

COPY

**SHUT-OFF AGREEMENT**

**THIS AGREEMENT** is made this 27<sup>th</sup> day of August, 2001, by and between **NEW HANOVER TOWNSHIP**, a municipal corporation organized and existing under the laws of the Commonwealth of Pennsylvania, having an office for the transaction of business at 2943 North Charlotte Street, Gilbertsville, PA 17525 (hereinafter called the "Township") and **SUPERIOR WATER COMPANY**, a Pennsylvania public utility corporation with its principal place of business at 2960 Skippack Pike, P.O. Box 127, Worcester, PA 19490, (hereinafter called "Superior" or the "Water Company") (collectively "the Parties").

**WITNESSETH:**

**THAT WHEREAS**, the Township is engaged in supplying sewage service to the citizens and residents of New Hanover Township, Montgomery County, Pennsylvania; and

**WHEREAS**, the Water Company, a corporation as aforesaid, is the owner and operator of a water distribution system serving the customers in the aforesaid area, under the applicable rules and regulations of the Pennsylvania Public Utility Commission; and

**WHEREAS**, the Water Company is authorized and required at the request and direction of the Township pursuant to the provisions of the Act of April 14, 1949, P.L. 482 53 P.S. §§ 2261. et seq., to shut-off the supply of water from Superior's system to any premises to which it provides water service in which the rentals, rates and charges for sewage or sewage treatment service supplied by the Township are unpaid.

**WHEREAS**, certain notice requirements relating to the shut-off of the supply of water are set forth therein and in the Act of November 26, 1978, P.L. 1255, No. 299, 68 P.S. §§ 399.1 et seq.; and

WHEREAS, both Parties agree to enter into a written agreement specifically setting forth the duties, obligations, responsibilities and liabilities of each party to each other and such agreement is specifically authorized by Section 4 of the Act of April 14, 1949, P.L. 482, 53 P.S. § 2264.

NOW THEREFORE, in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration, and the covenants hereinafter expressed, the Parties hereto do mutually agree as follows:

1. Upon written request by the Township specifying a premise to which the Township provides sewage service with regard to which the rentals, rates and charges for sewage or sewage treatment service shall not have been paid for a period of at least thirty days from the due date thereof, the Water Company shall proceed to shut-off the supply of water to such premises until it is advised in writing by the Township that all such overdue rentals, rates and charges, together with any interest thereon, have been paid or the Township directs otherwise; PROVIDED HOWEVER, that said written request be accompanied by a statement in writing by a responsible officer of the Township setting forth:

A. For any premise other than a residential building for which the landlord is the party responsible for the payment of sewer service:

i. that the Township has given ten (10) days written notice of its intention to request the Water Company to shut-off the supply of water from its system to such premise to the person liable for the payment of such rentals and charges;

ii. that there has been posted a written notice to this effect at the main entrance to the premise; and

iii. that the Township has not received a written statement under oath or affirmation from the person liable for the payment of the said rentals and charges stating that the said owner has a just defense to the claim or part thereof;

B. For any residential building for which the landlord is responsible for the payment of sewer service;

i. that the Township has given the landlord at least thirty-seven (37) days' written notice of the proposed termination and has given a copy of the notice to the appropriate governmental agency (the Department of Licenses and Inspections of any city of the first class; the Department of Public Safety of any city of the second or third class; and the County Public Health Department in any other political subdivision).

ii. that the termination notice contained the following:

a. the amount owed the sewer system by the landlord for each affected account;

b. the date on or after which water service will be discontinued;

c. the date on or after which the Township will notify tenants of the proposed termination of water service and their rights;

d. a statement of the obligation of the landlord to provide the Township with the names and addresses of every affected tenant or to pay the amount due the Township or make an arrangement with the Township to pay the balance, including a statement that this list must be provided or payment or arrangement must be made within seven (7) days of receipt of the notice, and of the penalties and

liability which the landlord may incur by failure to comply (a civil penalty of not more than \$500 for each day of failure to respond, plus reasonable attorneys' fees);

e. a statement of the right of the landlord to stay the notification of tenants by filing a petition with the Court disputing the right of the Township to cause termination of water service.

iii. that at least seven (7) days after notice to the landlord and at least thirty (30) days before any termination of service, each tenant was provided notice of the proposed termination of water service, the notice containing:

a. the date on which the notice was rendered;

b. the date on or after which water service will be discontinued;

c. a statement of the circumstance under which service to the affected tenant may be continued;

d. the bill for the thirty (30) day period preceding the notice to the tenants;

e. a statement of the statutory rights of a tenant to deduct the amount of any direct payment to the Township from any rent payments then or thereafter due; to be protected against any retaliation by the landlord for exercising such statutory right, and to recover money damages from the landlord for any such retaliation;

- f. a statement that the tenants may make payment to the Township on account of nonpayment by the landlord only by check or money order drawn by the tenant to the order of the sewer system;
  - g. a telephone number at the Township which a tenant may call for an explanation;
  - h. a statement that the information in the notice to tenants was also posted by the Township in those common areas of the premises where it is likely to be seen by the affected tenants.
- iv. that the landlord has not paid the amount due or made an arrangement to pay the amount;
  - v. that the landlord has not filed an unresolved petition with the Court disputing the right of the Township to cause termination of the water service;
  - vi. that the tenants have not exercised their rights to continued service.

2. The Township shall pay to Superior concurrently with the delivery of the written request mentioned in Section 1, above, the sum of Thirty Five Dollars (\$35.00) to cover the Water Company's cost of shutting off the water supply to each premise listed in such request. The Township shall also pay to Superior, upon its request therefore, the further sum of Thirty Five Dollars (\$35.00) to cover Superior's cost of restoring water service to each such premise. In the event that the actual cost incurred by Superior in discontinuing and restoring water service to any such premises is more than the \$35.00 charge, the Township shall remit the actual cost

thereof to Superior based on time, material, transportation and other fixed charges. The fees fixed hereunder may be amended from time to time as agreed by the Parties.

3. The Township shall pay to Superior the estimated loss of water revenues resulting from each such shut-off made hereunder. Such estimated loss of water revenues shall be based upon the actual period of time during which the supply of water is shut-off in each instance and the average water revenue received by the Water Company for a like period of time during the year prior to such shut-off from the class of customer involved in each instance, as determined from the books and records of the Water Company. The estimated loss of revenue shall be billed by the Water Company to the Township periodically at the same time as the Water Company would have billed the customer if the water had not been shut-off, and the Township shall pay each such bill within thirty (30) days of receipt thereof.

4. Superior shall not be liable for any loss, damage or other claim asserted by any property owner, person or corporation based on or arising out of the shutting off of such supply of water pursuant to this Agreement. The Township shall indemnify and hold harmless the Water Company, its agents, officers, servants or employees from any such loss, damage or other claim arising out of said activity pursuant to the terms of the Agreement. The Township shall pay all reasonable attorney fees associated with any defense Superior shall be required to undertake as a result of complying with this Agreement. The Township further agrees that Superior shall be included as an "added insured" to the Township's general liability insurance policy, or any other appropriate insurance coverage maintained by the Township. Notwithstanding the aforementioned language, the Township shall not be responsible for any loss, damage or claim asserted by said owner, person or corporation due to gross negligence on

the part of Superior, its agents, officers, servants or employees, while performing any services for the Township pursuant to this agreement.

5. If a dispute shall arise between the Parties hereto regarding any of the provisions of this Agreement, such dispute may be submitted by either of the Parties to the Pennsylvania Public Utility Commission, whose decision, unless reversed on appeal, shall be final.

6. A. This Agreement may be terminated by either of the Parties hereto by ten (10) days written notice given to the other Party at its principal place of business.

B. The principal place of business of each Party is set forth in the introduction paragraph of this Shut-Off Agreement.

7. This Agreement shall become effective thirty (30) days after Superior has filed a copy thereof with the Pennsylvania Public Utility Commission or, in the event that the said Commission institutes an investigation, or extends the time for consideration, at such time as the said Commission grants its approval thereof.

8. Superior shall have the right to increase the above-referenced amount of Thirty-Five Dollars (\$35.00) from time to time, in the event that the cost to Superior for performing the service hereunder increases, upon sixty (60) days' written notice to the Township. It is further understood and agreed that the aforesaid amount of Thirty Five Dollars (\$35.00) for the shutting off and restoring of water service under the provisions of this Agreement shall be automatically increased to coincide with the charges for shutting off water service and restoring water service contained in the Company's tariff as on file with and approved by the Pennsylvania Public Utility Commission from time to time.

9. Notwithstanding the provisions of this Agreement, it is understood and agreed by the parties hereto that Superior shall be required to comply with any existing regulations of the

Pennsylvania Public Utility Commission relating to notice before termination, in addition to providing any notice that might otherwise be required under this contract or any applicable law or ordinance.

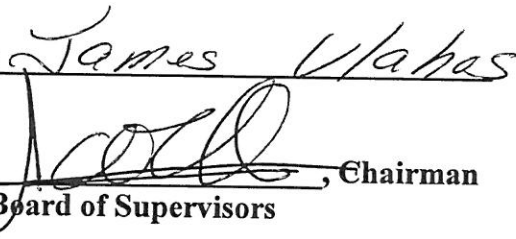
IN WITNESS WHEREOF, the Parties hereto have caused these presents to be signed and attested by their proper officers and their respective seals to be hereto affixed the day and year first above written.

ATTEST:

NEW HANOVER TOWNSHIP



By:



James Vlahas  
Chairman  
Board of Supervisors

ATTEST:

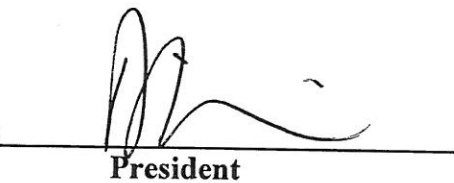
SUPERIOR WATER COMPANY



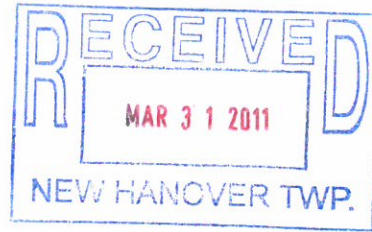
Secretary

(SEAL)

By:



President



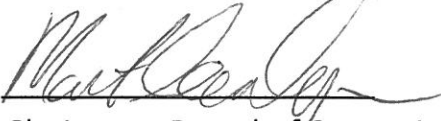
**ADDENDUM TO SHUT-OFF AGREEMENT DATED AUGUST 27, 2001, BETWEEN  
NEW HANOVER TOWNSHIP AND SUPERIOR WATER COMPANY**

1. Change to introductory paragraph. The address of Superior Water Company is changed to **1885 New Swamp Pike, Suite 109, Gilbertsville, PA 19525.**
2. Change to ¶2. The Township shall pay to Superior concurrently with the delivery of the written request mentioned in Section 1, above, the sum of **Forty Five Dollars (\$45.00)** to cover the Water Company's cost of shutting off the water supply to each premise listed in such request. The Township shall also pay Superior, upon its request therefor, the further sum of **Forty Five Dollars (\$45.00)** to cover Superior's cost of restoring water service to each such premise. In the event that the actual cost incurred by Superior in discontinuing and restoring water service to any such premises is more than the **\$45.00** charge, the Township shall remit the actual cost to Superior based on time, material, transportation and other fixed charges.
3. Change to ¶8. Superior shall have the right to increase the above-referenced amount of **Forty-Five Dollars (\$45.00)** from time to time, in the event that the cost to Superior for performing the service hereunder increases, upon sixty (60) days' written notice to the township. It is further understood and agreed that the aforesaid amount of **Forty Five Dollars (\$45.00)** for shutting off and restoring of water service under the provisions of this Agreement shall be automatically increased to coincide with the charges for shutting off water service and restoring water service contained in the Company's tariff as on file with and approved by the Pennsylvania Public Utility Commission from time to time.

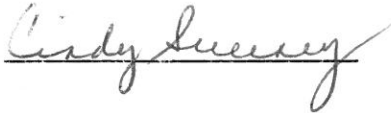
WITNESS:



NEW HANOVER TOWNSHIP

By:   
Chairman, Board of Supervisors  
MARTIN DYAS

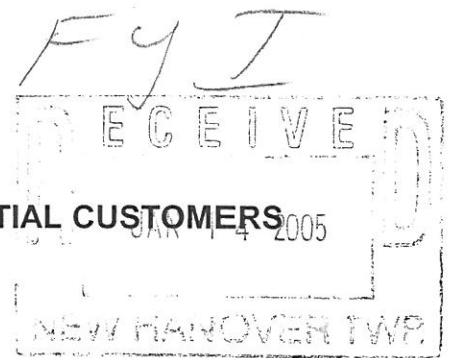
WITNESS:



SUPERIOR WATER COMPANY

By:   
Chief Operating Officer

**NOTICE TO SUPERIOR WATER COMPANY RESIDENTIAL CUSTOMERS**



Dear Customer:

The Governor signed a new law called the Responsible Utility Customer Protection Act (Act 201 or Law) that became effective on December 14, 2004. The Law makes new rules to help utilities keep costs down. To keep costs down, we have new rules for collecting money on past due accounts. These rules also apply to deposits, payment agreements and service accounts that have been shut off. This notice will tell you about the changes we will be making because of the Law.

**Shut-Off of Utility Service** – Superior Water Company can shut off your service if you fail to do any one of the following: to pay for service, to keep a payment agreement, to pay a deposit or to allow us to get to our equipment.

We will send you a 10-day notice. Once you get this notice, we have 60-days to shut off your service. Next, we will try to talk to you at least 3 days before the shut off date. From December through March, if we do not talk to you, we will leave a notice 48 hours at the residence before we shut off your service. If we shut off your service, we will leave a notice to tell you what you need to do to get service back on.

There are certain times we may shut off your service without giving you notice. These include stealing service, getting service through fraud, tampering with our meter, or if there is an unsafe condition.

The Law now allows us to shut-off service on all weekdays, including Fridays. Superior Water Company may also now shut-off your service during the winter (December 1 – March 31). We do not need to get Public Utility Commission (PUC) approval first. But, we will give you notice. If your income is below 250% of the federal poverty guidelines, we must first ask the PUC for permission to shut off your service. For example, this means if there are 3-people in your household your monthly income must be below \$3,265 to require PUC involvement before termination.

If you give us a bad check to stop termination, we may shut off your service without any further notice.

**Payment to Restore Service** – Depending on your income and payment history, we may require you to pay the full bill or we may make a payment agreement. We may also require you to pay a reconnect fee and a deposit. If you have broken two or more payment agreements, we may require payment of the full balance.

Any adult who lived at a home that we shut-off for an overdue bill may have to pay all or part of that balance if you want service in your name.