

**PWSA**  
**Compliance Plan**  
**Appendix B**

**Cooperation Agreement and  
First Amendment to Cooperation Agreement  
Between the City of Pittsburgh and PWSA**

#### FIRST AMENDMENT TO COOPERATION AGREEMENT

Made and entered this 21<sup>st</sup> day of March, 2011, by and between the City of Pittsburgh, a municipal corporation of the Commonwealth of Pennsylvania (the "City") and The Pittsburgh Water and Sewer Authority, a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania (the "Authority").

WHEREAS, effective January 1, 1995, the City and the Authority entered into a Cooperation Agreement providing, among other things, for the City to provide certain on-going services to the Authority and for the Authority to compensate the City for those services; and

WHEREAS, pursuant to the terms of the Cooperation Agreement, the City has provided certain services to the Authority, and the Authority has compensated the City for those services; and

WHEREAS, over time, some of the services and activities articulated by the Cooperation Agreement have been assumed by the Authority, and are no longer performed for the Authority by the City; and

WHEREAS, over time, the City has assumed and has performed on behalf of the Authority other services and activities not articulated by the Cooperation Agreement; and

WHEREAS, both the City and the Authority have recognized the desirability of negotiating and entering into an amended Cooperation Agreement, reflecting those services currently performed by the City for the Authority, those services performed by the Authority for the City, and the relative value of those services; and

WHEREAS, the City and the Authority plan to expeditiously commence negotiation of an amended Cooperation Agreement covering a variety of issues and anticipate that the negotiations will conclude in the execution of an amendment to the Cooperation Agreement in 2011; and

WHEREAS, the Authority has previously issued certain bonds under its Trust Indenture dated as of October 15, 1993, as supplemented (the "1993 Indenture"), and under its Subordinate Trust Indenture, dated as of July 15, 1995, as supplemented (the "1995 Indenture and collectively with the 1993 Indenture, the "Indentures"); entered into certain qualified interest rate swap agreements, liquidity and credit facilities and remarketing agreements (collectively, and including any amendments thereto, the "Authority Financing Agreements") relating to certain of said bonds and issued notes to the Pennsylvania Infrastructure Investment Authority ("PennVest") to evidence its loans from PennVest (collectively the bonds previously issued under the Indentures, the notes previously issued to PennVest, together with additional bonds and notes to be issued by the Authority, the Authority Financing Agreements and additional Authority Financing Agreements relating thereto, are collectively referred to as the "Authority's Debt Obligations"); and

WHEREAS, in connection with the Authority's Debt Obligations, the Authority desires the City to subordinate its right of payments under the Cooperation Agreement to the right of payments of owners of bonds issued under the Indenture, PennVest and parties to the Authority Financing Agreements; and

WHEREAS, the City has determined that said subordination is in the best interest of the residents of the City and is willing to subordinate its right to payment under the Cooperation Agreement to the Authority's Debt Obligations as set forth herein; and

WHEREAS, in advance of documenting such subordination as part of a more comprehensive amendment to the Cooperation Agreement, the parties have agreed to enter into a First Amendment to the Cooperation Agreement at this time limited to the subordination issue.

NOW, THEREFORE, in consideration of the covenants and premises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are incorporated herein by reference.

2. **Negotiation of Amended Cooperation Agreement.** The parties will continue to negotiate in good faith a comprehensive amendment to the Cooperation Agreement. The parties will use their best efforts to conclude those negotiations and to duly approve and execute an amended Cooperation Agreement before September 30, 2011.

3. **Revision to Section VII of the Cooperation Agreement, Payments by the Authority to the City.** Section VII of the Cooperation Agreement is hereby revised by adding the following subsection H:

H. **Subordination.** The City hereby agrees to subordinate, and does hereby subordinate, all legal and equitable rights it has or may have to payments from the Authority for services rendered by the City to the Authority, whether under the Cooperation Agreement, any amendment thereto, or otherwise to the Authority's Debt Obligations.

Prior to the execution of a comprehensive amendment to the Cooperation Agreement pursuant to Paragraph 2 above, the Authority shall make and the City may retain regularly scheduled payments under the Cooperation Agreement which either have already been agreed upon by the Authority and the City or which will be annually agreed upon, when and as due; provided, however, that no payments may be made by the Authority or retained by the City upon the occurrence of an Event of Default (as defined in the Indenture or the applicable Authority's Debt Obligations) or if the making of such payment would cause such an Event of Default. The City hereby agrees to subordinate, and does hereby subordinate, any payments received from the Authority to the indefeasible payment or satisfaction in full of the Authority Debt Obligations.

4. **Effective Date.** This First Amendment to the Cooperation Agreement shall be effective as of the date set forth above.

5. **Amendment/Termination.** This First Amendment to the Cooperation Agreement may be amended only by mutual written agreement of the parties. It is the understanding of the parties hereto that this First Amendment to the Cooperation Agreement will be superseded by an amended Cooperation Agreement referred to in Paragraph 2 above, which amended Cooperation Agreement shall contain, among other things, subordination provisions in substantially the form set forth in Paragraph 3 above, and upon the execution of said amended Cooperation Agreement this First Amendment to the Cooperation Agreement shall be deemed terminated and shall have no further force and effect.

6. **Assignment.** This First Amendment to the Cooperation Agreement shall not be assignable by either party.

7. **Effect on Cooperation Agreement.** This First Amendment shall only affect Section VII of the original Cooperation Agreement as set forth herein. In all other respects the terms of the Cooperation Agreement shall remain in place unless otherwise agreed to by the parties hereto.

8. **Authorizing Resolution.** This City is authorized to enter into this Agreement pursuant to Resolution No. 12, effective January 24, 1995.

IN WITNESS WHEREOF, the parties have duly executed this First Amendment  
the day and year first above written.

ATTEST:

CITY OF PITTSBURGH

Laurie Duiker

Luke Romanstall  
Mayor

Emily Pearson

Scott Kunka  
Director of Finance

Reviewed by:

Chonnel Hulton  
Associate City Solicitor

Approved as to form:

Andrew Spadaro  
Acting City Solicitor

ATTEST:

THE PITTSBURGH WATER AND SEWER  
AUTHORITY

H. C. Bel  
Secretary

John Deasy  
Chairman

## COOPERATION AGREEMENT

Dated as of the 15th day June, 1995 but effective as of January 1, 1995 (the "Effective Date") between the City of Pittsburgh, a municipal corporation of the Commonwealth of Pennsylvania (the "City") and The Pittsburgh Water and Sewer Authority, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania (the "Authority").

WHEREAS, pursuant to a Lease and Management Agreement dated March 29, 1984 (the "Lease"), the Authority and the City provided for (i) the lease of the then existing water and sewer systems (the "System") to the Authority by the City; (ii) the operation and maintenance of the System by the Authority and (iii) the creation of an agency relationship between the Authority and City whereby the City provided services necessary to operate the System as agent of the Authority; and

WHEREAS, the City and the Authority have agreed to (i) provide for the termination of the City's status as an agent for the Authority, and (ii) provide for the provision of certain services to the Authority by the City;

NOW THEREFORE, in consideration of the mutual premises and intending to be legally bound hereby, the parties agree as follows:

### I. DEFINITIONS:

"Capital Expenses" shall mean all expenditures made by the Authority or by the City, acting on behalf of the Authority, in carrying out the Construction Project and any Capital Additions to the System except for those hereinafter excluded. These expenditures shall include but not be limited to all engineering expenses whether undertaken by Authority or City employees or subcontracted by the City on behalf of the Authority.

"Actual Direct Expenses" shall mean all expenses directly related to the Authority (i.e., employee medical insurance premiums) and incurred by the City on behalf of the Authority. Expenses in this category are either documented by a third party invoice or specifically identifiable in the City's records. These expenses shall be determined by the City and the Authority on a mutually agree-upon basis. Actual Direct Expenses shall be paid monthly by the Authority to the City.

"Public Works Salaries and Wages" shall mean the apportioned share of Public Works Salaries and Wages directly attributable to the operation and maintenance of the sewer system. Public Works Salaries and Wages shall be paid monthly by the Authority to the City.

"Saw Mill Run Project" shall mean all those capital expenditures necessary to improve the sewer system in the Saw Mill Run Basin as set forth in pages 79 through 81 of the Green International, Inc. Water and Sewer Systems contract with the City dated December 9, 1983.

"Overhead Expenses" shall mean all expenses indirectly related to the Authority (i.e., payroll processing and benefits administration) and incurred by the City in relation to providing materials, services, supplies, etc. to the Authority under the terms of this Agreement. Expenses in this category are not documented by a third party invoice or specifically identifiable in the City's records. Overhead expense rates are to be determined annually by a City indirect cost allocation plan prepared by a certified public accounting firm. Overhead Expenses shall be paid monthly by the Authority to the City.

"System" shall mean all plants and equipment, structures, facilities, lands, easements, rights of way, water lines and sewer lines, patents, copyrights, contracts with municipalities or authorities outside the boundaries of the City, water treatment plants, pumping facilities, reservoirs, storage tanks, distribution mains, service lines and appurtenances, sewers, inlets, manholes, diversion structures, pumping stations, force mains, including but not limited to the assets described in Sections 3.3 and 4.3 of the System Evaluation prepared by Green International, Inc. and dated December 9, 1983, as amended and supplemented, which report is incorporated herein by reference.

## II. TERMINATION OF AGENCY RELATIONSHIP:

A. As of the Effective Date the agency relationship between the City and the Authority provided for in the Lease is terminated. The Authority, as of the Effective Date, will assume sole responsibility and prerogative for management and operation of the System and all risks attenuated thereto.

B. As of the Effective Date all positions in the Water Department and certain positions in the Water and Sewer Division of the Department of Engineering and Construction and the Department of Public Works listed on Exhibit A hereto are eliminated from the City of Pittsburgh budget and those positions will be created by the Authority and filled in the manner required by the applicable collective bargaining agreements. City employees in those positions receiving worker's compensation at the time of the elimination of those positions by the City shall be entitled to the same position at the Authority upon their eligibility to return to work if such is within 24 months of their last day of work, all in accord with letters of the Authority dated December 19, 1994, to such employees.

C. The Authority shall recognize the American Federation of State, County and Municipal Employees, District Council 84, Local 2719 (AFSCME 2719); the American Federation of State, County and Municipal Employees, District Council 84, Local 2037 (AFSCME 2037); and the Pittsburgh Joint Collective Bargaining Committee (the "PJCBC") as the collective bargaining agents for the employees of the Authority previously employed by the City and shall negotiate with each of them a collective bargaining agreement that offers such employees wages, benefits and other terms and conditions that are at least equivalent to the terms and conditions offered to City employees for the contract term commencing January 1, 1995.

D. The Authority shall offer non-union employees whose positions are terminated by the City benefits which are at least equivalent to the benefits currently provided by the City and including continuity of participation in the City pension plan.

E. The Authority certifies that it has accepted the provisions of the Workers' Compensation and Occupational Disease Acts, as amended and supplemented, insofar as the performance of any work of the Authority and that it will insure or provide for the insurance of its liability thereunder in accordance with the terms of the acts.

F. The City shall transfer, to the Authority on Effective Date or as soon as practicable thereafter, the documents, equipment, files, maps, records and reference data related to the System, (the "Inventory") acquired by the City for the benefit of the Authority since the effective date of the Lease. All Inventory transferred shall be listed and approved for transfer by the Department of General Services.

G. On a date to be determined by the Authority but not prior to January 1, 1996 and with a minimum of ninety (90) days written notice, the City shall transfer any personnel then assigned to the Water and Sewer Division of the Department of Engineering and Construction or any other City department and assigned to the operation and maintenance of the System as listed on Exhibit B, to the Authority. Any related equipment, files, maps, records and reference data shall also be transferred at that time.

H. All accounts receivable of the Authority, whether previously billed or not by the City, upon collection will be paid to the Authority.

I. As between the City and the Authority, it is understood and agreed that the City will continue to retain responsibility and liability for all Capital Expenses on the Saw Mill Run project and the Authority shall not be responsible for such Capital Expenses.



### III. SERVICES TO BE PROVIDED BY THE CITY TO THE AUTHORITY:

A. Subject to the general supervision, direction and control of the Authority in the exercise and discharge of its public duties under the Municipality Authorities Act together with other applicable laws and regulations, the City shall render to the Authority the following services which shall be paid for as provided in Section VII below:

#### 1. Department of Public Works:

The Department of Public Works shall continue to operate and maintain the sewer system portion of the System which is the sewers, inlets, manholes, diversion structures, pumping stations and force mains (the "Sewer System") within the City until such time as that function is transferred to the Authority, pursuant to Section II. G. The services to be provided shall include, but not be limited to, the following:

- (a) TV inspection of sewers.
- (b) Cleaning of sewers, catch basins and manholes.
- (c) Repair of catch basins and manholes.
- (d) Repair and/or replacement of sewers.
- (e) Administration of the Annual Catch Basin/Manhole Contract.
- (f) Administration of the Annual Catch Basin Cleaning Contract.
- (g) Operation and maintenance of diversion chambers and sewage pump stations.
- (h) Investigation of complaints and problems involving sewer system.
- (i) Working with Authority staff in the planning, design and construction phase management of capital improvement projects performed by the Authority.
- (j) Maintaining files, records and maps of the sewer system.
- (k) As long as the Asphalt Plant is owned by the City, furnish asphalt for use on restoration or construction projects performed or contracted by the Authority.
- (l) Any other services as may be agreed upon by the parties.

#### 2. Department of Engineering and Construction:

- (a) Print plans, specifications and contract documents as required by the Authority.
- (b) Perform field survey services as requested by the Authority.
- (c) Any other services as may be agreed upon by the parties.

#### 3. Department of General Services:

- (a) Provide telephone and data services for the Authority.
- (b) Provide radio communication services for the Authority.
- (c) Take and process photos prior to construction for various capital improvement projects as requested by the Authority.

- (d) Provide vehicles, maintenance, service, repairs and insurance as set forth in Article V hereof.
- (e) Furnish fuel and other fluids necessary for Authority vehicles and equipment.
- (f) Any other services as may be agreed upon by the parties.

4. Law Department:

- (a) Represent the Authority in actions against it as requested by the Authority.
- (b) Provide services for obtaining property and/or rights-of-way as requested by the Authority.
- (c) Provide services associated with assessments for sewer service as requested by the Authority.
- (d) Any other services as may be agreed upon by the parties.

5. City Information System:

- (a) Provide "mainframe computer services" needed for customer billing, financial reporting and processing of payroll and invoices and other functions.
- (b) Any other services as may be agreed upon by the parties.

6. Finance Department:

- (a) Issue payroll checks for the Authority staff.
- (b) Administer benefit programs, including but not limited to the pension plan, health care, dental benefits and worker's compensation claims (as provided herein).
- (c) Any other services as may be agreed upon by the parties.

B. The City shall furnish such other services to the Authority at such times as may be required and requested by the Authority.

IV. CITY CAPITAL PROJECTS:

From time to time the City undertakes capital improvement projects which include construction, replacement and/or modification of the System as a part of their improvements. The Authority shall reimburse the City for all Capital Expenses incurred by the City for such System improvements as follows:

A. Current Projects:

- (i) The Authority shall pay the City for all City capital projects which are under contract or completed as of the Effective Date but for which the City has not been fully reimbursed by the Authority. The City shall

invoice the Authority for reimbursement, with the invoice including backup data to adequately support the invoice. Such backup data shall include a description of the project, the System facilities constructed or to be constructed and the cost, not to be exceeded, of such improvements.

- (ii) To be reimbursed for City capital projects awarded after the Effective Date, which include construction replacement and/or modification of the System, the Authority shall approve the proposed construction plans and specifications, as they relate to the System improvements, prior to the City advertising for bids for the project. The City shall invoice the Authority for reimbursement with the invoice including backup data to adequately support the invoice.

#### V. VEHICLES

A. The City hereby subleases to the Authority vehicles leased to the City by the Equipment Leasing Authority and currently being used by the Authority. The vehicles will be used in the ordinary and usual work for which they are designed provided that any such use is in conformity with all applicable laws, any insurance policies and any warranties of the manufacturer with respect to the vehicles.

B. The City agrees to maintain, service, repair and insure said vehicles to the same extent as the City would, in the prudent management of its properties, for similar equipment owned or leased by the City and to the extent required to maintain the vehicles in good operating condition and in compliance with any applicable requirement of law or of any governmental authority having jurisdiction thereof.

C. The Authority will not permit any vehicles to be used or operated in violation of any law or any rule, regulation or order of any governmental authority having jurisdiction thereof. The Authority shall be responsible for the payment of all fines and penalties resulting from the Authority's use of the vehicles.

D. The Authority may return any vehicles to the City at its discretion at any time and shall return such vehicles at such location as the parties shall agree. Upon the expiration of the term of this Agreement or any prior termination of the Agreement for any reason, the Authority shall return any remaining vehicles to the City.

E. The Authority will reimburse the City for the costs of the services provided under the sublease in accordance with the terms of this Agreement.

## VI. WATER EXONERATION HEARING BOARD:

A. The City shall maintain in existence the Water Exoneration Hearing Board with such changes to its composition as shall be recommended by the Authority and approved by City Council. After hearings, the Board shall recommend to the Authority the manner in which disputes as to rates or service shall be resolved, including recommendations as to exoneration, but the decision of the Board of the Authority shall be final in all such cases, subject to the right of appeal to the Court of Common Pleas under Local Agency Law.

## VII. PAYMENTS BY THE AUTHORITY TO THE CITY:

A. The Authority shall reimburse the City for all City Expenses incurred by the City through December 31, 1994, inclusive, for the operation and maintenance of the System in accordance with the provisions of the Lease and Maintenance Agreement dated March 29, 1984.

B. The Authority shall reimburse the City for equalization payments made by the City to the Pennsylvania American Water Company or upon mutual agreement, make such payments directly to the Pennsylvania American Water Company.

C. Beginning January 1, 1995 and for each year thereafter, the City shall budget and pay expenditures required to provide the services under this Cooperation Agreement (including Actual Direct Expenses, Public Works Salaries and Wages and Overhead Expenses). The Authority shall pay the City monthly Actual Direct Expenses, Public Works Salaries and Wages and Overhead Expenses for such services where applicable.

D. In addition to other payments to the City provided for herein, the City shall be entitled to receive up to 600,000,000 gallons of water each year to be used by the City, its departments, agencies and instrumentalities (i.e., Pittsburgh Zoo, Phipps Conservatory, National Aviary in Pittsburgh and Schenley Golf Course) and as the City may be contractually obligated to provide as of the Effective Date hereof. The City shall not receive a credit for any water not so used. To the extent in excess of 600,000,000 is used, the Authority may offset that cost against moneys owed the City hereunder.

E. The Authority will reimburse the City for all worker's compensation benefits paid by the city on behalf of those employees in positions described in II B above. As to worker's compensation claims that may be filed subsequent to the date the positions are eliminated from the City budget, for injuries occurring prior to the date the positions are eliminated from the City budget the Authority will either directly pay the claim or reimburse the City for any benefits paid.

F. Neither the credit or taxing power of the City shall be pledged for payment of any Authority Indebtedness, and the City shall not be liable for any Authority debt payments.

G. The parties hereby agree that the Authority at its discretion may terminate any or all of services provided by the City. Such termination shall be effective upon a minimum of ninety (90) days written notice from the Authority to the City.

#### VIII. RATES:

A. The Authority shall establish rates pursuant to the covenants contained in the indenture securing the Authority's debt obligations, which shall be in an amount sufficient but no higher than necessary to meet the Authority's obligations thereunder together with the City's Overhead Expenses, all reasonable contingencies and to meet its obligations as they come due.

B. In conformity with Article III, Section Two of the By-laws of the Authority, the Authority shall hold a regular meeting of its Board each year to consider or establish rates. It is understood and agreed that the Authority may meet at any other times if the Authority determines that its existing rates will not produce sufficient revenues to meet its outstanding obligations and otherwise as needed pursuant to VIII A above.

#### IX. COOPERATION:

A. The City and the Authority shall cooperate with each other to the end that reasonable and adequate service shall be provided to customers of the system.

B. The City shall grant to the Authority all necessary easements and rights of way which may be required in addition to those heretofore leased by the City to the Authority.

C. The Authority shall not be required to pay for fees or charges for City permits or licenses.

#### X. INSURANCE AND INDEMNIFICATION:

A. The City shall and hereby does assume sole responsibility for all claims, including employee claims, demands, lawsuits, judgments against the City or the Authority arising from any work or service provided (i) in connection with the System on behalf of the Authority before the Effective Date of this Agreement and (ii) in connection with the Sewer System on or after the Effective Date.

B. The City may purchase excess limits insurance applicable to the Sewer System and, if it does so, it shall include the Authority as an additional insured; and the City shall be solely responsible for the payment of the premium.

C. The City shall and hereby does assume responsibility for all claims, demands, lawsuits, judgments against the City or the Authority arising from any work or service provided

to the Authority on or after the effective date of this Agreement; and the City does hereby indemnify, save harmless and agree to defend the Authority from and against all such claims, demands, lawsuits and judgments arising from any work or service provided to the Authority.

D. The City shall indemnify, save and hold harmless, and defend Authority, its officers, agents and employees from all liens, charges, claims, demands, losses, costs, judgments, liabilities and damages of every kind and nature whatsoever, including court costs and attorney's fees, arising by reason of City's intentional or negligent failure to perform any services under this Agreement; any act, error or omission of the City or any agent, employee, licensee, contractor or subcontractor of City, intentional or negligent, of any of the terms, conditions or provisions of this Agreement.

E. The City hereby indemnifies and saves harmless the Authority from any and all claims, including costs and reasonable attorney fees, based upon alleged improper expenditures made by the City in violation of Federal, State, or Local Law or if contrary to the provisions of any indenture or similar agreement securing Authority indebtedness.

#### XI. DEFICIENCIES IN PERFORMANCE:

If in the opinion of the Authority the City fails to operate and maintain the Sewer System in accordance with the standards prevailing prior to the lease of said system by the City to the Authority, the Authority shall so advise the City in writing, describing the specific deficiencies on which the opinion is based, and shall request the City to explain in writing said deficiency within thirty days of receipt of said notice. If the City fails to satisfy the Authority within said period, the Authority may direct the City in writing to correct such deficiency. The City shall thereupon take steps toward correction of said deficiency within sixty days after receipt by it of written notice by the Authority, or, if the City disagrees, it may exercise its rights to call for arbitration under Article XII hereof within said sixty day period. If the City shall fail to take steps to correct the deficiency within sixty days after receipt of the Authority notice or within sixty days after an adverse arbitration decision, whichever is later, then the Authority may itself cause the corrective work to be done. It is understood and agreed that all such corrective work shall be undertaken at the Authority's expense, and that the City assumes no liability for costs incurred to correct any of such deficiencies.

#### XII. SETTLEMENT OF DISPUTES:

In the event of any dispute between the Authority and the City with respect to the matters set forth in Paragraph XI of this Agreement, excepting, however, disputes arising out of renegotiation hereof, such disputes shall be settled by arbitration in accordance with the provisions of the Act of April 25, 1927 P.L. 381 as amended, of the Commonwealth of Pennsylvania. In any such case three arbitrators shall be appointed, one by the Authority, one by the City, and one by the two arbitrators so appointed by the Authority and the City. The

decision of a majority of the arbitrators shall be binding and conclusive upon the Authority and the City. In the event of the failure of the two arbitrators appointed by the Authority and the City to effect the appointment of a third arbitrator within two weeks after the appointment of the second, the third arbitrator shall be appointed by the trustee at that time under the trust indenture. The expense of such arbitration, exclusive of expenses of each party in its own behalf, shall be born equally by the parties.

### XIII. AMENDMENTS:

This agreement may be amended in any respect by mutual written agreement of the parties.

### XIV. NOTICES:

All notices required under this Agreement shall be in writing and shall be mailed by certified mail or delivered as follows:

1. Notices to the Authority shall be sent to the Executive Director, the Pittsburgh Water and Sewer Authority, 441 Smithfield Street, Pittsburgh, Pennsylvania 15222.
2. Notices to the City shall be sent to Mayor, City of Pittsburgh, Pittsburgh, Pennsylvania 15219.

### XV. ASSIGNMENT:

This Agreement shall not be assignable by either party without the written consent of the other.

### XVI. TERM AND TERMINATION:

The term of this Agreement shall be forty (40) years commencing on the Effective Date. The City shall have the right to terminate this Agreement at any time upon ninety (90) days written notice to the Authority; provided, however, that any such termination shall be subject to the City providing for the payment in full of all existing liabilities, contingent and otherwise, of the Authority. The Authority shall have the right to terminate this Agreement at any time upon ninety (90) days written notice to the City.

The City understands that it may be required to enter into a supplemental agreement to extend the term of this Cooperation Agreement for such period as may be necessary to cover future financing by the Authority of Capital Additions.

Notwithstanding the foregoing provision for extension of the term of this Agreement to cover future financings, it is understood and agreed that, subject to appropriate amendment of the Articles of Incorporation of the Authority extending its term of existence, this Cooperation Agreement shall be automatically renewed at the expiration of three (3) additional terms of five (5) years each, unless either party at least one year prior to the expiration of each renewal term shall request in writing a renegotiation for the subsequent term. If such renegotiations fail to produce a written agreement within the twelve month period, this Agreement shall continue for at least six (6) months after the end of the then current term.

XVII. GOVERNING LAW:

This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

XVIII. CONFLICT:

To the extent that any provision hereof conflicts with any provision of any Trust Indenture securing any indebtedness of the Authority, the provisions of the Trust Indenture shall prevail.

XIX. SEVERABILITY:

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement; and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained therein.

XX. MISCELLANEOUS:

This Agreement shall be effective as of January 1, 1995.

The City is authorized to enter into this Agreement pursuant to Resolution No. 12, approved January 24, 1995, effective January 24, 1995; and the Authority is authorized to do so pursuant to Resolution No. 47 of 1995 duly adopted at a special meeting of its board held on March 31, 1995.



IN WITNESS WHEREOF, This Agreement has been duly executed this 27th day of July, 1995.

ATTEST:

Rowan A. Miranda  
Secretary Treasurer

ATTEST:

M. Linda Henguer  
Secretary to the Mayor

THE PITTSBURGH WATER AND SEWER  
AUTHORITY

By [Signature]  
Authorized Officer

CITY OF PITTSBURGH

By [Signature]  
Mayor

Approved as to Form:

[Signature]  
City Solicitor

EXHIBIT A

Positions Transferred  
as of Effective Date

	<u>Position</u>	<u>Current Employee</u>	<u>Union</u>
1.	Project Manager, E&C	Borneman	Non-Union
2.	Project Engineer, E&C	Jones	Non-Union
3.	Staff Engineer, E&C	Troianos	AFSCME
4.	Project Manager, Public Works	Lockard	Non-Union

EXHIBIT B

Positions to be Transferred  
at a Later Date

	<u>Position</u>	<u>Current Employee</u>	<u>Union</u>
1.	Project Engineer, E&C	Bailey	Non-Union
2.	Engineer Tech. III, E&C	Waldorf	Non-Union
3.	Staff Engineer, E&C	Kasper	AFSCME
4.	Engineer II, E&C	vacant	AFSCME
5.	Engineer II, E&C	Eichelman	AFSCME
6.	Clerk Typist II, E&C	Schaub	AFSCME