

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made this 18th day of August , 1976, by and between THE CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY (hereinafter referred to as "Authority"), a public body politic and corporate of the State of New Jersey, and NEW JERSEY WATER COMPANY (hereinafter referred to as "Corporation"), a Corporation of the State of New Jersey, and the CITY OF OCEAN CITY (hereinafter referred to as "Municipality"), a body politic of the State of New Jersey.

WHEREAS, the parties have entered into a Service Agreement dated the 21st day of June , 1976; and

WHEREAS, it is the desire of the parties hereto to further clarify and delineate their respective rights, duties and obligations under the terms of the Service Agreement; and

WHEREAS, Municipality and Corporation have also entered into an Agreement of Lease-dated-October-1, 1964, covering a portion of the sewage collection and treatment system as it presently exists in Municipality, which Lease delineates certain rights, duties, and obligations of those parties; and

WHEREAS, the parties wish to determine the respective rights and obligations in a manner so as to provide Authority with a guarantee that either Corporation or Municipality will be responsible to the Authority for obligations imposed upon either Corporation or Municipality under the terms of the Service Agreement but wish to further provide that neither shall be responsible for the obligations of the other except as specifically

provided in the Service Agreement and this Supplemental Agreement;  
and

WHEREAS, Corporation is a regulated Public Utility Corporation of the State of New Jersey subject to the jurisdiction of the Board of Public Utility Commissioners of the State.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions as contained herein, the parties hereto agree as follows:

1. Authority hereby recognizes and acknowledges that Corporation is regulated by and subject to the jurisdiction of the Board of Public Utility Commissioners of the State of New Jersey and is further subject to rules and regulations as may be promulgated, from time to time, by said Board. Authority further recognizes and acknowledges that any rights, duties or obligations that Corporation may have under the terms of said Service Agreement may be subject to the aforementioned jurisdiction.

2. In the event Corporation deems it appropriate or necessary, in order to comply with the terms and conditions of the Service Agreement, it shall, as promptly as possible, make the appropriate application for approval by the Board of Public Utility Commissioners.

3. All parties recognize and acknowledge that Municipality and Corporation have executed the aforementioned Service Agreement as participants therein.

4. All parties further recognize and acknowledge that any and all financial obligations that could be imposed upon Municipality pursuant to the terms and conditions of the Service

Agreement may be the financial obligations of Corporation under the terms and conditions of the Agreement of Lease and that the aforementioned Service Agreement shall not in any way interfere with the mutual rights, duties and obligations as delineated in the Agreement of Lease which obligations shall continue in full force and affect except as modified by the terms of this Supplemental Agreement. The Authority, however, does not waive any of its rights which it may have under any statute or under the Service Agreement.

5. Under the terms of the Agreement of Lease executed by Corporation and Municipality, Corporation is under a duty to make certain lease payments to Municipality for the use and operation of wastewater treatment facilities located at 46th Street, Ocean City, New Jersey. The obligation of Corporation to make such lease payments shall be reduced by an amount exactly equal to the amount received by Municipality for such facilities from Authority under the terms and provisions of Article VII of the Service Agreement. It is understood that Corporation's obligation to pay Municipality matures on the 20th day of December in each calendar year up to and including 1994. The Authority hereby agrees that it will pay to Municipality whatever amounts qualify under Article VII of the Service Agreement on or before the 15th day of December of each year in which such payments are owed by the Authority.

6. It is further recognized that under the terms of

the current Agreement of Lease, Municipality does not operate the sewage collection system within its boundaries.

7. The parties recognize that the obligation to make payment to Authority for the treatment of sewage arising within the boundaries of Municipality and delivered into the regional system of the Authority is initially an obligation of Corporation. However, the Municipality specifically agrees and stipulates that in the event that Corporation does not make payment to Authority in accordance with the terms and provisions of the Service Agreement that Municipality will deliver to the Authority an amount equal to the amount owed to the Authority by Corporation.

8. The Authority shall provide connection points as set forth in Section 301 of the Service Agreement as hereinafter described:

Gravity points of connection between the Local Sewage System and the Regional System have been tentatively identified as being located in the vicinity of the sewage pumping stations located at 3rd Street and West Avenue, Bay Avenue at 20th Street, West Avenue near 32nd Street, and 46th Street at West Avenue. When said connection points are finally and permanently located, the location of same will not in any way be less favorable, financially or otherwise, to Corporation than those locations set forth above.

9. Nothing contained in this Supplemental Agreement shall be deemed to negate any of the rights, duties and/or obligations granted to or imposed upon the respective parties by

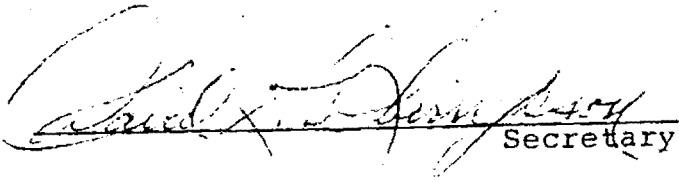
the Service Agreement.

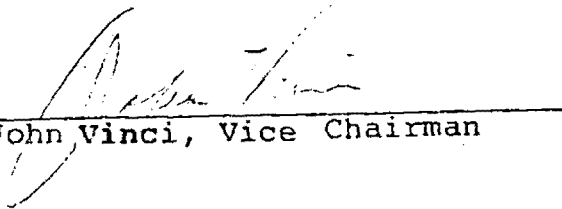
10. If any one or more of the covenants or agreements provided for in this Agreement, on the part of the Authority or the Participant to be performed should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

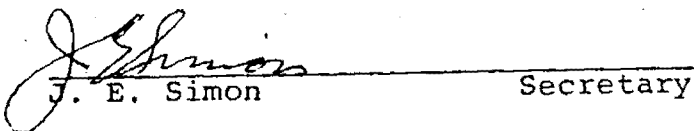
ATTEST:


THE CAPE MAY COUNTY  
MUNICIPAL UTILITIES AUTHORITY

  
Secretary

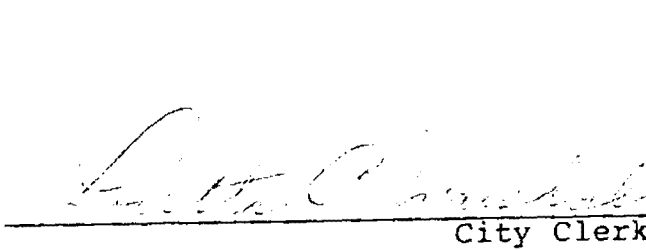
By   
John Vinci, Vice Chairman

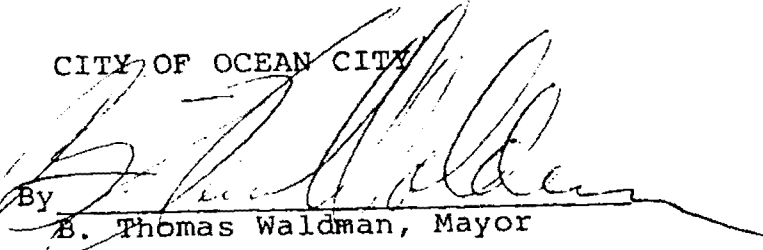
NEW JERSEY WATER COMPANY

  
J. E. Simon Secretary

By   
K. B. Earnhardt, President

CITY OF OCEAN CITY

  
City Clerk

By   
B. Thomas Waldman, Mayor

THIS AGREEMENT

made and dated as of the 21 day of JUNE, One Thousand Nine Hundred and Seventy-Six

BETWEEN

THE CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY (hereinafter referred to as "Authority"), a public body politic and corporate of the State of New Jersey,

AND

The Cities of CAPE MAY, NORTH WILDWOOD, OCEAN CITY, SEA ISLE CITY and WILDWOOD, The Boroughs of AVALON, CAPE MAY POINT, STONE HARBOR, WEST CAPE MAY, WEST WILDWOOD and WILDWOOD CREST, The Townships of LOWER and MIDDLE, The MIDDLE TOWNSHIP SEWERAGE DISTRICTS #1, #2 and #3, The LOWER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY, and The NEW JERSEY WATER COMPANY, a corporation of the State of New Jersey, all situate in the County of Cape May, New Jersey, (hereinafter singularly referred to as "Participant" and jointly as "Participants"),

W I T N E S S E T H

WHEREAS, pursuant to the Municipal Utilities Authorities Law, constituting Chapter 183 of the Laws of 1957, of the State of New Jersey, the Authority was created by virtue of a resolution duly adopted by the Board of Chosen Freeholders of the County of Cape May, New Jersey, and is a public body politic and corporate of the State of New Jersey organized and existing under said Law, established as an instrumentality exercising public and essential governmental functions to provide for the public health and welfare, with

all necessary or proper powers to acquire, construct, maintain, operate and use sanitation facilities for the relief of waters in, bordering or entering the District (hereinafter defined) from pollution or threatened pollution and for improvement of conditions affecting the public health; and

WHEREAS, in partial fulfillment of its functions, the Authority is ready to design, finance, construct and put in operation an interceptor sewer system and wastewater treatment facilities for the transmission, treatment and disposal of sewage and other waste, as generally described in Schedule A, attached hereto and made a part hereof, and to enable the Authority to undertake such design, financing and construction the Participants must become legally bound to accept and pay for sewage and waste treatment service from the time such system and plant commence operation and to construct and maintain as is necessary any Local Sewerage Systems; and

WHEREAS, each Participant has been requested and is willing to have sewage originating from it or within its territory treated and disposed of by the Authority pursuant to the terms of this Agreement and has duly authorized its proper officials to enter into and execute for it this Agreement;

NOW, THEREFORE, in consideration of the premises of the mutual covenants and agreements herein set forth and

of the undertakings of each party to the others, the parties hereto, each binding itself, its successors and assigns, do mutually covenant, promise and agree as follows:



ARTICLE I  
Definitions

Section 101. Definitions. As used or referred to in this Agreement, unless a different meaning clearly appears from the context:

"Act" means the Municipal Utilities Authorities Law, constituting Chapter 183 of the Laws of 1957, of the State of New Jersey, and the acts amendatory thereof and supplemental thereto;

"Accountant" means the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey or a registered municipal accountant or a certified public accountant of the State of New Jersey;

"Alteration" means any structure which is not completed in connection with the original construction of the Project or any enlargement or change of an interceptor line, which enlargement or change is not completed in connection with such original construction, but does not include an Extension, a renewal or replacement of a part of the Project, an enlargement or change of the wastewater treatment plant constructed as part of the Project, or any additional wastewater treatment plant or plants that treat sewage originating within the area originally served;

"Annual Charge" shall have the meaning given to such term in Article IV hereof;

"Authority" shall have the meaning hereinabove given to such term;

"Consulting Engineer" means the engineering firm of Pandullo, Chrisbacher and Associates, Northfield, New Jersey and such other or different independent engineer or firm of engineers of national reputation for skill and experience with respect to construction and operation of sewer systems or facilities as may from time to time be employed by the Authority;

"Corporation" shall mean the New Jersey Water Company;

"Deficiency" shall have the meaning given to such term in Article IV hereof;

"DEP" means the New Jersey Department of Environmental Protection or its successors from time to time;

"District" means the district of the Authority as it exists from time to time in accordance with the Act;

"EPA" means the United States Environmental Protection Agency or its successor from time to time;

"Extension" means any new interceptor sewer

main which is not part of the project and which extends the Regional System into territory not theretofore drained into the Regional System;

"Fiscal Year" means the period of twelve calendar months ending with December 31 of any year, however, the first Fiscal Year of the Authority shall be deemed to be that period of time starting from the estimated initial date of operation of the Regional System, or any part thereof, and ending on December 31 of the same year;

"Governing Body" shall have the meaning given to such term by the Act;

"Industrial User" shall have the meaning given to such term under EPA Regulations;

"Local Authority" shall mean the Lower Township Municipal Utilities Authority and the Middle Township Sewerage Districts #1, #2 and #3.

"Local Sewerage System" means all collection and transmission facilities of a Participant which are or may be connected, or are or may be required under the terms of Article III hereof to be connected, with the Regional System, including any system overflows or bypasses contained in such systems and any extensions or enlargements of such systems;

"Municipality" shall mean the Cities of Cape May, North Wildwood, Ocean City, Sea Isle City and Wildwood, the Boroughs of Avalon, Cape May Point, Stone Harbor, West Cape May, West Wildwood and Wildwood Crest, and the Townships of Lower and Middle.

"Participant" shall have the meaning hereinabove given to such term;

"Pollution" shall have the meaning given to such term in the Act;

"Project" means the sewerage facilities described in Schedule A attached hereto and made a part hereof, with all necessary and incidental connections, manholes, valves, metering stations, equipment, apparatus, structures and appurtenances and all other real or tangible personal property necessary or desirable for the efficient construction and operation of such facilities;

"Regional System" means the Project and all additions, Extensions and improvements thereto or any part of the foregoing, and any renewals or replacements thereto, acquired or constructed or to be acquired or constructed by the Authority for the purposes of the Authority under the Act, but does not include the Local Sewerage System of any Participant;

"Service Charges" means rents, rates, fees or other charges for direct or indirect connection with, or the use or services of, the Regional System which the Authority, under the provisions of Section 22 of the Act, is or may

be authorized to charge and collect with regard to persons or real property;

"Sewage" or "sewage" means waterborne animal, vegetable or other degradable wastes from water closets, buildings, residences, industrial and commercial establishments or other places together with such ground and surface water infiltration or other wastes as may be present;

The term "usual place of business" shall mean such address as is designated to the Authority by the Participant for use for the purpose of any mailing required under this Agreement to the Participant;

Words importing the singular number include the plural number, and vice versa, and words importing persons include firms, associations and corporations.

Section 102. Severability of Invalid Provisions.

If any one or more of the covenants or agreements provided for in this Agreement, on the part of the Authority or the Participant to be performed should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Agreement.

## ARTICLE II

### Construction of the Project and Operation of the Regional System

Section 201. Construction, Operation and Enlargement of Project and Regional System. The Authority shall with all practicable speed prepare and complete plans for the construction and financing of the Project, and, upon completion of such financing or the making of arrangements therefor satisfactory to the Authority, shall with all practicable speed construct and complete the Project and place the same in operation. The Authority shall proceed with the preparation, construction, financing and placing into operation of each service region within the Project at such time as the Participants included in such service region enter into this Agreement with the Authority. The Authority will supply annual progress reports to the Participants for a two year period commencing July 1, 1976 and ending July 1, 1978 and thereafter every six months. This report is to include design studies, cost estimates, projected dates of construction, estimated dates of connection of the respective Local Sewerage System to the Regional System and estimated construction, operational and administration costs. The Authority will further provide the Participants with the sewer evaluation and infiltration studies when they become available and will advise the Participants of the status of its applications for Federal grants-in-aid of construction. The Authority will thereafter operate in accordance with applicable requirements of governmental authorities having jurisdiction with respect thereto, and maintain, alter, improve, renew and replace and, subject to the terms of Section 202 of this Article, enlarge and extend the Regional System so as to treat and dispose of sewage which may be

delivered into the Regional System by any Participant in accordance with Article III hereof.

Section 202. Public Hearings Prior to Extension of the Regional System. The Authority shall not construct, and nothing in this Agreement shall be deemed to require the Authority to construct, any Extension unless it shall have caused to be prepared by its Consulting Engineers a study with respect to such Extension which sets forth an estimate as of the then current year of the total cost and expense of financing, constructing and acquiring the Extension and placing it in operation, the estimated date of completion of the Extension, and an estimate of the Annual Charges payable by each Participant for or with respect to the five Fiscal Years beginning next after said estimated date of completion. The Authority shall file a copy of said study with each Participant, shall cause notice of the time and place of the hearing hereinafter mentioned to be published at least once in a newspaper of general circulation published in the County of Cape May, New Jersey, and to be mailed to each Participant, and not sooner than fifteen days after such publication and mailing or thirty days after such filing, shall hold a public hearing on said study at which any Participant may appear and, by agent or attorney, be heard with respect thereto.

Section 203. Project Plans to Conform to State and Federal Requirements. In connection with the construction of the Project or any other part of the Regional System, the Authority will comply with any and all requirements of the DEP and EPA as may be applicable from time to time. To this end, the level of treatment to be initially provided by the Regional System to be designed will be consistent with all existing effluent requirements of the D E P and E P A. Furthermore, provision will be made in the initial design of the Regional System to make said system compatible with future additional D E P and E P A treatment requirements as said requirements presently exist.

Section 204. Insurance. The Authority will at all times maintain with responsible insurers all such insurance as is customarily maintained with respect to sewerage systems of like character against loss or damage to the Regional System and against public or other liability to the extent not less than that reasonably necessary to protect the interests of the Authority and the Participants, and will at all times maintain with responsible insurers all insurance reasonably required and obtainable within limits and at costs deemed reasonable by the Authority to indemnify and save harmless the Participants against all liabilities, judgments, costs, damages, expenses and attorney's fees for loss, damage or injury to person or property resulting directly or in-



directly from the construction, operation or a failure of operation of the Regional System caused by the negligence or wilful act of the Authority, its employees or agents.

Section 205. Location of Regional System and Use of Property. The Authority shall have the right to construct, maintain, operate and use such trunk, intercepting and outlet sewers, related conduits, pipe lines and mains, pumping, chlorination and ventilating stations, sewage treatment and disposal systems, plants and works at such places within or without the District and such other plants, structures, boats and conveyances for the transmission, treatment and disposal of sewage as in the judgment of the Authority are necessary to convey, treat and dispose of sewage or other wastes delivered or to be delivered into the Regional System by each Participant. To that end, the Authority may enter upon and is hereby granted an easement to use any streets owned by the Municipalities and Local Authorities to the extent that such Participants are entitled to grant the same. The Authority shall not be charged by any such Participant for any easement but shall, at its own expense, pay for the cost of construction of the Regional System or any part thereof, as well as any restoration in kind needed to be performed on roads, curbs and property used by the Authority for such construction. During the construction of the Regional System or any part thereof, the Authority shall

have an easement of 60 feet. Such easement may, at the Authority's discretion, be located on either side of the interceptor line to be constructed or, may be located partially on one side of the interceptor line to be constructed with the balance on the other side. After the completion of the construction phase, the Authority shall have for the purpose of maintenance and operation a permanent easement of 25 feet, but no permanent structure shall be placed above the grade of the vehicular-travelled right of way. The Authority shall pay all costs incident to the construction of any above-the-ground permanent structures within the remaining portion of the easement at the point or points designated by the Authority for such permanent structure. Such Participant shall have the right to designate the location of any Regional System vent at any other location, but within parameters established by the Authority, and such Participant shall be responsible to pay to the Authority all additional expenses incident thereto, and shall secure any and all licenses, easements and permits necessary to accomplish same. Any permanent easement may, at the Authority's discretion, be located on either side of any interceptor line, force mains or appurtenances thereto, or, partially on one side of the interceptor line, force mains or appurtenances thereto, with the balance on the other side. Such Participants will cooperate with the Authority in obtaining whatever consent, permission or authority may be required from any local, county,

state or federal government or agency, to allow the Authority to do or perform any of the aforementioned. Such Participants hereby agree that they will perform any and all necessary ministerial acts in order to assist the Authority in obtaining the necessary easements. Construction of the Regional System shall be coordinated with the Participants involved so as to provide as little interruption of the Participant's use of the streets as reasonably practicable.

### ARTICLE III

#### Connections to the Regional System

Section 301. Connections Required. Upon notice from the Authority, each of the Participants will permit its Local Sewerage System to be connected with the Regional System, at the point or points designated therefor in the list of connection points developed by the Authority, set forth in the list of Tentative Connection Points attached hereto as Schedule D and by this reference made a part hereof, or at such other substitute point or points upon which the Authority and the Participant may mutually agree. Each Participant will permit its Local Sewerage System to be connected to the Regional System at the designated points, but in no event shall the sewage delivered into the Regional System by each Participant pass through or be delivered into the Regional System through the Local Sewerage System of any other Participant without the written consent of such Participant. The Authority shall pay all costs of such connections at the points designated in the list of connection points or at any approved substitute point. Upon request by a Participant for an additional connection of its Local Sewerage System to the Regional System, the Authority may, but shall not be required to, permit and make such additional connection, but all costs and expenses of every such additional connection, including all sewage meters and other facilities appurtenant thereto, shall be paid by the Participant requesting the same. Every connection shall constitute, and be

operated by the Authority, as part of the Regional System and shall include such pumping and other facilities as may be necessary to cause all sewage delivered at the point or points of connection to be discharged into the Regional System and be so made and constructed as to discharge into the Regional System all sewage collected in the Local Sewerage System of the Participant and delivered at the point or points of connection. Each Participant at its own cost and expense, will construct, install and operate its Local Sewerage System, and any and all extensions thereto necessary to cause the same to reach to and deliver sewage at the said point or points of connection, and after the making of such connection or connections will keep its Local Sewerage System connected with the Regional System, and will deliver and discharge into the Regional System all sewage originating in or collected by the Participant or collected in such Local Sewerage System. The Participants will pass, in the case of Municipalities, ordinances, and in the case of Local Authorities and Corporations, resolutions, requiring the individual property owners and Industrial Users to whom the Local Sewerage System is available to discharge into the Local Sewerage System all sewage generated by such individual or Industrial User.

Section 302. Sewage Not Required to be Discharged Into Regional System. Notwithstanding the provisions of Section 301 of this Article, no Participant shall be obligated to delivery and discharge into the Regional System sewage which the Authority in its sole discretion exempts from delivery and discharge into the Regional System.

Section 303. Limitation on Flow. No Participant shall be entitled to deliver sewage to the Regional System in excess of the number of gallons of sewage set forth as the maximum flow for such Participant in Schedule B annexed hereto and made a part hereof. The Authority shall have the right to refuse to accept sewage from the Local Sewerage System of any Participant in excess of the stated maximum amount.

## ARTICLE IV

### Charges and Establishment of Rates by Authority and Payments by Participants

Section 401. Charges by the Authority. The Authority will make and impose Annual Charges with respect to all sewage or other wastes delivered into the Regional System by any Participant or any other person, partnership, firm or corporation. The Annual Charge for each Fiscal Year payable hereunder shall at all times be sufficient to pay or provide for the expenses of operation, repair and maintenance of the Regional System including (without limitation of the foregoing) insurance, renewals and replacements, and the cost of all Extensions and Alterations of the Regional System not otherwise provided for, the principal of and interest on any and all bonds or other obligations of the Authority as the same become due, and to provide for any deficits of the Authority resulting from failure to receive sums payable to the Authority by any Participant or any other person, partnership, firm or corporation, or from any other cause, and to provide and maintain such reserves or sinking funds for any of the foregoing purposes as may be required by the terms of any contract or other obligation of the Authority.

The Annual Charge made and imposed by the Authority shall be computed for the service rendered by the Regional System in the treatment and disposal of sewage by the Authority at rates which shall at all times be uniform as to all Participants for the same type, class and amount of use or services of the Regional System, and the rates applicable with respect to sewage delivered and discharged into the Regional System by any Participant shall not be more favorable to such Participant than the rates applicable with respect to sewage so delivered and discharged by any other Participant. The Authority, prior to the discharge and delivery of sewage into the Regional System, shall prescribe an initial schedule of such rates after public hearing thereon held by the Authority at least thirty days after notice of the time and place of such hearing shall have been mailed to each Participant at its usual place of business and, from time to time whenever necessary after prescribing such initial schedule (but only after public hearing thereon held by the Authority at least twenty days after notice of the time and place of such hearing shall have been mailed to each Participant at its usual place of business), the Authority shall revise the schedule of such rates, which shall at all times comply with the terms of any contract or other obligation of the Authority and shall be based or computed on the quantity, quality and other characteristics of sewage so discharged and delivered. Any



Participant aggrieved by any part of such a revised schedule which fails to conform with the terms and provisions of this Agreement may institute appropriate judicial proceedings to have the same reviewed for the purpose of obtaining correction of said part of such revised schedule. The effective date of any revised Schedule of Rates shall be no sooner than ninety days after the public hearing referred to in this section.

Section 402. Payment of Annual Charge. (A) Each Participant will pay to the Authority the Annual Charge made or imposed by the Authority with respect to the sewage delivered and discharged into the Regional System by or on behalf of such Participant in any Fiscal Year; provided however that the Annual Charge made or imposed by the Authority with respect to any Participant shall be based upon the greater of the guaranteed minimum annual flow which the Participant has agreed to and set forth in Schedule B attached hereto and made a part hereof, and hereinafter referred to as Schedule B and the amount of sewage delivered during the Fiscal Year to the Authority by the Participant. The Annual Charge shall be computed and established by the Authority on the basis of the quantity, quality and other characteristics of the sewage so delivered as shown by the records of the Authority, at the rate or rates prescribed by the Authority in accordance with this Article and applicable from time to time during such Fiscal Year with respect to said sewage delivered during such Fiscal Year. The Authority may also impose a surcharge upon those Participants who exceed the maximum flows set forth in Schedule B. Such surcharges shall be payable within 30 days after

notice thereof to the Participant by the Authority and shall be based upon a schedule to be developed by the Authority. The Annual Charge shall at all events be due and payable not later than January 15 next ensuing after the close of such Fiscal Year, but provision for and payment of every such Annual Charge will be made by each Participant in accordance with the following paragraphs of this Section.

(B) On or before January 15 of the Fiscal Year which the Authority may estimate as the year in which the Regional System or any part thereof will be placed in operation and on or before January 15 of each Fiscal Year thereafter, and in any event on or before January 15 of each Fiscal Year after the Regional System or any part thereof shall have been placed in operation, the Authority will make an estimate, based upon the estimated quantity, quality and other characteristics of sewage to be delivered by every Participant, of the amount of the Annual Charge which will become payable from each Participant with respect to sewage to be delivered and discharged in such Fiscal Year and, on or before February 1 next ensuing, will make and deliver to such Participants its certificate stating such estimated amount of the Annual Charge.

In the event that any part of the Annual Charge computed and established in accordance with paragraph (A) of this Section theretofore becoming due and payable to the Authority from such Participant shall not have been paid, the Authority will include in such certificate an additional provision separately stating the amount of such unpaid part (herein called "Deficiency"). The Authority will make a reasonable effort to collect any and all sums due and owing the Authority from each Participant.

(C) Each Participant will in each Fiscal Year make all budgetary and other provisions or appropriations necessary to provide for and authorize the payment by the Participant to the Authority during such Fiscal Year of the estimated amount of the Annual Charge and the amount of the Deficiency (if any) stated in any certificate delivered in such Fiscal Year to it by the Authority as aforesaid.

(D) On or before April 1 of each Fiscal Year, each Participant will pay to the Authority the amount of the Deficiency (if any) stated in the certificate delivered in such Fiscal Year to it by the Authority as aforesaid. Each Participant will pay to the Authority the estimated amount of the Annual Charge stated in the certificate delivered in such Fiscal Year to it by the Authority as aforesaid in four equal installments on April 1, June 1, September 1 and December 1 of such Fiscal Year, provided that in the Fiscal Year which the Authority may estimate as the year in which the Regional System or any part thereof will be placed in

operation, said estimated amount shall be divided into as many installments as there are months in such Fiscal Year beginning after the date which the Authority shall estimate as the day on which the Regional System or any part thereof will be placed in operation and one of such installments shall be due and payable to the Authority on the first day of each such month.

(E) In the event that the amount of the Annual Charge computed and established in accordance with paragraph (A) of this Section becoming due from any Participant with respect to sewage delivered and discharged in a Fiscal Year shall be less than the estimated amount of such Annual Charge stated in the certificate delivered in such Fiscal Year to it by the Authority, the Authority will on or before April 1 next ensuing return to such Participant the difference between said amounts by credit against payments due to the Authority from such Participants under the provisions of this Agreement.

(F) The sums payable by a Participant to the Authority under the provisions of this Section are and shall be in lieu of Service Charges by the Authority with regard to real property located in the area of such Participant. So long as such Participant shall not be in default in the making of any payments becoming due from it under the pro-

visions of this Section, the Authority will waive Service Charges with regard to such real property. For the purposes of this paragraph, a Participant shall be deemed to be in default if such Participant, for a period of thirty days after its due date, shall fail to make in full to the Authority any payment required to be made by it under the provisions of this Agreement.

Section 403. Computation of Charges in Initial Operation of Regional System. For the purposes of computation of the initial estimated Annual Charge and the Annual Charge until the Regional System shall have been in operation for a Fiscal Year, the volume of sewage delivered by any Participant and received into the Regional System during any such partial Fiscal Year, shall be computed at not less than the corresponding partial amount of the guaranteed minimum annual flow set forth in Schedule B, adjusted to reflect seasonal flow variation.

Section 404. Local User Charges. Each Participant represents and agrees that it will, prior to 80 percent completion of construction of the Project to serve a Participant, adopt a system of user charges and industrial cost recovery which, at minimum, complies with the rules and regulations of the DEP and EPA.

Section 405. Industrial Cost Recovery. The Participant agrees to pay to the Authority any and all moneys and payments made to or recovered by the Participant from any industrial user, person, association, corporation or business under the industrial cost recovery provisions of the EPA.

## ARTICLE V

### Meters, Records, and Local Operations

Section 501. Meters and Tests. The Authority will provide, install and use meters or other devices or methods for determining the quantity directly or by differentials or otherwise, and make tests and use other means for determining the quality and other characteristics, of all sewage, which shall be delivered and discharged into the Regional System, and, in accordance with sound engineering practice, shall determine for all purposes of this Agreement such quantity, quality and characteristics and from and after the placing of the Regional System in operation, the Authority will make and keep permanent records of the quantity, quality and other characteristics of any sewage which shall or may be delivered and discharged into the Regional System by each of the Participants and all other users of the Regional System. For the purposes of determining the quantity, quality and other characteristics of any sewage which shall or may be delivered and discharged into the Regional System by a Participant, the Authority shall have the right at all reasonable times to enter upon and inspect the Local Sewerage System and all other sewer, sanitation or drainage systems of such Participant and to take normal samples under ordinary operating conditions and make tests, measurements, and analyses of sewage or other wastes in, entering or to be discharged into such sewer, sanitation or drainage

system. The Authority will make and keep a record of tests, measurements and analyses of such sewage or other wastes entering such sanitation, sewer or drainage systems, and upon the written request of any Participant will make available to such Participant the results of such tests, measurements or analyses. The Authority will notify the Participants in advance of any such inspections. If it is so desired, the Participant may confirm such tests, measurements and analyses by conducting identical and simultaneous sampling with the Authority.

Section 502. Maintenance of Local Systems.

(A) If as a result of a sewer evaluation survey performed in accordance with EPA regulations, rehabilitation work is shown to be required upon a Local Sewerage System, the Participant, or the Authority if the parties agree or if the Participant fails to undertake such rehabilitation, will perform such work as may be necessary to rehabilitate the Local Sewerage System. The cost of rehabilitation work, less any and all State or Federal grants in aid, whether performed by the Authority or the Participant, will be the sole responsibility and obligation of the Participant. The Authority and the Participant shall cooperate to obtain all available State and Federal grants in aid of the performance of such rehabilitation work. (B) Each Participant will maintain its collection system in such a manner as to exclude any excessive infiltration and/or stormwater inflow from entering into the Local Sewerage System. If excessive infiltration and/or stormwater inflow exists or occurs after the commencement of operation of the system, the Participant will effect such repairs, or other

measures, so as to reduce the infiltration and/or stormwater inflow to normally allowable limits which are acceptable to the DEP and EPA. The procedure to accomplish rehabilitation and repairs required under 502(A) or 502(B) shall be for the Authority to give notice to the Participant within whose Local Sewerage System such excessive infiltration and/or stormwater inflow is occurring. This notice shall include all results of sewer evaluation surveys and/or other data used to determine the existence and location, where possible, of such excessive infiltration and/or stormwater inflow. The Participant shall have one hundred eighty (180) days to present for review by the Authority a workable plan to rehabilitate the Local Sewerage System and/or eliminate such infiltration and/or stormwater inflow. The Authority shall have 45 days in which to approve, modify, or reject the plan submitted by the Participant. If the Authority modifies or rejects the submitted plan, it shall submit to the Participant an alternative plan to correct the excessive infiltration and/or stormwater inflow occurring in the Local Sewerage System of the Participant. If the Participant does not initiate repair work on the Local Sewerage System in accordance with the plan submitted by the Authority within 60 days, the Authority shall have the right to make such repairs in accordance with the plan submitted by it to the Participant and charge the cost thereof to the Participant.



Section 503. Construction of Collection System - Competitive Facilities. Each Participant shall have the sole responsibility for the construction of its Local Sewerage System. After completion of the Project to serve a Participant, that Participant shall not construct, enlarge or operate a plant for the treatment and disposal of sewage unless (1) required to do so by the terms of Article VI hereof or (2) the Authority shall have given its written consent thereto.

Section 504. Prohibited Connections. No Participant shall make or permit any new connection to or extension of its Local Sewerage System or any and all other sewer, sanitation or drainage systems which is so designed as to permit entrance directly or indirectly into the Regional System of storm water drainage from ground surface, roof leaders, catch basins or any other source. Each Participant, before making any new connection to or extension of its Local Sewerage System, sewer, sanitation or drainage systems, will submit the plans therefor to the Authority and, in making the same, will permit the Authority to inspect the work and will comply with all requests of the Authority with respect thereto reasonably designed to assure exclusion from the Regional System of any such storm water drainage. The Authority shall have thirty days in which to approve any new connections to or extensions of the Local Sewerage System of the Participant. If the Authority does not notify the Participant within thirty days after receipt by the Authority of plans for any new connections or extensions, the Authority shall be deemed to have approved such plans. This section shall not be deemed to apply to lateral connections to the Local Sewerage System.

Section 505. Accounts. The Authority will keep proper books of record and account in which complete and correct entries shall be made of its transactions relating to the Regional System or any part thereof, and which, together with all other books and papers of the Authority, shall at all reasonable times be subject to public inspection. The Authority will cause its books and accounts to be audited annually by a certified public or registered municipal accountant selected by the Authority, and annually within one hundred days after the close of each Fiscal Year, copies of the reports of such audits so made shall be furnished to the Authority and to each Participant, including statements in reasonable detail, accompanied by a certificate of said accountant, of financial condition, of revenues and operating expenses, and of all funds held by or for the Authority.

Section 506. Operation, Maintenance and Reconstruction. Each Participant shall at all times operate, or cause to be operated, its Local Sewerage System properly and in a sound and economical manner and shall maintain, preserve and keep the same or cause the same to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of its Local Sewerage System

may be properly and advantageously conducted, and, if any useful part of its Local Sewerage System is damaged or destroyed, the Participant shall, as expeditiously as may be possible, commence and diligently prosecute the replacement or reconstruction of such part so as to restore the same to use.

Section 507. Sewer Use Ordinance. Each Participant, prior to the 80 percent completion of construction of the Project to serve a Participant, shall secure passage within the jurisdiction served by it of, in the case of a Municipality, a sewer use ordinance, and, in the case of a Local Authority or Corporation, a sewer use resolution, in compliance with the rules and regulations of the EPA.

## ARTICLE VI

### Requirements Regarding Deleterious Wastes

Section 601. Requirements for Sewage Discharged into Regional System. Sewage discharged into the Regional System by or on behalf of each Participant shall, at the point of connection of the Local Sewerage System of such Participant with the Regional System, comply with the requirements prescribed therefor in the Wastewater Characteristic Requirements attached hereto marked, and hereinafter called "Schedule C" and by this reference made a part hereof.

Section 602. Amendment of Discharge Requirements. The Authority may from time to time make any amendment or amendments of the requirements referred to in Section 601 of this Article which may be reasonably necessary to prohibit or properly regulate the delivery or discharge into the Regional System of oils, acids or any other substances which, alone or in combination with other substances delivered and discharged into the Regional System, are or may be or may reasonably be expected to be substantially injurious or deleterious to the Regional System or to its efficient operation.

Section 603. Determination by Authority as to Type of Discharge. Each Participant will cause all wastewater at any time discharged into the Regional System by it or on its behalf to

comply with the requirements referred to in Section 601 of this Article and the amendments thereof, if any, then in effect. Each Participant will permit no new connections and will discontinue existing public connections and will require the discontinuance of existing private connections to its Local Sewerage System, which allow entrance therein of such wastewater as will cause the discharge at any time into the Regional System from such Local Sewerage System of wastewater which does not comply with said requirements and the amendments thereof, if any, then in effect. If a violation by any Participant of the provisions of this Section 603 or of any rules or regulations issued pursuant to this Article VI shall cause any extraordinary expense to the Authority, such Participant will reimburse the Authority for such extraordinary expense as that Participant can recover from its customer within thirty days after receipt thereof.

## ARTICLE VII

### Payment for Abandoned Wastewater Treatment Facilities and Demolition.

#### Section 701. Payment of Abandoned Facilities.

If a Participant (a) owns and operates a wastewater treatment plant which has outstanding bonded indebtedness as of April 14, 1976, and/or (b) has undertaken, or plans to undertake, either temporary or permanent financing in accordance with a court order dated prior to April 14, 1976 for the construction of a wastewater treatment plant and has either developed final contract documents as of April 14, 1976 or has received DEP, EPA and/or Authority approval, and which by virtue of its entering into this Agreement for wastewater treatment, it shall, when such treatment commences hereunder be obliged to stop and will stop and permanently discontinue both wastewater treatment and the completion of any plans for construction of a wastewater treatment plant, then the Authority will make payment for such wastewater treatment plant or such temporary or permanent financing as described above in accordance with Section 702.

The Authority shall only be obligated to pay for that construction related to treatment which (1) has occurred prior to April 14, 1976; or (2) the Authority shall consent to

based upon the requirements of this section.

The Participants hereby agree that they shall give notice to the Authority within 30 days of the execution of the Service Agreement by such Participants of the total amount of bonded indebtedness related to participant-owned wastewater treatment plants and the annual debt service thereon.

Section 702. Method of Payment. The Authority hereby agrees to pay a Participant for those wastewater treatment plants or contract documents qualifying under Section 701 by delivering to such Participants the amount of money necessary to meet the annual debt service on the qualifying wastewater treatment plants and/or contract documents. However, the Authority will make no payments for any penalties, defaults, interest charges or other charges which result from the Participant's failure to keep its debt service payments current and up to date. The Participants with wastewater treatment plants or contract documents qualifying for payment under Section 701 hereby agree to keep their respective debt service payments and all other payments on such plants or plans current, up to date and free from default until the Authority becomes responsible for its first payment to each respective Participant. The Authority will make no payments to any Participant until such Participant connects its Local Sewerage System to the Regional System.

Section 703. Demolition. The Authority hereby offers to all Participants of the Authority the opportunity of having the Authority perform at Authority cost demolition work on all existing wastewater treatment plants that are not incorporated into the Regional System. In the event the Participants elect this option and the Authority demolishes such wastewater treatment facilities, the Authority will have all rights of salvage as to the contents and fixtures of the wastewater treatment plants to be demolished. Any Participant who elects this option must so notify the Authority within 120 days after the connection of its Local Sewerage System to the Regional System.



ARTICLE VIII

Miscellaneous

Section 801. Contracts with or Service to Others.

The Authority will not enter into any agreement providing for or relating to the treatment and disposal of wastewater originating within or without any Participant, but collected in sewers which at the date of this Agreement are connected with the Local Sewerage System of such Participant, unless (1) the other contracting party be such Participant or (2) such Participant shall have given its written consent thereto. In the event that the Authority enters into an agreement providing for or relating to the treatment and disposal of wastewater originating within or without any Participant, but not collected in sewers which at the date of this Agreement are connected with the Local Sewerage System of a Participant, the charges with respect to such sewage or other wastes delivered and discharged into the Regional System made and imposed with respect thereto or charged and collected pursuant to the Act shall not be computed or established at any rates less favorable to the Authority than the rates applicable with respect to sewage delivered and discharged into the Regional System by the Participants and the terms and conditions of any such agreement shall not be less favorable to the Authority than the terms and conditions of this Agreement.

Section 802. Enforcement. (1) The Authority will at all times take all reasonable measures permitted by the Act or otherwise by law to collect and enforce prompt payment to it or for it of all Service or Annual Charges and any and all other amounts prescribed, fixed, certified or charged by it in accordance with this Agreement. If any payment or part thereof due to the Authority from any Participant shall remain unpaid for thirty days following its due date, such Participant shall be charged with and will pay to the Authority interest on the amount unpaid from its due date until paid at the rate of one per centum (1%) in excess of the highest interest on any outstanding bonds of the Authority, and the Authority, in its discretion, may charge and collect Service Charges with regard to persons and real property directly or indirectly connected to the Regional System sufficient to meet any default or deficiency in any payments herein agreed to be made by such Participant. If in any such case Service Charges are so collected, the amount so collected by the Authority will be credited against the amount of such default or deficiency or any payments then or theretofore due to the Authority

from such Participant under the provisions of Article IV hereof, and the Authority will furnish to the Participant a list of the names of the persons making payment to the Authority of such Service Charges and of the several amounts so paid by such persons respectively, and the Participant will give fair and proper credit to such persons for the several amounts so paid by them.

(2) Every obligation assumed by or imposed upon the Participant or the Authority by this Agreement shall be enforceable by appropriate action, suit or proceeding at law or in equity, and the parties may have and pursue any and all remedies provided by law for the enforcement of such obligations including the remedies and processes provided by the Act with respect to Service Charges or other obligations.

(3) Failure on the part of the Authority or of any Participant in any instance or under any circumstance to observe or fully perform any obligation assumed by or imposed upon it by this Agreement shall not make the Authority liable in damages to a Participant or relieve a Participant from making any payment to the Authority or fully performing any other obligation required of it under this Agreement, but such Participant may have and pursue any and all other remedies provided by law for compelling performance by the Authority or such other Participant of said obligation assumed by or imposed upon the Authority or such other Participant.

(4) Each Participant agrees that it will make all reasonable efforts to comply with the rules and regulations of the DEP and EPA.

(5) By signing this Agreement, none of the parties shall be deemed to have waived their rights under any municipal ordinances and/or state statutes and regulations.

(6) The Participants hereby agree to cooperate with one another and with the Authority to the extent necessary to implement the terms and purposes of this Agreement.

Section 803. Certain Acts not a Waiver. Acceptance by the Authority into the Regional System from a Participant of sewage in a volume or at a rate or with characteristics exceeding or violating any limit or restriction provided for by or pursuant to this Agreement in one or more instances or under one or more circumstances shall not constitute a waiver of such limit or restriction or of any of the provisions of this Agreement and shall not in any way obligate the Authority thereafter to accept or make provision for sewage delivered and discharged into the Regional System in a volume or at a rate or with characteristics exceeding or violating any such limit or restriction in any other instance or under any other circumstance.

Section 804. Special Consents by Participants.

Whenever under the terms of this Agreement a Municipality is authorized to give its written consent, such consent may be given and shall be conclusively, evidenced by a copy, certified by its Clerk and under its seal, of a resolution purporting to have been adopted by its Governing Body and purported to give such consent. Whenever under the terms of this Agreement a Local Authority or Corporation is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a copy, certified by its Secretary and under its seal, of a resolution purporting to have been adopted by the Local Authority or Corporation and purporting to give such consent.

Section 805. Special Consents by Authority. Whenever under the terms of this Agreement the Authority is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a copy, certified by its Secretary and under its seal, of a resolution purporting to have been adopted by the Authority or its members and purporting to give such consent.

Section 806. Term of Agreement. This Agreement shall come into effect as to Participants within a Service Region as described in Schedule A upon its execution and delivery by or on behalf of those Participants and shall thereafter be and remain in full force and effect, but at any time after twenty years from the date of this Agreement and after the payment in full of all obligations of the Authority,

including its bonds, original or refunding or both, issued to finance the construction, replacement, maintenance or operation of the Regional System, any Participant may, upon two years' notice to the Authority and to each of the other Participants, withdraw from this Agreement and thereafter cease to be a Participant.

Section 807. Obligations of the Authority. All bonds, notes or other obligations of the Authority referred to in this Agreement or to be issued by the Authority shall, for all purposes of this Agreement be the sole obligation of the Authority and shall not in any way be deemed a debt or liability of any Participant.

Section 808. Pledge or Assignment. The Authority may at any time assign or pledge for the benefit and security of the holders of bonds, notes or other evidences of indebtedness heretofore or hereafter issued by the Authority any of its right under the provisions of this Agreement to receive payments from any Participant, and thereafter this Agreement shall not be terminated, modified or changed by the Authority or such Participant except in the manner (if any) and subject to the conditions (if any) permitted by the terms and provisions of such assignment or pledge.

Section 809. Effective Date. This Agreement shall be in full force and effect and be legally binding upon the Authority and upon the Participants within each Service Region as described in Schedule A and their successors and assigns, upon its execution and delivery by the Authority and such Participants.

Section 810. Execution in Counterparts. This Agreement may be executed in any number of counterparts each of which shall be executed by the Authority and any one or more of the Participants and all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same.

IN WITNESS WHEREOF, the Authority and the Participants have caused their respective corporate seals to be hereunto affixed and attested and these presents to be signed by the respective officers thereunder duly authorized and this Agreement to be dated as of the day and year first above written.

THE CAPE MAY COUNTY  
MUNICIPAL UTILITIES AUTHORITY

ATTEST:

BY: *David L. Sinton*  
SECRETARY

BY: *John Steedle*  
CHAIRMAN

ATTEST:

CITY OF SEA ISLE CITY

BY: *Margaretta Mazur*  
CLERK  
*6/25/76*

BY: *Samuel E. Raff*  
MAYOR

ATTEST:

CITY OF CAPE MAY

BY: *Clara E. Maccocchi*  
CLERK

BY: *Ernest A. Berk*  
MAYOR

ATTEST:

BOROUGH OF CAPE MAY POINT

BY: \_\_\_\_\_  
CLERK

BY: \_\_\_\_\_  
MAYOR

ATTEST:

BOROUGH OF STONE HARBOR

BY: \_\_\_\_\_  
CLERK

BY: \_\_\_\_\_  
MAYOR



ATTEST:

TOWNSHIP OF MIDDLE

BY: \_\_\_\_\_  
CLERK

BY: \_\_\_\_\_  
MAYOR

ATTEST:

CITY OF OCEAN CITY

BY: *Lucinda Marshall*  
CLERK

BY: *[Signature]*  
MAYOR

ATTEST:

BOROUGH OF WEST CAPE MAY

BY: \_\_\_\_\_  
CLERK

BY: \_\_\_\_\_  
MAYOR

ATTEST:

CITY OF NORTH WILDWOOD

BY: \_\_\_\_\_  
CLERK

BY: \_\_\_\_\_  
MAYOR

ATTEST:

BOROUGH OF WEST WILDWOOD

BY: \_\_\_\_\_  
CLERK

BY: \_\_\_\_\_  
MAYOR

ATTEST:

CITY OF WILDWOOD

BY: \_\_\_\_\_  
CLERK

BY: \_\_\_\_\_  
MAYOR

ATTEST:

BOROUGH OF WILDWOOD CREST

BY: \_\_\_\_\_  
CLERK

BY: \_\_\_\_\_  
MAYOR

ATTEST:

THE LOWER TOWNSHIP MUNICIPAL  
UTILITIES AUTHORITY

BY: \_\_\_\_\_  
SECRETARY

BY: \_\_\_\_\_  
CHAIRMAN

ATTEST:

NEW JERSEY WATER COMPANY

BY: *J. J. ...*  
SECRETARY

BY: *K. Stambault*  
PRESIDENT

SCHEDULE A

PROJECT DESCRIPTION

The "Project" consists of all facilities to be obtained or constructed to receive, transmit, adequately treat, and properly dispose of wastewater originating in, or delivered to, the Authority by Participants. All wastewater will be treated and disposed of in accordance with the requirements of the appropriate regulatory agencies. Project facilities will be constructed in four service areas after approval is obtained from the appropriate regulatory agencies, as herein after described and depicted in the Preliminary Facilities Plan and Environmental Assessment of the Proposed Plan, Cape May County Municipal Utilities Authority, Cape May County, New Jersey, dated May 10, 1974, or any revisions or additions thereto approved by the regulatory agencies having jurisdiction. This Project description and the descriptions of Service Regions are subject to amendment in accordance with the Facilities Plan as certified by the DEP.

1. Ocean City Service Region -

The northern most transmission facilities begin at the north end of Peck Beach on the Ocean City barrier island and proceed southward to the wastewater treatment facility to be located on Peck Bay. The southern most transmission facilities begin at the southern end of Peck Beach on the Ocean City barrier island and proceed northward to the wastewater treatment facility. Wastewater emanating from areas located to the west of the

intracoastal waterway will be pumped across the waterway in lines to be constructed along a fixed bridge to the treatment facility previously described. Treated effluent will be discharged by an outfall and diffuser system to the Atlantic Ocean east of Ocean City.

2. Seven Mile Beach Service Region -

Transmission facilities begin at Whale Beach on the Sea Isle City Barrier Island and proceed southward through Sea Isle City to the wastewater treatment facility to be located along the Ludlam Thorofare and Bay Water system. Wastewater emanating on the Seven Mile Beach Barrier Island in the municipalities of Stone Harbor and Avalon will be transmitted northward in the Seven Mile Beach Barrier Island, and pumped across Townsend's Inlet to the wastewater treatment facility previously mentioned. Wastewater emanating from areas located to the west of the intra-coastal waterway will be pumped across the waterway in lines to be constructed along fixed bridge to the transmission facilities to be located in the Seven Mile Beach Barrier Island previously mentioned. Treated effluent will be discharged by an outfall and

diffuser system to the Atlantic Ocean east of Ludlam Beach.

3. Five Mile Beach Service Region -

Transmission Facilities begin at Hereford Inlet on Five Mile Beach Barrier Island and proceed southward through North Wildwood and Wildwood to the wastewater treatment facility to be located along the Middle Thorofare and Grassy Sound Channel. Flows emanating in the "Cape Mays" area and in areas located to the west of the intracoastal waterway will be transmitted across the waterway to the treatment facility. Flows emanating in the Two Mile Beach area and the southern portion of the Five Mile Beach area will be transmitted northward through Wildwood Crest to the wastewater treatment facility previously mentioned. Treated effluent will be discharged by an ocean outfall and diffuser system to the Atlantic Ocean east of Five Mile Beach.

4. Middle Township Service Region -

Transmission facilities will convey wastewater emanating from unincorporated hamlets located on mainland portions of Middle Township to the wastewater treatment facility located in the

vicinity of Cape May Court House. The southern transmission facility system will extend into Lower Township in the vicinity of the area known as Sally Marshall Crossing hamlet and receive flows emanating from that area. Treated effluent will be conveyed to a land disposal site to be located on the mainland portion of Middle Township.

SCHEDULE BTABULATION OF FLOW QUANTITIES

Schedule B will be more clearly ascertained as a result of the design study conducted by the consulting engineers of the Authority.

<u>MUNICIPALITY</u>	<u>MINIMUM ANNUAL FLOW</u> Mil.Gal.Per Year	<u>MAXIMUM HOURLY FLOW</u> Mil.Gal.Per Day
Ocean City	850	23.6
Sea Isle City	178	4.9
Avalon	189	6.4
Stone Harbor	137	4.5
Middle Township Sewer District #2 (Avalon Boulevard)	7	.24
Middle Township Sewer District #3 (Stone Harbor Boulevard)	14	.32
North Wildwood	401	9.8
Wildwood City	440	11.7
West Wildwood	29	1.5
Wildwood Crest	308	7.7
Cape May City	291	8.4
West Cape May	66	2.7
Cape May Point	28	1.8
Middle Township (Grassy Sound)	19	.3
Lower Township MUA	105	2.5
Middle Township*	323	13.6
Lower Township	61	2.0
Middle Township (Sewer District #1)	73	.8
Middle Township (Del Haven)	102	3.7
Middle Township (Green Creek)	24	0.9

## SCHEDULE C

### WASTEWATER CHARACTERISTIC REQUIREMENTS

No participant shall discharge or permit to be discharged the following described substances, materials, waters or wastes into the Regional System:

- a. Any liquid or vapor having a temperature higher than 150 degrees F or 65 degrees C.
- b. Any water or waste containing fats, wax or grease, or oils, whether emulsified or not, in excess of 100 mg/l or containing substances which may solidify or become viscous at temperature between 32 degrees F and 150 degrees F or (65 degrees C).
- c. Wastes containing phenolic compounds over 1.0 ppm, expressed as phenol.
- d. Any liquids having a pH exceeding a minimum value of 5.5 or a maximum value of 9.5 or found to be excessively corrosive.
- e. Any radioactive substances.
- f. Any liquid having a flash point lower than 235 degrees F (113 degrees C) as determined by the Tagliabue closed-cup method.
- g. Any waters or wastes with a 5-Day biochemical oxygen demand (BOD<sub>5</sub>) in excess of 350 mg/l.
- h. Any waters or wastes with a suspended solids content in excess of 300 mg/l, or containing suspended solids of such character or gravity that unusual attention or expense is required to handle or treat such materials.
- i. Any wastes containing corrosive, toxic or poisonous substances in sufficient quantity to cause injury, damage or hazard to personnel, structures or equipment, or interfere with the Regional Sewerage System or any portion of the liquid or solids treatment or handling processes, or that will pass through the treatment facilities in such condition that it will not achieve State, Federal, or other existing, pending, or future requirements for the effluent or for discharge to the receiving waters. The follow-



ing list of materials presents a portion of pollutants specifically mentioned by regulatory agencies: arsenic and arsenicals; cyanides; copper and copper salts; chromium; mercury and mercurials; nickel and nickel compounds; silver and silver compounds; zinc and zinc compounds; toxic dyes (organic or mineral); sulfanamides; cresols, alcohols, aldehydes; chlorinated hydrocarbons; chlorine in excess of 100 ppm; iodine; fluorine; bromine; all strong oxidizing agents such as peroxides; chromates; dichromates; permanganates; toxic, inflammable or explosive gases, either upon acidifications, alkalization, reduction, or oxidation; strong reducing agents such as nitrates, sulfites, sulfides, strong acids or strong alkalis.

- j. Unusual volume or concentration of wastes being delivered in a "slug" manner by which it is meant that the normal concentration of loadings shall not be exceeded by more than a 4.0 factor for any sixty minute period.
- k. Any septic tank or cesspool wastes. These wastes will, however, be accepted directly at the Authority's wastewater treatment facilities at charges and during times prescribed by the Authority.
- l. Any waters or wastes having an objectionable color which is not removable in the wastewater treatment facility.
- m. All wastes discharged by tank trucks into manholes or appurtenances of the Regional Sewerage System without written consent of the Authority.

If any wastewaters are discharged or are proposed to be discharged to the Regional Sewerage System which consist of the substances or possess the characteristics enumerated above, or which may be set forth by regulatory agencies in the future, and which in the judgment of the Authority may have a deleterious effect upon the Regional Sewerage System, the receiving waters, life, public health, or constitute a public nuisance, the Authority may:

1. Reject the wastes;
2. Require pretreatment to an acceptable condition for discharge to the Regional Sewerage System;

3. Require control over the quantities and rates of discharge; and
4. Take other such action as it may deem appropriate.

It shall be incumbent upon the Participant to demonstrate to the satisfaction of the Authority that the waste proposed to be discharged shall not be in violation of this Schedule and shall not harm the facilities and/or personnel of the Authority.

The design and installation of the pretreatment facilities shall be reviewed and approved by the Authority. The facilities shall be maintained continuously in satisfactory and effective operation by the Owner at his expense.

SCHEDULE D

Tentative Connection Points  
Between  
The Cape May County Regional Collection System  
And  
Internal Municipal Collection Systems

<u>Municipality</u>	<u>Tentative Connection Point Locations</u>
Ocean City	1. 3rd Street Pumping Station 2. 20th Street Pumping Station 3. 32nd Street Pumping Station 4. 46th Street Pumping Station
Sea Isle City	1. 69th Street and Central Avenue 2. 49th Street and Central Avenue
Avalon	1. 40th Street and Ocean Drive 2. 31st Street and Dune Drive 3. 15th Street and Dune Drive
Stone Harbor	1. 81st Street and Sunset Drive
Middle Township Sewer District #2 (Avalon Manor)	1. Avalon Boulevard
Middle Township Sewer District #3 (Stone Harbor Manor)	1. Stone Harbor Boulevard
North Wildwood	1. Delaware and 10th Avenues 2. Oak and Ohio Avenues
Wildwood City	1. Park Boulevard and Spicer Avenue
West Wildwood	1. Avenue J and the Railroad R.O.W.
Wildwood Crest	1. Park Boulevard and Rosemary Road
Cape May City	1. Michigan and Madison Avenues 2. Claghorn Place
West Cape May	1. Park Boulevard and West Perry
Cape May Point	1. Yale and Coral Avenues
Middle Township (Grassy Sound)	1. North Wildwood Road
Lower Township MUA	1. Tabernacle and Bayshore Roads

Municipality

Tentative Connection Point Locations

Middle Township

1. Cresthaven (Holmes Creek STP)
2. Garden Lake Motor Court (Burleigh)
3. Rio Grande (including Florida Motor Court)

Lower Township

1. Rio Grande Avenue and Shawcrest Road (Shawcrest)
2. Tabernacle and Seashore Roads (Tabernacle)
3. Wilson Drive and 1st Street (Schellengers Landing)
4. Diamond Beach (Coast Guard Station)

Middle Township Sewer District #1  
(Cape May Court House)

1. Cape May Court House S.T.P.

Middle Township  
(Del Haven)

1. Indefinite Location

Middle Township  
(Green Creek)

1. Indefinite Location