

APPENDIX 1.3: SHORT-FORM CAPACITY PURCHASE AGREEMENT (“SF-CPA”) is intended for a project that:

1. involves a connected facility that seeks additional EDUs
2. LPA approval is NOT required
3. the connected facility is NOT violating flow/loading limits from its current connection
4. is NOT connected to a septic system (see Basic-CPA)
5. is a small project typically expected to connect all EDUs within 18 months of the SF-CPA
6. is generally a single-stage, one-lot residential or commercial project
7. has no need for long-term, reserved capacity, although 2 years is permitted by the SF-CPA
8. requires a completed Industrial/Commercial Wastewater Questionnaire if the connected use is industrial or commercial

The SF-CPA Form to use starts on the next page (p. 2). The SF-CPA to be signed and submitted by the APPLICANT/OWNER must begin with the Title of the CPA and include the Reference number located immediately below the Title.

TITLE: SHORT-FORM CAPACITY PURCHASE AGREEMENT (“SF-CPA”)

Ref. # _____

The parties agree to enter this **SF-CPA** between the LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (“LTMUA”) and the APPLICANT (identified below in this SF-CPA). It provides for the purchase of additional EDU(s) of Treatment Capacity from the 500,000 gpd ETF-1 addition for a site already connected to the LTMUA Wastewater Reclamation Facility (“WRF”) located at 69 Jefferson Lane, Logan Township, Gloucester County, NJ 08085 and authorized by

RESOLUTION ____ - ____ adopted _____

THIS AGREEMENT dated _____

By and Between:

LOGAN TOWNSHIP MUNICIPAL UTILITY AUTHORITY, a Municipal Corporation the State of New Jersey with offices at 69 Jefferson Lane, Logan Township, New Jersey 08085

(hereinafter referred to as “**LTMUA**”)

and

_____ ,

(hereinafter referred to as “**APPLICANT**”)

WITNESSETH:

WHEREAS, the LTMUA owns and operates a Water Reclamation Facility (“WRF”) serving users located within the Sewer Service Area of the LTMUA; and

WHEREAS, the APPLICANT is the OWNER of an existing facility that discharges wastewater flow/loading through a current connection to the LTMUA WRF System; and

WHEREAS, the APPLICANT anticipates an increase of actual wastewater flow/loading into the LTMUA WRF System; and

WHEREAS, the APPLICANT has investigated the site’s discharge data and has determined that _____ additional EDU(s) are required to increase the total EDU limit on wastewater flow/loading from the APPLICANT’s site to _____ EDUs and believes this higher capacity will accommodate the reasonably anticipated wastewater flow/loading from APPLICANT’s facility without exceeding the increased EDU limit; and

WHEREAS, the APPLICANT understands and acknowledges that the LTMUA and the LTMUA Superintendent/Licensed Operator (“S/LO”) disclaim any responsibility for APPLICANT’s actual wastewater flow/loading (should it exceed the increased EDU limit chosen by the S/LO) and agrees the APPLICANT alone has the discretion to acquire the number of EDU(s) for the facility because the APPLICANT is responsible for controlling the actual wastewater flow/loading from the site/structure for which the EDU(s) are requested; and

WHEREAS, the APPLICANT understands it, he or she may be responsible for payment of fines and penalties should actual wastewater flow/loading from the facility exceed the total treatment capacity limit increased by the additional _____ EDU(s) that the APPLICANT decided to obtain; and

WHEREAS, APPLICANT acknowledges that this Short-Form Capacity Purchase Agreement requires APPLICANT to pay the current connection fee of five thousand five hundred twenty-eight dollars (\$5,528) for each of the _____ additional EDU(s) to be acquired under this Agreement, for a total connection fee payment of \$ _____¹ and the EDUs must be connected not later than eighteen (18) months from the date of the LTMUA Resolution authorizing the execution of this CPA;

WHEREAS, APPLICANT acknowledges that this SF-CPA requires APPLICANT to pay the connection fee in effect at the time of connection in accordance with the timeline(s) established in this SF-CPA;

NOW THEREFORE, in consideration for the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

§ 1. APPLICANT INFORMATION

1.1 Name of APPLICANT: _____

Address: _____

Phone #: _____

Fax #: _____

Email: _____

¹ Insert the dollar amount produced by multiplying the number of additional EDUs in §§ 3.2 by the current connection fee. The current connection fee is five thousand five hundred twenty-eight dollars (\$5,528) subject to recalculation of the amount of the connection fee to be paid should a different connection fee take effect (according to the statutory formula mandated by state law) before the actual date of payment of the connection fee. Connection fees for the EDU(s) allocated for a project may vary depending upon the number of stages of construction and the longevity of the project. All connection fee obligations under all Forms of Agreement are subject to change as noted.

1.2 Name of OWNER of Site: _____

Address: _____

Phone #: _____

Fax #: _____

Email: _____

§ 2. PROJECT SITE ALREADY CONNECTED

2.1 Address: _____

2.2 Tax Block: _____ Lot: _____

2.3 Description of the Use of Site: _____

§3. CONNECTION FEES

3.1 The current connection fee per EDU is \$5,528.00

3.2 The number of EDU(s) to be acquired is _____

3.3 The total connection fee is \$ _____² (\$5,528 X ____)

§ 4. EDUs

4.1 Total number of EDU(s) connected before this SF-CPA: _____

4.2 The number of EDU(s) added by this SF-CPA: _____

4.3 Total EDUs for the site after signing this SF-CPA: _____

SUMMARY: _____ EDU(s) (the total number of EDU(s) added by this SF-CPA for the entire Project) is the number of inchoate reservations of EDU capacity for this site.

² Insert the product of multiplying the numeral of additional EDUs found in §§ 3.2 by the current connection fee. The current connection fee is five thousand five hundred twenty-eight dollars (\$5,528) subject to recalculation of the amount of the connection fee to be paid should a different connection fee take effect (according to the statutory formula mandated by state law) before the actual date of payment of the connection fee. Connection fees for the EDU(s) allocated for a project may vary depending upon the number of stages of construction and the longevity of the project. All connection fee obligations under all Forms of Agreement are subject to change as noted.

§ 5. REPRESENTATIONS BY APPLICANT

- 5.1 The facility/structure for which EDUs are sought under this SF-CPA does NOT require: (a) any governmental permit or approval or, if required, have already been acquired from the Local Planning Agency under the New Jersey Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.; (b) a Treatment Works Approval from the New Jersey Department of Environmental Protection, (“NJDEP”), N.J.A.C. 7:14A-23 et seq. or, if the TWA was required, it has been issued to the APPLICANT; (c) approval by the Gloucester County Planning Board or, if the County Planning Board approval was required, it has been issued to the APPLICANT; (d) any other NJDEP permits or approvals; or, if required, have already been acquired from NJDEP. APPLICANT has completed and attached **Attachment C** as follows:
- 5.1.1 The governmental permits required and obtained, if any, are listed on **Attachment C (List of Required Permits)** and incorporated herein. The list must include the name of the permitting agency, the permit number, the date of issue of the permit, and expiration date (if any) of the permit.
- 5.1.2 If no government approval is required, **Attachment C** shall note that accordingly.
- 5.2 Connection fees for the _____¹⁸ EDU(s) in the sum of _____¹⁹ shall be paid no later than two (2) years from the date of adoption of the LTMUA Resolution authorizing execution of this Agreement. Thereafter, the LTMUA shall issue the connection permits for the EDU(s).
- 5.3 No essential infrastructure improvements are necessary to handle the additional flow represented by the additional EDU(s) issued under this SF-CPA or, if any infrastructure improvements are necessary, such improvements shall be installed not later than eighteen (18) months from the date of the Resolution approving the SF-CPA.
- 5.4 APPLICANT understands and agrees that if the connection fees are not paid and EDU(s) are not issued prior to the 2-year deadline established herein, the LTMUA may adopt a Resolution terminating this SF-CPA.
- 5.5 APPLICANT acknowledges that any of the additional EDU(s) authorized in this SF-CPA may not be transferred for connection to any structures other than a structure at the location identified herein.

¹⁸ Insert the number of EDU(s) from §§ 3.2.

¹⁹ Insert the number of EDU(s) from §§ 3.3.

§ 6. REPRESENTATIONS BY THE LTMUA

- 6.1 Upon APPLICANT's compliance with the terms of this SF-CPA, the S/LO is authorized to issue the EDU(s) provided for in this SF-CPA.
- 6.2 The LTMUA agrees that this SF-CPA may be extended for a reasonable period of time in the event a force majeure occurrence prevents timely completion of the performance required by the APPLICANT. Application of this provision shall be consistent with the force majeure regulations in the LTMUA Allocation Policy Rules and Regulations, as amended.

§ 7. TIMELY PRESENTATION OF SF-CPA FOR APPROVAL

- 7.1 The LTMUA Board shall consider adoption of a Resolution authorizing the S/LO to sign this SF-CPA on condition that the APPLICANT has delivered to the LTMUA Business Manager this SF-CPA, signed by both the APPLICANT and the witness who attests to the signature by the APPLICANT.
- 7.2 The Resolution to approve this SF-CPA shall be placed on the agenda of the 1st LTMUA regular meeting held at least ten (10) days after the signed SF-CPA is delivered to the Business Manager.

§ 8. LTMUA RIGHT OF FIRST REFUSAL

- 8.1 The transfer of inchoate reservations of EDU capacity for connection to structures not part of the OWNER/APPLICANT's LPA-approved site is prohibited.
- 8.2 In the event the Project is completed (with reserved but unconnected inchoate EDU(s) remaining), every reserved inchoate EDU remaining that is not connected to the completed project/site reverts to the LTMUA thirty (30) days after Notice is mailed to the OWNER/APPLICANT by certified mail sent to the mailing address of the OWNER/APPLICANT appearing in § 1.1 and § 1.2 of this 90-Day CPA. Since no connection fee was paid for such units, the OWNER/APPLICANT's inchoate reservation of capacity was never converted to an unconditional EDU and never connected to the completed site. Therefore, the LTMUA does not owe and shall not pay a refund for termination of the reservation of inchoate EDU units that remain unconnected. The BMgr shall strike from the LTMUA records such inchoately reserved units and add them to the ETF-1's capacity thirty (30) days after the date of mailing the Notice by certified mail.
- 8.3 In the event the Project/Site is abandoned (i.e., the facility has ceased operating, ceased wastewater flow/loading into the system, and terminated payments of user fees) with reserved but unconnected inchoate EDU(s) remaining, every reserved inchoate EDU remaining that is not connected to the abandoned site reverts back to the LTMUA thirty (30) days after Notice is mailed to the

OWNER/APPLICANT by certified mail sent to the mailing address of the OWNER/APPLICANT appearing in § 1.1 and § 1.2 of this 90-Day CPA. Since no connection fee was paid for such units, the OWNER/APPLICANT's inchoate reservation of capacity was never converted to an unconditional EDU and never connected to the abandoned site. Therefore, the LTMUA does not owe and shall not pay a refund for termination of the reservation of inchoate EDU units that remain unconnected. The BMgr shall strike from the LTMUA records such inchoately reserved units and add them to the ETF-1's capacity thirty (30) days after the date of mailing the Notice by certified mail.

- 8.4 The APPLICANT/OWNER of a completed project grants the LTMUA the right to purchase every remaining unconnected EDU for which connection fees have been paid. Should the LTMUA decide to exercise its right to purchase, the LTMUA shall refund connection fees the OWNER/APPLICANT of the completed project paid for the unconnected EDU(s). The offer and acceptance shall be processed in accordance with ART. 10, § 1.11 of the LTMUA's APRR. The refund shall not exceed the cost of the connection fee paid by the OWNER/APPLICANT for the unconnected EDU(s) when those EDU(s) was/were issued.
- 8.5 The APPLICANT/OWNER of an abandoned project/site (as defined in § 8.3 its project/site grants the LTMUA the right to purchase every remaining unconnected EDU for which connection fees have been paid. Should the LTMUA decide to exercise its right to purchase, the LTMUA shall refund connection fees the OWNER/APPLICANT of the completed project paid for the unconnected EDU(s). The offer and acceptance shall be processed in accordance with ART. 10, § 1.11 of the LTMUA's APRR. The refund shall not exceed the cost of the connection fee paid by the OWNER/APPLICANT for the unconnected EDU(s) when those EDU(s) was/were issued.
- 8.6 In addition to the rights conferred on the LTMUA under this § 8, the LTMUA may take any other lawful action necessary to recapture the connected EDU(s) (for which no user rates have been paid after operations ceased) that were allocated to the abandoned site. Such LTMUA action shall not be restricted to the process authorized under this § 8.

IN WITNESS WHEREOF, the parties hereto have caused this SF-CPA to be executed and delivered by their respective officers thereunder duly authorized on the day and the year first above written, which date shall be identical to the date the LTMUA Resolution authorizing the SF-CPA has been adopted by the LTMUA.

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

ATTEST:

BY:

CARLY SCHULTZ

Title: LTMUA Business Manager

CHRISTOPHER WHALEN

Title: LTMUA Superintendent/Licensed Operator

WITNESS:

APPLICANT

BY:

20

21

Title: _____

22

²⁰ Type or Print the Name of the Witness below the line

²¹ Type or Print the Name of Signatory for APPLICANT below the line

²² Type or Print Title of Signatory on the line

APPENDIX 3

Summary of Fundamental Principles for Allocation of Capacity

APRR, ART. 8, § 1 establishes fundamental principles for allocation of capacity by issuing EDUs derived from the 500,000 gpd of capacity added by ETF-1:

- 1.1 The LTMUA exclusively has the right, in its sole discretion, to allocate and/or reallocate treatment capacity based upon actual flows treated by the WRF from all connected units after June 1, 2019 as well as additional treatment capacity achieved by LTMUA innovation and efficient operation of the WRF.
- 1.2 Access to connections to the WRF shall be granted on a “1st come, 1st served” basis to users within the NJDEP-approved Wastewater Management Plan Area.
- 1.3 There shall be no reservation of EDUs of treatment capacity to any APPLICANT seeking connection to the capacity of ETF-1 except for the following:
 - 1.3.1 Summit’s reservation of 300 connection units, none of which may be reallocated, subject to the terms of the 4th A. to the 2000.09.14 SSA
 - 1.3.2 an inchoate reservation of capacity in a fully-signed SF-CAA (“APP.2.1”) that remains viable under the terms established by the SF-CAA ¹
 - 1.3.3 an inchoate reservation of capacity in a fully-signed LF-CAA (“APP.2.2”) that remains viable under the terms established by the LF-CAA (See fn. 1)
 - 1.3.4 an inchoate reservation of capacity in a fully-signed SF-CPA (“APP.1.3”) that remains viable under the terms established by the SF-CPA (See fn. 1)
 - 1.3.5 an inchoate reservation of capacity under APP. 1.2 (See fn. 1)
- 1.4 The **APRR** adopts the NJDEP standard of “equivalent to 300 gpd” for a single unit of treatment capacity (known as an “Equivalent Domestic Unit” and the acronym “EDU”). For allocation purposes, one EDU consists of “up to 300 gpd” per unit; actual flow from an EDU may range from 0 to 300 gpd. Since CPAs and CAAs apply to residential and non-residential uses, a connection unit under the APRR and APPENDICES is referred to as an EDU as an appropriate standard of measurement encompassing wastewater flow/loading from either residential or non-residential sites. See ART. 1, § 1.2. §2.

¹ After payment of the connection fee(s) before passing deadlines imposed by the signed CAA (APP. 2.1 and 2.2) or CPA (APP. 1.2 and 1.3), reserved inchoate EDUs of capacity convert to connection units eligible for connection permits.