

EXHIBIT 2

- **DEP ACT 537 PLAN APPROVAL LETTER – DECEMBER 11, 2003
FOR NAWC WASTEWATER TREATMENT PLANT**
- **EXCERPTS FROM 537 PLAN UPDATE - PAGES 13 AND 14**

Lee Park, Suite 6010
555 North Lane
Conshohocken, PA 19428

DEC 11 2003

Southeast Regional Office

610-832-6130
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Judith A. Smith, Manager
Warminster Township
401 Gibson Ave.
Warminster, PA 18974

Re: Act 537 Plan Update
APS Id. 504176, AUTH Id. 529614
Warminster Township
Bucks County

Dear Ms. Smith:

We have completed our review of your municipality's updated official sewage facilities plan entitled Act 537 Sewage Facilities Plan Update, as prepared by CKS Engineers, Inc. The plan is dated May 2003, and is supplemented by additional information dated August 12, 2003, August 14, 2003 and August 19, 2003. The review was conducted in accordance with the provisions of the Pennsylvania Sewage Facilities Act.

Approval of the plan is hereby granted. This approval provides for the following:

1. A new, municipally owned wastewater treatment facility will be constructed on the site of the former Naval Air Warfare Center (NAWC) Wastewater Treatment Facility. The new NAWC wastewater treatment facility will have a capacity of 1.2 million gallons per day annual average flow and will discharge to an unnamed tributary of the Little Neshaminy Creek via the discharge pipe route utilized by the former NAWC Wastewater Treatment Facility.
2. Public sewer service will be provided to the developments listed on Table 5-1 of the plan. These projects will be served by the new NAWC wastewater treatment facility. The new wastewater treatment facility's projected service area is depicted on Exhibit 5-1 of the plan.
3. Sewage flows from the Warminster Municipal Authority's Pump Station No. 7 will be diverted to the new NAWC Wastewater Treatment Facility. A total of 521,000 gpd of sewage will be diverted and will allow the Authority to serve an additional 500,000 gpd of flows from Warrington Township at the Warminster Municipal Authority's existing Log College Wastewater Treatment Facility.

TABLE 5-1

NAWC PLANNED DEVELOPMENT AND WASTEWATER FLOW PROJECTIONS

| PROJECT | DEVELOPER | ZONING DISTRICT | AREA (AC) | PROJECT DESCRIPTION | STATUS | FLOW FACTOR | ESTIMATED AVERAGE SEWAGE FLOWS (GPD) |
|-------------------------------------|---------------------------------|--------------------------------------------|-----------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------|--------------------------------------|
| 1. Ann's Choice | Erickson Retirement Communities | CCRC- Continuing Care Retirement Community | 202.2305 | 2003 Independent Living Apartment Units | Subdivision and Land Development Planning - Preliminary | 135 gpd/unit | 270,405 |
| | | | | 518 Assisted Living Units and/or Skilled Nursing Units | Subdivision and Land Development Planning - Preliminary | 135 gpd/unit | 69,930 |
| | | BC - Business Campus | 84.9 | 7 Building Lots Potentially Resulting in a Total of 471,537 S.F. of Gross Floor Building Area (Lots 2, 3 and 7 through 11) | Subdivision and Land Development Planning - Preliminary | 0.10gpd/S.F. | 47,154* |
| 2. North American Technology Center | Industrial Investments, Inc. | MPOR - Multi-Purpose Office/Research | 57.0776 | Refurbishment of Existing Building Space for Office/Research Use. Main Building (former NAWC Buildings 1, 2 & 3): 1,410,098 S.F. | Under Construction | 0.10 gpd/S.F. | 141,010 |
| 3. Bucks County Coroner's Facility | Bucks County | MPOR - Multi-Purpose Office/Research | 1.4741 | County Coroner's Office and Facilities 300,000 S.F. of Building Space | Conceptual Planning | 0.10 gpd/S.F. | 3,000 |
| 4. Bucks County 911 Center | Bucks County | BC - Business Campus | | County 911 Center and Police | In - Use | Actual Water Use | 500 |
| 5. Warminster Municipal Park | Warminster Township | PR - Park Reuse | 243.306 | Public Park and Recreation Areas Estimated Largest Venue/2,000 Person attendance | Conceptual Planning | 5 gpd/person | 10,000 |
| 6. Community Redevelopment | Bucks County | HR - Historic Reuse | 2.3665 | Gilda's House - Women's Cancer Center (Lot 8) | In-Use | Actual Water Use | 100 |
| 7. Community Redevelopment | Bucks County | HR - Historic Reuse | 3.9849 | Undetermined (Lot 14) | | | 3,000 |
| TOTAL ESTIMATED SEWAGE FLOW | | | | | | | 545,099 |

5.2 ADDITIONAL CAPACITY NEEDED AT THE EXISTING LOG COLLEGE WASTEWATER TREATMENT PLANT FOR WARRINGTON TOWNSHIP AND THE DIVERSION OF FLOW

The existing WMA Log College Wastewater Treatment Plant has a design capacity of 8.18 mgd. The Warrington Township Municipal Authority has a reserved capacity of 1.4 mgd in the facility, and the remaining 6.78 mgd is reserved for Warminster Township's needs.

In November 1994, an Act 537 Plan for Warrington Township was approved by the PA DEP. This plan discussed the Warrington Township area draining to the WMA Log College WWTP, and stated that the future flows within the drainage area, including those above the current allocated capacity, will be treated at the WMA Log College plant. The additional capacity needed by Warrington Township is approximately 0.5 mgd. In order to make capacity available at the plant for future use by Warrington Township, the WMA plans to divert and include the flows of their existing Sewage Pumping Station No. 7 Service Area in the NAWC WWTP Service Area. Based on 1999, 2000 and 2001 pumping records for Sewage Pumping Station No. 7, the average daily flow handled by the station is calculated to be 521,621. This represents the amount of flow to be diverted to the NAWC WWTP Service Area and made available in the Log College plant for use by Warrington Township. Allocation of this additional capacity to Warrington Township will be handled through a revision to the intermunicipal agreement between the two Authorities.

5.3 SUMMARY OF WASTEWATER FLOW PROJECTIONS

Table 5-2 below summarizes the wastewater flow projected to be served within the NAWC WWTP Service Area.

| TABLE 5-2 | |
|--------------------------------------------------------------------------|------------------------------|
| SUMMARY OF WASTEWATER FLOW PROJECTIONS WITHIN THE NAWC WWTP SERVICE AREA | |
| AREA | PROJECTED AVERAGE FLOW (GPD) |
| 1. NAWC Planned Redevelopment | 545,099 |
| 2. Flow Diverted from Existing SPS No. 7 | 521,621 |
| TOTAL | 1,066,720 |

Exhibit 5-1 herein, entitled "Sewage Facilities Service Area Map," illustrates the areas to be served within the planning area. This map further delineates the planning area into two categories based on the sewage facilities needs. These categories include the areas to be served within the next five (5) years and the areas to be served within the next ten (10) years.