

LOWER PERKIOMEN VALLEY REGIONAL SEWER AUTHORITY
POLICY ON RETURN OF BASE CAPACITY ALLOCATION
Adopted by the Board on May 12, 2011

In the event a designated property is discharging less than its Base Capacity Allocation to the Regional Authority facilities, the Owner may request the Regional Authority to approve a reduction in the Base Capacity Allocation and return of the unused portion to the Regional Authority (“Request for Reduction of Base Capacity Allocation”), subject to the following:

- 1) Approval of the Request for Reduction of Base Capacity Allocation shall be in the Regional Authority’s sole and exclusive discretion.
- 2) The Owner must demonstrate that a reduction in usage of Base Capacity Allocation for a non-residential property has occurred continuously for a minimum of two (2) years.
- 3) Only meter readings for the entire two-year period will be accepted as proof of reduction in usage for non-residential properties. Proof of the removal of the kitchen or other comparable facilities shall be required where a reduction occurs in the number of residential apartments, condos, in-laws quarters, retirement community units or other residential unit contained within a multi-family residential or multi-use building. All properties are required to have a minimum of one (1) EDU of capacity.
- 4) No refunds of EDU fees or user fees will be granted by the Regional Authority.
- 5) Each Request for a Return of Base Capacity Allocation to the Regional Authority is subject to an administrative fee of \$100.00.
- 6) If the new Base Capacity Allocation is exceeded, the Owner will be required to execute a new Capacity Rights Agreement and pay all then current Capacity fees for the capacity discharged from the property in excess of the new Base Capacity Allocation. The current fee is \$2,670.00 per EDU (for each 200 gallons per day).
- 7) No Request for Reduction of Base Capacity Allocation will be approved by the Regional Authority without the written authorization of the municipality and their local sewer authority.
- 8) All returned capacity shall become available for sale as part of the Unreserved Pool.
- 9) No capacity shall be transferrable from one designated property to another designated property. Capacity remains with the designated property and can only be transferred to the new owner of that designated property with the approval of the Regional Authority or returned to the Regional Authority under the conditions outlined in this policy.
- 10) The Regional Authority requires a 90-day processing period for all Requests for Reduction of Base Capacity Allocation in order to allow time for the evaluation of the proof of a reduction in usage, the approval by the LPVRSB Board at an Authority meeting, and the signing of the required release.

- 11) The Owner and the municipality or its local authority shall be required to sign a release stating that he (she) understands and agrees with this policy and these conditions.
- 12) Where a planning module approval has been granted by the Department of Environmental Protection, the Owner must, through the local municipality, make a request to DEP to rescind the capacity approval for the appropriate number of EDUs. All costs of this process are at the expense of the Owner.
- 13) For all Requests for Reduction of Base Capacity Allocation approved by the Regional Authority between January 1 and September 30, the effective date of the reduction will be January 1 of the next calendar year. For all Requests for Reduction of Base Capacity Allocation approved by the Regional Authority between October and December 31st, the effective date of the reduction will be December 31st of the following calendar year. User fees for Base Capacity Allocation returned will cease with the effective date of the reduction in Base Capacity Allocation.

Definitions:

Base Capacity Allocation shall mean the total number of gallons per day of sewage authorized to be discharged at the source by a designated property as a result of pre-1988 capacity assigned under the EDU audit and/or capacity purchased under a Capacity Rights Agreement, and based on the 3-consecutive month maximum flow.

Excess Capacity Usage shall mean flows discharged above the Base Capacity Allocation by a designated property.

User Fee Unit(s) shall mean the number of units subject to user fees as calculated by dividing the total number of gallons per day of Base Capacity Allocation by 200 gallons per day.

Connected EDUs shall mean one or more of the following:

- a) The total number of EDUs at 275 gallons per day assigned to properties before the sale of capacity began, having a physical connection to the sewer system, and with the basis of the flows based on 3-month maximum flows under the EDU audit
- b) The total of EDUs purchased under a Capacity Rights Agreement whether based on 275 gallons per day or based on 200 gallons per day, depending on the date of purchase, and where a physical connection to the sewer system has occurred
- c) EDUs purchased under a Capacity Rights Agreement shall be considered Connected EDUs starting two (2) years from the date of the execution of the Capacity Rights Agreement, even though no physical connection is made to the sewer system.
- d) EDUs used in excess of the Base Capacity Allocation and which are subject to the purchase of additional capacity and user fees based on each 200 gallons per day of flow.
- e) All Connected EDUs are subject to user fees whether sewage is flowing or not.

Returned EDUs - Increments of Base Capacity Allocation identical to the allocation or purchase of EDUs whether assigned to the property at 275 gallons per day before 1988 or purchased for the property at 275 or 200 gallons per day.