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SADSBURY TOWNSHIP

ACT 537

SEWAGE FACILITIES PLAN

Sadsbury Township, Lancaster County, PA.

September, 2023

Project Number: 23-153-01

Prepared By:



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ENGINEERING
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APPENDIX

- A** ***Asset Purchase Agreement for the Acquisition of the Assets of the Wastewater System of Sadsbury Township Municipal Authority and Pennsylvania American Water Company***
- B** ***Sadsbury Township Zoning Map***
- C** ***Sadsbury Township Municipal Authority Existing Sewer Service Area Map***
- D.** ***Pennsylvania American Water Company Proposed Franchise Territory***

1. GENERAL INFORMATION FORM

The General Information Form follows this page.



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

GENERAL INFORMATION FORM – AUTHORIZATION APPLICATION

Before completing this General Information Form (GIF), read the step-by-step instructions provided in this application package. This form is used by the Department of Environmental Protection (DEP) to inform our programs regarding what other DEP permits or authorizations may be needed for the proposed project or activity. This version of the General Information Form (GIF) must be completed and returned with any program-specific application being submitted to the DEP.

<p style="text-align: center;">Related ID#s (If Known)</p> <p>Client ID# _____ APS ID# _____ Site ID# _____ Auth ID# _____ Facility ID# _____</p>	<p style="text-align: center;">DEP USE ONLY</p> <p style="text-align: center;">Date Received & General Notes</p>
--	---

CLIENT INFORMATION

DEP Client ID#	Client Type / Code MUNI	Dun & Bradstreet ID#		
Legal Organization Name or Registered Fictitious Name Sadsbury Township		Employer ID# (EIN)	Is the EIN a SSN? <input type="checkbox"/> Yes <input type="checkbox"/> NO	
State of Incorporation or Registration of Fictitious Name Pennsylvania		<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> LP <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Association/Organization <input type="checkbox"/> Estate/Trust <input checked="" type="checkbox"/> Other Municipality		
Individual Last Name	First Name	MI	Suffix	
Additional Individual Last Name	First Name	MI	Suffix	
Mailing Address Line 1 7182 White Oak Road		Mailing Address Line 2		
Address Last Line – City Christiana		State PA	ZIP+4 17509	Country USA
Client Contact Last Name Priddy	First Name Jeffrey	MI	Suffix	
Client Contact Title Chair, Board of Supervisors	Phone 610-593-6796-	Ext	Cell Phone	
Email Address			FAX	

SITE INFORMATION

DEP Site ID#	Site Name				
EPA ID#	Estimated Number of Employees to be Present at Site			0	
Description of Site					
Tax Parcel ID(s):					
County Name(s)	Municipality(ies)	City	Boro	Twp	State
Lancaster	Sadsbury	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PA
Site Location Line 1		Site Location Line 2			
Site Location Last Line – City		State	ZIP+4		
Detailed Written Directions to Site					

Site Contact Last Name	First Name	MI	Suffix
Site Contact Title		Site Contact Firm	
Mailing Address Line 1		Mailing Address Line 2	
Mailing Address Last Line – City		State	ZIP+4
Phone	Ext	FAX	Email Address
NAICS Codes (Two- & Three-Digit Codes – List All That Apply)		6-Digit Code (Optional)	
Client to Site Relationship			

FACILITY INFORMATION

Modification of Existing Facility

1. Will this project modify an existing facility, system, or activity?	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Will this project involve an addition to an existing facility, system, or activity?		
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If "Yes", check all relevant facility types and provide DEP facility identification numbers below.

Facility Type	DEP Fac ID#	Facility Type	DEP Fac ID#
<input type="checkbox"/> Air Emission Plant	_____	<input type="checkbox"/> Industrial Minerals Mining Operation	_____
<input type="checkbox"/> Beneficial Use (water)	_____	<input type="checkbox"/> Laboratory Location	_____
<input type="checkbox"/> Blasting Operation	_____	<input type="checkbox"/> Land Recycling Cleanup Location	_____
<input type="checkbox"/> Captive Hazardous Waste Operation	_____	<input type="checkbox"/> Mine Drainage Treatment / Land Recycling Project Location	_____
<input type="checkbox"/> Coal Ash Beneficial Use Operation	_____	<input type="checkbox"/> Municipal Waste Operation	_____
<input type="checkbox"/> Coal Mining Operation	_____	<input type="checkbox"/> Oil & Gas Encroachment Location	_____
<input type="checkbox"/> Coal Pillar Location	_____	<input type="checkbox"/> Oil & Gas Location	_____
<input type="checkbox"/> Commercial Hazardous Waste Operation	_____	<input type="checkbox"/> Oil & Gas Water Poll Control Facility	_____
<input type="checkbox"/> Dam Location	_____	<input type="checkbox"/> Public Water Supply System	_____
<input type="checkbox"/> Deep Mine Safety Operation -Anthracite	_____	<input type="checkbox"/> Radiation Facility	_____
<input type="checkbox"/> Deep Mine Safety Operation -Bituminous	_____	<input type="checkbox"/> Residual Waste Operation	_____
<input type="checkbox"/> Deep Mine Safety Operation -Ind Minerals	_____	<input type="checkbox"/> Storage Tank Location	_____
<input type="checkbox"/> Encroachment Location (water, wetland)	_____	<input checked="" type="checkbox"/> Water Pollution Control Facility	-819491
<input type="checkbox"/> Erosion & Sediment Control Facility	_____	<input type="checkbox"/> Water Resource	_____
<input type="checkbox"/> Explosive Storage Location	_____	<input type="checkbox"/> Other:	_____

Latitude/Longitude Point of Origin	Latitude			Longitude		
	Degrees	Minutes	Seconds	Degrees	Minutes	Seconds
Horizontal Accuracy Measure	Feet		--or--	Meters		
Horizontal Reference Datum Code	<input type="checkbox"/> North American Datum of 1927 <input type="checkbox"/> North American Datum of 1983 <input type="checkbox"/> World Geodetic System of 1984					
Horizontal Collection Method Code						
Reference Point Code						
Altitude	Feet		--or--	Meters		
Altitude Datum Name	<input type="checkbox"/> The National Geodetic Vertical Datum of 1929 <input type="checkbox"/> The North American Vertical Datum of 1988 (NAVD88)					
Altitude (Vertical) Location Datum Collection Method Code						
Geometric Type Code						
Data Collection Date						
Source Map Scale Number	Inch(es)		=	Feet		
--or--	Centimeter(s)		=	Meters		

PROJECT INFORMATION

Project Name

Sadsbury Township Act 537 Plan

Project Description

Update Planning Document to account for the Acquisition of Wastewater System Assets of Sadsbury Township by Pennsylvania American Water Company.

Project Consultant Last Name

Connolly

First Name

Daniel

MI

R

Suffix

Project Consultant Title

Engineer

Consulting Firm

Becker Engineering LLC

Mailing Address Line 1

1848 Charter Lane

Mailing Address Line 2

Suite 214

Address Last Line – City

Lancaster

State

PA

ZIP+4

17601

Phone

717-295-4975

Ext

108

FAX

717-295-4972

Email Address

dc@beckereng.net

Time Schedules

Project Milestone (Optional)

1. **Is the project located in or within a 0.5-mile radius of an Environmental Justice community as defined by DEP?** Yes No

To determine if the project is located in or within a 0.5-mile radius of an environmental justice community, please use the online [Environmental Justice Areas Viewer](#).

2. **Have you informed the surrounding community prior to submitting the application to the Department?** Yes No

Method of notification: Act 14 Notification Letters

3. **Have you addressed community concerns that were identified?** Yes No N/A

If no, please briefly describe the community concerns that have been expressed and not addressed.

4. **Is your project funded by state or federal grants?** Yes No

Note: If "Yes", specify what aspect of the project is related to the grant and provide the grant source, contact person and grant expiration date.

Aspect of Project Related to Grant

Grant Source: _____

Grant Contact Person: _____

Grant Expiration Date: _____

5. **Is this application for an authorization on Appendix A of the Land Use Policy? (For referenced list, see Appendix A of the Land Use Policy attached to GIF instructions)** Yes No

Note: If "No" to Question 5, [the application is not subject to the Land Use Policy](#).

If "Yes" to Question 5, the application is subject to this policy and the Applicant should answer the additional questions in the **Land Use Information** section.

LAND USE INFORMATION

Note: Applicants should submit copies of local land use approvals or other evidence of compliance with local comprehensive plans and zoning ordinances.

- | | | | | | |
|----|---|-------------------------------------|-----|-------------------------------------|----|
| 1. | Is there an adopted county or multi-county comprehensive plan? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 2. | Is there a county stormwater management plan? | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No |
| 3. | Is there an adopted municipal or multi-municipal comprehensive plan? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 4. | Is there an adopted county-wide zoning ordinance, municipal zoning ordinance or joint municipal zoning ordinance? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
- Note:** If the Applicant answers "No" to either Questions 1, 3 or 4, the provisions of the PA MPC are not applicable and the Applicant does not need to respond to questions 5 and 6 below.
If the Applicant answers "Yes" to questions 1, 3 and 4, the Applicant should respond to questions 5 and 6 below.
- | | | | | | |
|----|--|-------------------------------------|-----|-------------------------------------|----|
| 5. | Does the proposed project meet the provisions of the zoning ordinance or does the proposed project have zoning approval? If zoning approval has been received, attach documentation. | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 6. | Have you attached Municipal and County Land Use Letters for the project? | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No |

COORDINATION INFORMATION

Note: The PA Historical and Museum Commission must be notified of proposed projects in accordance with DEP Technical Guidance Document 012-0700-001 utilizing the Project Review Form.

If the activity will be a mining project (i.e., mining of coal or industrial minerals, coal refuse disposal and/or the operation of a coal or industrial minerals preparation/processing facility), respond to questions 1.0 through 2.5 below.

If the activity will not be a mining project, skip questions 1.0 through 2.5 and begin with question 3.0.

- | | | | | | |
|-----|---|--------------------------|-----|-------------------------------------|----|
| 1.0 | Is this a coal mining project? If "Yes", respond to 1.1-1.6. If "No", skip to Question 2.0. | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No |
| 1.1 | Will this coal mining project involve coal preparation/ processing activities in which the total amount of coal prepared/processed will be equal to or greater than 200 tons/day? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 1.2 | Will this coal mining project involve coal preparation/ processing activities in which the total amount of coal prepared/processed will be greater than 50,000 tons/year? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 1.3 | Will this coal mining project involve coal preparation/ processing activities in which thermal coal dryers or pneumatic coal cleaners will be used? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 1.4 | For this coal mining project, will sewage treatment facilities be constructed and treated waste water discharged to surface waters? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 1.5 | Will this coal mining project involve the construction of a permanent impoundment meeting one or more of the following criteria: (1) a contributory drainage area exceeding 100 acres; (2) a depth of water measured by the upstream toe of the dam at maximum storage elevation exceeding 15 feet; (3) an impounding capacity at maximum storage elevation exceeding 50 acre-feet? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 1.6 | Will this coal mining project involve underground coal mining to be conducted within 500 feet of an oil or gas well? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 2.0 | Is this a non-coal (industrial minerals) mining project? If "Yes", respond to 2.1-2.6. If "No", skip to Question 3.0. | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No |
| 2.1 | Will this non-coal (industrial minerals) mining project involve the crushing and screening of non-coal minerals other than sand and gravel? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 2.2 | Will this non-coal (industrial minerals) mining project involve the crushing and/or screening of sand and gravel with the exception of wet sand and gravel operations (screening only) and dry sand and gravel operations with a capacity of less than 150 tons/hour of unconsolidated materials? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |

2.3	Will this non-coal (industrial minerals) mining project involve the construction, operation and/or modification of a portable non-metallic (i.e., non-coal) minerals processing plant under the authority of the General Permit for Portable Non-metallic Mineral Processing Plants (i.e., BAQ-PGPA/GP-3)?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
2.4	For this non-coal (industrial minerals) mining project, will sewage treatment facilities be constructed and treated waste water discharged to surface waters?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
2.5	Will this non-coal (industrial minerals) mining project involve the construction of a permanent impoundment meeting one or more of the following criteria: (1) a contributory drainage area exceeding 100 acres; (2) a depth of water measured by the upstream toe of the dam at maximum storage elevation exceeding 15 feet; (3) an impounding capacity at maximum storage elevation exceeding 50 acre-feet?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
3.0	Will your project, activity, or authorization have anything to do with a well related to oil or gas production, have construction within 200 feet of, affect an oil or gas well, involve the waste from such a well, or string power lines above an oil or gas well? If "Yes", respond to 3.1-3.3. If "No", skip to Question 4.0.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
3.1	Does the oil- or gas-related project involve any of the following: placement of fill, excavation within or placement of a structure, located in, along, across or projecting into a watercourse, floodway or body of water (including wetlands)?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
3.2	Will the oil- or gas-related project involve discharge of industrial wastewater or stormwater to a dry swale, surface water, ground water or an existing sanitary sewer system or storm water system? If "Yes", discuss in <i>Project Description</i> .	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
3.3	Will the oil- or gas-related project involve the construction and operation of industrial waste treatment facilities?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
4.0	Will the project involve a construction activity that results in earth disturbance? If "Yes", specify the total disturbed acreage.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
4.0.1	Total Disturbed Acreage				
4.0.2	Will the project discharge or drain to a special protection water (EV or HQ) or an EV wetland?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
4.0.3	Will the project involve a construction activity that results in earth disturbance in the area of the earth disturbance that are contaminated at levels exceeding residential or non-residential medium-specific concentrations (MSCs) in 25 Pa. Code Chapter 250 at residential or non-residential construction sites, respectively?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
5.0	Does the project involve any of the following: water obstruction and/or encroachment, wetland impacts, or floodplain project by the Commonwealth/political subdivision or public utility? If "Yes", respond to 5.1-5.7. If "No", skip to Question 6.0.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
5.1	Water Obstruction and Encroachment Projects – Does the project involve any of the following: placement of fill, excavation within or placement of a structure, located in, along, across or projecting into a watercourse, floodway or body of water?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
5.2	Wetland Impacts – Does the project involve any of the following: placement of fill, excavation within or placement of a structure, located in, along, across or projecting into a wetland?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
5.3	Floodplain Projects by the Commonwealth, a Political Subdivision of the Commonwealth or a Public Utility – Does the project involve any of the following: placement of fill, excavation within or placement of a structure, located in, along, across or projecting into a floodplain?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
5.4	Is your project an interstate transmission natural gas pipeline?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No

5.5	Does your project consist of linear construction activities which result in earth disturbance in two or more DEP regions AND three or more counties?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
5.6	Does your project utilize Floodplain Restoration as a best management practice for Post Construction Stormwater Management?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
5.7	Does your project utilize Class V Gravity / Injection Wells as a best management practice for Post Construction Stormwater Management?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
6.0	Will the project involve discharge of construction related stormwater to a dry swale, surface water, ground water or separate storm water system?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
6.1	Will the project involve discharge of industrial waste stormwater or wastewater from an industrial activity or sewage to a dry swale, surface water, ground water or an existing sanitary sewer system or separate storm water system?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
7.0	Will the project involve the construction and operation of industrial waste treatment facilities?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
8.0	Will the project involve construction of sewage treatment facilities, sanitary sewers, or sewage pumping stations? If "Yes", indicate estimated proposed flow (gal/day). Also, discuss the sanitary sewer pipe sizes and the number of pumping stations/treatment facilities/name of downstream sewage facilities in the <i>Project Description</i> , where applicable.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
8.0.1 Estimated Proposed Flow (gal/day)					
9.0	Will the project involve the subdivision of land, or the generation of 800 gpd or more of sewage on an existing parcel of land or the generation of an additional 400 gpd of sewage on an already-developed parcel, or the generation of 800 gpd or more of industrial wastewater that would be discharged to an existing sanitary sewer system?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
9.0.1	Was Act 537 sewage facilities planning submitted and approved by DEP? If "Yes" attach the approval letter. Approval required prior to 105/NPDES approval.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
10.0	Is this project for the beneficial use of biosolids for land application within Pennsylvania? If "Yes" indicate how much (i.e. gallons or dry tons per year).	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
10.0.1	Gallons Per Year (residential septage) _____				
10.0.2	Dry Tons Per Year (biosolids) _____				
11.0	Does the project involve construction, modification or removal of a dam? If "Yes", identify the dam.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
11.0.1	Dam Name _____				
12.0	Will the project interfere with the flow from, or otherwise impact, a dam? If "Yes", identify the dam.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
12.0.1	Dam Name _____				
13.0	Will the project involve operations (excluding during the construction period) that produce air emissions (i.e., NOX, VOC, etc.)?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
13.0.1	If "Yes", is the operation subject to the agricultural exemption in 35 P.S. § 4004.1?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
13.0.2	If the answer to 13.0.1 is "No", identify each type of emission followed by the estimated amount of that emission. Enter all types & amounts of emissions; separate each set with semicolons.				

14.0	Does the project include the construction or modification of a drinking water supply to serve 15 or more connections or 25 or more people, at least 60 days out of the year? If "Yes", check all proposed sub-facilities.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
14.0.1	Number of Persons Served _____				
14.0.2	Number of Employee/Guests _____				
14.0.3	Number of Connections _____				
14.0.4	Sub-Fac: Distribution System	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
14.0.5	Sub-Fac: Water Treatment Plant	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
14.0.6	Sub-Fac: Source	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
14.0.7	Sub-Fac: Pump Station	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
14.0.8	Sub Fac: Transmission Main	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
14.0.9	Sub-Fac: Storage Facility	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
15.0	Will your project include infiltration of storm water or waste water to ground water within one-half mile of a public water supply well, spring or infiltration gallery?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
16.0	Is your project to be served by an existing public water supply? If "Yes", indicate name of supplier and attach letter from supplier stating that it will serve the project.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
16.0.1	Supplier's Name _____				
16.0.2	Letter of Approval from Supplier is Attached	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
17.0	Will this project be served by on-lot drinking water wells?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
18.0	Will this project involve a new or increased drinking water withdrawal from a river, stream, spring, lake, well or other water bod(ies)? If "Yes", reference Safe Drinking Water Program.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
18.0.1	Source Name _____				
19.0	Will the construction or operation of this project involve treatment, storage, reuse, or disposal of waste? If "Yes", indicate what type (i.e., hazardous, municipal (including infectious & chemotherapeutic), residual) and the amount to be treated, stored, re-used or disposed.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
19.0.1	Type & Amount _____				
20.0	Will your project involve the removal of coal, minerals, contaminated media, or solid waste as part of any earth disturbance activities?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
21.0	Does your project involve installation of a field constructed underground storage tank? If "Yes", list each Substance & its Capacity. Note: Applicant may need a Storage Tank Site Specific Installation Permit.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
21.0.1	Enter all substances & capacity of each; separate each set with semicolons.				
22.0	Does your project involve installation of an aboveground storage tank greater than 21,000 gallons capacity at an existing facility? If "Yes", list each Substance & its Capacity. Note: Applicant may need a Storage Tank Site Specific Installation Permit.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
22.0.1	Enter all substances & capacity of each; separate each set with semicolons.				
23.0	Does your project involve installation of a tank greater than 1,100 gallons which will contain a highly hazardous substance as defined in DEP's Regulated Substances List, 2570-BK-DEP2724? If "Yes", list each Substance & its Capacity. Note: Applicant may need a Storage Tank Site Specific Installation Permit.	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
23.0.1	Enter all substances & capacity of each; separate each set with semicolons.				

24.0 Does your project involve installation of a storage tank at a new facility with a total AST capacity greater than 21,000 gallons? Yes No
"Yes", list each Substance & its Capacity. **Note:** Applicant may need a Storage Tank Site Specific Installation Permit.

24.0.1 Enter all substances & capacity of each; separate each set with semicolons.

NOTE: If the project includes the installation of a regulated storage tank system, including diesel emergency generator systems, the project may require the use of a Department Certified Tank Handler. For a full list of regulated storage tanks and substances, please go to www.dep.pa.gov search term storage tanks

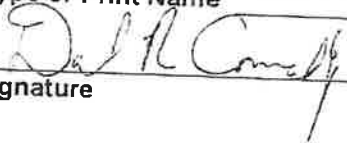
25.0 Will the intended activity involve the use of a radiation source? Yes No

CERTIFICATION

I certify that I have the authority to submit this application on behalf of the applicant named herein and that the information provided in this application is true and correct to the best of my knowledge and information.

For applicants supplying an EIN number: I am applying for a permit or authorization from the Pennsylvania Department of Environmental Protection (DEP). As part of this application, I will provide DEP with an accurate EIN number for the applicant entity. By filing this application with DEP, I hereby authorize DEP to confirm the accuracy of the EIN number provided with the Pennsylvania Department of Revenue. As applicant, I further consent to the Department of Revenue discussing the same with DEP prior to issuance of the Commonwealth permit or authorization.

Type or Print Name Daniel R. Connolly, P.E.


Signature

Engineer

Title

9/7/2023
Date

2. ADMINISTRATIVE COMPLETENESS

2.1. PLAN SUMMARY

The municipal facilities being acquired are the sewer collection, conveyance and treatment facilities formerly owned and operated by the Sadsbury Township Municipal Authority. A map of the existing sewer facilities is included under Appendix C.

The purpose of this Act 537 Plan is to obtain planning approval from the Pennsylvania Department of Environmental Protection (PADEP) for the acquisition of the Sadsbury Township Municipal Authority's sewage facilities (Authority's sewage facilities) by Pennsylvania-American Water Company (PAWC), which is a regulated public utility under the jurisdiction of the Pennsylvania Public Utility Commission (PaPUC). The Authority's sewage facilities serve properties south of Gap, which contribute to the Salisbury Township sewer system, and north of Christiana, which contribute to the Christiana Borough sewer system. Sadsbury Township Municipal Authority entered into an agreement with PAWC that details the conditions and responsibilities of each party relative to the acquisition. It is the intent of PAWC, after approval of this Act 537 Plan from PADEP, to obtain approval from the PaPUC for the acquisition and the establishment of a Service Territory for the area designated as the Route 41 Corridor.

No existing or projected conditions have been identified that would warrant upgrades to the Authority's sewage facilities at this time. This Plan is consequently intended to solely address the transference of ownership as noted above.

The content of this Plan has been prepared in accordance with the PADEP guidance document entitled Public-to-Private Wastewater Disposal System Transfers, Act 537 Planning Requirements.

2.1.1. Identification of Municipal Facilities Being Acquired

The Authority's sewage facilities to be acquired by PAWC include:

- Gravity sewers, including four (4) metering manholes,
- Two (2) pumping stations and their associated force mains, and
- Gravity and low pressure sewer laterals, from the main to the property line.

A map of the Pennsylvania American Water Company Proposed Franchise Territory is included under Appendix D.

2.1.2. Institutional Arrangements

The Authority's sewage facilities provide service to portions of Sadsbury Township, Lancaster County. This Act 537 Plan addresses the institutional arrangements for acquisition, ownership and operation of the Authority's sewage facilities. The proposed asset acquisition does not require new departments or municipal authorities. PAWC will obtain the certificated franchise territory from the PaPUC. Users who are now direct customers of Sadsbury Township Municipal Authority, will become direct customers of PAWC. Users within Sadsbury Township that

connect to the facilities of Salisbury Township and billed by Sadsbury Township will become customers of PAWC.

PAWC will own and operate the Authority's Sewage Facilities. As owner and operator of the wastewater system, PAWC will be responsible for the operation, maintenance, repair, replacement, and monitoring of all elements of the wastewater system. Legal actions required to implement the sale of the Authority's sewage facilities to PAWC are comparable to similar asset acquisitions completed by PAWC and will include items such as change in ownership of assets and transfer of permits, rights-of-way, easements, and property. Prior to acquisition of the Authority's sewage facilities by PAWC, Sadsbury Township Municipal Authority, Sadsbury Township, and PAWC will enter into an Assignment Agreement whereby the Authority will assign all its rights, obligations, and liabilities to PAWC.

The "ASSET PURCHASE AGREEMENT FOR THE ACQUISITION OF THE ASSETS OF THE WASTEWATER SYSTEM OF SADBURY TOWNSHIP MUNICIPAL AUTHORITY BY PENNSYLVANIA AMERICAN WATER COMPANY" is the legal document prepared for the acquisition. A copy of the Asset Purchase Agreement is included under Appendix A.

New Service Agreements will be prepared between PAWC and Salisbury Township; and between PAWC and Christiana Borough to reflect the change in ownership. No additional capacity is being sought with either system.

2.1.3. Purchase Price and Implementation Costs

The purchase price for the Authority's sewage facilities assets is \$990,000.00. This purchase price is exclusively for the acquisition of the wastewater assets currently in place and owned and operated by the Sadsbury Township Municipal Authority. The cost of implementing the acquisition has yet to be determined but would include all legal and associated costs with the PaPUC filing, title work, and other transaction costs necessary to close the acquisition, which will occur after the PaPUC has issued an Order approving the application filing.

2.1.4. Municipal and Purchasing Entity Commitments

As the purchasing entity, PAWC commitments include all tasks and responsibilities required to own, operate, and maintain the Authority's sewage facilities. This includes compliance with applicable environmental regulations; investment in and maintenance of infrastructure; investigation of and response to any reports of sewer overflows; completion of reporting requirements, such as Chapter 94 Wasteload Management Reports; and review and approval of planning modules for new connections with respect to the available collection, conveyance, and treatment capacity.

Representations and Warranties of the Seller are provided under Article 4 of the Asset Purchase Agreement. Representations and Warranties of PAWC are

provided under Article 5 of the Asset Purchase Agreement. Mutual Covenants of Seller and PAWC are provided under Article 6 of the Asset Purchase Agreement. No future capital projects are named.

2.1.5. Implementation Schedule

The Asset Purchase Agreement between Sadsbury Township Municipal Authority and Pennsylvania American Water Company (PAWC) was executed on January 5, 2023. Transfer of PADEP Permits is expected to be secured on or before Closing of the Asset Purchase Agreement, which is estimated to be early 2024. Closing requirements are provided under Article 3 of the Asset Purchase Agreement.

2.2. MUNICIPAL ADOPTION

An original, signed and sealed Resolution of Adoption of this Act 537 Plan follows this page.

2.3. PLANNING COMMISSION COMMENTS AND RESPONSES

Comments received by the Sadsbury Township Planning Commission and Lancaster County Planning Commission follow this page.

**Response to Sadsbury Township and Planning Commission and Lancaster County
Planning Commission Comments**

1. .

2. .

3.

2.4. PUBLICATION

Proof of Public Notice documenting the proposed plan adoption and establishment and conduction of a 30-day comment period follows this page.

2.5. PUBLIC COMMENTS AND RESPONSES

Comments received during the 30-day comment period and responses to those comments follow this page.

Response to Public Comments:

2.6. IMPLEMENTATION SCHEDULE

The Plan implementation is anticipated to include the following tasks:

<u>Activity</u>	<u>Milestone</u>
Submission of Draft Act 537 Plan to Sadsbury Township Planning Commission and Lancaster County Planning Commission	September 2023
Submit Publication of Comment Period Notification	September 2023
Initiate 30-Day Act 537 Public Notification and Comment Period	September 2023
Completion of Act 537 Public Notification and Comment Period	October 2023
Receipt of Comments from Sadsbury Township, Sadsbury Township Planning Commission, Lancaster County Planning Commission and Public	October 2023
Respond to Comments and Completion of Act 537 Plan	October 2023
Adoption of Act 537 Plan by Sadsbury Township	November 2023
Submission of Act 537 Plan to PADEP	November 2023
Receipt of PADEP Comments	January 2024
Submission of Revised Act 537 Plan to PADEP	February 2024

3. GENERAL PLAN

3.1. PREVIOUS WASTEWATER PLANNING

3.1.1. Review of Previous Wastewater Planning

3.1.1.1. Planning History

The comprehensive Act 537 Plan for Sadsbury Township was approved by PADEP in 1991. The Township prepared a supplement to the Act 537 Plan in 1992 to meet Federal Title II planning requirements and to qualify for PENNVEST funding assistance.

3.1.1.2. Review of Past Implementation Schedules

The 1991 Act 537 Plan provided several recommendations including:

- Creation of a Township Sewer Authority: Accomplished in 1991.
- Adoption of On Lot Disposal System ordinance to ensure proper operation and management of the systems: Accomplished in 1991.
- Adoption of zoning revisions to further limit growth to the "Route 41 Corridor": Accomplished
- Construct wastewater collection and conveyance facilities and new wastewater treatment facility: Discussed further below.

Following creation of the new Sadsbury Township Sewer Authority, the Authority commissioned the preparation of the Act 537 Plan Supplement. The supplement was prepared to meet Federal Title II planning requirements and provide more detailed estimations of construction costs for the alternatives evaluated and outlined financing options.

In 1997, Sadsbury Township entered into an agreement with Christiana Borough to convey wastewater to the Christiana Borough system. The agreement allotted for 40,000 gallons per day on a monthly average; with a peak flow rate of 100,000 gallons per day. Subsequently this allowed for construction of sanitary sewers to serve:

- Saddler Drive & Parker Drive, located northwest of Christiana Borough
- Area centered on Route 41 including Newport Avenue and west end of Pine Creek Drive, located to the north of Christian Borough
- Area including east end of Pine Creek Drive including Sadsbury Court, Christian Lane, Simmontown Road, and Pleasant View Road, located to the northeast of Christiana Borough.

The agreement between Sadsbury Township, STMA, and Christiana Borough was amended in 2001 to increase the monthly average flow to 45,000 gallons per day and the peak flow rate to 112,500 gallons per day. This enabled extension of the sewer line north along Christian Ave and including Ridge Lane and Meadowview Drive.

3.1.1.3. Review of Chapter 94 Compliance

There are no Corrective Action Plans in effect.

3.1.1.4. Review of Current Planning Modules for New Development

There are no planning modules for new development currently being reviewed by Sadsbury Township.

3.2. PHYSICAL ANALYSIS OF MUNICIPALITY

Sadsbury Township is a municipality located in eastern Lancaster County that consists of 19.66 square miles of land. The Township Zoning Map presented in Appendix B shows that the township is largely agricultural, with residential and commercial development concentrated along the PA Route 41 corridor, between Gap and Christiana Borough, east of the Amtrak rail lines, south of Strasburg Road and west of Simmontown Road.

The Township is triangular-shaped, bounded by Christiana Borough and Chester County (including West Sadsbury Township, West Fallowfield Township, and Upper Oxford Township) to the east and south; Salisbury Township and Paradise Township to the north; and by Bart Township and Colerain Township to the west.

3.2.1. Identification of Planning Areas

The planning area is primarily confined to the PA Route 41 corridor, as previously described, plus the Low Density Residential area of Saddler Drive, and the Rural Residential area along Upper Valley Road.

3.2.2. Identification of Physical Characteristics

The 1991 Sadsbury Township Act 537 Plan includes a physical description of the Township. Main points include:

- Topography: "The Township is generally comprised of undulating and dissected hills of medium relief with the exception of a narrow valley that bisects the Township just south of Christiana."
- Drainage Patterns: "The general trend of surface and groundwater flow within the Township is eastward to the East Branch of the Octoraro Creek via smaller tributaries." Main tributaries include Williams Run, Buck Run, and Valley Run. Smaller tributaries include Pine Creek, Knott Run and Annan Run.
- Soils: "The majority of the Township's soils are included in either the Manor, Chester, or Geeneig soil series....Most of these soils have moderate limitations for the use of on-lot systems..."

For a more detailed description of soils and geology, refer to the 1991 Sadsbury Township Act 537 Plan.

3.3. EXISTING SEWAGE FACILITIES IN THE PLANNING AREA

Sadsbury Township Municipal Authority includes collection and conveyance facilities that connect to Salisbury Township and Christiana Borough systems.

3.3.1. Description of Facilities Contributing to Salisbury Township

The service area contributing to Salisbury Township is located at the northern end of the Route 41 Corridor. Refer to the Sadsbury Township Municipal Authority Service Area Map under Appendix C. This area includes properties along: Newport Road, Mary Drive, Pheasant Run Drive, Strasburg Road from the Township line to just east of the intersection with Hidden Hollow Drive, and a portion of SR 41. The existing system includes gravity sewer, low-pressure sewer and a pump pumping station for conveyance of wastewater to the Salisbury Township Woodland Hills South Pumping Station. There is a metering manhole along Strasburg Road upstream of the Woodland Hills South Pumping Station, known as Mary Drive Flow Meter (#1), but not all the flow from homes in this area is recorded by the metering manhole. The metering equipment is serviced and recalibrated twice per year.

The pumping station is known as Pumping Station #1 - Stoltzfus Pumping Station. It is a duplex pumping station. Per the 2022 Chapter 94 Report a drawdown test performed in 2020 yielded 30 gpm for Pump #1 and 42 gpm for Pump #2. This equates to a maximum capacity of 43,200 gallons per day. Flows are calculated based on run time hours. Data for 2022 shows that the average daily flow was 6,090 gpd, and the maximum daily flow was 14,400 gpd after excluding several days due to a clogged pump. The Chapter 94 Report indicates that potentially 5 new EDUs will be connected to the pumping station over the next two years, which will not create capacity issues with the pumping station.

Salisbury Township owns and maintains facilities located in Sadsbury Township. Most of the homes along Hidden Hollow Drive are located in Salisbury Township. The gravity sewer continues along Hidden Hollow Drive into Sadsbury Township to a pumping station located on the east side of Hidden Hollow Drive at Strasburg Road. The force main runs west along Strasburg Road to a high point near the intersection with Pheasant Run Drive. From there gravity sewer continues to convey wastewater to the Salisbury Township WWTP.

There are 16 properties along Hidden Hollow Drive that connect directly to the Salisbury Township gravity sewer plus an additional 6 properties along Strasburg Road that utilize low pressure sewer and pump to the Woodland Hills South Pumping Station. An amendment to the Service Agreement dated July 19, 2022 recognizes these properties and addresses how they are to be billed for services.

The amended Service Agreement further recognizes 2 properties with unmetered flows that do not pass through the Woodland Hills South Pumping Station. One is located along Strasburg Road and the other along Buckhill Road.

3.3.2. Description of Facilities Contributing to Christiana Borough

Flow is conveyed to the Christiana Borough system by three sewer extensions. Refer to the Sadsbury Township Municipal Authority Service Area Map under Appendix C. Each extension has a metering manhole to record flows prior to entering the Christiana Borough system.

The Saddler Drive/Parker Drive area is served by gravity sewer that follows William Run and connects to the Christiana Borough system along Williams Run Road. The flow meter is known as the Williams Run Flow Meter (#3).

To the north of the Borough is a combination of low pressure sewer, gravity sewer, and a pumping station to serve properties along Newport Avenue, SR 41, and the west end of Park Hill Drive. It discharges to the Borough system along Sadsbury Avenue, just east of Newport Avenue. The flow meter is known as the Sadsbury Flow Meter (#2). The pumping station is known as Pumping Station #2 – Kauffman Pumping Station. It is a duplex pumping station. Per the 2022 Chapter 94 Report a drawdown test performed in 2020 yielded 24 gpm for each pump. This equates to a maximum capacity of 34,560 gallons per day. Flows are calculated based on run time hours. Data for 2022 shows that the average daily flow was 2,657 gpd, and the maximum daily flow was 7,200 gpd, after excluding some data that was determined to be invalid due to pump issues. In 2022, 3 additional EDUs were connected to the pumping station. It is anticipated that potentially 16 EDUs will be connected to the pumping station over the next two years, which will not cause capacity issues with the pumping station.

The residential development that encompasses the east end of Park Hill Drive and includes North and South Sadsbury Court, North Christian Avenue, South Christian Court, Meadowview Drive, Ridge Lane, Pleasant View Road, and a portion of Simmontown Road is primarily served by a gravity sewer that follows East Branch Octoraro Creek and connects to the east side of the Borough at Newport Avenue. The flow meter is known as the Newport Avenue Flow Meter (#4)

3.3.3. Review of Sadsbury Township Municipal Authority Compliance History

Overall, the Sadsbury Township Municipal Authority system has remained in compliance.

3.3.4. Review of Scheduled or On-Going Upgrade or Expansion Projects of the Sadsbury Township Municipal Authority system

There are no upgrade or expansion projects either planned or on-going for the Sadsbury Township Municipal Authority system.

3.3.5. Review of Disposal Areas

Because no changes are proposed to the growth area, no water samples have been obtained.

3.4. FUTURE GROWTH AND LAND DEVELOPMENT

The Sadsbury Township Zoning Map is attached in Appendix B. Current Zoning reflects changes that have been made in response to recommendations outlined in the previous planning studies. Future growth is to be limited to the Route 41 Corridor.

Agricultural easements exist to the east and west of the Route 41 Corridor, further confining growth to the designated area.

3.5. ALTERNATIVES TO PROVIDE NEW / IMPROVED WASTEWATER DISPOSAL FACILITIES

The Sadsbury Township Municipal Authority's sewage facilities will require investment to continue to provide safe, reliable, and adequate wastewater conveyance and treatment services for its customers. The Authority has determined that the sale of its sewage facilities to PAWC is in the best long-term interest of its residents. The Authority has reached an agreement with PAWC to purchase the sewage facilities. Presently, all sewage facilities are owned and maintained by the Authority. It is the intent that, upon acquisition, PAWC will own, operate, and maintain the Authority's collection and conveyance facilities serving the proposed Service Territory.

Currently, there are no developments proposed that would require extension of the existing collection system, so no alternatives have been evaluated.

3.6. EVALUATION OF ALTERNATIVES

3.6.1. Water Quality Standards and Effluent Limitations

As stated in Section 3.5 of this report, there are no unmet sewage needs established in previous planning; therefore, no alternatives were evaluated. As such, evaluating alternatives with respect to applicable water quality standards, effluent limitations, or other technical, legislative, or legal requirements is not applicable.

3.6.2. Review of Purchase Price

Sadsbury Township and Sadsbury Township Municipal Authority agreed to a purchase price of \$990,000.00 tendered by the Pennsylvania American Water Company. This purchase price is exclusively for the acquisition of the wastewater assets currently in place and owned and operated by Sadsbury Township Municipal Authority. The cost of implementing the acquisition has yet to be determined but would include all legal and associated costs with the PaPUC filing, title work, and other transaction costs necessary to close the acquisition, which will occur after the PaPUC has issued an Order approving the application filing.

3.6.3. Implementation Needs of Each Alternative

As established previously, no alternatives were evaluated; therefore, an analysis of the implementation needs is not applicable.

3.6.4. Evaluation of Administrative Organizations and Legal Authority Necessary for Plan Implementation

Sadsbury Township Municipal Authority owns, maintains, and operates the collection system facilities to be acquired by Pennsylvania American Water Company (PAWC). The Township is also a signatory to an agreement to effectuate the sale of the sewage facilities to PAWC. Approval of this Act 537 Plan by the Township by Resolution and acceptance of the Act 537 Plan by the Lancaster County Planning Commission will satisfy the PADEP planning requirements for the acquisition of the collection system facilities. Upon acquisition, PAWC will obtain the Certified Franchise Territory corresponding to the Planning Area as shown in Appendix C in accordance with all rules and regulations of the PaPUC.

PAWC is a public utility regulated by the PaPUC. PAWC currently provides water and wastewater service to more than 400 communities in Pennsylvania. As a leading wastewater provider in Pennsylvania, PAWC brings industry leading expertise and has extensive technical experience in upgrading, operating, and maintaining sewer facilities. PAWC is a recognized leader in providing communities in the Commonwealth with well-maintained and reliable water and wastewater service.

PAWC has a strong and ongoing commitment to investing in and maintaining infrastructure, and an established track record of successfully managing large capital investment projects in order to continually provide reliable service to the communities it serves. PAWC has an ongoing program of capital investment focused on systematically replacing and adding new pipes, treatment and pumping facilities, and other water and wastewater infrastructure thereby minimizing customer disruption caused by infrastructure failure. PAWC

has funded in excess of \$1 billion in capital construction over the past five years with expenditures expected to total \$275 million to \$300 million per year for the next five years. Capital planning is performed by in-house engineering and operations staff to establish capacity needs, regulatory impacts, service adequacy, and reliability for PAWC's wastewater systems. Project costs, alternatives, and risks are also determined. Comprehensive periodic oversight of water and wastewater assets gives PAWC a clear and objective view of needs and potential capital project solutions.

As found by the PaPUC in its determination concerning the recently completed transfer of the Scranton wastewater system to PAWC, "PAWC is better positioned to own and operate the combined wastewater system and to implement the necessary capital improvements to the system in conformance [with all applicable regulatory requirements]."¹ The PaPUC specifically noted the following:

- PAWC is the Commonwealth's largest water and wastewater provider with total assets of \$4.6 billion and annual revenues of \$661 million in 2017, producing an operating income of approximately \$346 million and a net income of approximately \$161 million.
- PAWC has an established track record with extensive experience in delivering large, complex water and wastewater capital improvement projects.
- PAWC has funded in excess of \$1 billion in capital construction over the past five years.
- PAWC currently operates 18 WWTPs in Pennsylvania, including three biological nutrient removal treatment systems.
- As a subsidiary of American Water Works Company, PAWC has available to it the resources of American Water Works Service Company, Inc., including access to professionals with expertise in various specialized areas.

Because PAWC has access to the equity markets, in addition to its strong balance sheet and credit ratings, it is better positioned than the Sadsbury Township Municipal Authority to address the myriad of costs and obligations associated with present and future improvements and operation of the sewer system. PAWC currently has a credit rating by Moody's of A3. PAWC has access to a \$400-million line of credit and has access to equity markets that are unavailable to the Authority.

¹ PUC Docket No. A-2016-2537209, Opinion and Order (October 19, 2016) at 46.

In this regard, the contemplated transaction will provide a public benefit to the Authority's system customers because they will join PAWC's large customer base. PAWC provides water service to approximately 658,000 customers and wastewater service to approximately 65,000 customers. The company is the water and/or wastewater provider for more than 400 communities across the Commonwealth, with a combined population of approximately 2.4 million people. Because of its size and expertise in wastewater management and the leveraging of economies of scale, PAWC will be able to improve efficiencies and lower the costs that would otherwise be incurred to operate the Authority's sewage facilities and fund necessary improvements to the system. These efficiencies will help keep rates lower for the system's customers than they would be if not allowed to become part of PAWC's customer base.

A key consideration and benefit of the contemplated transaction arise from the enactment and application of Pennsylvania's Act 11. Act 11 allows investor-owned public utilities to set rates that spread some or all system improvement costs across their broader customer base, rather than allocating all costs and establishing rates system-by-system. PAWC has been a leader in implementing Act 11 and moving toward spreading costs and blending rates across its water and wastewater customers within Pennsylvania as a whole. By spreading improvement costs across PAWC's combined customer base, the costs of improvements imposed on the Authority's customers can be reduced in a manner to avoid what might otherwise be an unreasonable and burdensome rate impact. Recent wastewater system acquisitions by PAWC include those systems serving the City of McKeesport (2017), Exeter Township (2019), the Borough of Turbotville (2019), and the Borough of Kane Authority's system serving the Borough of Kane and portions of Wetmore Township (2020).

3.7. INSTITUTIONAL EVALUATION

3.7.1. Analysis of Institutional Alternatives

3.7.1.1. Need for New Municipal Departments or Authorities

Following the acquisition, the Authority's sewage facilities will be owned and operated by PAWC. The operation of the sewage facilities will become part of the existing PAWC organizational structure, and no new departments or authorities will be created as part of this acquisition. Users who are now direct customers of Sadsbury Township Municipal Authority will become direct customers of PAWC. Users within Sadsbury Township that connect to the facilities of Salisbury Township and billed by Sadsbury Township will become customers of PAWC.

Following closing of the proposed transaction, PAWC will operate and maintain the Authority's sewage facilities utilizing licensed operators supervised by existing staff in PAWC's Southeast Region.

Local system staff will be managed through PAWC's operations team that ultimately reports up through the Company's Vice President of Operations. Over time, as system needs and facilities, technologies, and other circumstances evolve, PAWC will conduct ongoing reviews of staffing levels, personnel qualifications, and training requirements. System staff will receive additional support from the PAWC company-wide engineering, operations, human relations, legal, and other service teams. Where necessary, operating staff will be supplemented with specialized services provided by both company-level and corporate parent and affiliate personnel, bringing specialized expertise and talents to bear to address particular issues and concerns.

3.7.1.2. *Functions of Existing and Proposed Organizations*

Upon closing the acquisition of the Authority's sewage facilities, the existing sewer customers will become direct customers of PAWC. As direct customers of PAWC, the wastewater tariff as approved by the PaPUC will define the rates, rules, and regulations governing the furnishing of wastewater collection and disposal service.

After the acquisition is completed, PAWC will own and maintain the two pump stations, and the collection system.

PAWC will respond to and investigate any reports of sewer overflows. If the overflow is discovered within the PAWC owned and maintained collection system, PAWC will stabilize the situation and make corrective actions as necessary to eliminate the overflow.

For portions of Sadsbury Township that are served by on-lot disposal systems, there are no changes. The on-lot disposal system ordinances will remain in effect.

3.7.1.3. *Cost of Administration / Implementation and Capability to React to Future Needs*

As a result of the acquisition, PAWC will be responsible for the costs of administering and implementing any upgrades to address future needs in accordance with applicable PaPUC rules and regulations. The Township retains the authority to govern sewage facility planning in accordance with Title 25, Section 71 of the Pennsylvania Code.

3.7.2. Administrative and Legal Activities to be Completed

3.7.2.1. Incorporation of Authorities or Agencies

No new authorities or agencies need to be created. As owner and operator of the wastewater system, PAWC will be responsible for the operation, maintenance, repair, replacement, and monitoring of all elements of the system.

3.7.2.2. Review of Ordinances, Regulations, Agreements

PAWC will be responsible for preparing the annual Chapter 94 Report as well as other wastewater system permits and notifications, including industrial discharge permitting and sanitary sewer overflow notifications. PAWC will also be responsible for review of planning modules for new connections with respect to the available collection, conveyance, and treatment capacity. More specifically PAWC will act as the "Responsible Agent" for Section J. Chapter 94 Consistency Determination of a Sewage Facilities Planning Module, Component 3. Section J addresses the capacity of the collection, conveyance, and treatment facilities to ensure that the proposed development will not cause a hydraulic overload in the collection or conveyance facilities within 5 years or cause a hydraulic or organic overload in the treatment facilities within 5 years. PAWC will work directly with the applicant to obtain the necessary information and to conduct the appropriate analyses. Sadsbury Township will remain responsible for sewage facilities planning in accordance with Act 537 and will have ultimate approval over any sewage planning module.

Complaints regarding the public sewer system will be directed to PAWC with the ability to contact the Township if issues are not adequately handled to obtain assistance in resolving problems. Private sewer systems and on-lot systems will be the responsibility of the property owner.

After the acquisition, agreements and inter-municipal agreements can be negotiated by PAWC with other sewer authorities or municipalities. If new development or redevelopment is proposed, PAWC will cooperate with the Township in the review and approval of sewage facility planning modules for such projects. PAWC will accept, convey, and treat all domestic sewage flows from such development/redevelopment projects within the certificated franchise area and consistent with PAWC's Tariff.

The Township will maintain authority to enforce plumbing code and on-lot residential and commercial ordinances, in cooperation with PAWC, including grease trap, sump pump and lateral inspection.

The Township is expected to update/amend, maintain and enforce ordinances (1) prohibiting or regulating the discharge into the sewage

system of fats, oils, grease, acids, and other prohibited substances consistent with the regulations governing the wastewater system (which are consolidated into the PAW IPP Regulations required by PADEP); and (2) prohibiting the discharge into any sanitary sewer of surface or groundwater. PAWC will work with the Township if the ordinances need to be updated.

The Township will remain responsible for sewage facilities planning in accordance with Act 537. PAWC will be responsible for the ownership, operation, maintenance, upgrade, expansion, permitting, and compliance.

3.7.2.3. *Review of Rights-of-Way, Easements, and Land Transfers*

Sadsbury Township Municipal Authority will convey to PAWC all of the Authority's rights to all real and personal property comprising the wastewater system, including all property owned in fee, all easements, and all rights-of-way for the wastewater system's collection and pumping facilities. As a PaPUC-regulated public utility, PAWC has the right to obtain rights-of-way within municipal streets and highways for underground water and wastewater lines, and PAWC anticipates cooperating with the Township in the siting and installation of such facilities. Where the acquisition of easements or other rights to private property are necessary, PAWC endeavors to negotiate an amicable purchase of such rights on mutually acceptable terms where feasible. Where necessary, as a PaPUC-regulated facility, PAWC may exercise the power of eminent domain to acquire easements or property under the provisions of the Eminent Domain Code.²

The Asset Purchase Agreement lists all land transfers, including the two pumping stations. Refer to Article 4.1(m)(i) of the Agreement. In addition, rights-of-way and easements are named in Article 4.1(m)(ii) of the Agreement.

3.7.2.4. *Adoption of Other Municipal Sewage Facilities Plans*

Sadsbury Township would be responsible for any required adoption of other municipal sewage facilities plans that impact the sewage disposal needs within the Township. PAWC, as owner and operator of the wastewater system, would provide stakeholder input and be involved in the planning process as necessary.

² 15 Pa.C.S. §1511(a)(5) states, " A public utility corporation shall, in addition to any other power of eminent domain conferred by any other statute, have the right to take, occupy and condemn property for one or more of the following principal purposes and ancillary purposes reasonably necessary or appropriate for the accomplishment of the principal purposes:...(5) The collection, treatment or disposal of sewage for the public."

3.7.2.5. Additional Legal Documents

The Asset Purchase Agreement lists all existing licenses, permits and authorizations. Refer to Schedule 4.1(r) of the Agreement.

No additional legal documents are required.

3.7.2.6. Timeline for Administrative and Legal Activities

The following dates summarize the sale of the Sadsbury Township Sewer System to the Pennsylvania American Water Company:

Execution of Asset Purchase Agreement	January 5, 2023
Finalize Asset Purchase Agreement	March 2024
Transfer of PADEP Permits	March 2024

3.7.3. Justification for Choosing Specific Institutional Alternative

PAWC is the Commonwealth's largest investor-owned provider of water and wastewater services. As a leading wastewater provider in Pennsylvania, PAWC brings industry leading expertise and has extensive technical experience in upgrading, operating, and maintaining sewer facilities. PAWC is a recognized leader in providing communities in the Commonwealth with well-maintained and reliable water and wastewater service. For wastewater treatment and collection alone, PAWC currently operates 18 wastewater WWTPs that serve approximately 65,000 customers, including residential, commercial, and industrial users in 12 counties across the Commonwealth. Given PAWC's existing platform in relation to operation of water and wastewater systems in the region, PAWC is best positioned to provide wastewater service to the Township on a cost-effective basis.

PAWC currently employs approximately 1,100 professionals with expertise in all areas of water and wastewater utility operations including engineering, regulatory compliance, water and WWTP operation and maintenance, distribution and collection system operation and maintenance, material management, risk management, human resources, legal, accounting, and customer service.

PAWC is a subsidiary of American Water, which is the largest publicly traded water and wastewater utility in the United States and provides approximately 14 million people with drinking water, wastewater, and other water-related services in over 45 states and two Canadian provinces through its regulated subsidiaries, market-based operations, and other services to public and private sector clients. American Water currently owns or operates approximately 200 wastewater operations through its subsidiaries in several states.

As a subsidiary of American Water, PAWC has available to it additional resources of highly trained professionals who have expertise in various specialized areas. A

50-person team of American Water corporate engineers has handled a wide variety of system evaluations, selecting treatment processes and establishing critical design criteria for water and wastewater treatment systems in order to improve operations and prioritize capital improvements. American Water's Technology & Innovation (T&I) group is staffed by more than 20 people including chemists, engineers, scientists and microbiologists. The mission of the group is to provide value-added technical and environmental resources integral to achieving business objectives through water industry leadership, technical guidance, knowledge sharing, and innovative solutions. American Water's research team, established more than 30 years ago, has been awarded nearly 80 competitive research grants and granted five U.S. patents with several more pending.

The relationship with American Water provides PAWC a broad range of trained professionals with both engineering and operational experience, as well as deep financial resources, to address the environmental compliance requirements of the Sadsbury Township Municipal Authority's sewage system. American Water's experience includes the full breadth of treatment processes, from facultative ponds to membrane biological reactors in every climate zone across the U.S. More advanced technologies allow many American Water's plants to utilize effluent for reuse applications, eliminating discharge to receiving streams. These diverse facilities have provided American Water operators and process experts with deep experience in the operation and maintenance of every possible type of wastewater treatment technology, as well as the experience available to support PAWC's operations staff and facilities.

PAWC is well positioned to address the projected operating and capital expense requirements for the sewer system area to be obtained from the Sadsbury Township Municipal Authority. PAWC is the Commonwealth's largest water and wastewater provider, with total assets of \$4.6 billion and annual revenues of \$661 million for 2017. For 2017, PAWC had an operating income of approximately \$346 million and a net income of approximately \$161 million. These operating results produced cash flows from operations of approximately \$337 million.

In addition to generating positive operating cash flows, PAWC may also obtain financing as follows:

- **Line of Credit:** PAW presently has liquidity through a \$400 million line of credit through American Water Capital Corporation (AWCC), a wholly owned subsidiary of American Water. PAWC's strong credit ratings allow PAWC to obtain additional capacity on this line of credit.
- **Long Term Debt Financing:** PAWC carries a corporate credit rating of "A3" from Moody's Investors Services and an "A" rating from Standard and Poor's Rating Services. PAWC obtains long-term debt financing through AWCC at favorable interest rates and payment terms. When applicable, PAWC also uses low-cost financing through the Pennsylvania Infrastructure Investment Authority (PENNVEST) and the Pennsylvania Economic Development Financing Authority (PEDFA).

- **Equity Investments:** PAWC may obtain additional equity investments through American Water based on its strong operating performance.

Additional information about the public benefits provided by the proposed acquisition of the Sadsbury Township Municipal Authority sewage system by PAWC is provided in Section VI(D).

As a PaPUC-regulated public utility, the rates charged by PAWC for water and wastewater services are regulated by the PaPUC through a process that provides clear and robust opportunities for involvement and participation by affected communities and consumers.

The PaPUC is composed of five commissioners, appointed by the Governor with the advice and consent of the Pennsylvania Senate. The commissioners serve terms of five years. The PaPUC is an independent commission, meaning that it is not under the direction of the Governor or any other political entity. It is charged with making regulatory decisions, including decisions relating to rates, based on the evidence and applicable law.

In order to provide economical and efficient service to a community, the state grants to water and wastewater companies the right to provide service within a specified geographic area, subject to regulation by the PaPUC of both the quality and terms of service and the rates charged for those services. The ratemaking and approval process involves multiple steps and is subject to articulated criteria for ensuring fair and reasonable rates.

The Rate Filing: When a regulated utility such as PAWC seeks an increase or change in its base rates, it must file a request with the PaPUC that shows the proposed new rates and effective date and must prove that the increase is needed. The utility also must notify customers at least 60 days in advance. The notice must include the amount of the proposed rate increase, the proposed effective date, and how much more the consumer can expect to pay.

PAWC seeks rate increases only when warranted. Because rate proceedings are time-consuming and complex, as a general matter, PAWC typically files rate proceedings on a 3 to 4 year cycle. As noted below, in these periodic rate proceedings, PAWC has been seeking to utilize the authorities provided under Pennsylvania's Act 11 to more broadly spread costs over its larger customer base in order to moderate cost increases and mitigate to the extent possible major increases impacting localized systems, where major capital improvements are required to meet environmental or other regulatory mandates.

How the PaPUC Sets Rates: The PaPUC ratemaking process ensures the lowest reasonable rate for consumers while maintaining the financial stability of utilities. Under the Public Utility Code, a utility is entitled to recovery of its reasonably

incurred expenses and a fair return on its investment. The PaPUC evaluates each utility's request for a rate increase based on those criteria.

In a rate proceeding, PAWC is required to provide detailed information concerning its historical and projected costs of operation (including predictive and preventive maintenance, repair, and replacement) and its historical and projected program of capital improvements across all elements of its water and wastewater systems. Annualized costs are typically projected to a future "test" year, which is usually one year following the rate proceeding. The process of determining those costs and allocating such costs among different classes of consumers (e.g., residential, commercial, and industrial customers) involves a series of evaluations and cost-of-service studies. Only those costs determined to be "reasonable and prudent" may be recovered, and in rate proceedings, the PaPUC will examine whether costs claimed are appropriately justified and reasonable.

The PaPUC Review Process: The PaPUC rate review process is far more detailed and arduous than that followed by municipalities and municipal authorities.

By operation of law, the rate request is suspended for up to seven months if the PaPUC does not act before the proposed effective date for the rate increase for water and wastewater companies. The PaPUC uses that time to investigate and determine what, if any, of the requested increase is justified.

The PaPUC's Bureau of Investigation and Enforcement (I&E) and public advocates, including the state's Office of Consumer Advocate (OCA) and Office of Small Business Advocate (OSBA), intervene and participate in that process. I&E reviews the company's records and their request and presents its view on what is in the public interest.

Individual consumers may become formal parties by filling out a formal complaint form. OCA and OSBA represent consumers and small businesses respectively, and likewise examine in detail the background and materials submitted by the utility. Prior to hearings on the proposed rates, I&E, OCA, OSBA and others submit information requests to the utility and obtain responses to better understand and investigate the facts behind the proposed rates.

When the PaPUC investigates a rate increase, it is assigned to an Administrative Law Judge (ALJ), who is an attorney with experience in administrative law. The ALJ presides at formal hearings, which are open to the public and conducted like a formal court proceeding. At the formal hearing, the utility, I&E, OCA, OSBA and other parties present their cases and are subject to cross-examination. Consumers may speak for themselves or an attorney may represent individual consumers or groups of consumers. Consumers also can have their say informally by writing or calling the PaPUC or completing the objection/ comment form. Consumers also may testify at public input hearings.

By providing testimony, consumers place their views in the official record on the case. Public input hearings are conducted by the ALJ in the utility's service territory. Consumer testimony becomes part of the record on which the PaPUC will base its decision.

Following the conclusion of hearings before the ALJ, the entire record of testimony, documents, and other evidence is compiled. Proposed findings of fact and briefs may be submitted by the formal parties. After weighing the evidence and hearing the arguments, the ALJ writes a recommended decision addressing each issue in the case within the limits set by law. The recommended decision may approve, disapprove, or modify the original request.

The ALJ's report and recommended decision are presented to the PaPUC Commissioners. Parties to the rate case may file exceptions to the ALJ's report and responses to objections presented by other parties.

Finally, the matter is brought before the PaPUC Commissioners for a vote and final decision. The Commissioners make the final decision, authorizing rates that (1) permit revenues that allow the company to meet its reasonable expenses, pay interest on its debt and provide a fair return to stockholders so it will continue to attract investment; and (2) assign the proper rate for residential, commercial, and industrial customers that reflects the cost of service.

Together with the 60-day notice period, the PaPUC's administrative rate review and hearing process takes about nine months.

Decisions made by the PaPUC may be appealable. Aggrieved parties may seek review of the PaPUC's determinations through an appeal to the Commonwealth Court. The Commonwealth Court's decisions, in turn, may be subject to review by the Supreme Court of Pennsylvania if that court grants a petition to allow appeal.

Collection System Improvement Charge Process: The paragraphs above describe the process for a base rate proceeding, which sets the basic water and wastewater rates for PAWC's systems. In the period between periodic base rate cases, the Public Utility Code allows for wastewater companies to calculate and assess a Collection System Improvement Charge (CSIC), which allows a limited surcharge on customer bills to accelerate the replacement of existing aging facilities that might otherwise be deferred until completion of a base rate case. Eligible projects involve principally replacement investments, not system expansions or extensions of facilities to serve new customers. System improvement charges are designed to provide ratepayers with improved service quality, greater rate stability, fewer main breaks, fewer service interruptions, and increased safety. The maximum amount of a CSIC is a cumulative 5% above base rates. The CSIC process involves an annual review by the PaPUC and reconciliation of recoverable costs and revenues associated with the charge, and an annual reconciliation hearing under Section 1307(e) of the Public Utility Code.

The PaPUC conducts audits to ensure that funds generated from a CSIC surcharge are spent on CSIC-eligible projects.

3.8. IMPLEMENTATION SCHEDULE AND JUSTIFICATION FOR SELECTED TECHNICAL AND INSTITUTIONAL ALTERNATIVES

3.8.1. Identify Technical Wastewater Disposal Alternative

As indicated above, the selected alternative involves a sale of the Sadsbury Township Municipal Authority sewage system to PAWC, with PAWC becoming the owner and operator of all wastewater system assets within the service territory. Responsibilities for implementation of elements of the Act 537 Plan would be assigned as described above.

The selected alternative is the best alternative based on the following considerations:

3.8.1.1. Existing Wastewater Disposal Needs

The existing wastewater disposal needs are being met by the collection, and conveyance facilities being purchased by Pennsylvania American Water Company. Remaining portions of the Township are served by privately owned on-lot disposal systems, as mentioned previously.

Maintenance of on-lot disposal systems is regulated Township Ordinance.

The selected alternative ensures that existing wastewater needs will be managed by a well-experienced, technically-competent, economically-sound public utility company with deep resources, broad experience, and strong access to capital.

PAWC has a strong record of managing water and wastewater systems, for marshalling resources, planning and constructing capital projects, and managing systems on a sustainable basis using modern preventive and predictive maintenance methods and leading-edge system management technologies. The depth of resources brought by PAWC and its parent and affiliated companies, which supplement a sound staffing plan for the local system, ensure proper long-term capability of meeting existing wastewater needs.

3.8.1.2. Future Wastewater Disposal Needs

Likewise, the selected alternative provides a means of meeting future wastewater disposal needs. System acquisition by PAWC, which opens the door to broader access to capital together with the potential for spreading costs over a broader customer base via Act 11 promises improved capabilities to meet these current and future wastewater needs.

3.8.1.3. Operation and Maintenance Considerations

The selected alternative provides a foundation to sustain over the long term and improve operational and maintenance practices. PAWC's sophisticated computerized preventive and predictive maintenance programs, coupled with the engineering and operational experience bench strength of PAWC engineering and operations management and staff, will bring more modern methods, practices, and technologies to the Borough's sewage facilities. PAWC's platform offers the capability of supporting the system with shared services and expert staff to provide more cost-effective and efficient staffing. PAWC's purchasing practices for key inputs, such as chemicals and commodities, offer the market volume purchasing and negotiating advantages.

3.8.1.4. Available Management and Administrative Systems

The existing OLDS Management Program will continue to be administered by Sadsbury Township and the Township's Sewage Enforcement Officer.

PAWC has been a leader in water and wastewater system sustainable management. Under the selected alternative, PAWC brings state-of-the-art predictive/preventive maintenance programs, system automation and monitoring systems, an experienced engineering and operations management team, and well developed programs for capital investment and system improvement.

3.8.1.5. Environmental Soundness and Compliance with Natural Resource Planning and Preservation Programs

Under the selected alternative, the Borough's sewage facilities will be operated in a manner that best ensures compliance with applicable environmental regulations, including the Pennsylvania Clean Streams Law and Clean Water Act; hence, no significant changes are anticipated in relation to the system's consistency with natural resource planning or preservation programs. In short, PAWC is bringing to the Borough's sewage facilities the expertise and resources necessary to address any water quality and environmental problems.

3.8.2. Implementation Schedule

The Implementation Schedule for the selected alternative is presented below:

Act 537 Plan Implementation Schedule	
Complete Plan for Agency Review and Public Notice	September 2023
Public Agency Review *	September-October 2023
30-Day Public Comment Period	September-October 2023
Prepare Responses to Public Agency and Public Comments	October 2023
Sadsbury Township Adopts Resolution Approving Plan	November 2023
Submit Adopted Plan to PADEP	November 2023
PADEP Reviews and Approves Plan	November 2023 – Early 2024
PaPUC Approval of Acquisition	Early 2024
Closing and Transfer of the Sadsbury Township Municipal Authority Sewage facilities to PAWC (PAWC assumes operation of sewer system)	Early 2024

* Public Agencies Include:
 Sadsbury Township Planning Commission
 Lancaster County Planning Commission

