The experts weigh in...

Larry Lloyd, a Senior Ecologist with the Berks County Conservancy, feels that "the Borough is making a strong commitment to the water quality of the Sacony Creek and the Maiden Creek by making the improvements and upgrades at the Wastewater Treatment Plant," and he appreciates the Borough's proactive approach. He believes that **"the best and cheapest way to deal with compliance with DEP for Wastewater Treatment Plant improvements is through proactive actions** to comply, as opposed to resisting and reacting to mandates."

Because the Sacony Creek is rated as a Trout Stocking Fishery, Mr. Lloyd thinks that "by making these improvements, the Borough of Kutztown will be discharging the cleanest possible water into the Sacony Creek, and helping to ensure good quality water for good quality fishing."

In addition, Mr. Lloyd strongly believes that water quality is everyone's responsibility. He states that "just as the Borough of Kutztown works with farmers upstream of the Borough's drinking water supply to install the best management practices on their farms to ensure the best possible drinking water for the Borough residents, so too, communities, homes and businesses downstream of the Kutztown Wastewater Treatment Plant rely on the Borough to make the improvements to their Treatment Plant, so that their drinking water downstream from Kutztown is the best it can be."

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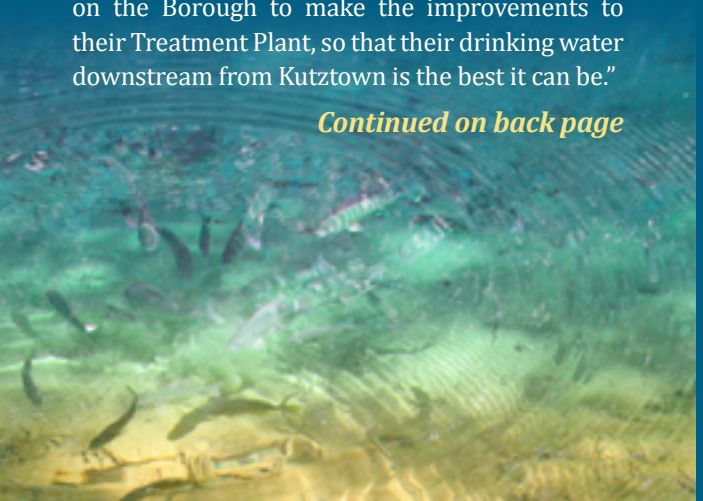


The experts weigh in... (continued)

Deborah Balsavage, Vice President of the Maiden Creek Watershed Association, explains that "all wastewater treatment plants have become subject to increasingly tighter limits for the quality of water that they discharge," and that "exceeding these limits can impact operating costs and result in significant fines." Additionally, by taking a proactive approach, Ms. Balsavage believes that the Borough will realize many benefits, including:

UV Disinfection safeguards human health by eliminating the need to transport, store and handle chlorine, a hazardous and potentially deadly chemical. It is also effective in deactivating harmful organisms in treated wastewater that could cause diseases. There are no residual effects that are harmful to humans or aquatic life.

Phosphorous removal will prevent excessive release of phosphorus to the Sacony Creek, which can encourage overgrowth of weeds and algae, creating an unsuitable habitat for aquatic life.

During heavy rain events, flood protection enables more adequate treatment, and it prevents the release of solids from the treatment facility into the Sacony Creek.

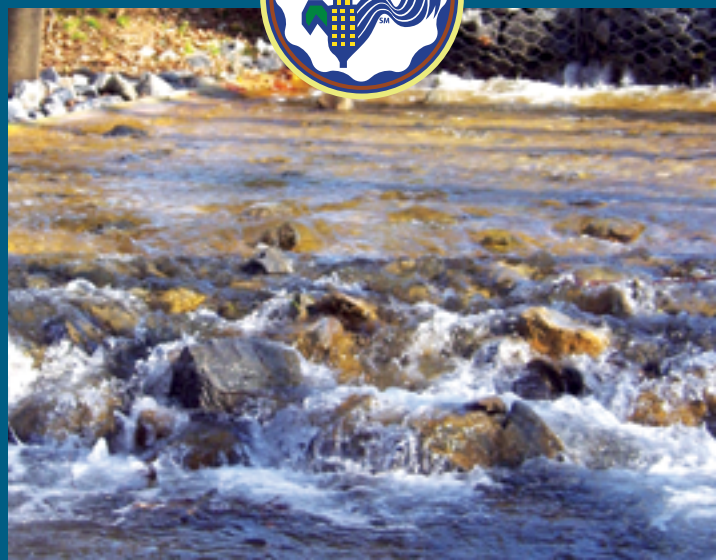
An Emergency Generator is essential to guarantee the continued operation of the Wastewater Treatment Plant during power outages, ensuring that all water discharged from the plant has been adequately treated for harmful contaminants before being discharged into the Sacony Creek.

2012

BOROUGH OF KUTZTOWN, PENNSYLVANIA

Wastewater Treatment Plant & Water Treatment Plant

IMPROVEMENT OVERVIEW



An Overview: Wastewater Project

The Borough of Kutztown, under the Pennsylvania Department of Environmental Protection's (DEP) National Pollutant Discharge Elimination System Permit (NPDES), is required to remove phosphorus from the effluent (treated water) of the Wastewater Treatment Plant.

Located off of Krumsville Road and Route 737, **the Borough's current Wastewater Treatment Plant (sewer plant) was built in 1939, and it has outlived its useful life.**

Over the years, the Borough has invested in maintaining the plant; however, investing additional funds will no longer provide a meaningful return on the life or use of the plant to serve the Borough's current and future needs.

The Borough recently invested $1,100,000, from fund reserves, to install a PISTA Grit Removal System, which removes grit, prior to treatment, to improve the efficiency of the treatment process.

The next phase is to implement improvements in compliance with the DEP NPDES Permit limitation, along with other improvements that will enhance the operation of the Kutztown Wastewater Treatment Plant.

To ensure that the quality of service and the quality of life in the Borough of Kutztown is maintained, this project will cost an estimated $6,000,000, and it will be funded by a 30-year bond issue.

What's Next?

WASTEWATER PROJECT*

• Add phosphorus removal equipment and a chemical buildling	**$838,200**
• Make flood proofing improvements to the Wastewater Treatment Plant	**$247,900**
• Add UV Disinfection to eliminate the need for chlorine disinfection and sodium bisulfite, for removal of the chlorine, after disinfection	**$418,000**
• Demolish the existing control, garage and maintenance buildings and replace them with more efficient buildings	**$2,635,400**
• Add an Influent (raw sewage) Screen Enclosure	**$175,400**
• Add an Emergency Generator	**$280,900**
• Provide for Engineering and Design	**$500,000**

WATER PROJECT*

• Building Expansion	**$3,744,000**
• Nitrate Removal	**$2,125,000**

How Will This Impact You, the Consumer?

To cover the debt service on this long-term investment to properly treat the Borough's water and wastewater, a 30% water rate increase and a 40% sewer rate increase will be instituted and reflected in your monthly bill, beginning with the February 2012 statement.

If you have any questions about these vital projects, please contact Borough Manager Gabriel Khalife at 610-683-6131.

** Costs have been estimated by SSM Group, Inc.*

An Overview: Water Project

Historically, the well field property has been actively farmed by a nearby farmer. Due to this and to the site's close proximity to extensive farming tracts, nitrate levels at the Kutztown wells have been a concern.

Through a crop management program implemented for the farmer who utilizes the Borough property, the nitrate levels have been kept under the Pennsylvania Department of Environmental Protection Maximum Contaminant Level of 10.0 mg/l. However, a slow but steady trend has been noted over the last several years showing that the nitrate levels continue to creep upward. Recent results have shown levels as high as 9.4 mg/l from one particular well. While blending of sources has allowed the Borough to minimize the levels as best as possible, the increasing results are a concern. The Water Treatment Plant Project will reduce the nitrate level in the drinking water.

CHECK OUR WEBSITE

www.kutztownboro.org

FOR UPDATES ON THE PROJECTS.