



December 7, 2016

To our customers:

We have been supplying PFOS/PFOA free water since the end of September. We are the only local water provider to deliver water free of these compounds. This letter is to provide an update on Warminster Township Municipal Authority water quality.

WTMA is committed to providing our customers with water meeting or exceeding all regulatory standards. PFOS/PFOA are two chemicals found in fire-fighting foam used at the former NAWC base and the Willow Grove base. They have been detected in ground water wells of regional water suppliers. The Environmental Protection Agency advisory standard is a combined 70 parts per trillion for PFOS/PFOA. Our standard is non-detect.

WTMA entered into a cooperative agreement with the United States Navy to remediate groundwater wells exceeding the EPA standard. Our first agreement with the United States Navy included the design, approval and construction of three granular active carbon (GAC) water treatment systems on three of our wells. We have completed them and the GAC systems are currently being tested with water going to waste until testing is complete.

Our customers deserve to have confidence in their water supply and our actions removing PFOS/PFOA compounds are an example of our commitment. Our GAC treatment systems are the first in the state and are among only a few nationwide. Additionally we negotiated a contract to supply our customers with Forest Park Water. The Forest Park Treatment Plant is a state-of-the-art water treatment facility producing water at non-detect for PFOS/PFOA.

Forest Park water is more costly causing WTMA water rates to increase to cover the additional cost. We negotiated a ten year agreement to purchase water from Forest Park Water. Rates remain level during the first two years of the agreement and then increase during years three through ten. Based upon the rates currently delineated in the agreement, we project an increased cost for our customers during the ten year term will total more than \$26,000,000. It is not acceptable to WTMA that our customers should bear this cost.

We, therefore, are having special legal counsel work aggressively with our legislators and government officials to have the federal government pay for their contamination costs.

Thank you for being a WTMA customer and we would be happy to answer any questions you may have.

Sincerely,

A handwritten signature in black ink that reads 'Timothy D. Hagey'.

Timothy D. Hagey
General Manager