

July 1, 2016

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VIA HAND DELIVERY

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

Re: AGREEMENT BETWEEN THE SEWER AUTHORITY OF THE CITY OF SCRANTON, THE LACKAWANNA RIVER BASIN SEWER AUTHORITY, SINIAWA ENTERPRISES, AND THE BOROUGH OF DICKSON CITY, PENNSYLVANIA, DATED JUNE 14, 1989, FOR THE ACCEPTANCE, CONVEYANCE, TREATMENT, AND DISPOSAL OF WASTEWATER FROM THE SINIAWA ENTERPRISES WASTEWATER COLLECTION SYSTEM AT THE SCRANTON WASTEWATER COLLECTION SYSTEM AND WASTEWATER TREATMENT PLANT, 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 And Arthurston

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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PA PUBLIC UTILITY COMMISSION

ASSIGNMENT AND ASSUMPTION AGREEMENT

SECRETARY'S BUREAU 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"), Lackawanna River Basin Sewer Authority, a municipality authority organized and existing under the laws of Pennsylvania ("LRBSA"), 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, LRBSA, the Borough, Siniawa Enterprises, and Joseph Siniawa and Daniel Siniawa, individually, entered into an agreement as of June 14, 1989, titled, Agreement for the Acceptance, Conveyance, Treatment, and Disposal of Wastewater Received from the Siniawa Enterprises Wastewater Collection System at the Scranton Wastewater Collection System and Wastewater Treatment Plant ("Wastewater Service Agreement");

WHEREAS, pursuant to the Wastewater Service Agreement, SSA agreed to provide certain sewer services to the LRBSA, Siniawa, and the Borough;

WHEREAS, pursuant to Section 2.09 of the Wastewater Service Agreement, Siniawa agreed to convey its sewer system to the Borough and, pursuant to Sections 2.07 and 2.09, to continue to provide sewer service, and to maintain the system, for a period of three years beginning November 1987;

WHEREAS, pursuant to Sections 3.06 and 4.05 of the Wastewater Service Agreement, the responsibilities of Siniawa were limited to the three-year period beginning November 1987 and, thereafter, Siniawa would have no further responsibility with respect to its sewer system and no further affiliation with that system or the parties to the Wastewater Service Agreement;

WHEREAS, pursuant to Section 4.04 of the Wastewater Service Agreement, SSA may establish uniform standards of acceptability of wastewater to be discharged into its sewer system;

WHEREAS, pursuant to Section 5.02 of the Wastewater Service Agreement, LRBSA and the Borough each agreed that it would adopt, enforce, and keep in full force and effect during the term of the Wastewater Service Agreement, ordinances or resolutions, as appropriate, prohibiting discharges into the sewer system of wastes prohibited to be discharged under the rules and regulations of the SSA in effect at the time and on file with the parties;

WHEREAS, Section 2.09 of the Wastewater Service Agreement provides that the Wastewater Service Agreement "shall continue in effect until such time that any one of the parties cease to exist or are no longer empowered by charter to perform wastewater services;"

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");

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| ! | 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;

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 LRBSA and 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 Wastewater Service Agreement, and LRBSA and the Borough each acknowledges and accepts this assignment of the Wastewater Service 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 Wastewater Service Agreement, as amended hereby, arising on or after Closing of the Transaction, and LRBSA and the Borough each acknowledges and accepts this assumption of the Wastewater Service Agreement by PAWC and releases SSA from all of its obligations under the Wastewater Service 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 SSA, LRBSA, and the Borough each hereby acknowledges and agrees that PAWC shall not be liable or otherwise responsible for any such liability or obligation.
- 4. LRBSA and the Borough agree to adopt, enforce, and keep in full force and effect during the term of the Wastewater Service Agreement, following Closing of the Transaction, ordinances or resolutions, as appropriate, that:
 - (a) Prohibit discharges into their 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.

- 5. Notwithstanding Section 2.09 of the Wastewater Service Agreement, the Parties agree that the Wastewater Service Agreement shall continue in full force and effect after Closing of the Transaction and regardless of any dissolution of, or cessation of sewer service by, SSA.
- 6. Effective upon Closing, the Parties agree that the reference in Section 5.02 of the Wastewater Service Agreement to the "rules and regulations of the SSA in effect at the time and on file with the other parties" shall be changed to read "PAWC's Industrial Pretreatment Program and related tariff provisions, as approved by the Pennsylvania Public Utility Commission and the Pennsylvania Department of Environmental Protection, in effect at the time and on file with the Parties, as applicable."
- 7. 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.
- 8. 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 THE SEWER AUTHORITY OF THE CITY OF SCRANTON:	For LACKAWANNA RIVER BASIN SEWER AUTHORITY:
	Signature:
Signature:	
	Printed Name:
Printed Name:	
Title	Title:
Title:	Address:
Address:	
For BOROUGH OF DICKSON CITY:	For PENNSYLVANIA-AMERICAN WATER COMPANY:
Signature:	
	Signature:
Printed Name:	
	Printed Name:
Title:	Title
Address:	Title:
	Address:
Address:	Address:

SINAWA ALBEE

AGREEMENT

FOR

THE ACCEPTANCE, CONVEYANCE, TREATMENT, AND DISPOSAL OF WASTEWATER RECEIVED FROM THE SINIAWA ENTERPRISES WASTEWATER COLLECTION SYSTEM AT THE SCRANTON WASTEWATER COLLECTION SYSTEM AND WASTEWATER TREATMENT PLANT

THIS AGREEMENT made and entered into as of the <u>14rd</u> day of $\overline{J_{uNe}}$, 1989, by and among:

THE SEWER AUTHORITY OF THE CITY OF SCRANTON, a Municipality Authority organized and existing under the Laws of the Commonwealth of Pennsylvania situated in the City of Scranton, County of Lackawanna and State of Pennsýlvania, having its office at 307 North Washington Avenue, Scranton, Pennsylvania--18503, hereafter called "SSA", and

LACKAWANNA RIVER BASIN SEWER AUTHORITY, a Municipality Authority organized and existing under the Laws of the Commonwealth of Pennsylvania situated in the Borough of Throop, County of Lackawanna and State of Pennsylvania, having its office at Rear 145 Boulevard Avenue, Throop, Pennsylvania, hereafter called "LRBSA", and

SINIAWA ENTERPRISES, Joseph Siniawa and Daniel Siniawa, individually and as a partnership existing under the Laws of the Commonwealth of Pennsylvania, having offices at Bell Mountain, U.S. Route 6, Scranton, Pennsylvania 18508, hereafter called "SINIAWA", and

The BOROUGH OF DICKSON CITY, a Borough existing under the laws of the Commonwealth of Pennsylvania, situated in Lackawanna County and State of Pennsylvania, having its office at Boulevard Avenue, Dickson City, Pennsylvania, hereafter called "DICKSON CITY",

WITNESSETH

WHEREAS, SSA is the owner of certain wastewater collection sewers and wastewater treatment plant ("Scranton Sewer System") and operates such system under agreement with the City of Scranton; and

WHEREAS, The Siniawa Sewer System was originally constructed with a Pennsylvania Department of Environmental Resources Water Quality Management Permit issued to DICKSON CITY, and DICKSON CITY enacted an Ordinance dated January 13, 1976 providing for tapping fees to be assessed for connections to the Siniawa Sewer System; and

WHEREAS, LRBSA is willing to administer certain regulatory and administrative responsibilities for the Siniawa Sewer System upon the terms and conditions more fully set forth at length herein; and

WHEREAS, it is in the public interest to provide for treatment of sanitary sewage from the Siniawa Sewer System at the Scranton Sewer System; and

WHEREAS, SSA is willing to accept sanitary sewage from SINIAWA'S Siniawa Sewer System and provide wastewater conveyance and treatment upon the terms and conditions more fully set forth hereinafter below;

NOW, THEREFORE, in consideration of the following promises, covenants, terms and agreements and the mutuality thereof and each party intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 The following words, terms and phrases used in this Agreement shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning. Words, terms and phrases are as follows:

(1) <u>ALLOWABLE INDUSTRIAL WASTE</u>: Any solid, liquid or gaseous substance, water-borne or form of energy ejected or escaping from any industrial, manufacturing, trade or business process or from the development, recovery or processing of natural resources, as distinct from sanitary sewage, which complies with all provisions of City of Scranton Ordinance File of Council No. 52 - 1984 or amendments or revisions thereto, and which is allowed to be discharged into the sewer system by the City of Scranton and Borough of Dunmore, Lackawanfa County, Pennsylvania, or allowable by the rules and regulations of the City of Scranton.

(2) <u>BUILDING SEWER</u>: Shall mean that part of the main building or house drain or sewer line inside the walls of the building and extending through the wall to a point five feet (5') outside the wall and connecting to the Service Line or House Connection.

(3) <u>CITY OF SCRANTON</u>: The City of Scranton, Lackawanna County, Pennsylvania, or its duly authorized representatives or agents. Such shall include The Sewer Authority of the City of Scranton, Pennsylvania as appropriate under applicable agreement(s) with the City.

(4) <u>GROUND WATER</u>: That water which is contained in or passing through the ground.

(5) <u>NON-RESIDENTIAL ESTABLISHMENT</u>: Any establishment now or hereafter served by a sewer system other than a Residential Establishment.

(6) <u>RESIDENTIAL ESTABLISHMENT</u>: Any establishment used wholly or in part for residential purposes.

(7) <u>SANITARY SEWAGE</u>: The normal water-carried household and toilet waste from any improved property, excluding, however, the effluent from septic tanks, or cesspools, rain, storm and ground water, as well as roof or surface water, drainage or percolating or seeping waters, or accumulation thereof, whether underground or in cellars or basements.

(8) <u>SANITARY SEWER</u>: A sewer which carries sewage and/or authorized industrial wastes and to which storm, surface, and ground waters are not intentionally admitted.

(9) <u>SCRANTON SEWER SYSTEM</u>: All the facilities now or hereafter owned by the SSA and now existing or hereafter to be constructed int he City of Scranton and the Borough of Dunmore, or by contract or agreement outside these municipalities, for the collection, transportation, treatment, and disposal of Sanitary Sewage and Acceptable Industrial Wastes.

(10) <u>SERVICE AREA</u>: The area planned to be served by the Siniawa Sewer System as depicted on Exhibit "A" to this Agreement.

(11) <u>SEWER</u>: A pipe or conduit for carrying sanitary sewage, or authorized industrial waste.

(12) <u>SINIAWA SEWER DISTRICT</u>: A sewer district to be created by the LRBSA within the Borough of Dickson City to the limits of the Service Area for the purpose of providing services required under the terms of this Agreement.

(13) <u>SINIAWA SEWER SYSTEM</u>: All the facilities now or hereafter owned by the SINIAWA for the collection and transportation of Sanitary Sewage emanating from users within the Service Area.

(14) <u>STORMWATER</u>: Any flow occurring during or following any form of natural precipitation and resulting therefrom.

(15) <u>USER</u>: Any person or entity who contributes, causes or permits the contribution of wastewater into the sewer system, including persons or entities who premises are connected to a sewer extension construction by either a municipality or private developer.

(16) WASTEWATER: The liquid and water-carried industrial or domestic wastes from dwelling, commercial buildings, industrial facilities, and institutions, whether treated or untreated, which is contributed into or permitted to enter the sewer system.

ARTICLE II

SINIAWA SEWER SYSTEM, SERVICE, AND TERM

SECTION 2.01. SINIAWA certifies and will insure that the construction of the Siniawa Sewer System is in accordance with plans submitted to the SSA and approved by the Pennsylvania Department of the Environmental Resources.

SECTION 2.02. SINIAWA agrees to continuously operate and maintain the Siniawa Sewer System, and the SINIAWA and LRBSA agree that the SSA shall have no obligation or responsibility with respect to said facilities.

SECTION 2.03. The parties agree that the Siniawa Sewer District shall discharge wastewater to the Scranton Sewer System for treatment and disposal at the existing point of connection indicated on the approved plans or at such additional points of connection as are agreed upon.

SECTION 2.04. The SSA agrees that it will receive wastewater from the Siniawa Sewer District, pursuant to provisions hereof, for conveyance, treatment and disposal with the Scranton Sewer System.

SECTION 2.05. The LRBSA, SINIAWA, and DICKSON CITY covenant and agree that the SSA, during the term hereof, shall be the sole and exclusive agency to provide wastewater conveyance, treatment and disposal services to wastewater emanating from the Siniawa Sewer System or Users thereof in the Service Area contemplated to be served by the Siniawa Sewer System, (which Service Area is shown on Exhibit "A" hereto), pursuant to provisions hereof.

The SSA shall have the sole option of allowing SINIAWA to provide service to any portion of the Service Area located within the City of Scranton. Otherwise such service may be provided direction by the SSA.

The provisions of this Section 2.05, however, shall not prejudice the LRBSA with respect to its rights to the use of existing wastewater treatment facilities now owned or operated by the SSA, which are presently being utilized by the LRBSA; nor shall such covenants of exclusivity and non-competition be construed now or during the term hereof to the prejudice LRBSA should any governmental agency of the Commonwealth of Pennsylvania or of the United States, including DER or EPA, order a change in treatment flows or require the sharing of new treatment facilities with a municipality which is not a party hereto.

SINIAWA, the LRBSA, and DICKSON CITY agree to not permit the disposal or discharge of wastes to the Siniawa Sewer System, which wastes emanated from activities outside of the Service Area.

SECTION 2.06. SINIAWA, the LRBSA, and DICKSON CITY agree that all wastewater emanating from the Siniawa Sewer System and discharged to the Scranton Sewer System for conveyance, treatment and disposal will be subject to the terms and provisions hereof.

SECTION 2.07. SINIAWA, for the three (3) year period, which three-year period began in November of 1987, agrees to provide sewer service to any and all persons located within the Service Area who request sewer service from the SSA, the LRBSA, DICKSON CITY, or SINIAWA, subject to the requirements of the Pennsylvania Department of Environmental Resources, applicable Act 537 Plans, and the provisions of this Agreement.

SECTION 2.08. The SSA will accept into the Scranton Sewer System for conveyance, treatment, and disposal, Sanitary Sewage meeting the standards set forth in Exhibit "B" attached hereto from the Siniawa Sewer System only to the quantity and extent and as provided in Section 4.01 and 4.04 below, provided, however, that nothing herein contained shall preclude the SSA from granting additional capacity to SINIAWA upon mutually agreeable terms and conditions. The SSA will treat and dispose of all such wastewater in accordance with sound engineering and industry standards and in accordance with all relevant requirements of governmental agencies and judicial authorities having jurisdiction in the matter.

SECTION 2.09. Except as provided herein, this Agreement shall begin on the date on Page 1 and shall continue in effect until such time as described herein. Except as provided herein,

this Agreement shall continue until any one of the parties cease to exist or are no longer empowered by charter to perform wastewater services. This Agreement, however, may be extended by incorporation of a successor to one of the Parties only by mutual consent of all Parties, except that SINIAWA may convey the Siniawa Sewer System together with sufficient easements for maintenance and service thereof and all of SINIAWA's rights and obligations hereunder to DICKSON CITY without further consent of any other parties hereto except DICKSON CITY. SINIAWA and DICKSON CITY hereby agree that SINIAWA does convey the said Siniawa Sewer System to DICKSON CITY, upon condition that SINIAWA agrees to be responsible for all maintenance of the said Siniawa Sewer System for a period of Three (3) years, which three-year period began in November, 1987. In the event that during this Three (3) year period, SINIAWA ceases to exist, the three (3) year maintenance agreement shall be binding upon the heirs, successors, administrators, personal representatives or any other persons, firms, corporations, or associations who shall succeed to the assets of SINIAWA. DICKSON CITY shall have the further right of legal recourse against the successor to or assets of SINIAWA for any liabilities associated with the maintenance of the Siniawa Sewer System during this three (3) year period. SINIAWA further agrees to provide DICKSON CITY with any and all easements, rights and obligations hereunder immediately. SINIAWA further agrees to provide DICKSON CITY and the LACKAWANNA RIVER BASIN SEWER AUTHORITY with a design and "as built" plans for the

Siniawa Sewer System. It is agreed between SINIAWA and DICKSON CITY that any and all future fees, with the exception of permit fees and associated charges by the LACKAWANNA RIVER BASIN SEWER AUTHORITY, including tapping fees from the date of this Agreement forward, shall become the property of DICKSON CITY and SINIAWA shall have no rights with regard to collection of monies owed by any parties with respect to future hook-ups and tappings to the Siniawa Sewer System. SINIAWA further agrees to pay to DICKSON CITY the sum of twenty-five (\$25.00) Dollars per "tapping permit" which is currently owed by SINIAWA to DICKSON CITY for all persons, firms, associations or corporations who have hooked onto the Siniawa Sewer System.

In the event of termination, the Siniawa Sewer System must be completely withdrawn or disconnected from the Scranton Sewer System, and reconnected to any other sewer system at no cost to the SSA, the LACKAWANNA RIVER BASIN SEWER AUTHORITY, and/or SINIAWA, within one (1) year of termination.

Notwithstanding the preceding paragraph, however, the LACKAWANNA RIVER BASIN SEWER AUTHORITY may unilaterally terminate this Agreement by tendering written notice of its intention to do so to all parties herein. Upon the tendering and receipt of written notice of intention to terminate, then this Agreement and its respective provisions shall be terminated and declared null and void. All other parties may unilaterally terminate this Agreement by tendering written notice of its intention to do so to all parties herein. Upon the tendering and receipt of written

notice of intention to terminate by all other parties, then this Agreement and its respective provisions shall be terminated and declared null and void five (5) years after said notice of intention to terminate has been received by the respective parties.

Notwithstanding the provisions of this section with regard to termination of this Agreement, the agreement contained herein made whereby SINIAWA agrees to convey the said Siniawa Sewer System to DICKSON CITY shall be irrevocable and not subject to termination and not affected by any termination of this Agreement.

In the event that any of the provisions and/or portions of this Agreement are inconsistent with and in violation of Lackawanna River Basin Sewer Authority Bonding documents and Bonding Indentures, then those portion and/or portions of this Agreement shall be declared null and void and of no legal effect.

SECTION 2.10. The agreement by SINIAWA in Section 2.09 to maintain the Siniawa Sewer System for a period of three (3) years, which three-year period began in November, 1987, shall be specifically enforceable at law or in equity in the Courts of appropriate jurisdiction in the Commonwealth of Pennsylvania. In the event of litigation, SINIAWA agrees to be responsible for all costs, interest, reasonable attorney fees and other monies expended by DICKSON CITY seeking to enforce the provisions of this section, only in the event that SINIAWA is deemed to be in

wrongful violation of the three (3) year agreement. During the course of any maintenance function performed by SINIAWA, if in the judgment of SINIAWA said maintenance shall result in a reconstruction or replacement of the Siniawa Sewer System or any portion thereof, SINIAWA agrees to notify DICKSON CITY in writing immediately of this circumstance. No work of reconstruction shall be undertaken by SINIAWA unless written approval is granted by DICKSON CITY, it being recognized and acknowledged that DICKSON CITY is bound by Pennsylvania law which requires bidding for projects, and other legal restrictions. DICKSON CITY further agrees to enact an ordinance to assess the users of the Siniawa Sewer System a maintenance fee on an annual basis to be used to help defray the costs of any maintenance to the Siniawa Sewer System, but any monies collected shall not be reimbursed to SINIAWA, who agrees to maintain the Siniawa Sewer System at its own expense for the three (3) year period as outlined herein without cost or charge to DICKSON CITY. Except, however, in the event of reconstruction or replacement of all or any portion of the Siniawa Sewer System during the three (3) year period, DICKSON CITY agrees to immediately enact any and all appropriate ordinances to assess the users of the Siniawa Sewer System the costs of such reconstruction and replacement, such will not be the burden or obligation of SINIAWA. If SINIAWA shall reconstruct or replace all or a potion of the Sinfawa Sewer System and users of said system are assessed costs of said reconstruction and replacement, it is further agreed that SINIAWA

shall be paid only when such funds are actually collected by DICKSON CITY. Further, such sums shall be paid to SINIAWA, even if sums assessed for the reconstruction work done during the three (3) year period are paid after this period has expired. DICKSON CITY Agrees to make a reasonable effort to collect such costs, but who shall not be obligated to pay SINIAWA until such times as the costs are collected as outlined above.

SECTION 2.11. Any reference in this Article to the duties, obligations, responsibilities, agreements, liabilities, cooperation on exchange of information with respect to rates, charges, billing, and any and all responsibilities of SINIAWA shall be limited strictly to the three (3) year period, which three-year period began in November, 1987. It is agreed by all parties that upon expiration of this three (3) year term, SINIAWA shall have no further responsibilities, duties or obligations with respect to the Siniawa Sewer System, nor shall it have any affiliation with the Siniawa Sewer System or the parties to this Agreement in relation thereto except as specified for the payment to SINIAWA of reconstruction fees as set forth in Article II, Section 2.10.

<u>ARTICLE III</u>

RATES, CHARGES AND PAYMENTS

SECTION 3.01. The parties agree that the SSA shall impose rates and charges upon the Siniawa Sewer District for appropriate services rendered by the SSA, which rates and charges shall be

established as provided in Section 3.02 herein.

SECTION 3.02. The rates for wastewater conveyance, treatment, and disposal services by the SSA relative to wastewater received from the Siniawa Sewer System will be the same rates applicable to other Users of the Scranton Sewer System, as enacted in City of Scranton Ordinance(s) or other proper legal instruments, and as may be revised from time to time. Current applicable City of Scranton Ordinances are contained in Exhibit "B". Such rates will be applied to calculate charges for each individual User of the Siniawa Sewer System. The calculated charges will be billed in the aggregate to the Siniawa Sewer District quarterly by the SSA for all Siniawa Sewer System Users located outside the City of Scranton.

SECTION 3.03. The SSA, the LRBSA, DICKSON CITY, and SINIAWA agree that each User of the Siniawa Sewer System will be billed for wastewater services by the Authority created by the municipality in which such User's premises are located, and at the same rates as are applicable to all other Users located within such municipality or sewer district within said municipality. In instances in which a User's property is located partly in the City of Scranton and partly in the Borough of Dickson City, billings will be made by the Authority in whose municipality is located the point of connection of the sewer service lateral to the Building Sewer.

SECTION 3.04. The LRBSA covenants to pay the SSA's respective wastewater service rates and charges imposed as

provided in Sections 3.02 and 3.03, quarterly, for services rendered for the preceding quarter, on or before quarterly dates mutually agreed upon. Rates for any period which is less than one quarter annum shall be pro-rated.

The LRBSA, SINIAWA, and DICKSON CITY covenant to supply promptly to the SSA all information deemed necessary by the SSA in order to compute such wastewater service rates and charges to the Siniawa Sewer District, including, but not limited to, information concerning number and types of physical connections to, number of dwelling units connected to, and strength, character and volume of wastewater discharged into the Siniawa Sewer System, and to provide or take any legally available action to provide information concerning the volume of water consumed by each and all Users connected to such the Siniawa Sewer System.

SECTION 3.05. Wastewater service rates and charges and other sums required to be paid by the LRBSA under this Agreement shall be received by the SSA as net sums and the LRBSA covenants to pay all charges against or which might diminish such net sums.

SECTION 3.06. Any reference in this Article to the duties, obligations, responsibilities, agreements, liabilities, cooperation on exchange of information with respect to rates, charges, billing, and any and all responsibilities of SINIAWA shall be limited strictly to the three (3) year period, which three-year period began in November, 1987. It is agreed by all parties that upon expiration of this three (3) year term, SINIAWA shall have no further responsibilities, duties or

obligations with respect to the Siniawa Sewer System, nor shall it have any affiliation with the Siniawa Sewer System or the parties to this Agreement in relation thereto except as specified for the payment to SINIAWA of reconstruction fees as set forth in Article II, Section 2.10.

ARTICLE IV

CHARACTER AND VOLUME OF FLOWS

SECTION 4.01. The LRBSA, DICKSON CITY and SINIAWA agree (a) that they will not permit a maximum daily wastewater flow rate from the Siniawa Sewer System to the Scranton Sewer System which exceeds 1.5 times an average daily wastewater flow allocation of 50,000 gallons per day, and (b) that they will not permit an instantaneous peak wastewater flow rate to the Scranton Sewer Authority which exceeds 3 times said average daily wastewater flow allocation of 50,000 gallons per day; said average daily wastewater flow allocation represents existing connections and proposed connections documented by DER Planning Modules submitted to the SSA as of May 31, 1986.

SECTION 4.02. Should at any time the flow of wastewater from the Siniawa Sewer System exceed the volume limits at the time applicable under this Agreement or should at any time the quality of such flow be in violation of the standards established by the SSA, the LRBSA, DICKSON CITY, and SINIAWA shall be liable for, in addition to the separate charge provided for in Sections 3.02, any actual damage suffered by the SSA by reasons of such

violations, and the SSA shall have the absolute right to have any such violation cease forthwith. If the SSA notifies the LRBSA, DICKSON CITY, of any violation of such volume limits or quality standards and the LRBSA, DICKSON CITY, and/or SINIAWA do not take immediate steps to correct the violation, the SSA may bring suit at law or in equity to compel such corrective action. The liability of SINIAWA and its obligation to correct any violations is limited to the three (3) year period, which three-year period began in November, 1987, after that time, SINIAWA has no further obligations with respect to the Siniawa Sewer System.

SECTION 4.03. The LRBSA, DICKSON CITY, and/or SINIAWA may request additional wastewater conveyance, treatment, and disposal capacity in the Scranton Sewer System in the future, which will be granted by the SSA if sufficient capacity exists in its system that is determined to be not required by the SSA for other purposes. In the event of such a request for additional capacity, the SSA shall not be obligated to construct any additions or improvements to the Scranton Sewer System unless such construction is determined to be feasible by the SSA and its Consulting Engineers; provided, however, that the SSA shall not unreasonably refuse to construct or cause to be constructed such additions and improvements requested by the other parties at the sole cost and expense of the LRBSA, DICKSON CITY, and/or SINIAWA>

SECTION 4.04. The SSA may establish from time to time uniform (within all areas serviced by the Scranton Sewer System) standards of acceptability of wastewater to be discharged into

the Scranton Sewer System. Such standards shall be reasonable and similar to the customary standards imposed with regard to similar facilities and service area conditions. The Scranton Sewer System is designed primarily for the treatment and disposal of Sanitary Sewage and Allowable Industrial Wastes. The Siniawa Sewer District shall not permit any connection for the disposal of any waste other than Sanitary Sewage to be made to the Siniawa Sewer System except up on the prior specific written permit of the SSA; provided that the acceptance for treatment and disposal by the SSA of wastes other than Sanitary Sewage shall be in accordance with the current uniform standards established by the SSA for all areas serviced by the Scranton Sewer System. (The current uniform standards are attached hereto and made a part of this Agreement as Exhibit "B"). Reasonable notice of any changes therein shall be given by the SSA to the LRBSA, DICKSON CITY, and SINIAWA shall become part of this Agreement.

SECTION 4.05. Any reference in this Article to the duties, obligations, responsibilities, agreements, liabilities, cooperation on exchange of information with respect to rates, charges, billing, and any and all responsibilities of SINIAWA shall be limited strictly to the hree (3) year period, which three-year period began in November of 1987. It is agreed by all parties that upon expiration of this three (3) year term, SINIAWA shall have no further responsibilities, duties or obligations with respect to the Siniawa Sewer System, nor shall it have any affiliation with the Siniawa Sewer System or the

parties to this Agreement in relation thereto except as specified for the payment to SINIAWA of reconstruction fees as set forth in Article II, Section 2.10.

ARTICLE V

MISCELLANEOUS PROVISIONS

SECTION 5.01. The LRBSA shall establish, maintain, levy, impose, and collect charges, rentals, and fees in respect of the use of the Siniawa Sewer System outside the City of Scranton sufficient to enable it to pay therefrom (except to the extent that other funds are legally available for the purpose) the annual charges required under this Agreement to be paid to the SSA and to the LRBSA and to administer its responsibilities with respect to the Siniawa Sewer System as herein required.

All such rates and charges shall be in compliance with all governing requirements of the Commonwealth of Pennsylvania and the United States of America. The parties hereto agree to enter into appropriate amendments or supplements to this Agreement when and if necessary to equitably apportion any charges required by such requirements.

SECTION 5.02. The LRBSA, and DICKSON CITY covenant, that they will adopt, enforce and keep in full force and effect continuously during the term hereof, an ordinance or ordinances or resolution or resolutions, as appropriate, prohibiting the discharge into the Siniawa Sewer System of any wastes which are prohibited to be discharged into the Scranton Sewer System under

rules and regulations of the SSA in effect at the time and on file with the other parties. It is the intention of this agreement that only Sanitary Sewage may be discharged into the Siniawa Sewer System.

The LRBSA and DICKSON CITY agree to adopt such ordinances and/or resolutions which are necessary to impose any rates, charges, tariffs or requirements upon any of the Users of the Siniawa Sewer System which are required to be imposed on such Users by provisions hereof, or which relate to obligations assumed hereunder.

SECTION 5.03. DICKSON CITY shall give the LRBSA and the SSA notice of the connection of any Residential Establishment or Non-Residential Establishment to any sewer which discharges wastewater, directly or indirectly, to the Scranton Sewer System, within 30 days of such connection and shall otherwise comply with rules and regulations of the SSA with respect to Residential Establishments and Non-Residential Establishments and Industrial Users, and wastewater therefrom.

Not connection shall be made to the Siniawa Sewer System until prior approval is granted by the SSA an the LRBSA. All requests for approval shall contained completed DER Planning Modules II and IV, as a minimum.

DICKSON CITY and the LRBSA shall require all Users of the Siniawa Sewer System to comply with the latest edition of the BOCA Plumbing Code, or the Plumbing Code of the City of Scranton if more stringent, for any buildings constructed to be connected

to the Siniawa Sewer System. Any such construction shall be inspected by an appropriate representative of the LRBSA or the municipality in which the building is constructed. Certificates of such inspection shall be submitted to the LRBSA and the SSA.

SECTION 5.04. Except as otherwise specifically provided to the contrary herein below, the SSA, DICKSON CITY and SINIAWA shall pay or cause to be paid all costs, charges, and expenses incurred in or in connection with construction, operation, maintenance, and repair of their respective sewer systems. Each of the parties hereto agrees to keep and maintain its sewer system at all times in good repair and order and efficient operating condition and to meet the standards prescribed by the Department of Environmental Resources of the Commonwealth of Pennsylvania or any other governmental agency or judicial authority having jurisdiction thereof. SINIAWA's obligations for costs and maintenance is limited to the three (3) year period, which three-year period began in November of 1987, that the expiration of which SINIAWA has not further obligation of any nature with respect to Siniawa Sewer System. No party hereto shall in any manner be liable for damages arising out of the construction, maintenance, or repair of any collection system other than its own. SINIAWA, DICKSON CITY, and LRBSA agree that at the request of SINIAWA, for the three (3) year period, or DICKSON CITY, the LRBSA will promptly provide sewer maintenance services for the Siniawa Sewer System, and the cost of such services shall be paid by SINIAWA, for the three (3) year period,

or DICKSON CITY to the LRBSA within 30 days of being invoiced. Such agreement shall not in any respect reduce the obligation of SINIAWA or DICKSON CITY to properly maintain and operate its sewer system, within the time limits outlined herein.

SECTION 5.05. Except for negligent acts or omissions committed by the SSA; SINIAWA, for the three (3) year period; the LRBSA, and DICKSON CITY shall indemnify and save harmless the SSA against any claims for damages arising from parties connected to the Siniawa Sewer System, wastewater from which is discharged to the SSA under this Agreement, resulting or occasioned by failure of the SSA's sewer lines governed by this Agreement to properly function from any cause whatsoever.

Neither the SSA nor its Consulting Engineers shall have any liability for the design, construction, operation, maintenance or repair of the Siniawa Sewer System, or extensions thereto

The LRBSA shall have no liability for the design and/or construction of the existing Siniawa Sewer System, and furthermore, shall have no liability for any damages and/or injury to any party or entity arising therefrom.

SECTION 5.06. SINIAWA, the LRBSA, and DICKSON CITY covenant that they will not assign their interests herein, except an assignment to a party hereto, within written consent of the SSA and, if such consent shall be given, then only subject to conditions which may be set forth in such consent:

Each of SINIAWA and DICKSON CITY covenants that it will not convey its sewage collection system which discharges wastewater

to the Scranton Sewer System to a municipality, municipality authority or other public authority or public body, except a party hereto, without written consent of the SSA, and, if such consent shall be given, then only subject to conditions which may be set forth in such consent; provided, however, that any such conveyance shall not relieve such party of its obligations hereunder.

SECTION 5.07. SINIAWA, the LRBSA, and DICKSON CITY covenant that the SSA, by their duly authorized representatives, at reasonable times, may inspect any part of its sewage collection system which discharges wastewater to the Scranton Sewer System.

The SSA covenants and agrees that the LRBSA and DICKSON CITY, by their duly authorized representatives, at reasonable times, may inspect the Scranton Sewer System.

SECTION 5.08. Each of the parties hereto agrees to employ a Consulting Engineer at all times to perform the functions of such Engineer provide for by this Agreement.

SECTION 5.09. Upon completion of the construction of any future improvements or extensions to the Siniawa Sewer System, the LRBSA shall forthwith deliver to the SSA a certificate from the LRBSA's Consulting Engineer that the construction was inspected by said Consulting Engineer and has been completed in accordance with the approved plans and specification and other applicable standards as agreed to herein. Three (3) copies of record drawings and specification provided by SINIAWA shall accompany any such certificate, during the three (3) year period.

Installation of new service connections to existing Siniawa Sewer System sewers shall be reported by SINIAWA to the SSA and LRBSA accompanied by one copy of an updated record drawing of the sewer that was connected to. Any such connections shall be reported monthly. Any such responsibility of SINIAWA is limited to the three (3) year period.

SECTION 5.10. SINIAWA, the LRBSA, and DICKSON CITY covenant to comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to construction, operation, repair and maintenance related to its sewer system with discharges wastewater to the Scranton Sewer System. SINIAWA's compliance is limited to the three (3) year period.

SECTION 5.11. Each party covenants that during the term of this Agreement it will not discontinue operation of its sewage collection system.

SECTION 5.12. The SSA without written consent of the other parties, may enter into Agreements, from time to time, in addition to this Agreement, with any persons, party, corporation, entity, municipality or municipality authority pursuant to which the SSA shall agree to convey, treat and/or dispose of wastewater of the other party to such agreement, in connection with use and operation of the Scranton Sewer System.

SECTION 5.13. SINIAWA, the LRBSA, and DICKSON CITY agree to comply (including furnishing necessary information to the SSA) with requirements of statutes, rules, regulations and conditions

relating to the SSA's National Pollutant Discharge Elimination System (NPDES) Permit, Water Quality Management Permit, Solid Waste Management Permit, Air Quality Permit, Industrial Pretreatment Program, and any other federal or state permits or agreements, and the obligation of the SSA thereunder, which relate to Users of SINIAWA and the LRBSA. SINIAWA's compliance is limited to the three (3) year period.

SECTION 5.14. SINIAWA agrees, for the three (3) year period, to implement and perform infiltration and inflow studies and corrective procedures necessary to limit excessive inflow and infiltration of Storm Water or Ground Water into any part of any sewer system discharging wastewater to the Scranton Sewer System in a manner satisfactory to the SSA in accordance with generally recognized standards of engineering practice, or, as appropriate in a manner which complies with any grant agreement or any other law, rule or regulation which governs the Siniawa Sewer System or the Scranton Sewer System.

SECTION 5.15. SINIAWA, for the three (3) year period, the LRBSA, and DICKSON CITY agree that any construction of and/or extension to the Siniawa Sewer System shall be made in accordance with the latest standards of the SSA. Applicable SSA policies and documents, revisions, and supplements thereto shall be adhered to such as, but not limited to: "Standard Construction and Material Specifications for Sanitary Sewer Extensions for the Sewer Authority of the City of Scranton"; "Requirements of the

Sanitary Sewer Extensions"; and "Requirements of the Sewer Authority of the City of Scranton for Connection of Storm Water and Ground Water Drainage". Such construction and/or extensions shall also conform to applicable federal and state law, including but not limited to compliance with the standards set forth in the Pennsylvania Department of Environmental Resources "Sewerage Manual", and revisions or supplements thereto.

. . . ,

SECTION 5.16. SINIAWA, for the three (3) year period, the LRBSA, and Dickson City shall require all parties constructing extensions to the Siniawa Sewer System to comply with all applicable provisions of this Agreement, and to convey such sewer extensions with appropriate rights-of-way to SINIAWA, the LRBSA, or DICKSON CITY.

The LRBSA, SINIAWA, for the three (3) year period, and DICKSON CITY shall require all parties including themselves, constructing such extensions to submit to the LRBSA and the SSA copies of applicable DER Planning Modules, DER permit applications, DER permits, construction drawings, certificate of completion by the engineer appointed by the Siniawa Sewer District, and record drawings, as such documents are developed.

SECTION 5.17. SINIAWA, for the three (3) year period, the LRBSA, and DICKSON CITY agree that all sewers constructed as a part of or connected to the Siniawa Sewer System will be Sanitary Sewers; will not connect and will not permit to be connected to said sewers any contributions of Storm Water and/or Ground Water; and will take any and all necessary action to remove or have

removed sources of Storm Water or Ground Water when any such connections become known.

SECTION 5.18. SINIAWA and DICKSON CITY agree to assess tapping fees for new connections to the Siniawa Sewer System in accordance with the DICKSON CITY ordinance enacted on January 13, 1976 relating thereto and attached to this Agreement as Exhibit "C". SINIAWA's responsibility is limited to the three (3) year period, which three-year period began in November of 1987. At the expiration of this period, such assessments are the sole responsibility of DICKSON CITY.

SECTION 5.19. The SSA, SINIAWA, for the three (3) year period, the LRBSA and DICKSON CITY agree that any party shall have the right to review, at any time, the volume, pollutant load and character of wastewater being discharged to the Scranton Sewer System from the Siniawa Sewer System, and to determine whether excessive flows of wastewater, or wastewater of excessive pollutant load, strength or character are being discharged to the Scranton Sewer System, which determination shall be made by application of generally accepted engineering standards and practices. The SSA shall have the right to regulate and limit any such excessive flows of wastewater or wastewater of excessive strength, pollutant load, strength or character to the Scranton Sewer System.

SECTION 5.20. A right of recourse is reserved unto the SSA to exercise or utilize any legal remedies available at law or equity or otherwise in the event that the SSA determines SINIAWA

or the LRBSA is discharging wastewater of excessive flows, pollutant load or strength, as determined in accordance with 5.16 hereof. Any such responsibility of SINIAWA ceases upon the expiration of the three (3) year period recited throughout this Agreement.

SECTION 5.21. Each of the parties hereto agrees to continue in and complete their obligations under this Agreement in a prompt and timely manner, and to assess only such charges allowable by law or under this Agreement as are reasonable for services performed in connection with this Agreement.

SECTION 5.22. Disputes arising hereunder shall be subject to arbitration under laws of the Commonwealth of Pennsylvania.

SECTION 5.23. Should any one or more of the provisions of this Agreement for any reasons be held illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement and this Agreement shall in such circumstances be construed and enforced as if such illegal or invalid provisions had not been contained herein.

SECTION 5.24. The construction and effect of this Agreement of any amendment to this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

SECTION 5.25. This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but ont and the same instrument.

SECTION 5.26. This Agreement shall become effective upon its execution and delivery by the parties hereto and, subject to termination in accordance with the provisions hereof, the term hereof shall be perpetual.

SECTION 5.27. Any reference in this Article to the duties, obligations, responsibilities, agreements, liabilities, cooperation on exchange of information with respect to rates, charges, billing, and any and all responsibilities of SINIAWA shall be limited strictly to the Three (3) year period, which three-year period began in November of 1987. It is agreed by all parties that upon expiration of this three (3) year term, SINIAWA shall have no further responsibilities, duties or obligations with respect to the Siniawa Sewer System, nor shall it have any affiliation with the Siniawa Sewer System or the parties to this Agreement in relation thereto except as specified for the payment to SINIAWA of reconstruction fees as set forth in Article II, Section 2.10.

IN WITNESS WHEREOF, the several parties hereof have each caused the due execution and attestation hereof by its duly authorized officers as of the day and year aforesaid.

ATTEST:

EAL)

FRANCIS NOONEY, CHAIRMAN OF THE BOARD OF THE SEVER AUTHORITY OF THE CITY OF SCRANTO:.

JUDY GATELLT , SECRETARY OF THE BOARD OF THE SEWER AUTHORITY OF THE CITY OF SCRANTON

(SEAL)

ATTEST:

> Donief S in (SEAL.) DANIEL SINIAWA, PARTNER

SINIAWA ENTERPRISES

ATTEST:

va-JOSERI SINIAWA, PARTNER

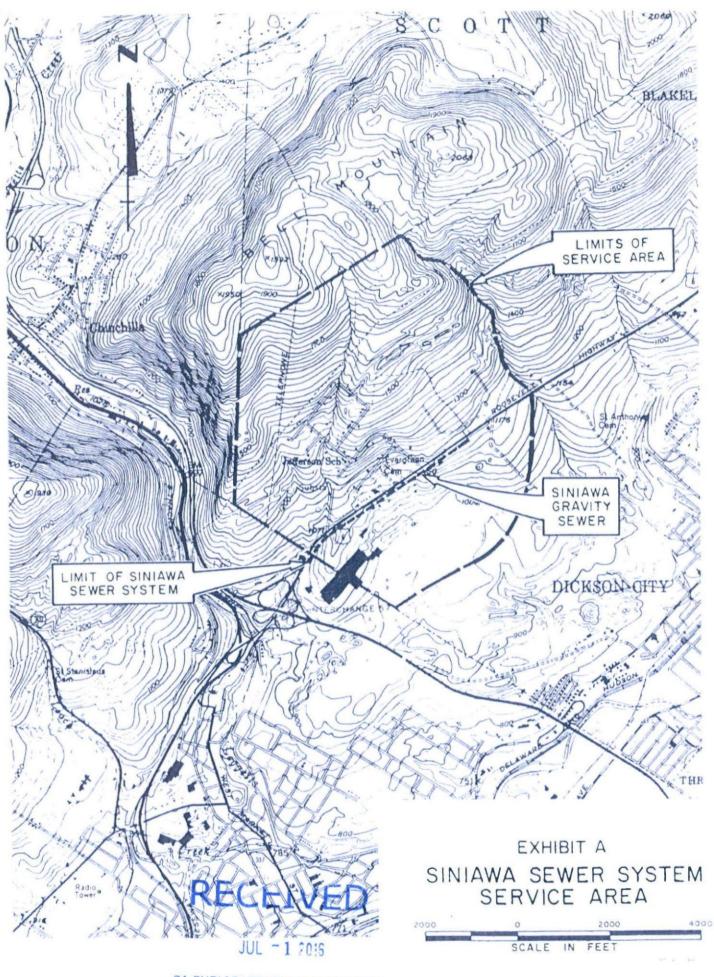
SINIAWA ENTERPRISES

ATTEST:

OF BOROUCH COUNCIL OF BOROUGH OF DICKSON CITY

John F. Maholiek SEAL)

PRESIDENT OF BOROUCH COUNCIL OF BOROUGH OF DICKSON CITY



PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

AGREEMENT BETWEEN THE SEWER AUTHORITY OF THE CITY OF SCRANTON, THE LACKAWANNA RIVER BASIN SEWER AUTHORITY, SINIAWA ENTERPRISES, AND THE BOROUGH OF DICKSON CITY, PENNSYLVANIA, DATED JUNE 14, 1989, FOR THE ACCEPTANCE, CONVEYANCE, TREATMENT, AND DISPOSAL OF WASTEWATER FROM THE SINIAWA ENTERPRISES WASTEWATER COLLECTION SYSTEM AT THE SCRANTON WASTEWATER COLLECTION SYSTEM AND WASTEWATER TREATMENT PLANT. 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, 5th 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

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SECRETARY'S C m Ē

DATED: July 1 2016

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