

Grim, Biehn & Thatcher  
By: John B. Rice, Esquire  
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Identification No. 46489  
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(215)257-6811

BUCKS COUNTY WATER AND SEWER  
AUTHORITY

Plaintiff

v.

PLUMSTEAD TOWNSHIP

Defendant

COURT OF COMMON PLEAS  
OF BUCKS COUNTY

DECLARATORY JUDGMENT, IN  
EQUITY

NO. 2005-5361

STIPULATION AND AGREEMENT

It is hereby *STIPULATED AND AGREED* by and between the Bucks County Water and Sewer Authority, a Municipal Authority (hereinafter "*BCWSA*"), and Plumstead Township, a Township of the Second Class, as follows:

I. BACKGROUND.

A. On or about August 22, 2005, BCWSA filed an action in declaratory judgment and in equity against Plumstead Township claiming an exclusive right to provide sanitary sewer service within Plumstead Township pursuant to a 1978 Agreement entered into between and among BCWSA, Plumstead Township, and the Plumstead Township Municipal Authority. A copy of said Agreement is attached hereto and incorporated herein by reference.

B. On April 21, 2006, Plumstead Township filed an appeal of action taken by the Department of Environmental Protection approving the proposed BCWSA Harvey Avenue Treatment Plant expansion. This appeal is docketed at EHB Docket No. 2006-123-MG.

C. On or about October 20, 2006, BCWSA appealed from certain action by the

Department of Environmental Protection approving the Plumstead Township Act 537 Plan Update. This appeal is docketed at EHB Docket No. 2006-225-MG.

D. On or about March 29, 2007, BCWSA appealed from an action by the Department of Environmental Protection in granting approval of a planning module for the Carriage Hill Subdivision located in Plumstead Township, Bucks County, Pennsylvania. This appeal is docketed at EHB No. 2007-078-MG.

E. The parties have met and have had discussions for the purpose of reaching an agreement as to the manner in which BCWSA will provide public sanitary sewer service within Plumstead Township.

F. This Stipulation and Agreement is entered into to confirm the agreement of the parties.

## II. TERMS OF AGREEMENT.

1. Plumstead Township will establish a Sanitary Sewer District within a portion of Plumstead Township designating an area consistent with its Act 537 Plan for public sanitary sewer service by BCWSA. A copy of the Sanitary Sewer District Map is attached hereto and incorporated herein as *Exhibit "A"*.

2. BCWSA will pay a water meter reading charge to Plumstead Township at the rate of Two Dollars and Fifty Cents (\$2.50) per customer, per year, plus a One Dollar (\$1.00) increase per customer, per year, every 10 years.

3. BCWSA shall not execute any sewer service agreements with landowners and/or developers within Plumstead Township until it has received written notice that the Board of Supervisors of Plumstead Township has approved a preliminary plan of subdivision or land development within the Sanitary Sewer District. BCWSA shall provide to Plumstead Township any landowner requests for preliminary agreements in writing, after which the Township will

advise BCWSA within sixty (60) days after receipt from BCWSA of notice of the request for a preliminary agreement as to whether the Township intends to contest a particular land development, zoning application, or other proposed subdivision or land development on the basis of noncompliance with its Act 537 Plan or its land use ordinances. If the Township intends to contest any such application, BCWSA will not execute a preliminary agreement nor perform any review of plans until such time as the landowner or developer has secured an approval of preliminary plans of subdivision or land development.

4. Plumstead Township will execute a Sanitary Sewer Reservation Agreement in conjunction with the Harvey Avenue Wastewater Treatment Plant expansion delineating the Township's required sewer capacity for the area identified within its Sanitary Sewer District. No additional sewer capacity will be allocated by BCWSA to the Township as a result of an upgrade or re-rating of Harvey Avenue Wastewater Treatment Plant, by removal of inflow and infiltration, or through the expansion, re-rating, or construction of any other existing or new sewer treatment plant without the written consent of the Township. As of the date of this Agreement, the Township's requested sewer capacity is 1,125 equivalent dwelling units ("EDU's"). Additionally, BCWSA will unconditionally oppose any expansion of the Sewer District as identified on Exhibit "A" unless approved by the Township.

5. Within 30 days from the date of this Agreement and the approval of this Agreement by the court, BCWSA will, to the best of its knowledge, information and belief, provide data to the Township identifying all of the CBS I and CBS II EDU's that it believes are outstanding within the BCWSA service area in Plumstead Township. Any or all CBS I or CBS II EDU's which are outstanding within the BCWSA service area in Plumstead Township shall be included within the requested sewer capacity of 1,125 EDU's and shall not be in addition to this requested capacity.

6. Within 30 days from court approval of this Stipulation and Agreement, BCWSA will reimburse Plumstead Township Two Thousand Five Hundred Sixteen Dollars (\$2,516.00) for computer upgrades necessary to provide water usage documentation to BCWSA for the Township's public water facilities.

7. Within 30 days of the rendering of an invoice by the engineer or planner hired by the Township to revised its existing 537 Plan, the Authority agrees to reimburse Plumstead Township those costs. The Township will complete the appropriate revisions and submit its revised Act 537 Plan to DEP within six months after the date that the last party signs this Agreement. In addition to the foregoing 537 revisions, the Township will update its existing Stormwater Management Ordinance to insure increased stormwater recharge within the Township. In order to avoid increased infiltration and inflow into the BCWSA system, the parties will work together to reduce stormwater inflows and BCWSA will seek and secure funds necessary to reimburse the Township for the costs of the Township's Stormwater Ordinance update in an amount not to exceed Ten Thousand Dollars (\$10,000.00).

8. BCWSA will not operate any treatment plants in Plumstead Township other than the Timberly Farms Sewage Treatment Plant on Meetinghouse Road within the Township.

9. BCWSA will use its best efforts to dismantle and remove the Timberly Farms Treatment Plant if it determines that the costs of operating the treatment plant exceeds the costs of removal of the plant and connection of the Timberly Farms development to existing facilities of BCWSA. During the time that BCWSA operates the Timberly Farms Treatment Plant, the Timberly Farms residents will be charged at the same rate as other customers of Bucks County Water and Sewer Authority in Plumstead Township.

10. If BCWSA determines to dismantle and remove the Timberly Farms Treatment Plant, BCWSA will connect the dwelling units currently serviced by the Timberly Farms Plant

and will waive all tapping fees for the homeowners thereby connected. If the Timberly Farms Treatment Plant is dismantled, BCWSA will apply for a demolition permit from the Township and will restore the existing wetland basin in accordance with the direction of the Township Engineer to an acceptable level by insuring that stormwater continues to flow to the basin after the removal of the treatment plant. If BCWSA determines to maintain and operate the Timberly Farms Treatment Plant, BCWSA will not further expand the treatment plant or service or connect any additional dwelling units to it.

11. BCWSA will support the Township's efforts to modify its Act 537 Plan so as to eliminate any public, homeowner association, or other centralized public sewer system outside of the Sanitary Sewer District Area described in Paragraph 1. of this Agreement.

12. The Township will take all necessary actions to modify its existing court-approved stipulation and/or plan approval with respect to Plumstead Chase and the proposed sewer treatment plant serving that project and will further modify the proposed final plan for Carriage Hill, to permit both of these projects to be included within the proposed Sanitary Sewer District Area as described in Paragraph 1 above.

13. BCWSA will eliminate both the proposed McGinnis Sewer Treatment Plant and the proposed Carriage Hill Sewer Treatment Plant, and it will provide sanitary sewer service to existing BCWSA facilities for both the McGinnis and Carriage Hill residential subdivisions. In consideration of the establishment and designation of the Sanitary Sewer District Area described in Paragraph 1 of this Agreement, BCWSA will modify its sewer tapping fee for both the McGinnis Tract and Carriage Hill Tract, provided that developers for the McGinnis Tract and Carriage Hill Tract contribute a capital improvement fee to Plumstead Township in the amount of One Thousand Five Hundred Dollars (\$1,500.00) per dwelling unit.

14. In the event that the Department of Environmental Protection or a court of the

Commonwealth of Pennsylvania orders the Township to provide public sanitary sewer service in an area of the township outside of the Sanitary Sewer District described in Paragraph 1 of this Agreement, then, in that event, BCWSA would have the option of taking ownership or management of that court ordered facility. BCWSA further agrees that any such facility will be prohibited from adding any additional connections or to expand beyond what a final court decree approves.

15. Notwithstanding the establishment of the Sanitary Sewer District described in Paragraph 1 of this Agreement, in the event that property owners within Plumstead Township propose individual in-ground, on-lot sewage disposal systems (such as sand mound and drip irrigation facilities) within the Sanitary Sewer District, such systems will continue to be permitted within this area provided that all systems comply with the rules and regulations of the Bucks County Department of Health and the Pennsylvania Department of Environment Protection. All new residential housing units within the Sanitary Sewer District shall be required by the Township to demonstrate the infeasibility of individual in-ground, on-lot sewage disposal systems on each individual lot before connecting to BCWSA.

16. The terms and conditions of this Stipulation and Agreement supercede any rights and obligations of the parties contained within the 1978 Agreement.

17. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

18. This Agreement shall constitute the entire agreement among the parties hereto and supercede all prior negotiations, understandings and agreements of any nature whatsoever with respect to the subject matter hereof. No amendment, waiver or discharge of any provision of this Agreement shall be effective against either party unless that party shall have consented thereto in writing.

19. This Agreement shall be entered as an Order of the Bucks County Court of Common Pleas and within 30 days after entry of the Court Order approving the enclosed Stipulation and Agreement, the parties will withdraw their respective appeals to the Environmental Hearing Board identified in the Background of this Agreement. Plumstead Township will withdraw its objection to the 537 Plan approval granted by DEP to the upgrade and expansion of the Harvey Avenue Wastewater Treatment Plan and will support any additional upgrades necessary to accommodate the EDU capacity requested by Plumstead Township and identified in Paragraph 4. of this Agreement. Conversely, BCWSA will withdraw its appeal of the Township's Act 537 Plan and its appeal of the Carriage Hill planning module, and will furthermore support the Township's Act 537 Plan revisions encompassing the terms and conditions of this Agreement.

20. This Agreement shall constitute a release and discharge of Plumstead Township and all of its employees and elected or appointed officials from any and all past and present causes of action, claims, demands, damages, costs, expenses, suits of law, and equity or declaratory judgment in any way growing out of any and all known and unknown claims, costs, expenses and damages resulting or to result from the cause of action set forth in the complaint filed by BCWSA in the Court of Common Pleas of Bucks County, August 2005, at No. 2005-5361.

21. The parties agree that the Court will retain jurisdiction for purposes of enforcement and that any change or modification of this Agreement may only be done upon petition and agreement by both parties to the Court of Common Pleas of Bucks County.


22. In the event that BCWSA sells or assigns all its rights and obligations under this Stipulation and Agreement to a new or different municipal authority or private utility company, such assignment shall be subject to an agreed upon modification of this Agreement

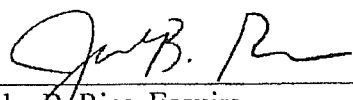
and Court Order. The Township shall further have the right of first refusal to purchase any or all facilities which may be offered by BCWSA for sale to a third party authority or private utility company.

23. Upon execution and approval of this Stipulation and Agreement by Court Order, and upon execution of development agreements for all approved subdivision plans to be connected to BCWSA, BCWSA will work with the Township to assist in the preservation of adequate groundwater by requiring as a condition of its sewer service agreements with the developers, that the developers execute a Well Guarantee Agreement with Plumstead Township protecting existing wells within a one-half (.5) mile radius of all developments to be connected to BCWSA in a form to be approved by the Township Solicitor. In the event any claims and/or law suits are commenced against BCWSA as a result of the requirements of this section, the Township Agrees that it will participate in any such proceedings in support of the BCWSA's requirement that the developer execute a Well Guarantee Agreement.


Respectfully Submitted,

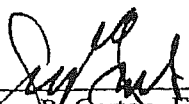
PLUMSTEAD TOWNSHIP  
BOARD OF SUPERVISORS

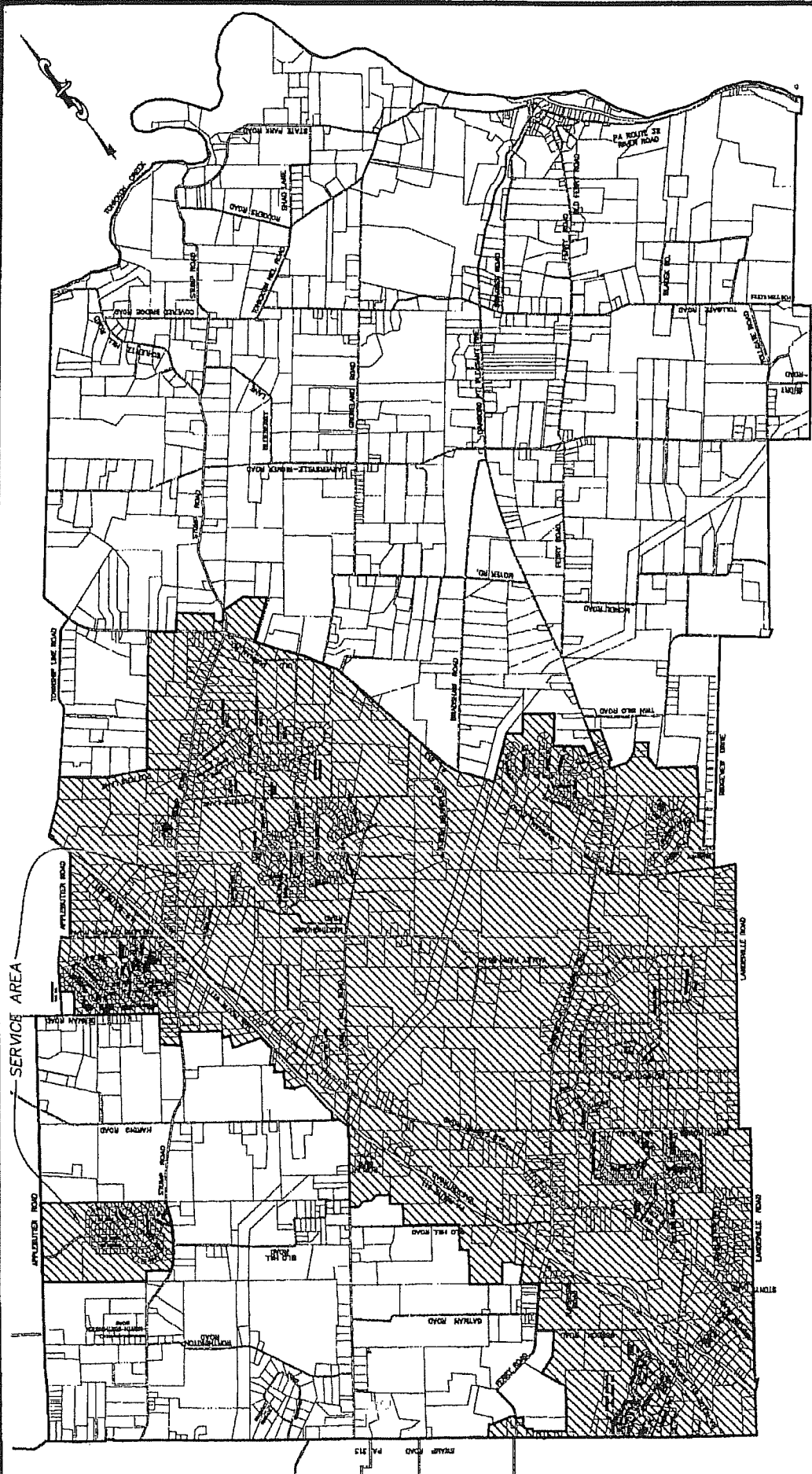
By:   
Name: Frank P. Froio  
Title: Chairman  
Date: Aug 4th 22, 2007

  
John B. Rice, Esquire  
Attorney for Defendant  
Plumstead Township

BUCKS COUNTY WATER  
AND SEWER AUTHORITY

By:   
Name:  
Title:  
Date:

  
Jeffrey P. Garton, Esquire  
Attorney for Plaintiff  
Bucks County Water and Sewer Authority



**PLUMSTEAD TOWNSHIP**  
**BUCKS COUNTY, PENNSYLVANIA**  
 August 2007

BUCKS COUNTY WATER & SEWER AUTHORITY  
 SANITARY SEWER DISTRICT



BCW&SA SERVICE AREA