Kline's Island Treatment Plant for treatment, including facilities constructed to provide relief for overloaded Authority and City interceptors, such as the Little Lehigh Relief Interceptor.

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2. APPLICATION FOR SERVICE

a. Application and Contract:

- (1) Premises abutting existing mains may obtain service by filing a wastewater treatment allocation application, obtaining a construction permit, submitting plumbing and site development plans for review, paying all applicable fees and charges and fulfilling all other requirements of the Authority. If the premises requires a main extension from the Authority System for service, the terms established in §6 also apply. The location of the premises determines the appropriate allocation application to file. For connections to a system, which ultimately flows to the Western Lehigh Interceptor, it is also necessary to obtain certification by the municipality where the property is located that municipal requirements have been met.

Approval of the wastewater treatment allocation application is contingent on sufficient allocation existing. Allocation purchased must be used for the Premises for which it was purchased and purchased allocation cannot be resold or transferred by the owner to another Person for a different Premises. Rules in regard to unused allocation for wastewater that will ultimately flow through the Western Lehigh Interceptor are set forth in agreements among the municipal entities that use the Western Lehigh Interceptor. Unused allocation for wastewater that will not ultimately flow through the Western Lehigh Interceptor shall return to the Authority for re-use if the Premises for which the allocation was purchased is abandoned or has not discharged wastewater for five (5) years; the subdivision or land development approvals for the Premises for which the allocation was purchased lapses; upon voluntary return by the owner of the allocation; or any circumstance where a Premises is completed and there is remaining allocation for which there is no practical use in regard to the Premises within a reasonable time in the future.

- (2) The provision of Service to a property by the Authority shall constitute the contractual relationship between the Authority and the customer based upon the terms set out in these *Rules & Regulations for Sewerage Service*, as well as any other applicable Authority policies.

- b. **Separate Application for Each Premises:** Any person who desires Service at more than one premises must make separate application for each premises. In the situation where the Authority allows multiple premises to be served by a single Customer Lateral, each premises connected to the single Customer Lateral would nevertheless be billed separately.
- c. **Premises with Tenant:** The property owner is responsible to submit an application for Service whenever a premises is occupied by a tenant or there is any change in tenancy. The owner may give written permission for the Authority to bill the tenant directly; however, the Authority will determine if such billing arrangement is acceptable, and if acceptable, the property owner shall retain ultimate responsibility for all bills for Service provided to the premises.
- d. **Industrial and commercial customers:** Federal law and regulation require that certain industrial and commercial dischargers to public sanitary sewer systems must establish pretreatment of their waste if certain pollutants are present in their wastewater discharge.

For industrial and commercial customers who discharge to systems connected to the Western Lehigh Interceptor system, wastewater is treated at the City of Allentown treatment plant at Kline's Island. In this case, it is the City's permit that contains such requirements and therefore the City has developed and implemented an industrial pretreatment program. The Authority has entered into an agreement with the City making the conditions and requirements of the City sewage and industrial wastes ordinance applicable to Authority industrial and commercial customers and authorizing the City to administer the program with such customers. Application for the necessary industrial discharge permits, however, shall be made to the Authority who will forward it to the City for processing.

In Authority systems where wastewater is not treated by the City, these federal laws and regulations are still applicable and the program will be administered by the Authority.

3. **CONDITIONS OF SERVICE**

- a. **Service to Another Premises:** Service may not be extended by a customer from the customer's premises to any other premises.
- b. **Authority Lateral:** The Authority Lateral shall run perpendicular to the adjacent property or right-of-way line extending from the sewer main directly toward the building. If an Authority Lateral does not exist, the customer may also construct it rather than have the Authority do so and be reimbursed by lowered Tapping and Connection Fees. The Authority is responsible for maintenance of its lateral. The Authority may, solely at its option, provide a single lateral for more than one premises, with branches for each premises.

- c. Customer Lateral: The customer shall construct the Customer Lateral to Authority standards, from the end of the Authority Lateral to the inside wall of the premises. The customer is responsible for maintenance of the Customer Lateral.
- d. System Facilities Prohibition: No person other than Authority personnel shall handle, operate or enter any of the System facilities, including manholes, cleanouts, pumps, etc. except with the written permission of the Authority.

4. GENERAL REGULATIONS

- a. After connection to the System, all sewage from a premises shall be discharged to the System, subject to such restrictions established herein; the provisions established to administer federal industrial pretreatment programs to applicable industrial and commercial users; and all other conditions imposed by municipal or regulatory entities.
- b. Upon connection to the System, any sewage disposal system then in existence shall be dealt with in accordance with municipal requirements and at property owner's expense.
- c. No person shall make connection of roof downspouts, floor drains, exterior foundation drains, area drains or other sources of drainage directly or indirectly to the System. Where existing surface water or roof drains are connected to the System, they shall be removed within thirty (30) days of receipt of a notice from the Authority to remove such connection. In the event such connection is not removed, the Authority shall cause such connection to be removed at the property owner's expense.
- d. No person or premises shall discharge or cause to be discharged into the System, any of the following:
 - (1) stormwater, surface water, groundwater, or drainage;
 - (2) gasoline, benzene, fuel oil, paint products or other flammable or explosive liquids;
 - (3) unground garbage or efflux from mechanical garbage grinders not meeting Authority standards; and
 - (4) ashes, cinders, sand and mud, straw, shavings, metals, glass, rags, feathers, tar, plastics, wood, bentonite, lye, building materials, rubber, hair, grease, manure, bones, leather, porcelain, china, ceramic wastes or other substances capable of obstructing the System.

The above list of unacceptable discharges shall apply to all residential, commercial and industrial discharges to the System and is supplemented by requirements listed in the current City of Allentown sewage and industrial wastes ordinance, when the sewage is ultimately treated at the City's treatment plant at Kline's Island, and Authority sewage and industrial waste rules and regulations.

- e. In addition, only domestic strength waste may be discharged to any System where the sewage is not ultimately treated at the City's treatment plant at Kline's Island; domestic strength discharge has an assumed average strength (based upon averaging the results of 24-hour composite samples taken on seven consecutive days) with the following parameters:
- BOD - 250 ppm
 - TSS - 275 ppm
 - TKN - 35 ppm
- (1) It shall be the property owner's responsibility to lower any wastewater discharges that are in excess of these domestic strength limitations immediately upon knowledge of exceeding the limitations or notice from the Authority, whichever occurs first.
- (2) If it is impossible or impractically difficult for the property owner to reduce the strength of its discharge, the property owner shall provide written notice to the Authority of such situation and request that the Authority take action to accept the property owner's strength. If the Authority determines it is possible and the Authority is willing to accept such waste, the property owner shall be solely responsible to compensate the Authority for the additional capital and operating expenses the Authority incurs to handle the property owner's exceptional strength waste discharge.
- (3) Penalties for exceeding the domestic strength limitations are set forth in §8.b. If the property owner discharges wastewater in excess of the strength limitations set forth in this Agreement which result in actual direct damages to the Authority owned or operated wastewater system, the property owner shall be responsible for such damages in addition to such penalties to the extent that such direct damages are directly attributable to such excess discharges by the property owner.
- f. No provision in these *Rules & Regulations* shall be interpreted to deny the Authority, solely at its option, the ability to accept wastewater exceeding parameters established herein or by federal, state or local government regulations (including those of the City of Allentown) from facilities upstream of the Pretreatment Plant if after treatment at the Pretreatment Plant any such parameters are then met.
- g. Leakage directly or indirectly to the System by unrepaired leaks or by wilful action is unacceptable. Where such leakage exists and is within a property owner's control, it shall be repaired or remedied by the owner within thirty (30) days of receipt of a notice from the Authority to do so. However, where the Authority's system is endangered from unrepaired leaks or by wilful action, the owner shall immediately effect repairs upon receipt of a notice from the Authority to do so. In the event there is not such timely repair or remedy, the Authority shall cause such repair or remedial work to be performed at the property owner's expense.

5. CONNECTIONS/CUSTOMER LATERALS

- a. No person shall uncover, connect with, make any opening into or use, alter or disturb, any portion of the System without first making application for connection, paying all applicable fees and charges, and receiving approval from the Authority. For commercial and industrial users, an application for an *Industrial Waste Discharge Permit* must also be submitted and approved. Such applications shall be made on forms provided by the Authority.
- b. All connections to the System and installation of any Authority or Customer Lateral from any premises shall be accomplished in conformance with all applicable policies, rules, regulations, and specifications of the Authority, including the *General Specifications for Sanitary Sewer Construction*. In the absence of provisions in the *General Specifications for Sanitary Sewer Construction*, or in amplification thereof, the materials and procedures set forth in appropriate specifications of the American Society of Testing Materials and the Water Pollution Control Federation *Manual of Practice* shall apply.
- c. Only persons properly approved by the Authority shall be permitted to make Authority or Customer Lateral installations.
- d. Except as otherwise approved by the Authority, each premises shall be connected separately and independently to a main by means of a Customer Lateral and Authority Lateral.
- e. All costs and expenses of construction of a Customer Lateral and Authority Lateral as well as all costs and expenses of connection of the same to the System, including testing and inspection, shall be borne by the property owner. The property owner shall indemnify the municipality and the Authority from all loss or damage that may be occasioned, directly or indirectly, as a result of construction or connection of an Authority or Customer Lateral to the System.
- f. Where a premises proposes to connect to the System, the existing sewer line may be cut on the structure side of any sewage disposal system or device and, with proper fittings, such existing sewer line may be connected to a Customer Lateral. All existing sewer lines must be inspected and pressure-tested to point of connection to the building, and if there are any pressure leaks, these lines must be uncovered and repaired.
- g. Every Customer Lateral shall be maintained in a sanitary and safe operating condition by the property owner at the owner's expense. If any person shall fail or refuse, upon receipt of a written notice of the Authority, to remedy any unsatisfactory condition with respect to a Customer Lateral within ten (10) days of receipt of such notice (unless notification by the Authority states a different time period based upon the severity of the situation), the Authority may:
 - refuse to permit such person to discharge into the System until such unsatisfactory condition is remedied to the satisfaction of the Authority, or
 - the Authority may make such maintenance or repairs as may be necessary and charge the owner for the costs.

- h. The property owner shall remove all trees, tree roots and other obstructions, including oils and grease, to the Customer Lateral, and where necessary the Authority Lateral or System. Where such maintenance or repairs are neglected by the property owner, ten (10) days after mailing written notice to the owner, the Authority may make, or cause to be made, such maintenance or repairs as may be necessary and charge the property owner for the cost thereof.
- i. Where an existing Customer Lateral and Authority Lateral connected to the System are to be abandoned by reason of demolition of buildings and structures or for any other reason, the Customer Lateral shall be disconnected and the Authority Lateral permanently sealed at the property line or at the main, as directed by the Authority, at the expense of the property owner.
- j. All restaurants or bars with commercial kitchens and all food processing establishments shall have and maintain a grease trap acceptable to the Authority. Among discharge limits to the System is the oil and grease discharge limit of 50 mg/l (milligrams per liter). If any discharge limits are exceeded, the Property Owner shall be charged for additional testing costs in accordance with the *Schedule of Wastewater Rates and Charges* and for measures to rectify the situation as detailed in §5h above.

6. EXTENSION OF SERVICE

- a. General: For new construction, the Authority shall only provide Service where the municipality approves such Service, which may be by subdivision or land development approvals. Owners of premises abutting existing mains may obtain Service by filing an *Application for Wastewater Treatment Allocation*; obtaining a construction permit; submitting plumbing and site development plans for review; paying all applicable fees and charges and fulfilling all other requirements of the Authority. In addition, owners of premises requiring a main extension from the System to serve the premises must also comply with the terms established in the Authority's *Sewer Main Extension Policy*, and owners of premises that will discharge industrial and/or commercial waste shall be subject to the requirements of the City of Allentown, where applicable, and Authority sewage and industrial waste rules and regulations.
- b. Construction Permit: Owners of premises abutting existing mains and connecting to the System without requiring a main extension to either serve the premises or comply with these *Rules & Regulations*, shall apply for and comply with a construction permit from the Authority. The connection of one single-family residential dwelling shall be exempt from the construction permit requirement.
- c. Plan Review for Service: Whenever new Service is requested, the applicant shall submit plans, acceptable to the Authority, showing how Service will be provided. The Authority may waive this requirement if it determines the plans will be of minimal value. The applicant shall complete a Plan Review Application and pay the applicable fees and charges before review of the plans.

With the plan review application, the applicant shall pay either a non-refundable Plan Review Fee when a sketch plan is submitted or a Plan Review Deposit when either a preliminary or final plan is submitted. The amount of the Plan Review Fee or Plan Review Deposit shall be based upon whether the plan submitted is for land development, small subdivision (less than twenty lots), or large subdivision (twenty lots or greater).

The Plan Review Deposit shall be used by the Authority for recovery of engineering, legal, administrative and other related expenses incurred in the review of submitted plans. Payment for such review shall be based on the actual costs incurred. Each deposit account will be reviewed regularly during periods of activity. An additional deposit will be required before the review will continue if the balance is deemed by the Authority to be insufficient to complete review. Any unspent funds will be refunded to the applicant without interest within forty-five (45) days following review completion or plan withdrawal. When a municipality permits the applicant to omit the sketch plan phase of a plan review and the Authority determines during the preliminary or final plan review it is not feasible for the Authority to serve the premises, the difference between the Plan Review Deposit and the Plan Review Fee will be refunded to the applicant by the Authority.

7. RATES AND CHARGES

- a. General: This section establishes and discusses fees and charges applying to Service by the Authority. While there are additional Authority fees and charges included in other Authority policies, the terms for payment and collection established in this Section apply to all Authority rates, fees and charges, unless different terms are specified elsewhere for a particular fee or charge.
- b. Charges for Service: Charges for Service shall be in accordance with the *Schedule of Wastewater Rates and Charges*. Each premises shall be subject to separate billing calculations.
- c. Time Period & Basis of Billing: Billing for Service is based either on water consumption, an estimated usage amount, metered sewage discharge, a flat rate per premises, or any combination thereof. Designation of the basis used for a particular division of the System, is detailed in the applicable *Schedule of Wastewater Rates and Charges*.

When wastewater billing is based on water consumption or metered sewage discharge:

Residential customers served by a community water system and all nonresidential customers shall be based on either metered water usage or sewage discharge, with a separate meter for each premises. Where a sewage meter is available, the customer's bill is based on the sewage meter reading. Where there is no sewage meter but there is a water meter, a residential user is billed based on the first calendar quarter water usage for properties connected using connection fees associated with the Western

Lehigh Interceptor. For properties connected using connection fees associated with non-Western Lehigh Interceptor systems, residential users are billed based upon the actual metered water usage for each period. Commercial and industrial users in all systems are billed based upon the water usage for each period.

Where a meter is unable to be read; where a premises has not been occupied for the entire first quarter for first calendar quarter water usage determination as described above; where a meter is out of service during a billing period or where the sewage discharge or water usage is not metered, the Authority's discharge estimate will be used for billing. For residential users, discharge estimates are based on the customer's metered discharge or water usage history, if available; otherwise the discharge estimates are based on a calculation of average daily flow per residential premises for each system as follows:

- (1) Upper Milford Township discharge estimate is 180 gallons per day per residential premises.
- (2) Weisenberg Township discharge estimate is 220 gallons per day per residential premises.
- (3) Washington Township discharge estimate is 250 gallons per day per residential premises.
- (4) Discharge estimates described above are effective January 1, 2009 and will be evaluated periodically in conjunction with normal rate-making calculations and approvals by the Authority's Board of Directors.

For commercial or industrial users, estimates are based upon historical usage or such other methods deemed reasonable by the Authority.

Where a customer-owned sewage meter is used for sewage billing, the customer shall have the meter tested and calibrated annually with a report sent to the Authority.

- d. Meters: The *Water Meter Installation for Wastewater Billing Purposes Policy* and the section of the *Rules and Regulations for Water Service* discussing meters are incorporated by reference and applicable to all usage of meters for Service billing purposes.
- e. Fractional Bills: Fractional bills shall be prorated to the nearest day.
- f. Due Dates: All bills shall be due and payable on the due date as indicated on the original bill. For purposes of determining timely payment, the Authority will use the payment receipt date.
- g. Delinquencies: If a bill is not paid by the due date, a five percent (5%) charge will be added to the bill and a delinquent notice will be issued.

If the bill remains unpaid 23 additional days after the due date another late payment charge of five (5) percent of the bill will be added. If termination of sewage or water service for nonpayment of a sewage bill is the course of action selected by the Authority, a warning notice shall be issued by regular mail, with a Certificate of Mailing by the post office, to the last address given the Authority for billing purposes and will specify the procedure which will be followed to discontinue service if payment is not received.

If the entire amount due is not paid by the date of the warning notice, or if there are circumstances involving a delinquency requiring collection action at an earlier date, the Authority may pursue any collection procedure - including without limit, filing a municipal lien against the property, suing for payment, seeking termination of sewage or water service - or a combination thereof. At this point additional interest charges will be added in the amount of one and one-half percent (1.5%, or in the case where a lien has been filed, the maximum percentage allowed by law) of the principal amount each month or fraction thereof.

Instituting and following the dispute resolution of §7.k and/or termination procedures shall not preclude the Authority from pursuing other legal options to collect the delinquency.

The customer will be assessed a Site Visit Charge if it becomes necessary for Authority personnel to visit a premises with a termination notice, which fee will apply even if Service is not terminated. The customer must pay the initial bill, any subsequent delinquent bills, all penalties, interest and the Site Visit Charge or Service will be terminated. In addition to the Authority fees and charges, customer will be responsible for the applicable fees and charges of the water provider if it becomes necessary to terminate water service. Personal checks will be accepted, unless the Authority has had previous checks by that person rejected by the bank for insufficient funds or other reasons. Authority personnel cannot make change with cash payments when performing a site visit; therefore, any overpayment will be credited to the customer's account.

In situations where the charges for Service to a premises are being paid by a landlord rather than the tenant, the termination procedure will follow the provisions of the *Pennsylvania Utility Service Tenants Rights Act*.

- h. Failure to Receive Bill: Since Service was provided to a premises, failure to receive a bill shall not exempt any customer from the obligation to pay the bill by its due date.
- i. Returned Check: If a customer's check is returned by the bank for insufficient funds, closed account or other such reasons, the customer's account will be treated as though no payment was received as of that date and a NSF Fee will be added to that customer's account.
- j. Questions Regarding Billings: Any customer doubting the accuracy of a bill shall bring or mail such bill, together with an explanatory note, at least ten (10) days prior to its due date to the office of the Authority for investigation. The Authority,

upon receipt, will check the billing in question and either confirm the original billing or issue a corrected bill. In cases where special tests are required, or in the case of the correction of billing error, the due date will be adjusted by the time required to check and reissue the bill.

If a customer doubts the accuracy of a meter used for wastewater billing purposes and requests a special test, the Authority shall perform such test upon payment of the Meter Test Fee, which shall be non-refundable. If the Authority questions the accuracy of such a meter, it shall request the customer to provide written certification by a properly trained person as to performance of a meter test and the accuracy of the meter as proven by the meter test. The Authority will perform this test upon request by the customer, payment of the Meter Test Fee and written permission by the owner of the water meter if the meter is not owned by the customer.

- k. **Dispute Resolution:** Except as covered in §7.j above, if a customer disputes a bill, payment shall still be made in full by the due date; however, the customer may make this payment under protest by including a letter with the payment indicating such and detailing the reason for the disagreement or presenting the dispute in person to the customer service representative at the Authority's office.

Should the customer not be satisfied with the proposed handling of this dispute by the customer service representative or that person's supervisors, then a request should be made for a hearing with Authority Board of Directors for review of the dispute. This hearing shall be held prior to termination of service, if applicable.

Thereafter, if the customer wishes to pursue the billing dispute, the customer must deliver to the customer service representative a written statement, under oath or affirmation, describing the details of the dispute and further declaring that the written statement is not being executed for the purpose of delay. After receiving this statement, the Authority will not terminate service until the claim has been judicially determined; however, the customer shall continue to pay all billings under protest thereafter, until judicial resolution, into an escrow account to be established by the Authority for this purpose. If after ninety (90) days the customer has not instituted judicial proceedings to resolve the dispute and has not continued to make payment of all billings, the Authority may begin the termination proceedings at the warning notice stage, as set out in §7.g above, with the customer having waived its ability to file a dispute on the same issues.

- l. **Capital Recovery Charges:** Such charges shall be paid before initiation of service to a new connection at the rates set forth in the *Schedule of Wastewater Rates and Charges*, including Connection, Customer Facilities and Tapping Fees.
 - (1) **Connection Fee:** A capital recovery fee charged for each new Service that shall be based on the cost of connecting to the System, inspecting the Customer Lateral, and installing and/or inspecting the Authority Lateral.

- (2) Customer Facilities Fee: A fee reflecting the Authority's actual cost of installing a Customer Lateral and/or other customer facilities required for new Service.
- (3) Tapping Fee: A fee reflecting the Authority's cost of constructing the existing System and a new customer's contribution toward those costs.
- m. Meter Inspection Fee: A fee, set forth in the *Schedule of Wastewater Rates and Charges*, for each inspection of either a water or sewer meter installation used in calculating sewer billing.
- n. Meter Installation Fee: A fee, set forth in the *Schedule of Wastewater Rates and Charges*, for having a meter installed and sealed by the Authority when a water meter is used to determine wastewater charges.
- o. Service Initiation Fee: A non-refundable fee, set forth in the *Schedule of Wastewater Rates and Charges*, due prior to initiation of a new sewer service account for a premises. This fee is established to defray the labor and administrative costs associated with the establishment of the new account. This fee will be waived for initiation of a new sewer service account if a Service Initiation Fee is being charged for establishment of a new water service account for the same premises.
- p. Service Restoration Charge: A charge, set forth in the *Schedule of Wastewater Rates and Charges*, shall be made for restoring any Service which has been discontinued because of a delinquent account, for violation of these *Rules & Regulations*, or where a customer has requested a temporary discontinuance of Service. This charge shall have two rates - one for situations where the customer requests Service to be restored during business hours and a larger amount, to reflect overtime costs, if the request is for restoration after business hours and on weekends. Once service is terminated, the customer must pay outstanding bills, penalties, interest, the Site Visit Charge and the Service Restoration Charge before service will be restored. Payment must be made by cash, money order or certified check. Since Authority personnel cannot make change when performing a service restoration visit, any overpayment will be credited to the customer's account. If there is restoration of service to another entity's system, the terms of that entity's rules, regulations and policies shall take precedence over the Authority's and the owner shall be responsible for both the other entity's fees and the Authority fees for restoration of service.
- q. Security Deposits: The Authority may require a security deposit in certain circumstances, an example being when the customer has a poor utility payment history. Such deposit will be one and one-half (1.5) times the estimated sewage bill for one billing period. If the customer follows these rules and regulations as stated, including prompt payment of all bills, the Authority will refund the security deposit upon request after one year.
- r. Lien Administration Fee: A fee, set forth in the *Schedule of Wastewater Rates and Charges*, for filing a municipal lien. This fee represents the Authority's administrative costs involved with this process, as well as the lien filing fee, and

shall be charged in addition to any other fees charged by the appropriate government offices to process the lien.

- s. Site Revisitation Charge: A charge set forth in the *Schedule of Wastewater Rates and Charges*, for a return visit by the Authority to perform work or conduct an inspection when the originally scheduled appointment is unable to be completed due to inadequate preparation or follow through by the party requesting the appointment. The Charge will be assessed to the party requesting the appointment.

- t. Service Order Fee: A fee, set forth in the Schedule of Wastewater Rates and Charges, applicable when the Authority is requested by a customer to check out problems with sewer service that the customer is experiencing and it is determined that the problem is with customer equipment or facilities and not an Authority issue, to recoup associated Authority costs with the site visit.

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8. VIOLATIONS AND PENALTIES

- a. Unauthorized use and/or operation of the System is a prohibited activity, subject to the Authority penalties as set forth below. Among such prohibited activities are:
 - (1) Unauthorized Use - an unauthorized sewage discharge to the System for any purpose.
 - (2) Meter Tampering - where any meter seal under control of the Authority, or meter owned by a customer but used for billing purposes, has been broken.
 - (3) Unauthorized Connections - unapproved connections to the System, which include, but are not limited to sump pumps, floor drains, and roof downspouts.
 - (4) Unauthorized Operation of the System - occurrence of any unauthorized operation of or trespass on any Authority facilities, including manholes, cleanouts, pumps, etc.

Any prohibited activity in connection with the System shall be subject to a penalty of Fifty (\$50.00) Dollars per day or a single penalty of Five Hundred (\$500.00) Dollars, whichever is larger unless different penalties are set forth elsewhere in these *Rules & Regulations* or other Authority policies.

- b. Exceeding domestic strength limitations as set forth in §4.d. shall, in addition to any liabilities set forth in §4.d., result in the following penalties:
 - (1) If the property owner does not reduce the strength of the discharge within fifteen (15) days of notification, a penalty of 1.5 times the then current user rate shall be due for the volume of wastewater discharged from that property during that time period since the notification.
 - (2) If the property owner does not reduce the strength of the discharge within thirty (30) days of notification, instead a penalty of 2.0 times the then current user rate shall be due for the volume of wastewater discharged from that property during that time period since the notification.

- (3) If the property owner does not reduce the strength of the discharge within forty-five (45) days of notification, instead a penalty of 3.0 times the then current user rate shall be due for the volume of wastewater discharged from that property during that time period since the notification.
 - (4) Payment by the property owner of such penalties shall not convey any right to the property owner to continue discharges in excess of the strength limitations.
- c. In addition to penalties, a charge for all consequential Authority costs and sewer user fees that would have been billed without the prohibited activity may also be levied.
- d. The application of any penalties shall in no way affect the enforceability of pertinent government statutes, fines and penalties, ordinances or regulations for the same offenses - including those established in the City of Allentown's industrial pretreatment program and sewage and industrial wastes ordinance, where applicable - nor the Authority's ability to take other remedial actions. The right to prosecute any person who shall have committed an unlawful act as a result of any violations is also preserved, including, if applicable, the provisions of §5607(d)(17) of the Municipality Authorities Act that provide for prosecution as a summary offense.
- e. Notice of Violation: When these *Rules & Regulations* have been violated, the Authority shall give the customer notice of the violation, what the customer must do to remedy the violation and the required deadline for completion of the remedy. If the customer fails to remedy the violation within the schedule set out in the notification, among the actions the Authority may pursue is termination of sewer and/or water service, as applicable, without any further notice, or remedy the situation itself and charge the costs to the customer.
- f. Supplemental Charges and Actions: The Authority reserves the right to charge against the responsible party any and all expenses incurred in exposing, correcting and/or litigating any violations, as well as any damages suffered by the Authority or other parties as a result of the action. The customer will be assessed a Site Visit Charge each time it becomes necessary for Authority personnel to visit a premises in regard to such a violation, which fee will apply even if the planned action is unable to be completed. Furthermore, in addition to any and all other penalties and damages, the enforcement provisions of the City of Allentown, where applicable, and Authority sewage and industrial waste rules and regulations shall pertain when appropriate.

9. MISCELLANEOUS

- a. Amendments: The Authority reserves the right to amend these *Rules & Regulations* at any time upon proper Board approval and without notice to customers.
- b. Access to Premises: Any authorized employee of the Authority, upon presentation of credentials, shall have access at all reasonable hours to any premises provided with Service by the Authority, for the purpose of reading meters, making inspections and securing such information relative to Service as may be deemed necessary by the Authority.

If such access is not required on an emergency basis, the Authority will contact the occupants of the Premises to arrange a mutually convenient time for accessing the Premises. Failure to allow access or to respond to such notice shall be considered a violation of these *Rules & Regulations* that are a condition of Service to the Premises and result in a penalty of \$100.00 per month until such access is allowed. Furthermore, the Authority reserves the right to proceed with the provisions of §5607(d)(17) of the Municipality Authorities Act that provide for prosecution as a summary offense.

- c. Use of Authority easements and realty rights: The Authority obtains many easements, rights-of-way, licenses, and other realty interests for its various facilities in which it does not retain a fee simple ownership of the underlying property. At times others request the right to jointly use these property interests or the permission for a use that is not allowed under the original document. A Use of Easement Agreement Preparation Fee shall be established to recoup the Authority's drafting, negotiation, recording and other personnel time involved. This fee shall be waived for other utilities and municipal entities. Furthermore, if the request is involved with a development, the costs shall in the alternative be billed to that capital project account for payment by the developer.

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- d. Emergencies: In the event of an emergency, the Authority reserves the right to restrict or modify Service with or without prior notification. Any customer failing to cooperate with such emergency measures shall be subject to penalties as set out in the Violations and Penalties section.
- e. Waiver: The Authority retains the right to waive provisions of these *Rules & Regulations*, solely at its discretion. The waiver of a provision in one circumstance does not obligate the Authority to waive the same provision under the same or similar circumstances at another time; and further the act of waiving a provision one time shall not be interpreted to compromise the Authority's position in applying that provision at any time before or after such waiver.

LEASE AGREEMENT

201 THIS AGREEMENT, made this _____ day of _____
, by and between

LEHIGH COUNTY AUTHORITY, a municipal authority located at 1053 Spruce Street, Wescosville, Pennsylvania, and a mailing address of P.O. Box 3348, Allentown, Pennsylvania 18106-0348 (hereinafter referred to as "Lessor");

and

KYLE L. HENNINGER, an individual residing at, and with a mailing address of, 852 Independent Road, Breinigsville, Pennsylvania (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, Lessor is the owner of a 26+ acre tract of land identified by Lehigh County Tax Parcel Identification No. (PIN) 545428883430, with an address of 9451 Newtown Road, and located between Newtown Road, Tillage Road and Long Lane in Upper Macungie Township, Lehigh County (the "Property"), the majority of which tract is available for the purpose of cultivation, as shown on the plan attached hereto, marked as Exhibit "A"; and

WHEREAS, Lessee has previously entered into a lease for the Property with Lessor, for cultivation purposes, which lease has expired; and

WHEREAS, Lessee desires to renew the lease.

NOW THEREFORE, Lessor, in consideration of the rents and covenants hereinafter mentioned, does demise and lease the Property unto Lessee to be used for farming and cultivation purposes only.

TO HAVE AND TO HOLD unto Lessee, subject to the conditions of this Agreement, for the term beginning as of the date of this Lease Agreement and ending on the 31st day of December 2014.

IN CONSIDERATION of which Lessee agrees to pay to Lessor for the use of the Property the total rental of One Thousand, Eight Hundred Sixty (\$1,860.00) Dollars per year payable on November 1st for a term of three years from the date above recited, except that payment for 2012 shall be made not on November 1st but at the time of execution of this lease

1. Lessee covenants and agrees:

- (a) to keep the Property in as good repair and condition as at present and will, at the expiration of this Lease, surrender up the same in like repair and condition, natural wear and damage by the elements; and

- (b) to permit no unlawful business to be carried on or upon the Property or permit anything to be done contrary to the conditions of the policies of insurance of Lessor covering the Property whereby the hazard might be increased or the insurance invalidated; and
- (c) not to underlet or sublet the Property, nor assign this Lease or any interest therein to any person, persons, entity, or entities, without the prior written consent of Lessor; and
- (d) to cultivate the Property in a good and skillful manner in accordance with the accepted agricultural practices in the community and in accordance with the Nutrient Management Plan and Soil and Water Conservation Plan to be prepared by the Pennsylvania Department of Natural Conservation and a copy provided to Lessor within one (1) month of the signing of this Agreement, and as these plans may hereafter be modified; and
- (e) to respect the two hundred fifty (250) feet wellhead protection zone ("WPZ") for Lessor's wells, which includes a WPZ that extends from a neighboring tract on which is located a well with the WPZ extending partially onto the Property, by not applying any chemicals in that area and mowing the WPZ area in compliance with Upper Macungie Township weed ordinances for the remainder of the Lease period; and
- (f) by March 1st each year, to provide an annual recommendation on fertilizer and pesticide use from a certified crop advisor to minimize potential for accumulation and leaching of the applied chemicals, with the 2011 plan attached hereto and made a part hereof as Exhibit "B"; and
- (g) to not use any herbicide on the Property other than *Round-up* until the specific herbicide has been reviewed by Lessor and written consent to use it given by Lessor.

Lessee further agrees that Lessor, its board members, employees, officers, engineers, consultants and/or other duly authorized representatives may, at any reasonable time or times, enter upon the Property for the purpose of inspection thereof.

2. The parties agree that notwithstanding anything herein to the contrary, Lessor reserves the right at any time and from time to time during the term of the within Lease to withdraw from the Property all or any portion or portions of the Property; and in the event of such withdrawal, there shall at such time be a reduction in or refund of the rental paid or to be paid by Lessee to Lessor, such reduction or refund to be on a per diem basis in proportion to the acreage so withdrawn by Lessor.

Lessor has two wells on the Property. Should the crops planted by Lessee be destroyed in the use of such wells, Lessee will be compensated for the crops loss as follows. The procedure to be used to assess the loss shall be based upon the acreage of the area where crops were lost multiplied by the average yield per acre and market prices for that time period, both determined by Lehigh County Agricultural Extension Office. Under no circumstances shall the amount owed by Lessor to Lessee for lost crops in a year exceed the annual rental for that same year.

3. Any goods and crops removed from the Property, either before or after expiration of the aforesaid term, while any portion of the aforesaid rent remains unpaid, whether due or not, shall remain liable to distress for such rent, to the extent permitted by law, for the period of thirty (30) days after such removal, the same as though they remained upon the Property, and any removal of the goods from the Property at any time, either by day or by night, without the written consent of Lessor, shall be considered a clandestine and fraudulent removal. And if default shall continue in the payment of any part of said rent for five (5) days after the same becomes due, or if Lessee shall break or evade, or attempt to break or evade any of the covenants, agreements and/or conditions of this Lease, then to the extent permitted by law Lessor may forfeit and annul the unexpired portion of this Lease and enter upon and repossess the Property without process of law and without any notice whatsoever.

4. The acceptance by Lessor of any of said rent at any time after the same has become due, or default has been made in the payment thereof or any failure of Lessor to enforce any of the rights of Lessor under this Lease or any of the penalties, forfeitures or conditions herein contained, shall not in any manner be considered a waiver of the right of Lessor to enforce the same. Lessor may enforce such forfeiture without any notice whatsoever and any attempt to collect the rent by one proceeding shall not be considered as a waiver of the right of Lessor to collect the same by any other proceeding.

5. Lessee hereby waives the usual notice to quit, and agrees to surrender the Property at the expiration of the aforesaid term, or the prior termination of the Lease without any notice whatsoever. Upon any proceeding instituted for the recovery of delinquent rent, either by distress or otherwise, Lessee, to the extent permitted by law, waives the benefits of all appraisements, stay and exemption laws, the right of inquisition on real estate and all bankruptcy or insolvency laws not in force or hereafter enacted.

6. Lessee shall use the Property for farming purposes only and no structure or buildings of any sort shall be erected by Lessee; no chemicals, petroleum products, tires, debris, hazardous and toxic materials or wastes, garbage, etc. shall be deposited on the Property; nor shall any soil be removed from or deposited on the Property.

7. If default shall be made in the payment of any rent when the rent shall become due and such default continues for five (5) days after the rent becomes due; or if Lessee shall fail to timely observe all of the provisions and covenants of this Lease; or if Lessee shall permit any judgment to be entered against him or make an assignment for the benefit of creditors or commit any act of bankruptcy, then the rent for the full term shall become immediately due and collectible by distress or otherwise and the tenancy of Lessee hereunder shall automatically terminate without further notice.

8. Lessee does hereby, upon the breach of any of the conditions of this Lease, authorize any attorney of any court of record to appear for him and enter an amicable action of ejectment and confess judgment of ejectment therein for the Property and does authorize the immediate issuing and execution of a writ of possession with clauses for costs without asking leave of court.

9. Lessee hereby irrevocably authorizes the prothonotary, clerk of courts or any attorney of any court of record in Pennsylvania or elsewhere to appear for and confess

judgment against Lessee at any time for the whole amount of the rent at any time remaining unpaid plus ten percent (10%) to be added as attorney's commission for collection, whether the same shall have been due or not, waiving, to the extent permitted by law, stay of execution, inquisition and all exemption laws and releasing all errors.

10. Lessee shall cause Lessor to be listed and added as an additional insured on Lessee's casualty loss and liability insurance policies (at no expense to Lessor), which shall be maintained with a minimum coverage of \$500,000; a copy of which certificate of insurance at the time of signing of this Agreement, confirming such listing, is attached hereto and made a part hereof as Exhibit "C". No later than ten (10) days preceding the expiration of any certificate of insurance, Lessee shall provide Lessor with proof that there will be appropriate insurance coverage after such expiration. Additionally, Lessor shall not be subject to liability for any injury or damage to any person or to any property at any time on the Property due to the operation of Lessee's business thereon and Lessee hereby indemnifies and holds Lessor harmless against such liability. This indemnification shall include, but not be limited to, payment of all attorney fees and all incidental litigation expenses in the event the Authority or any of its employees, agents and officials are sued upon a claim emanating or supposedly emanating from Lessee's use of the Property.

11. This Lease Agreement is the complete understanding between the parties as to the terms of Lessee's lease of the Property, with no changes being made unless agreed to in writing by both parties.

12. If any provision hereof shall be held to be invalid, such invalidity shall not affect any other provision hereof, and the remaining provisions hereof shall be construed and enforced as if such provision had not been contained herein.

13. The laws of the Commonwealth of Pennsylvania shall govern interpretation hereof.

14. This Agreement shall be binding upon the parties and their respective heirs, successors and assigns, except to the extent set out in §1(c) herein.

IN WITNESS WHEREOF, Lessor has hereunto caused this Lease Agreement to be executed by its duly authorized officials and Lessee has hereunto set his hand the date and year first above written.

ATTEST:

LEHIGH COUNTY AUTHORITY

Bradford E. Landon, Solicitor

By:_____
Aurel M. Arndt, General Manager

WITNESS:

KYLE L. HENNINGER

Name:

By:_____
Kyle L. Henninger

MEMORANDUM

Date: January 3, 2011

o: Authority Board
From: Frank Leist
Subject: Lynn Township (Sewer Authority) Sanitary Sewer System Acquisition

MOTIONS /APPROVALS REQUESTED:

No.	Item	Amount
1	Approval of Lynn Township Sanitary Sewer System Conveyance (Acquisition) Agreement	N/A
2	Approval of User Rates (<i>see User Rate section on page-2</i>)	N/A

General

Over the last year, Lehigh County Authority (LCA), Lynn Township Sewer Authority (LTSA) and Lynn Township (LT) have been working toward the LCA acquisition of the Sanitary Sewer System. On Thursday, December 8, 2011 LT executed the Conveyance (Acquisition) Agreement for the LCA acquisition of the system. Attached for your review is a copy of the Agreement. The Staff recommends Board approval.

Customer Base, Revenues & Budget: The Lynn Township Sanitary Sewer System is located in Lynn Township and provides wastewater service to approximately 381 residential, commercial and institutional customers with allocation totaling ~545 EDUs; 116 of these wastewater customers are in our Madison Park Water System Division

Customer Type	No.	No. Units	No. EDUs	Current Annual User Charge (1)	Estimated Annual Revenue
Residential					
Single Family	298	298	298	\$ 636	\$189,528
Mobile Homes	28	28	28	\$ 636	\$ 17,808
Apartments	32	79	79	\$ 1,570	\$ 50,244
Sub-total Residential	358	405	405		\$257,580
Commercial	22	22	26	\$ 848	\$ 22,048
North Western School District	1	1	114.59	\$ 72,879	\$ 72,879
TOTALS	381	428	545.29		\$352,507

(1) Note Apartments represent an average annual user charge $[(79 \text{ units} \times \$636)/32 \text{ apartments}]$. The actual annual user charge for each apartment building is the number of apartment units in the building x \$636. NW School District 114.59 EDUs x \$636

As presented to the LT Board of Supervisors, the estimated annual operating budget for this system (not including depreciation) will be approximately \$317,000, which is in addition to typical operating expenses including debt service on the Phase 1 and 2 WTP improvements and coverage. Based upon projected expenses and revenues, the current user rates can be maintained for a few years or until such time as the WTP is expanded.

User Rates: The majority of customers are not metered and as such pay a fixed charge per/EDU. The current user rates for Board approval are as follow:

- Fixed Charge: \$158.98 per EDU*
- Commercial Flow Charge for flows > 15,000 gallons per quarter: \$7.20 per 1000 gallons

**Note Commercial accounts are assigned 1.332 EDUs until volume history can be further evaluated*

Infrastructure: The system infrastructure includes an 80,000 GPD Extended Air Wastewater Treatment Plant (WTP) situated on a 5 acre lot. The 2010 Chapter 94 Report indicated an average daily flow of 58,000 gallons. The sewage collection system is composed of approximately 42,000 linear-feet of 8-inch diameter sewer main, 6,200 linear-feet of 6-inch diameter lateral pipe and 182 manholes all located within public rights-of-way and easements. The majority of the system was constructed in 1979/1980 (see *map of Sewer System, page 16 of the attached Agreement*).

WTP Expansion: In accordance with the LT ACT 537 Plan, the existing 80,000 GPD WTP must be expanded to 160,000 GPD to meet future wastewater treatment needs. Gannett Fleming, Inc, LTSA's Engineer, has designed and permitted this expansion. In addition to a DRBC Docket, the NPDES permit for effluent discharge limits/reporting and Water Quality Part II (construction) permit for the WTP Expansion have been issued. The NPDES permit for construction storm water must be obtained by LCA along with any required building code permits.

At present the expansion is planned in three phases, with Phases 1 and 2 including piping improvements, UV disinfection and influent chamber improvements starting in mid 2012. Phase 3, the expansion to 160,000 GPD is expected to start in approximately 3 years, providing there is a need for additional capacity.

For the Phase 1 and 2 improvements LCA will provide short-term financing (\$750,000) from current LCA reserves at an interest rate of 2% per-annum. Based on a need for additional treatment capacity to serve the needs of existing development or new development approved by the Township, LCA shall also

expand the treatment plant and provide long-term financing (\$3,000,000), including the then outstanding principal balance of the short term loan being rolled into this long-term financing, for that expansion and related treatment plant improvements. The long term financing is likely to be a 30-year Bond issue.

Inflow & Infiltration (I/I): Although LTSA has reduced I/I, the system still experiences high levels of I/I during certain wet weather events. DEP and LTSA/LT have agreed upon a Corrective Action Plan (CAP) which, among other things, sets forth certain tasks to identify and remediate I&I and; starting in 2007 imposed a 50 EDU allocation cap for new connections of which 22 EDUs remain available. Quarterly reporting to DEP for the CAP is required.

After acquisition, there are two components to LCAs planned I/I efforts. First is an annual \$25,000 budgeted for I/I in the maintenance services line item which is typically used for the remediation efforts and subcontracted services if required. The other component is covered in the 935 man-hours budgeted for system, of which a majority will be utilized for collection system investigatory work if deemed necessary, such as flushing and televising the sewer mains, smoke testing, manhole inspections, flow metering and minor repairs that are generally performed by current LCA personnel. Removal of I/I may free-up capacity and delay in the near-term, the majority of the WTP 160,000 GPD expansion.

LTSA Employees: LTSA has one full time employee who currently functions as the Authority Manager and WTP Operator. In addition, there is one part-time Secretary that works approximately 12 hours a week performing bookkeeping and billing duties. The full time employee will be hired by the contract operating company that provides varied degrees of operating services for many LCA water and wastewater facilities and will remain as the WTP Operator. LCA has administrative and customer care departments, as such the part-time Secretary position will not be required.

Settlement: At this juncture, it is expected that settlement will take place on February 29, 2012.

CONVEYANCE AGREEMENT

(Lynn Township Sewer System)

This Conveyance Agreement ("Agreement") dated as of the _____ day of _____ 2011, is between

LYNN TOWNSHIP (the "Township"), a Pennsylvania township of the second class with its principal office located at 7911 Kings Highway, New Tripoli, Pennsylvania, party of the first part;

and

LEHIGH COUNTY AUTHORITY ("LCA"), a Pennsylvania municipal authority with its principal office located at 1053 Spruce Road, Wescosville, Pennsylvania, party of the second part (both collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, LCA has developed, owns and operates various water and sewer systems throughout the region and is providing such services to areas of need in the Lehigh Valley; and

WHEREAS, the Township formed the Lynn Township Sewer Authority ("LTSA") in 1976 for the purpose of providing sewer service to the properties in and near the village of New Tripoli and LTSA has constructed, financed and maintained a system providing such service as shown on Appendix D (the "Sewer System"); and

WHEREAS, the Township has decided pursuant to §5622(a) of the Pennsylvania Municipalities Authorities Act to acquire the Sewer System assets and liabilities from LTSA, which the Township anticipates doing within the next few months ; and

WHEREAS, the Township has offered, immediately consequent to such acquisition from LTSA, to convey to LCA and LCA has agreed to accept conveyance of the Sewer System assets and certain liabilities; and

WHEREAS, the Parties wish to set forth the terms and conditions that shall be applicable to the conveyance of the Sewer System as well as the provision of sewer service by LCA to customers in the Township;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and with the intention of being legally bound, the Parties agree as follows:

1. The Township agrees to convey to LCA and LCA agrees to accept from the Township all of the real property (as listed in Appendix A) and personal property and other assets (as listed in Appendix B) of the Township that comprise the Sewer System (collectively, with the real property, referred to as the "Assets"), which shall include all cash and accounts receivable (including accounts not yet closed, but accrued prior to the effective date of settlement) in the Township's sewer fund. The Assets are encumbered only by the liabilities listed in Appendix C. All appendices are attached to and made a part of this Agreement and are current as of the date of this Agreement; however, Appendices B and C shall be updated at the time of settlement to reflect their then current status ("Updated Appendix B" and "Updated Appendix C").

2. As the consideration for conveyance of the assets of the Sewer System, LCA agrees that any monies or funds that are part of the Sewer System assets will be used for Sewer System expenses and also to accept responsibility for repayment of all the Township liabilities listed on the attached Appendix C that are not retired before or as of Settlement as reflected on Updated Appendix C.

3. This Agreement is expressly conditioned and made contingent upon:

A. Transferal and/or approval of all existing or necessary permits by the Pennsylvania Department of Environmental Protection ("DEP") and other governmental entities, if any, including without limitation:

- (i) NPDES Permit No. 0070254.
- (ii) NPDES Amendment Permit No. 0070254-A1
- (iii) Water Quality Management Permit No. 3909405

B. Copies of all third party (including landlords) and governmental consents, approvals, filings, releases and terminations required in connection with the consummation of the transactions contemplated herein, including without limitation:

- (i) Sewer service agreement and amendments with the Northwestern Lehigh School District for its campus in New Tripoli dated 9 October 1978, 18 May 1983 and 19 November 1986.
- (ii) DEP documents in regard to limiting the number of EDUs (equivalent dwelling units) that could connect to the Sewer System including the Corrective Action Plan dated March 2007, as revised 10 May 2007 and the Connection Management Plan dated 1998 as revised February 2006.

C. Such other documents as LCA's solicitor shall deem necessary to affect the conveyance of the real property and other assets of the Sewer Systems free and

clear of all liens and encumbrances and which are consistent with the obligations of the parties under the terms of this Agreement.

D. Acquisition by the Township of the Sewer System assets and liabilities from LTSA.

4. The settlement date for the conveyance of the Assets that are the subject of this Agreement shall be on or before 29 February 2012, at such location as the Parties may agree. The Parties may also agree, in writing, to extend the settlement date.

5. On the settlement date, the Township shall deliver to LCA the following:

A. Deeds, agreements or assignments, as applicable depending on the title being conveyed, whereby title to all real property interests, (all of which interests are described in Appendix A) are conveyed by the Township to LCA free and clear of all liens and encumbrances other than as listed on Updated Appendix C; and

B. A Bill of Sale whereby any and all of the personalty comprising the Sewer System owned by the Township, as listed on Updated Appendix B, are transferred to LCA free and clear of all liens and encumbrances other than as listed on Updated Appendix C; and

C. Appropriate certified resolution(s) of the Township, authorizing the performance of the terms of this Agreement; and

D. Assignment of all Township accounts receivable in regard to the Sewer System and all of its rights to collect such accounts including assignment of any municipal liens the Township may have filed in this regard; and

E. Assignment to LCA of such manufacturer, contractor, service, or other warranties as the Township may have, applicable to the Assets to be transferred, as well as all records, plans, sketches, customer lists, sewer quality analyses, etc., relating to the Sewer System; and

F. Copies of any third party approvals, if any, set forth in §3B of this Agreement.

6. On the settlement date, LCA shall deliver to the Township a certified resolution of the LCA Board authorizing the acceptance of the Assets and the liabilities as of settlement date, and also stating its intent to abide by the terms of this Agreement.

7. If any liability shown on Updated Appendix C is disputed by the Township, it shall not be paid until the dispute is resolved between the parties to the dispute, but the amount of the asserted claim, including interest, finance charges, or penalties, shall be deposited in escrow with an escrow agent satisfactory to the Parties at the time of settlement or shall be paid into court pursuant to the provisions of applicable law. Any monies in the escrow account or interest thereon that are not needed to resolve the dispute shall be released to LCA upon resolution of the dispute.

8. The Township covenants and agrees that it will continue upon its acquisition from LTSA the normal operation of the Sewer System that is the subject of this Agreement, including reasonable and normal maintenance and repair, until the date of settlement as provided in this Agreement.

After settlement, LCA covenants and agrees to maintain the Sewer System in good repair and operating condition, to operate the same continuously in an economical and efficient manner, and to make all repairs, renewals, replacements and improvements thereto as required to maintain adequate sewer service in the Township. This responsibility shall include a commitment to address Sewer System inflow and infiltration ("I&I") and LCA shall annually budget (i) necessary maintenance services related to I&I and (ii) LCA personnel time for collection system investigatory I&I work and minor repairs that are generally performed by LCA personnel. LCA also affirms its intent to proceed promptly with construction of short-term upgrades of the treatment plant, which include Phase 1 piping improvements and disinfection facilities as well as Phase 2 influent chamber improvements. LCA shall provide short-term financing (\$750,000.00) from current LCA reserves at an interest rate of 2% per-annum for such improvements. Based on a need for additional treatment capacity to serve the needs of existing development or new development approved by the Township, LCA shall also expand the treatment plant and provide long-term financing (\$3,000,000.00), including the then outstanding principal balance of the short term loan being rolled into this long-term financing, for that expansion and related treatment plant improvements.

9. The Township represents and warrants to LCA that:

A. It will be the sole and unconditional owner of the various Assets that are the subject matter of this Agreement and has the legal capacity and authority to enter into and perform the terms of this Agreement.

B. There are no legal proceedings pending or threatened against the Township, or to the Township's knowledge against LTSA, in any court or jurisdiction involving the Sewer System.

C. The listing of assets and property itemized and listed on Appendices A and B are true and accurate listings as nearly as possible of all of the assets and property owned by LTSA as of the date of this Agreement that are utilized or to be utilized in the Sewer System.

D. The Township has not defaulted under any agreement or any other instrument to which the Township is a party or by which the Township is bound, which default could result in a lien, attachment or encumbrance upon the property herein conveyed.

E. The Township and the prior owner LTSA have installed the Sewer System facilities herein conveyed in good workmanlike manner and as of the date

of Settlement those facilities are properly and efficiently operating, except for Sewer System inflow and infiltration (I & I).

F. The Township will possess all permits for the business and operation of the Sewer System as well as all regulatory permits required for the wastewater treatment plant expansion/upgrades, including permits for any new regulations that became effective between the time permits were initially issued and the date of this Agreement. All such permits are valid and in full force and effect; the Township has received no notice of permit revocations; and no proceeding is pending or, to the best of the Township's knowledge, threatened to revoke or amend any of them. None of such permits will be impaired or in any way affected by the execution and delivery of this Agreement or the consummation of the transactions contemplated herein.

G. To the best of the Township's knowledge, no hazardous materials or toxic wastes or substances, including asbestos, have been disposed of on land near or comprising any part of the real property interests used to provide Sewer System service.

10. After the execution of this Agreement and prior to settlement, the Township shall give to LCA solicitor, accountants, or other representatives full access during normal business hours to all Township property, books, contracts, commitments, information and records concerning the Sewer System operations that LCA reasonably may request.

11. LCA agrees that it will provide sewer service to all of the properties and consumers that are being served by the Township as of the settlement date, as well as future customers who connect to the Sewer System after LCA ownership, based upon rates, policies and rules & regulations that LCA may adopt from time to time. LCA also agrees to develop and maintain general specifications for construction of sewer systems and, moreover, covenants to require that future Sewer System construction shall be in compliance with these general specifications, which specifications are made a part hereof, including any future revisions thereof.

Furthermore, the Township to support LCA's efforts and responsibilities set forth above, and as consideration for acquiring the Sewer System, covenants and agrees:

A. To amend its subdivision and land development ordinance ("SALDO") to provide for LCA review, comment and determination of the feasibility of sewer service to any subdivision presented to the Township for the creation of new building lot(s) or land development within areas designated for central sewerage service in the Township's then current Sewage Facilities (Act 537) Plan or properties within 1000 feet of such area. No such final plan of subdivision to create a new building lot(s) or plan for land development shall be approved by the Township until LCA has reviewed the plan and provided written comment to the Township, unless LCA should fail to provide written comment to the Township within thirty (30) days from the date the plan was submitted to LCA. In the latter situation the Township may officially act without having received and considered

such report. If LCA determines that service to such property(ies) is feasible, the Township shall require such property(ies) to connect to and obtain sewer service from LCA in accordance with LCA's then current general specifications for construction of sewer systems, policies, rules & regulations.

B. To amend its SALDO to require that any development outside of the area specified in §11A that proposes to construct a central sewer system or extend service from a central sewer system not owned by LCA shall (i) construct such sewer system in accordance with LCA's then current general specifications for sewer system construction, and (ii) convey such system to LCA at no cost upon completion of construction and successful startup of such system for LCA's ownership and operation. Plans for such systems shall be reviewed and approved, as well as the construction inspected and approved, by LCA. Costs of review, inspection and approvals by LCA shall be payable by the developer.

C. That in the event that a Sewer System extension is requested by the Township to provide sewer service to existing residential, commercial or industrial buildings, to adopt appropriate ordinances whereby property owners will be required to connect to said sewer system in accordance with existing law and pay any appropriate assessments and charges levied by LCA.

D. To amend its ordinances in regard to the Sewer System to reflect LCA ownership of the Sewer System, however, retaining the portions of such ordinances dealing with mandatory connections to the Sewer System and other public health issues for which the Township, but not LCA, has the legal ability to legislate.

E. That in the event the Sewer System experiences I&I issues on private sewer laterals, the Township will adopt appropriate ordinances and take any other such action necessary or desirable to assist LCA in addressing such problems.

The Parties commit to enter into a sewer service agreement between themselves including these and additional provisions in regard to LCA sewer services in the Township.

12. The Township agrees to grant and convey to LCA at no cost any and all easements in public roads and other properties owned by the Township that are required by LCA for the Sewer System, provided that LCA shall return the surface of such easements as nearly as possible to their preconstruction condition. The Township agrees to permit LCA without further authorization, payment of fees or security to excavate in such easements for purpose of maintaining, improving and repairing the Sewer System provided that LCA shall promptly notify the Township of such excavation and, after such work is completed, restore the surface of said easements as nearly as possible to their preconstruction condition.

13. It is agreed by the parties that, upon request by the Township, LCA shall provide professional advice on sewer-related matters in the Township. The Township shall reimburse the costs of such services, including any overhead, to LCA or, in the event such advice is required as a result of a proposed development, by the Developer.

14. If LCA should decide to sell or transfer the Sewer System to another entity other than a public/governmental entity that is taking ownership of all LCA systems and the Sewer System has not been interconnected with any other LCA sewer system, the Township shall have the first right of refusal to acquire ownership of the Sewer System in the Township on the same terms and monetary consideration as the transaction negotiated by LCA with the other entity. This acquisition is conditioned upon Township assumption of Sewer System responsibilities of any governmental orders and/or agreements with other entities, which may include assumption of LCA liabilities under such orders and/or agreements. Furthermore, any such acquisition is conditioned upon ownership and operation of the Sewer System by the Township, a Township municipal authority or another municipal entity for a period of at least ten years after acquisition; and if such not be the case, it shall be LCA's option to reacquire all these wastewater facilities under the same conditions as set out above in this section. Six months prior notice of the intent to sell or transfer the system must be given by each party to the other. Should such an acquisition transpire, title to all easements, rights-of-ways, pipes, mains, fittings, manholes, pumping stations and other appurtenances constituting parts of the Sewer System within the Township shall be conveyed by the appropriate party.

15. The Township shall indemnify and hold LCA, its employees, agents and officials harmless at all times after the date of this Agreement from any and all claims, suits, causes of action and liability, including personal injury and death, of any nature existing because of the occurrence of events related to the design, construction, operation and maintenance of the Sewer System prior to the settlement date. LCA shall indemnify and hold the Township, its employees, agents and officials harmless at all times after the date of this Agreement from any and all claims, suits, causes of action and liability, including personal injury and death, of any nature existing because of the occurrence of events related to the operation and maintenance, expansion, improvement, replacement and/or rehabilitation of the Sewer System after the settlement date.

The Township shall not be liable for any portion of a verdict or judgment nor associated litigation expenses, including attorney's fees, ultimately determined to be the result of the negligent, willful misconduct, criminal and/or intentional acts of LCA or any of its employees, agents and officials, nor shall LCA be liable for any portion of a verdict or judgment nor associated litigation expenses, including attorney's fees, ultimately determined to be the result of the negligent, willful misconduct, criminal and/or intentional acts of the Township or any of its employees, agents and officials.

Damages, for purposes of this Agreement shall include, without limitation, the aggregate of all expenses, losses, costs, deficiencies, liabilities and damages (including reasonable counsel and paralegal fees and expenses) incurred or suffered by the indemnified party, its employees, agents and officials.

If the Township shall control the defense of any such claim against LCA, the Township shall obtain the prior written consent of LCA before entering into any settlement of a claim or ceasing to defend such claim, if pursuant to or as a result of such settlement or cessation an injunction or other equitable relief will be imposed against LCA or if such settlement does not expressly, unconditionally and irrevocably release LCA from all liabilities and obligations with respect to such claim, with prejudice. If LCA shall control the defense of any such claim against the Township, LCA shall obtain the prior written consent of the Township before entering into any settlement of a claim or ceasing to defend such claim, if pursuant to or as a result of such settlement or cessation an injunction or other equitable relief will be imposed against the Township or if such settlement does not expressly, unconditionally and irrevocably release the Township from all liabilities and obligations with respect to such claim, with prejudice.

16. The recital clauses set out in the beginning of this Agreement are incorporated herein and made a part of this Agreement.

17. All conditions, promises, covenants, obligations, responsibilities, provisions, representations, warranties and terms of this Agreement are intended by the parties to, and shall, survive the Settlement.

18. This Agreement shall be binding upon the successors and assigns of the Township and LCA to the same degree as if those successors and assigns were signatories hereto; furthermore, LCA reserves its right to assign all of its respective rights and responsibilities under this Agreement after Settlement to third parties and the Township agrees to honor all of its obligations to such third party to the same degree and extent as it would to LCA, subject to the provisions of §15 above.

19. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the Parties and that this Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement.

20. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

21. This Agreement will be governed by and constructed under the laws of the Commonwealth of Pennsylvania. Any action or proceeding seeking to enforce any

provision of, or based on any right arising out of this Agreement, may be brought against either of the parties in the Court of Common Pleas of the County of Lehigh, and each party consents to the jurisdiction of such court (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue made therein.

IN WITNESS WHEREOF, Lynn Township and the Lehigh County Authority each have caused this agreement to be duly and properly executed and attested, pursuant to proper action of its governing body, all as of the day and year first above written.

ATTEST:

Tammy M. White

Name: **Tammy M. White**

Title: **Secretary/Treasurer**

LYNN TOWNSHIP

By: Brian C. Dietrich

Name **Brian C. Dietrich**

Title **Chairman, Lynn Twp.**

ATTEST:

Bradford E. Landon:
Solicitor

LEHIGH COUNTY AUTHORITY

By: _____
Aurel M. Arndt
General Manager

**REAL PROPERTY INTERESTS OF THE
LYNN TOWNSHIP SEWER SYSTEM
TO BE CONVEYED OR ASSIGNED TO THE LEHIGH COUNTY AUTHORITY**

- A - Wastewater treatment plant site, including the 80,000 gallons per day (GPD) wastewater treatment plant and associated facilities, at 7481 Allemaengel Road, New Tripoli also identified by Lehigh County PIN 541987601552, which is owned in fee simple.
- B - Easements obtained in connection with the Sewer System construction, including the following:

GRANTOR	INSTRUMENT DATE	DATE RECORDED	RECORDING INFORMATION
Elsa L. Hoffman	12/12/1978	1/15/1979	Misc. 418, pg. 603
New Tripoli National Bank	11/30/1978	1/15/1979	Misc. 418, pg. 608
New Tripoli National Bank	12/1/1978	1/15/1979	Misc. 418, pg. 613
Ruth E. Kuntz, et al.	12/12/1978	1/15/1979	Misc. 418, pg. 618
Ruth E. Kuntz	12/14/1978	1/15/1979	Misc. 418, pg. 623
Velma M. Sittler	12/1/1978	1/15/1979	Misc. 418, pg. 628
Joint Council Consistory of the Ebenezer Union Church et al	12/18/1978	1/15/1979	Misc. 418, pg. 633
(Ella L) Ella German	1/3/1979	1/23/1979	Misc. 419, pg. 1105
Braden B. Bachman, wf	12/18/1978	1/23/1979	Misc. 419, pg. 1110
William R. Rapp	12/27/1978	1/23/1979	Misc. 419, pg. 1115
Alma M. Leibensperger	12/27/1978	1/23/1979	Misc. 419, pg. 1120
Frederick L. Mantz, wf	12/27/1978	1/23/1979	Misc. 419, pg. 1125
George Family Partnership, et al.	1/29/1979	3/28/1979	Misc. 420, pg. 873
Northwestern Lehigh School District Authority	2/27/1979	3/28/1979	Misc. 420, pg. 330
Ella German	1/25/1979	3/28/1979	Misc. 420, pg. 878
David T. Dilcher, et al.	12/01/1978	3/28/1979	Misc. 420, pg. 883
Carl D. Snyder, wf	12/27/1978	3/28/1979	Misc. 420, pg. 888
Carl D. Snyder, wf	12/27/1978	3/28/1979	Misc. 420, pg. 893
Carl D. Snyder, wf	12/27/1978	3/28/1979	Misc. 420, pg. 898
Carl D. Snyder, wf	12/27/1978	3/28/1979	Misc. 420, pg. 903
Carl D. Snyder, wf	1/25/1979	3/28/1979	Misc. 420, pg. 908
Ruth E. Kuntz, et al.	1/24/1979	3/28/1979	Misc. 420, pg. 913
New Tripoli National Bank	3/23/1979	3/28/1979	Misc. 420, pg. 918
Paul S. Gilbert	1/25/1979	3/28/1979	Misc. 420, pg. 923
Lester C. Snyder, et al.	1/22/1979	3/28/1979	Misc. 420, pg. 928
Robert E. Brobst, Jr, wf	12/5/1978	3/28/1979	Misc. 420, pg. 933
Lillian M. Sittler, Est by Exr, et al.	1/31/1979	3/28/1979	Misc. 420, pg. 938
Lillian M. Sittler, Est by Exr, et al.	1/31/1979	3/28/1979	Misc. 420, pg. 943
Mervin W. Handwerk, wf	1/25/1979	3/28/1979	Misc. 420, pg. 948
Rodney D. Moyer, et al.	2/1/1979	3/28/1979	Misc. 420, pg. 953
Carl D. Snyder, wf	12/27/1978	3/28/1979	Misc. 420, pg. 958
David Gilcoff, et al.	12/18/1978	4/3/1979	Misc. 420, pg. 359
William P. Wetzel, et al.	12/18/1978	4/26/1979	Misc. 421, pg. 1114
Earl S. Keller, Est by Exrx.	3/30/1979	4/26/1979	Misc. 421, pg. 1120
Herbert Grim, Sr., wf	1/22/1979	6/5/1979	Misc. 422, pg. 1156
Herbert Grim, Sr., wf	5/1/1979	6/5/1979	Misc. 422, pg. 1161

Lamone C. Schaffer, et al.	3/22/1979	6/15/1979	Misc. 422, pg. 189
George Family Partnership by Atty, et al.	6/4/1979	7/11/1979	Misc. 423, pg. 125
Carl D. Snyder, wf	9/8/1987	9/10/1987	Misc. 549, pg. 425
Carl D. Snyder, wf	5/08/1995	5/26/1995	Misc. 790, pg. 546
Lynn Township ¹	5/22/1995		
Alex S. Hornstein	12/15/2000	4/28/2003	Doc. Id. 7081570
Alex S. Hornstein (assignment of Oswalk/Daniels easement)	8/11/2000	/28/2003	Doc. Id. 7081571

C - Easements for use of Township-owned property, roads and rights-of-way for Sewer System facilities.

D - Any and all easements by prescription or lands by adverse possession in regard to the Sewer System held by the Lynn Township and/or any predecessors in interest.

APPENDIX A

¹ Access/Utility and Sanitary Sewer R-O-W with the treatment plant

LYNN TOWNSHIP SEWER SYSTEM ASSETS
TO BE CONVEYED OR ASSIGNED TO THE LEHIGH COUNTY AUTHORITY

- A - All of the wastewater service lines up to curb line, wastewater collection lines, pumps, electrical equipment, manholes, metering stations, pump stations and appurtenances to these assets, as well as all inventories of chemicals, materials and supplies, repair parts, meters, tools and equipment, etc., installed or stored within system facilities as of the date of this agreement, as shown on the attached map, including the following :

Item	Unit	Estimated Quantity
6" sewer main pipe	lineal feet (l.f.)	6,200
8" sewer lateral pipe	lineal feet (l.f.)	42,000
Manholes	each	182

- B - Other personalty of the Sewer System:

LRM INSTALLED THREE (3) ENDRESS & HAUSER FLOW METERS
 ISCO, THREE (3) REFRIGERATED SAMPLERS
 FRANKLIN MELLER REBUILT GRINDER
 ROWER ELECTRIC REBUILT ELECTRIC MOTOR
 ROWER ELECTRIC REBUILT #1 WET WELL PUMP
 RIORDAN MATERIALS NEW FLYGT PUMP, SPARE
 RIORDAN MATERIALS, VARIABLE SPEED PUMPING
 NEW COMPUTER INSTALLED IN VARIABLE SPEED PANEL
 AQUA NET ENVIRONMENTAL, INC.
 CONSTRUCT CLARIFIER
 CROWDER JR. CO. NEW GENERATOR, KOHLER 200KW
 #1 BLOWER REBUILD
 #1 10 HP ELECTRIC MOTOR, ROWER ELECTRIC, BLOWER
 #2 NEW BLOWER, R & M
 #2 10 HP ELECTRIC MOTOR, ROWER ELECTRIC, BLOWER
 #3 BLOWER REBUILD
 EXCELSIOR BLOWER, MEW SILENCE SYSTEM
 W W GRAINGER, AIR COMPRESSOR
 MANTZ APPLIANCE'S, GIBSON REFRIGERATOR
 HYDRO WASH, PRESSURE WASHER
 GRAINGER, DAYTON PROPANE HEATER
 GRAINGER, HAND TRUCK
 FASTENAL, BOSCH IMPACT GUN
 GRAINGER, BOSCH CORLESS DRILL
 GRAINGER, CORLESS GRINDER
 K. KISTLER, JOHN DEERE TRACTOR
 MOWER, SNOW BLOWER

SEARS, PORTABLE AIR TANK
 EXETER SUPPLY, TORCH
 GAYLE CORP., POLYMER FEED SYSTEM
 CLARIER RAS PUMING SYSTEM
 #2 RAS BEBUILT BY MUNICIPAL MAINT. CO
 PUT ONLINE PULSATRON SERIES PUMP FOR THE CL2 TANK
 GRAINGER, 3 TENNER PUMP FOR SODIUM HISULFITE
 GRAINGER, TWO (2) STENNER PUMPS FOR DEL PAC 2000
 GRAINGER, UTILITY PUMP
 GRAINGER, LIBERTY PUMP
 MIDLAND DIAPHRAGM 3 HP 4 INCH
 GODWIN PUMPS, THREE (3)
 CHERNE 3CIENTIC, INC., CENTRIFUGE
 HACH/DR870 COLORIMETER
 HACH/700 COLORIMETER
 ORION/5 STAR
 HOEKEL INCUBATOR
 B & C MICRO-SERVICES, ACCU-SCOPE
 USA BLUE BOOK, THERMO
 SCIENTIFIC/HOT PLATE
 DELL, PRECISION WORKSTATION 370
 DELL PRINTER
 DELL OPTIPLEX 745
 STAPLES, HP 8500 PRINTER
 FEDERAL SURPLUS, THREE (3) FILES
 14" TV RECORDER/RECORDER NOT WORKING
 3 DESKS
 3 DESKS CHAIRS
 2 FILING CABINETS
 METAL OPEN PAPER STORAGE CABINET
 WOODEN OPEN STORAGE CABINET
 METAL STORAGE CABINET
 METAL CLOTHS STORAGE CABINET
 96" TABLE

72" TABLE
4 CHAIRS
VARIOUS TOOLS
WRENCHES
SCREWDRIVERS
2 SOCKET SETS
3 HAMMERS
FILES
3 GREASE GUNS
2 PIPE WRENCHES
2 HEX L SETS
KEYHOLE SAW
VARIOUS USED VALVES/PIPES

VARIOUS FIRE CO HOSES (GIVEN TO
LTSA)
VARIOUS OFFICE SUPPLIES
VARIOUS LAB SUPPLIES
VARIOUS CLEANING SUPPLIES
T-LIFT MANHOLE
GRAB DIPPER SAMPLER
12 MANHOLE INSERTS
4 METAL RISERS
LAB-LINE AMBI-HI-LO CHAMBER
SYBRON THERMOLYNE 1500 FURNACE
8' X 10' SHED

C - All cash, money market accounts, bank accounts, accounts receivable, municipal lien amount outstanding and other sums owed to the Township in regard to the Sewer System.

- New Tripoli Bank Account No. 4701181- \$140,247.47 (as of 29 July 2011)
- New Tripoli Bank Account No. 12021929 - \$63,376.87 (as of 29 July 2011)

APPENDIX B

*EXISTING LIABILITIES ENCUMBERING THE ASSETS OF THE
LYNN TOWNSHIP SEWER SYSTEM*

None

APPENDIX C

Line and Symbol Legend

- Existing Sanitary Sewers
- Manhole Inspected In 2006
- Manhole Inspected In 2008
- Manhole Inspected In 2007

**Lynn Township Sewer Authority
SANITARY SEWER SYSTEM**

March 2007

SCALE = 1" = 100'

ARRO
Aerial Reconnaissance & Remote Sensing, Inc.

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