



PENNSYLVANIA
AMERICAN WATER

Susan Simms Marsh
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December 4, 2015

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility
Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

**In re: Pennsylvania-American Water Company – Wastewater Division and
Lower Allen Township, et al. Assignment and Assumption of Agreement at
Docket No. U-2015-2508365**

Dear Ms. Chiavetta:

In response to Sean Donnelly's letter dated October 27, 2015, Pennsylvania-American Water Company filed answers to the data requests regarding the above referenced docket number. The response to A-1 which requested a copy of the 1957 Assignment Agreement between Lower Allen Township Authority and the Township of Fairview was submitted but the original document was old and difficult to read. Pennsylvania-American Water was able to obtain a more readable copy of the Assignment from the Township and is attaching the document for e-filing to be made a part of the record.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Susan Simms Marsh

blg
Enclosure

cc: S. Donnelly
M. Deshpande

THIS AGREEMENT, made this 12th, day of August, 1957, by and between LOWER ALLEN TOWNSHIP AUTHORITY, Cumberland County, Pennsylvania, an Authority organized and existing under the Municipality Authorities Act of 1945 of the Commonwealth of Pennsylvania (hereinafter called the "Authority"), and the TOWNSHIP OF FAIRVIEW, York County, Pennsylvania (hereinafter called the "Township").

WITNESSETH:

WHEREAS, the Authority is about to construct sanitary sewer systems and a sewage treatment plant to serve the Township of Lower Allen and the Borough of Shiremanstown, Cumberland County, Pennsylvania, in accordance with plans prepared by Gannett, Fleming, Corddry, & Carpenter, Inc., consulting engineers (which overall construction may hereinafter be called the "Project"), and to finance the same by the issuance of its sewer revenue bonds; and

WHEREAS, it is the desire of the Authority and said engineers to construct the sewage treatment plant and appurtenances thereto on a site situated in the Township, such being the most favorable and economical location thereof; and

WHEREAS, such construction of the treatment plant will be disadvantageous to the Township in certain respects, such as rendering the property involved nontaxable and adversely affecting the value of properties situated nearby; and

WHEREAS, the Township is willing to permit such construction of the treatment plant only upon the terms and conditions hereinafter set forth, and the Authority is willing to accept and undertake such terms and conditions in order to carry out its Project; its aforesaid;

RECORDED
Jul. 27 9:25
A.M. 1961,
Recorder of
Deeds Office
York, York
County, PA

This is a retyped copy from original.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto, intending to be legally bound hereby, agree to and with each other as follows:

SECTION 1: The Township hereby grants to the Authority the right to construct the aforesaid treatment plant and appurtenances together with any future additions or alterations thereto within the Township on the site designated in the plans of the aforesaid engineers and to operate the same in perpetuity. The plans and specifications for such proposed construction will be filed with the Township prior to any actual construction, and the layout and architectural treatment shall be subject to approval of the Township's engineer, provided that he will be deemed to have approved the same, unless within ten days after receipt of such plans he will have notified the engineers of the Authority of any objections that he has thereto.

SECTION 2: The Authority agrees that a screen of suitable evergreen trees shall be placed around the treatment plant area so as to conceal the plant and appurtenant facilities from the Township side, but not the river side, thereon, and the treatment plant area shall be graded and attractively landscaped. This obligation shall also supply to any future expansion of said treatment plant.

SECTION 3: The Authority hereby grants to the Township an option to connect any sewer system or systems constructed by or for the Township, from time to time, in the Township to the aforesaid treatment plant for the treatment of sewage collected by such system or systems. Whenever the Township desires to exercise such option it shall notify the Authority thereof in writing and the Authority shall permit the Township to make such connection or connections, at the Township's expense and at such place or places as the Authority's then consulting engineer shall designate. However, the right of the Township to so connect shall be conditioned upon its entering into an agreement with the Authority whereby the Township will obligate itself to pay out of its current revenues its equitable share of:

- (a) the annual fixed charges attributable to the cost of construction of the sewage treatment plant and effluent outfall sewer, and jointly used trunk and intercepting sewers (hereinafter collectively referred to as the "Plant"); and
- (b) The annual administrative, operating and maintenance costs of said Plant.

In determining the Township a share of (a), above, the percentage which the total cost of construction of the said Plant bears to the total cost of construction of the whole Project, excluding cost of financing, engineering, legal and other non-construction costs, shall first be determined. This percentage of the annual fixed charges in the portion thereof of which the Township will pay its percentage arrived at by taking the ratio which the number of users connected to the sewers in the Township bears to the total number of users connected to all of the sewers connected to the treatment plant. Payments shall be made in quarterly installments and will be based upon the average number of users during the quarterly period immediately proceeding the calendar year during which the payments are to be made. Payment will commence at the end of the first quarter during which any connection to the Plant has been made by the Township and the actual number of users initially connected to any newly connected Township sewer system will be used in computing the quarterly installments until the average number is available" as aforesaid.

Each dwelling unit as that term is defined in the then current resolution, ordinance or regulations of the Authority or of the Township of Lower Allen, imposing sewer rentals on charges upon users of the sewer system in the Township of Lower Allen shall be treated as one user; and each commercial, industrial, school, or other non-domestic establishment shall be treated as an appropriate number of users, passed upon the relationship which the sewer rental it would be required to pay bears to the sewer rental required to be paid by a dwelling unit pursuant to the aforesaid resolution, ordinance or regulations.

This is a retyped copy from original.

The term (annual fixed charges) shall mean the minimum annual fixed lease rental payable by the lessee under the Agreement of lease securing the bonds issued by the Authority to finance the cost of constructing the Project, and will include such lease rental on any supplemental Agreement of Lease securing any additional bond issues issued by the Authority to finance additions and improvements to the Plant alone or to it together with the sewer system or systems.

In determining the Township's share of (b), above, the total annual administrative, operating and maintenance costs of the aforesaid Plant shall first be determined, either by using the actual costs thereof for the proceeding year, if such are available, or by using the estimated costs thereof as prepared by the Authority's then consulting engineer. The Township will then pay us its share of such costs the ratio of the users in the Township to all users of the Plant, or heretobefore set forth. Such payments will be made concurrently with the payments of (a), above.

SECTION 4: All sewers constructed by the Township for connection with the treatment plant, as above, shall be in accordance with the specifications employed in the construction of the Project, or in accordance with any deviations therefrom approved by the Authority's then consulting engineer, and the supervision of inspection and final approval of such construction shall be by said engineer. Connection of properties in the Township to such sewer systems, and restrictions on what may be discharged into such sewer systems, shall comply with the resolutions, ordinances and regulations governing such connections in Lower Allen Township.

SECTION 5: It is agreed that the Township shall be under no obligation at any time to connect its sewer system to the said Plant, it merely having the option to do so. It is further agreed that the payments to be provided for in the agreement with the Authority, as provided in Section 3 thereof, shall not be retroactive in any sense, so as to include any fixed charges,

or administrative, operating and maintenance costs incurred or paid by the Authority prior to actual connection and user by the Township of said Plant.

SECTION 6: The Authority will pay to the Township the sum of one hundred and fifty \$150.00 dollars each year, commencing with the year 1958, which sum shall be payable on or before June 1 of each year. This yearly sum shall be reduced each year, commencing with the year immediately following the first year in which the Township shall connect any sewer system in the Township to the Plant, by the percentages which the users in the Township bears to all users of the Plant, as set forth in Section 3 hereof. Thirty years from the date of this agreement the said basic sum of \$150.00 shall be adjusted upon the basis of the estimated copy of reconstruction new of the Plant as it then exists as compared to the actual cost of construction of the original Plant, which estimates shall be made the Authority's then consulting engineer, or, if there be no such engineer, by an independent engineer retained and paid for the purpose of the Authority or its assigns. A like adjustment shall be made each ten years thereafter.

SECTION 7: If the Authority should at any time transfer its aforesaid Plant to the Township of Lower Allen, whether such transfer be by deed, lease, or otherwise, then this agreement may be assigned to the township, thereupon such assigns shall become subject to the obligations hereunder and may perform the same in place of the Authority and shall be entitled to receive all the rights and benefits of this agreement. The Authority or its assigns, as above, may assign all of its rights, title and interest in and to all payments due it from the Township under any agreement entered into pursuant to Section 3 hereof to a trustee, pursuant to the terms of an indenture or supplements thereto securing bonds issued by the Authority to finance the Project, and any replacements, additions or improvements thereto, in which case there shall be no responsibility on the part of the Trustee for any of the duties or obligations of the Authority hereunder or thereunder.

IN WITNESS WHEREOF Lower Allen Township Authority has caused this agreement to be executed in its name by its Chairman or Vice-Chairman and its corporate seal to be hereto affixed and attested by its Assistant Secretary; and the Township of Fairview has caused this agreement to be executed in its name by each of its Supervisors and its corporate seal to be hereto affixed and attested by its Secretary, all as of the day and year first above written.



Emily J. R. Mullan
Assistant Secretary

(SEAL)

LOWER ALLEN TOWNSHIP AUTHORITY

BY: David Putney
Chairman

ATTEST:



James H. Brown
Secretary

(SEAL)

TOWNSHIP OF FAIRVIEW

BY: Charles E. Ror
Supervisor

Frederic H. Lehman
Supervisor

James H. Brown
Supervisor

COMMONWEALTH OF PENNSYLVANIA)
) NO:
COUNTY OF DAUPHIN)

On this, the 20th day of July, 1961,
a Notary Public, the undersigned officer, personally known to me
/Chairman
David Putney, (known to me or satisfactorily proved to me)
the person whose name is subscribed to the within instrument,
and acknowledged that he executed the same for the purposes
therein contained.

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



Trudy J. R...
NOTARY PUBLIC
My Commission Expires February 21, 1965
Harrisburg, Pa. Dauphin County

MAIL TO *David Putney*
3611 Derry St
Harrisburg Pa

Recorded in York Co., Pa.
July 27, 1961 in Record Book
51-0, Page 273

Luther N. J... Recorder