



July 1, 2016

**VIA HAND DELIVERY**

**David P. Zambito**

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Direct Fax 215-989-4216  
dzambito@cozen.com

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
Harrisburg, PA 17120

**Re: INTERJURISDICTIONAL AGREEMENT BETWEEN THE SEWER AUTHORITY OF THE CITY OF SCRANTON AND THE BOROUGH OF DICKSON CITY, PENNSYLVANIA, DATED APRIL 14, 2003, AS WILL BE ASSUMED AND ASSIGNED UPON CLOSING BY WRITTEN AGREEMENT IN A FORM SUBSTANTIALLY SIMILAR TO THE ATTACHED *PRO FORMA* ASSUMPTION AND ASSIGNMENT AGREEMENT**

**Docket No. U-2016-\_\_\_\_\_**

Dear Secretary Chiavetta:

On behalf of Pennsylvania-American Water Company ("PAWC"), enclosed for filing with the Commission, in accordance with Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507 (regarding "Contracts between public utilities and municipalities"), are copies of the above-referenced agreements. **Please note that these agreements relate to the application proceeding currently pending before the Commission at Docket No. A-2016-2537209.** PAWC seeks a Certificate of Filing which will allow PAWC to assume the underlying agreement upon closing of the transaction for which approval is requested at Docket No. A-2016-2537209.

Thank you for your attention to this matter. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

COZEN O'CONNOR

By: David P. Zambito  
Counsel for Pennsylvania-American Water Company

DPZ/kmg  
Enclosures

cc: Honorable David A. Salapa  
Honorable Steven K. Haas  
Per Certificate of Service

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SECRETARY'S BUREAU

## ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2016, by and among The Sewer Authority of the City of Scranton, a municipality authority organized and existing under the laws of Pennsylvania ("SSA"), the Borough of Dickson City, Pennsylvania, a municipal corporation organized and existing under the laws of Pennsylvania ("Borough"), and Pennsylvania-American Water Company ("PAWC") (collectively, the "Parties").

WHEREAS, SSA and the Borough entered into an agreement dated April 14, 2003, titled, Interjurisdictional Agreement Between The Sewer Authority of The City of Scranton and The Borough of Dickson City, Pennsylvania ("Interjurisdictional Agreement");

WHEREAS, pursuant to the Interjurisdictional Agreement, SSA and the Borough recognized that SSA owns and operates a wastewater treatment system and that the Borough utilizes the wastewater treatment system;

WHEREAS, pursuant to Section 1 of the Interjurisdictional Agreement, for those portions of the Borough serviced by SSA, the Borough agreed to adopt a sewer use ordinance as least as stringent as the sewer use ordinance then existing in the City of Scranton;

WHEREAS, pursuant to Section 2 of the Interjurisdictional Agreement, the Borough agreed to adopt amendments to its sewer use ordinance at least as stringent as any amendment SSA adopted to its sewer use ordinance or policy, as codified by the City of Scranton;

WHEREAS, pursuant to Section 4 of the Interjurisdictional Agreement the Borough agreed to adopt local limits that address at least the same pollutant parameters and are at least as stringent as the local limits adopted by SSA or the City of Scranton;

WHEREAS, pursuant to Sections 5 and 6 of the Interjurisdictional Agreement, the Borough designated SSA as the enforcement agent of the Borough for purposes of implementation and enforcement of the sewer use ordinances of SSA and/or the City of Scranton against users located within the Borough serviced by SSA;

WHEREAS, SSA and PAWC have negotiated and entered into an Asset Purchase Agreement dated as of March 29, 2016 (the "Asset Purchase Agreement"), pursuant to which the SSA will convey its assets that constitute the SSA's sewer system, excluding the municipal separate storm water system, to PAWC and PAWC will assume certain sewer system liabilities (together, the "Transaction");

WHEREAS, SSA and PAWC have filed an Application with the Pennsylvania Public Utility Commission seeking approval of the Transaction;

WHEREAS, following closing of the Transaction and transfer of the sewer system to PAWC, SSA may decide to dissolve or otherwise cease to exist;

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NOW THEREFORE, in consideration of the mutual understandings and covenants set forth in this Agreement, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree, as follows:

1. SSA and PAWC shall provide written notice to the Borough promptly upon Closing (as defined in the Asset Purchase Agreement) of the Transaction.
2. Subject to and effective upon Closing of the Transaction, SSA hereby assigns, transfers and sets over unto PAWC, and PAWC hereby accepts, all of SSA's rights, title and interest in and to the Interjurisdictional Agreement, and the Borough acknowledges and accepts this assignment of the Interjurisdictional Agreement by SSA to PAWC.
3. Subject to and effective upon Closing of the Transaction, PAWC hereby assumes and agrees to perform all agreements and obligations of SSA pursuant to the Interjurisdictional Agreement, as amended hereby, arising on or after Closing of the Transaction, and the Borough acknowledges and accepts this assumption of the Interjurisdictional Agreement by PAWC and releases SSA from all of its obligations under the Interjurisdictional Agreement arising on and after Closing of the Transaction. PAWC does not hereby and shall not assume or in any way undertake to pay, perform, satisfy or discharge any liability or obligation of SSA existing before Closing of the Transaction or arising out of any transaction entered into, or any state of facts existing, before Closing of the Transaction, and the Borough hereby acknowledges and agrees that PAWC shall not be liable or otherwise responsible for any such liability or obligation.
4. The Borough acknowledges and accepts, notwithstanding the Recitals and Section 10 of the Interjurisdictional Agreement, that, after transfer to PAWC, the system will not qualify as a "publicly owned treatment plant," as that term is defined by the U.S. Environmental Protection Agency, and that 40 CFR Part 403 and Sections 307(b) and (c) of the federal Clean Water Act, 33 U.S.C. 1317(b) & (c), do not apply to PAWC or otherwise in connection with the Interjurisdictional Agreement.
5. For purposes of the Interjurisdictional Agreement, including Sections 1, 2, 3, 5, 6 and 12 thereof, any reference to an ordinance, sewer ordinance, policy or enforcement response plan of SSA or the City of Scranton shall be understood as referring to, and is hereby changed to refer to, PAWC's Industrial Pretreatment Program and related tariff provisions, as approved by the Pennsylvania Public Utility Commission and the Pennsylvania Department of Environmental Protection, as applicable.
6. Consistent with Sections 1, 2, 3 and 4 of the Interjurisdictional Agreement, and without negating those provisions, the Borough agrees to adopt, enforce, and keep in full force and effect during the term of the Interjurisdictional Agreement, following Closing of the Transaction, ordinances or resolutions, as appropriate, that:

- (a) Prohibit discharges into its sewer system of wastes prohibited to be discharged under PAWC's Industrial Pretreatment Program;
  - (b) Implement a program to regulate and control discharges of non-domestic waste that is at least as stringent as PAWC's Industrial Pretreatment Program; and
  - (c) Assure compliance with any Specific Pollutant Discharge Limitations (Local Limits) specified in PAWC's Industrial Pretreatment Program.
7. Notwithstanding Section 5 of the Interjurisdictional Agreement, the Parties acknowledge that the Borough retains its governmental authority to enforce its sewer use ordinances against users located within the Borough, in addition to the authority granted to PAWC by Section 5, as amended hereby, to implement and enforce its Industrial Pretreatment Program against users located within the Borough.
8. In connection with Section 7 of the Interjurisdictional Agreement, the Parties acknowledge and agree that the recovery by PAWC of costs incurred implementing and enforcing any sewer requirements within the Borough shall be as provided by, and to the full extent allowed by, PAWC's Industrial Pretreatment Program.
9. This Assignment and Assumption Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one instrument.
10. The Parties acknowledge and agree that this Assignment and Assumption Agreement must be approved by the Pennsylvania Public Utility Commission and shall not become effective, and the Parties shall have no obligations hereunder, until such approval has been obtained and the Closing of the Transaction has occurred.

IN WITNESS WHEREOF, and intending to be legally bound, the duly authorized representatives of the Parties have caused this Agreement to be executed as of the date first written above.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

For **BOROUGH OF DICKSON CITY:**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

For **PENNSYLVANIA-AMERICAN WATER  
COMPANY:**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

For **THE SEWER AUTHORITY OF THE CITY OF  
SCRANTON:**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**INTERJURISDICTIONAL AGREEMENT BETWEEN  
THE SEWER AUTHORITY OF THE CITY OF SCRANTON**

**-and-**

**THE BOROUGH OF Dickson City, PENNSYLVANIA**

THIS AGREEMENT, is entered into this 14<sup>th</sup> day of April, 2003, between the Sewer Authority of the City of Scranton, also known as the Scranton Sewer Authority ("SSA") and the Borough of Dickson City, Pennsylvania ("Borough") (hereinafter jointly referred to as the "Parties").

**"RECITALS**

1. The Scranton Sewer Authority owns and operates a wastewater treatment system.
2. The Borough of Dickson City currently utilizes this wastewater treatment system for a portion of the Borough.
3. Certain users in the Borough of Dickson City currently contribute wastewater which includes industrial waste.
4. Both parties recognize that the Scranton Sewer Authority must implement and enforce a pretreatment program to control industrial waste under 40

CFR 403 and the Pennsylvania Clean Streams Law.

5. The Scranton Sewer Authority places enabling legislation in the City of Scranton Sewer Use Ordinances.
6. By this Agreement, the Borough of Dickson City agrees to adopt an ordinance establishing rules and regulations "at least as restrictive and complete as those of the City of Scranton and/or the Scranton Sewer Authority" for those portions of the Borough serviced by the SSA.

#### **AGREEMENT**

1. The Borough of Dickson City will enact, for those portions of the Borough serviced by the SSA, a sewer use ordinance at least as stringent as the ordinance currently in existence and codified as City of Scranton Ordinance File of Counsel No. 51 of 1996 within ninety (90) business days of receipt of this Agreement.
2. Whenever the Scranton Sewer Authority amends its sewer use ordinance or policy (to add enabling legislation for the Industrial Waste pretreatment Program) and the same is codified by the City of Scranton by ordinance, it will forward a copy of such amendments to the Borough of Dickson City. The Borough of Dickson City will endeavor to enact those amendments at least as stringent as those adopted by the Scranton Sewer Authority within ninety (90) business days of receipt thereof or within a reasonable time thereof.
3. The parties will periodically review their respective sewer use ordinances and jointly draft and adopt amendments (which are equivalent in scope and stringency) to their respective sewer use ordinances when deemed necessary for the effective

administrations and operation of the pretreatment program. This review will be conducted no less than once every five (5) years. However, either party, or the U.S. EPA, may request a joint review whenever such party believes that a review is necessary. A request for such joint review must be forwarded by the requesting party to all other parties, stating the reason for the request and the date on which the review is requested to take place. Within thirty (30) business days of receipt of the request, the receiving party must endeavor to respond to the request, stating that the proposed date is satisfactory or proposing an alternate date(s) for the review. In any case, the parties will endeavor to have a joint review within ninety (90) business days of the request.

4. The Borough of Dickson City will adopt reasonable uniform local limits which address at least the same pollutant parameters and are at least as stringent as the local limits enacted by the Scranton Sewer Authority and/or the City of Scranton for those portions of the Borough serviced by the SSA. If any revisions or additions are made to the Scranton Sewer Authority's local limits, the Scranton Sewer Authority will forward to the Borough of Dickson City a copy of any such revisions or additions to the local limits within forty-five (45) business days of enactment thereof. The Borough of Dickson City agrees to endeavor to adopt any reasonable uniform revisions or additions made to the Scranton Sewer Authority's local limits within ninety (90) business days or within a reasonable time thereof.
5. The Borough of Dickson City designates the Scranton Sewer Authority as the agent of the Borough of Dickson City for the purposes of implementation and enforcement of the Scranton Sewer Authority's sewer use ordinance and/or the City of Scranton's



Sewer Use Ordinances against users located in the Borough of Dickson City serviced by SSA. The SSA will hold harmless, indemnify, and defend the Borough for any such acts under this Agreement.

6. The Scranton Sewer Authority, on behalf of and as an agent for the Borough of Dickson City, will perform technical and administrative duties necessary to implement and enforce the Borough of Dickson City's sewer use ordinance. The Scranton Sewer Authority will:

- (1) Update the industrial waste survey;
- (2) Issue permits to all users required to obtain a permit;
- (3) Conduct inspections, sampling, and analysis;
- (4) Take all appropriate enforcement action as outlined in the Scranton Sewer Authority's enforcement response plan; and
- (5) Perform any other technical or administrative duties the parties to this agreement deem appropriate.

In addition, the Scranton Sewer Authority may, as an agent of the Borough of Dickson City, take emergency action to stop or prevent any discharge which presents or may present an imminent danger to the health or welfare of humans, which reasonably appears to threaten the environment, or which threatens to cause interference, pass through, or sludge contamination.

7. The Scranton Sewer Authority will be responsible for all costs (including labor, equipment, attorney's fees, etc.) incurred in implementing and enforcing the Borough of Dickson City's sewer use ordinance on behalf of the Borough of Dickson City. Costs will be recovered through the permit fees under Section 5.2 of Ordinance No. 51.
8. Any disputes arising out of this Agreement will be submitted to non-binding arbitration performed in accordance with the rules of the American Arbitration

Association. A decision reached in arbitration will in no way limit either the Scranton Sewer Authority's power to enforce requirements directly against users located in the Borough of Dickson City, or rights of the Borough against any users, nor will it preclude either the Scranton Sewer Authority or the Borough from seeking other remedies against each other including, but not limited to, specific performance.

9. Should any term of this Agreement be held null and void or rescinded by a court of competent jurisdiction, the remaining terms of this agreement will be unaffected and enforceable.
10. This Agreement will be reviewed and revised to ensure compliance with the Federal clean water Act (42 U.S.C. 1251 et seq.) and rules and regulations (see 40 CFR part 403) issued thereunder, and Sections 307 (b) and (c) of the Clean Water Act, 33 U.S.C. 1317(b) & (c), as necessary, but at least every five (5) years.
11. If adequate provisions have been provided to enable the Borough of Dickson City to enforce the Industrial Waste pretreatment program in accordance with the U.S. EPA requirements, either party may terminate this Agreement by providing written notice to the other party. All benefits and obligations under this Agreement will cease following forty-five (45) business days from receipt of such notice and the parties returned to the status quo before the existence of this Agreement.
12. The parties recognize that wherever time limits for adoption of legislation are referenced in this Agreement or any underlying Ordinance, such action remains within the discretion of the body then in session. It is not the intent of this Agreement or any ordinance to enter into any impermissible or illegal contract for legislation but to provide for the objectives of City of Scranton Ordinance File of

Counsel No. 51 of 1996 including protection of the sewer system and sewage treatment plant.

These six pages agreed to this 14<sup>th</sup> day of April, 2003.

ATTEST:

*Ronald Lusik*  
*Secretary*

**BOROUGH OF Dickson City,  
LACKAWANNA COUNTY, PA**

By: *Fred Joseph*  
Fred Joseph, Council President

**SCRANTON SEWER AUTHORITY**

*Herbert F. Sands*

By: *Eugene P. Barrett*  
Eugene P. Barrett, Chairman

DICKSON CITYSSAAGREE.WPO

**CERTIFICATE OF SERVICE**

**INTERJURISDICTIONAL AGREEMENT BETWEEN THE SEWER AUTHORITY OF THE CITY OF SCRANTON AND THE BOROUGH OF DICKSON CITY, PENNSYLVANIA, DATED APRIL 14, 2003, AS WILL BE ASSUMED AND ASSIGNED UPON CLOSING BY WRITTEN AGREEMENT IN A FORM SUBSTANTIALLY SIMILAR TO THE ATTACHED PRO FORMA ASSUMPTION AND ASSIGNMENT AGREEMENT**

**Docket No. U-2016-\_\_\_\_\_**

I hereby certify that I have this day served a true copy of the filing of the above-referenced agreement, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**VIA FIRST CLASS MAIL:**

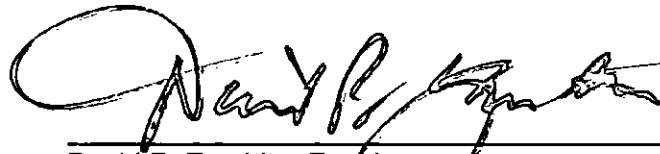
Allison C. Kaster, Esquire  
Gina L. Lauffer, Esquire  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Christine Maloni Hoover, Esquire  
Erin L. Gannon, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Sharon E. Webb, Esquire  
Office of Small Business Advocate  
Commerce Building, Suite 202  
300 North Second Street  
Harrisburg, PA 17101-1303

John F. Povilaitis, Esquire  
Alan Michael Seltzer, Esquire  
Buchanan Ingersoll & Rooney PC  
409 North Second Street, Suite 500  
Harrisburg, PA 17101

DATED: July 1, 2016



David P. Zambito, Esquire  
Counsel for Pennsylvania American Water Company

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