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June 20, 2017

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

VIA ELECTRONIC FILING

**RE: Pennsylvania Public Utility Commission, *et al.* v. City of DuBois – Bureau of Water;
Docket No. R-2016-2554150**

Dear Secretary Chiavetta:

Pursuant to the Commission's Order entered March 28, 2017, at the above-referenced docket number, attached please find the City of DuBois' Water Sales Contract with Union Township.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this filing. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', is written over a horizontal line.

Adeolu A. Bakare

Counsel to the City of DuBois – Bureau of Water

Enclosure

c: Deputy Chief Administrative Law Judge Mark A. Hoyer (via E-Mail and First-Class Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

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Adeolu A. Bakare

Counsel to the City of DuBois – Bureau of Water

Dated this 20th day of June, 2017, at Harrisburg, Pennsylvania.

ADDENDUM TO AGREEMENT FOR SALE OF WATER
BY THE CITY OF DUBOIS TO UNION TOWNSHIP MUNICIPAL AUTHORITY

This Addendum to Agreement made between the CITY OF DUBOIS, (hereinafter called "CITY") and UNION TOWNSHIP MUNICIPAL AUTHORITY, (hereinafter called "UNION TOWNSHIP") is made this 9 day of January, 1996, and is incorporated into and shall be deemed to amend and supplement the Agreement made between the CITY OF DUBOIS and UNION TOWNSHIP MUNICIPAL AUTHORITY on November 5, 1973, as amended by Addendum to Agreement dated April 2, 1991, covering the sale of raw or untreated water by the CITY OF DUBOIS to UNION TOWNSHIP MUNICIPAL AUTHORITY; and

WHEREAS, the parties hereto desire to modify certain terms of the Agreement dated November 5, 1973, as amended by Amendment dated April 2, 1991, and to reaffirm all other portions of said Agreement and Amendment not modified by this Addendum and to extend the term of said Agreement as provided herein; and

WHEREAS, UNION TOWNSHIP desires to purchase and the CITY is willing to sell treated water from the filtration plant owned and operated by said CITY which is situated in Sandy Township, Clearfield County, Pennsylvania.

NOW, THEREFORE, the parties hereto, in consideration of

the sum of ONE DOLLAR (\$1.00), each to the other in hand paid, the receipt whereof is hereby acknowledged and intending to be legally bound, agree as follows:

1. The term of the Agreement for the sale of raw, untreated or treated water by the CITY to UNION TOWNSHIP shall be for ninety-nine (99) years from the date of this Amendment and shall expire at midnight on the 365th day of the 99th year, unless extended by mutual agreement of the parties.

2. The CITY agrees to give UNION TOWNSHIP a one-time option to change its purchase of raw, untreated water from the reservoir to treated water from the filter plant upon giving the CITY ninety (90) days' written notice. However, once said option is exercised, the decision is irrevocable and shall remain in effect for the life of this Agreement.

3. Upon the exercise by UNION TOWNSHIP of its right to purchase treated water at the filter plant, the following terms and conditions will apply:

(a) The CITY will provide UNION TOWNSHIP water at a rate of up to 200 gallons per minute, to a maximum of 288,000 gallons per day.

(b) The CITY agrees that UNION TOWNSHIP may place an above-ground pump station on a 50 foot by 50 foot parcel of land situated to the west of the existing filter plant access road along with a thirty (30) foot right-of-way from the pump station lot to PA State Route 4016 for ingress, egress or

regress to such pump station and for the installation of water lines.

(c) The CITY will provide a right-of-way to Penelec to provide electric service to the pump station lot from the existing Penelec lines. In addition, the 50 foot by 50 foot pump station lot shall be located in the Penelec service area.

(d) The price to be paid for treated water shall be computed in accordance with the following formula with cost to be based on the cost of production of filtered water:

The sum of the expenditures from the adopted CITY budget for the operation and maintenance of the reservoir, transmission line to the filter plant, and the filter plant itself, including the cost of wages, benefits, chemicals, utilities, filtration and purification expenses, insurance, debt service, debt interest, and depreciation divided by the total water production for the previous calendar year as reported in the previous year's DER Annual Water Supply Report minus the previous year's backwash water use (the denominator being in 1000s of gallons so that the calculation yields \$/1,000 gallons as the cost of treated water).

(e) UNION TOWNSHIP agrees to install and maintain at its sole cost a meter in its pump station to measure the amount of water purchased from the filter plant and further agrees that the CITY may have access in and upon said premises to read the meter at all reasonable times. The payments shall

be made based on the amount removed as indicated by the meter. The CITY will bill UNION TOWNSHIP quarter-annually and UNION TOWNSHIP agrees to pay the said bill within thirty (30) days of the receipt of the same.

(f) UNION TOWNSHIP and the CITY shall each obtain the requisite permits necessary for their respective water systems.

(g) If water curtailment should become necessary, UNION TOWNSHIP shall be subject to the same restrictions as all other customers of the CITY.

4. All other portions of the Agreement dated November 5, 1973, as amended by the Agreement dated April 2, 1991, not inconsistent herewith are hereby reaffirmed and ratified as if set forth at length herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above-written.

ATTEST:

CITY OF DUBOIS

LaMar Ahlstrom
City Clerk

By William H. Reay
Mayor

ATTEST:

UNION TOWNSHIP MUNICIPAL
AUTHORITY

Patrick B. Hay

By Elmer C. Johnson
Patrick B. Hay Sec.

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF CLEARFIELD :

On this, the 14TH day of DEC., 1995, before me, the undersigned officer, personally appeared WILLIAM H. REAY, who acknowledged himself to be the Mayor of the CITY OF DUBOIS, a municipal corporation, and that he as such Mayor, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the City by himself as Mayor.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.

James E. North
Notary Public
My Commission expires: _____

ADDENDUM TO AGREEMENT FOR SALE OF UNTREATED WATER
BY THE CITY OF DUBOIS TO UNION TOWNSHIP MUNICIPAL AUTHORITY

This Addendum to Agreement made between the CITY OF DUBOIS and UNION TOWNSHIP MUNICIPAL AUTHORITY is made this 2nd day of April, 1991, and is incorporated into and shall be deemed to amend and supplement the Agreement made between the CITY OF DUBOIS and UNION TOWNSHIP MUNICIPAL AUTHORITY on November 5, 1973, covering the sale of raw or untreated water by the CITY OF DUBOIS to UNION TOWNSHIP MUNICIPAL AUTHORITY; and

WHEREAS, the parties desire to reaffirm the terms of the Agreement dated November 5, 1973, and to extend the term of said Agreement as agreed to herein.

NOW, THEREFORE, the parties hereto, in consideration of the sum of ONE DOLLAR (\$1.00), each to the other in hand paid, the receipt whereof is hereby acknowledged and intending to be legally bound, agree as follows:

1. The term of the Agreement for the sale of raw or untreated water by the CITY OF DUBOIS to the UNION TOWNSHIP MUNICIPAL AUTHORITY shall be for sixty (60) years from the date of said Agreement and shall expire at midnight, November 4, 2033, unless changed by mutual agreement of the parties.
2. City promises that UNION TOWNSHIP MUNICIPAL AUTHORITY may remove from the same a maximum of One Hundred Thousand (100,000) gallons per day. UNION TOWNSHIP MUNICIPAL AUTHORITY agrees that it will not resale or supply the water to any other utility or public authority.
3. All other terms and provisions of the Agreement dated November 5, 1973 are hereby ratified and said terms are incorporated herein by reference and made a part of this Addendum as if set forth at length herein with the exception of the terms of Paragraph 1 of said Agreement which terms have been specifically modified by this Addendum and, therefore, are void.

IN WITNESS WHEREOF, the parties accept and agree to an extension of the term of the Agreement dated November 5, 1973, and the number of gallons of water to be removed per day, as evidenced by the fact that they have hereunto executed this Agreement the day and year above-named.

ATTEST:

CITY OF DUBOIS

La Marr Adamson
City Clerk

By William F. Reay
Mayor

ATTEST:

UNION TOWNSHIP MUNICIPAL AUTHORITY

Gann S. Spalter
Authority Secretary

By John M. Huber

A G R E E M E N T

THIS AGREEMENT, made this 5th day of November, 1973, by and between the CITY OF DUBOIS, hereinafter called "City" and the UNION TOWNSHIP MUNICIPAL AUTHORITY, hereinafter called "Union".

W I T N E S S E T H:

WHEREAS, Union desires to purchase and City is willing to sell, raw water from the dam situate in Union Township, Clearfield County, Pennsylvania.

NOW, THEREFORE, in consideration of the amounts and mutual promises contained hereinafter, City agrees to sell, and Union agrees to buy raw or untreated water from the aforesaid dam under and subject to the following terms and conditions:

1. The term of this Agreement shall be for forty (40) years from the date of this Agreement unless changed by mutual agreement of the parties.
2. The price to be paid for the water is Six Cents (\$0.06) per One Thousand (1,000) gallons. If improvements are made to the storage facility from whence the water is supplied, or if additional storage facilities and/or reservoir dams are acquired by the City, or when there are increased costs such as labor costs, maintenance expense or repairs to the reservoir dam or other appurtenances, the Union Township Municipal Authority agrees to pay its proportional share of such improvements and/or increased costs by paying an additional amount per thousand gallons upon the basic rate as hereinbefore stated.
3. City promises that Union may remove from the same a maximum of Fifty Thousand (50,000) gallons per day. Union agrees

that it will not resale or supply the water to any other utility or public authority.

4. Union agrees to install and maintain at its sole cost a meter at its treatment plant to measure the amount of water removed from the dam and further agrees that DuBois may have access to read the meter at all reasonable times. The payments shall be made based on the amount removed as indicated by the said meter. City will bill Union quarter-annually and Union agrees to pay the said bill within fifteen (15) days of the receipt of the bill.

5. City shall have the right to request that the meter be tested, and upon receipt of said request, Union, shall arrange to have the meter tested by a competent person as promptly as possible. In the event that the meter is found to be operating within the limits of variance as commonly accepted in the water service industry, as per a W. W. A. Standard C-700-64, City agrees to pay the expenses incurred in the testing, but if the meter does not meet the said standards, then Union shall pay such expenses and shall further at its expense replace or repair the meter. If the meter is found to be defective and has not been replaced or repaired within five (5) days of the time when Union becomes aware of said fact, then City may, at its option, replace or repair the said meter and add the expense of same to the next quarterly bill to be paid by Union.

6. Union shall remove the water from the dam at the approximate location by use of apparatus, both of which are indicated by drawing and maps attached hereto and made a part hereof marked Exhibits "A" and "B".

7. It is agreed that the City shall have the right to lower the water level in the said dam for work and maintenance. However, City agrees that, in such event, it will give Union fifteen (15) days prior notice so then Union may make necessary adjustments in its water supply apparatus to insure the safety of the said equipment and the continuance of the water supply.

8. City hereby grants an easement to Union as shown on the Map attached hereto made a part hereof marked "Exhibit "C". It is agreed that the said easement shall be twenty (20) Feet wide during construction and ten (10) Feet wide thereafter. The easement is granted for the construction, installation and maintenance of the aforesaid water apparatus and water line. Prior to construction City shall examine the said easement area and shall advise Union which trees it desires, after cutting, be retained in the area so that they can be removed and sold or used by City. Union agrees that neither it, its contractors or subcontractors will remove or destroy such trees, but will place them at such place or places in or near the easement area as are designated by City. Union agrees that following construction and installation that it will restore the said land, it being agreed that this shall include returning the land to a similar or better contour, planting the land with effective ground-cover, cutting diversionary ditches if needed to prevent erosion. Union Township shall obtain a Bond naming the City of LuBois as beneficiary. The Bond shall be in the amount of Fifteen Hundred Dollars (\$1,500.00) to assure that the disturbed surface will be restored

to a smooth well-graded contour, a permanent growth of perennial grass is established and evergreen seedlings as recommended by the A. S. C. S. and approved by the City of DuBois, is planted.

9. In the event that for any reason it becomes necessary to relocate the Union Township Water Line and power line or intake structure to accommodate improvements, additions or changes in the DuBois Water System or for any other reason, then the entire cost of the relocation including engineering, construction etc. shall be borne by the Union Township.

10. Quarterly bills for service filed with the Township by the City shall be due and payable within thirty (30) days of respective dates thereof; if not paid within that time period, shall be subject to penalty for such delinquency of ten per cent (10%) per month or any portion of a month that said bills remain unpaid. Failure to pay the bills by Union Township within ninety (90) days of date of invoice including all penalties, shall be cause for the City to turn off the water thus prohibiting use of water from the reservoir until bills are fully paid.

11. In the event of fire or fires in the City of DuBois, any injury or accident to the reservoir, periods of draught, pollution, or any other accident or event beyond the control of the City, which may curtail, or for a limited interval of time, shut off the supply of water at the said meter, Union shall not hold the City liable or responsible therefor, or for any damages that might accrue from any curtailment in pressure of supply of water

or for a cessation of supply whatsoever for any limited interval of time, from such causes.

In the event of water becoming polluted in the said reservoir of the City, Union agrees to hold the City free and clear from any and all damages that may be sustained by any consumers of Union.

12. In the event of prolonged or unusual periods of draught cause reduction of the water supply within the said reservoir, the City shall have the right to curtail and reduce the supply of water at the said meter. Union agrees to cooperate with the City in such event, with the Union consumers and itself, to conserve the supply of water and to economize in the use thereof by its consumers.

IN WITNESS WHEREOF, the parties herein have hereunto caused this Agreement to be properly executed by their proper officials and have attached their respective official seals this 1st day of February, 1973.

ATTEST:

CITY OF DUBOIS

[Signature] City Clerk By [Signature] Mayor

[Signature]
Director of Parks and Public Property

ATTEST:

UNION TOWNSHIP MUNICIPAL AUTHORITY

[Signature] Authority Secretary By [Signature]
Chairman of C.D. Co.