

APPENDIX 2.1: SHORT-FORM CAPACITY ALLOCATION AGREEMENT (“SF-CAA”) is intended for a connection for a project that:

1. requires LPA minor site plan and/or minor subdivision approval with little or no phasing
2. is a small project expected to connect all EDU(s) within 2 years of the date of the SF-CAA
3. reserves capacity as provided in the SF-CAA
4. is NOT intended for single-stage, one-lot residential or commercial project (See Basic-CPA and/or SF-CPA)
5. is NOT intended for violators exceeding wastewater flow/loading limits into the WRF (See 90-Day CPA)
6. is NOT intended for long-term, multi-stage projects like major site plans or large residential subdivisions that require numerous governmental permits or approvals and reservation of inchoate capacity over many phases of construction (See LF-CAA)

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

TITLE: SHORT FORM CAPACITY ALLOCATION AGREEMENT ("SF-CAA")

Ref. # _____

The parties agree to enter this **SF-CAA** between the LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY ("LTMUA") and the APPLICANT (identified below in this **SF-CAA**). It provides for the relatively short-term reservation of EDU(s) and payment of connection fees consistent with the LPA-approved timeline for completion of the minor subdivision and /or the minor site plan. EDU connection permits allowing connection to the 500,000 gpd ETF-1 addition to the LTMUA Wastewater Reclamation Facility ("WRF") located at 69 Jefferson Lane, Logan Township, Gloucester County, NJ 08085. The SF-CAA was authorized and approved by

RESOLUTION # ____ - ____, adopted _____.

THIS AGREEMENT dated _____

By and Between:

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY, a Municipal Corporation of 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 requests the LTMUA to issue _____ EDU(s) for its proposed facility that will permit APPLICANT to connect and transport its wastewater flow from its proposed facility through the LTMUA WRF System for treatment; and

WHEREAS, based upon data provided by the APPLICANT, the LTMUA's Superintendent/Licensed Operator ("S/LO") has determined that APPLICANT's facility/structure needs _____ EDU(s) of wastewater treatment capacity to handle the anticipated actual wastewater flow from APPLICANT'S proposed location; and

WHEREAS, APPLICANT agrees to obtain connection permits for _____ EDU(s) allocated for connection to the WRF System no later than two (2) years from the date of this SF-CAA, or an extension thereof; and

WHEREAS, the S/LO confirms that the total permitted capacity of _____ EDUs provides adequate treatment capacity for the reasonably anticipated wastewater flow/loading from APPLICANT's site and such capacity is available from the WRF, whose treatment capacity increased by 500,000 GPD based on the recent completion of the ETF-1 addition; and

WHEREAS, APPLICANT acknowledges that this Short-Form Capacity Allocation Agreement ("SF-CAA") requires APPLICANT to pay the current connection fee of five thousand five hundred twenty-eight dollars (\$5,528) for each of the _____ EDU(s) to be acquired under this Agreement, for a total connection fee payment of \$ _____¹ and must be connected not later than two (2) years from _____, the date of the LTMUA Resolution authorizing the execution of this SF-CAA;

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

Name: _____

Address: _____

Phone #: _____

Fax #: _____

Email: _____

§ 2. PROPERTY TO BE CONNECTED

Address: _____

Tax Block: _____ and Lot: _____

¹ 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.

Description of Project: _____

§ 3. EDUs

3.1 Current EDU(s) Issued: _____

3.2 EDU(s) to be acquired: _____

3.3 Total EDUs for site: _____

§ 4. CONNECTION FEES

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

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

4.3 The total connection fee is \$ _____² (\$5,528 X _____)

§ 5. REPRESENTATIONS BY APPLICANT

5.1 The Project for which EDU(s) are sought under this SF-CAA does not require any additional governmental approvals including, but not limited to, Local Planning Agency approvals under the New Jersey Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq. (Attachment 5.1 LPA) or the LTMUA endorsement for the (Attachment 5.1 TWA Endorsement) Treatment Works Approval by the New Jersey Department of Environmental Protection, N.J.A.C. 7:14A-23 et seq.

5.2 Connection fees for the _____ EDU(s) shall be paid by the APPLICANT and then issued by the LTMUA, no later than two (2) years from _____, the date of adoption of the LTMUA Resolution authorizing execution of this Agreement.

5.3 No essential infrastructure improvements are necessary to handle the additional flow represented by the additional EDU(s) issued under this SF-CAA or, if any infrastructure improvements are necessary, such improvements shall be installed not later than 2-years from the date of the Resolution approving the SF-CAA.

² 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.

- 5.4 APPLICANT understands and agrees that if the connection fees are not paid and EDU connection permits are not issued prior to the 2-year deadline established herein, or as extended, the LTMUA may adopt a Resolution terminating the reservation of these _____ EDU(s) under this SF-CAA.
- 5.5 APPLICANT acknowledges that reservation of _____ EDU(s) of treatment capacity is for a term not to exceed two years from the date of this SF-CAA unless extended by timely application and for good cause shown.
- 5.6 APPLICANT acknowledges that any of the EDU(s) authorized in this SF-CAA may not be transferred for connection to any structures other than a structure at the location identified herein unless such transfer was approved in a resolution adopted by the LTMUA at a regular meeting or special meeting of the LTMUA, and is subject to the LTMUA's right of first refusal under § 8 below.

§ 6. REPRESENTATIONS BY THE LTMUA

- 6.1 The S/LO certifies that the total capacity provided upon issuance of the _____ EDU(s) under this SF-CAA constitutes adequate treatment capacity for the reasonably anticipated wastewater flow from APPLICANT's Project and that such capacity is allocated from the unused treatment capacity of ETF-1 and has been reserved for 2 years from the date of this SF-CAA unless such deadline has been extended in accordance with the LTMUA's APRR.
- 6.2 Upon APPLICANT's compliance with the terms of this SF-CAA, the S/LO is authorized to inchoately reserve the EDU(s) provided for in this SF-CAA.
- 6.3 The LTMUA agrees that this SF-CAA may be extended for a reasonable period of time in the event a force majeure event prevents timely completion of the performance required by the APPLICANT under this SF-CAA. Application of this provision shall be consistent with the force majeure regulations in the LTMUA APRR, as amended.
- 6.4 The S/LO shall issue endorsement of the TWA application no later than the date of the Resolution approving this SF-CAA.

§ 7. TIMELY PRESENTATION OF SF-CAA FOR APPROVAL

- 7.1 The LTMUA Board shall consider adoption of a Resolution authorizing the S/LO to sign this SF-CAA on condition that the APPLICANT has delivered to the LTMUA Business Manager this SF-CAA, signed by both the APPLICANT and the witness who attests to the signature by the APPLICANT.

- 7.2 The Resolution to approve this SF-CAA shall be placed on the agenda of the 1st LTMUA regular meeting held at least ten (10) business days after the signed SF-CAA was delivered to the BMgr.

§ 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 SF-CAA. 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 SF-CAA. 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 Short-Form Capacity Allocation Agreement 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-CAA 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:

3

4

Title: _____

³ Type or Print the Name of the Witness below the line

⁴ Type or Print the Name of the Witness below 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.