

**Application of Pennsylvania-American Water Company for Acquisition of  
the Wastewater Assets of the Borough of Brentwood**

**66 Pa. C.S. § 1329**

**Application Filing Checklist – Water/Wastewater**

**Docket No. A-2021-3024058**

25. Provide a copy of all municipal and affiliate contracts to be assumed by buyer as part of the acquisition and a list and annual dollar value of other contracts.

**RESPONSE:** In addition to the APA attached as **Appendix A-24-a**, see the municipal, affiliate and other contracts to be assumed by PAWC as part of the acquisition listed below and attached as **Appendix A-25.1 through Appendix A-25.3**. Please note there are no contracts that will be assumed by PAWC other than those listed below.

**Municipal and Affiliate Contracts**

| <b>Tab</b>      | <b>Agreement</b>                                                  | <b>Parties to Contract</b>                                                                                                  | <b>Date of Contract</b> |
|-----------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Appendix A-25.1 | Agreement                                                         | Borough of Brentwood<br>and City of Pittsburgh                                                                              | October 14,<br>1936     |
| Appendix A-25.2 | Streets Run Sewer<br>Joint Management<br>Agreement                | Borough of Brentwood<br>Borough of Baldwin<br>Borough of Whitehall<br>West Mifflin Sanitary<br>Sewer Municipal<br>Authority | July 19, 2000           |
| Appendix A-25.3 | Cooperation and<br>Allocation of<br>Responsibilities<br>Agreement | Borough of Brentwood<br>and Pennsylvania-<br>American Water<br>Company                                                      | March 2, 2023           |

**APPENDIX A-25.1**

**AGREEMENT BETWEEN BOROUGH OF  
BRENTWOOD AND CITY OF PITTSBURGH**

**DATED OCTOBER 14, 1936**

BRENTWOOD

190 7/6/36

THIS AGREEMENT

\* \* \* \* \*

MADE and entered into this 14th day of October, 1936, by and between BRENTWOOD BOROUGH, hereinafter sometimes referred to as the "Borough", party of the first part,

A N D

CITY OF PITTSBURGH, hereinafter sometimes referred to as the "City", party of the second part, both being municipal corporations of the Commonwealth of Pennsylvania.

WITNESSETH

WHEREAS, it is necessary in the interest of the public health that the sanitary sewage be moved from Streets Run; and,

WHEREAS, in order to accomplish this purpose it is necessary to construct a trunk sanitary sewer along and near the course of Streets Run; and,

WHEREAS, the City of Pittsburgh is now engaged in constructing such a trunk sanitary sewer from a point near the Monongahela River to the line dividing the City and Mifflin and Baldwin Townships; and,

WHEREAS, the Borough of Brentwood is desirous of constructing for its purposes a trunk sanitary sewer and extending same to a connection with the trunk sanitary sewer constructed by said City at the City Line; and,

WHEREAS, it is mutually advantageous to the parties hereto, to use the sewer constructed by the City to a point near the Monongahela River as a joint sewer.

NOW, THEREFORE, the parties hereto, for and in consideration of the mutual covenants and conditions hereinafter specified, do hereby agree as follows:

ARTICLE 1. The City will construct the main trunk sanitary sewer along or near the course of Streets Run and will complete the same to the line dividing the City of Pittsburgh and Mifflin and Baldwin Townships.

ARTICLE 2. The City agrees to permit the Borough to connect the trunk sanitary sewer to be constructed by it as hereinafter provided to the said trunk sanitary sewer constructed by the City, at the City line.

ARTICLE 5. In consideration of the aforesaid permit, the Borough agrees to pay to the City the total sum of Twenty Thousand (\$20,000.00) Dollars, as being its equitable share of the cost of constructing the trunk sanitary sewer through the City of Pittsburgh, said amount to be payable in ten (10) annual installments of Two Thousand (\$2,000.00) Dollars each, with accrued interest to date on the unpaid balance, at the rate of Four (4%\* per centum per annum, said installments to be due and payable on or before the first day of January, beginning with the year (1936), next following the date of completion of the trunk sewer to be constructed by the Borough.

ARTICLE 4. The City agrees to maintain and keep in repair the trunk sanitary sewer from the City line to a point near the Monongahela River, and the Borough agrees to pay twenty-five (25 per cent) per centum of the cost of said maintenance and repairs thereof, said amounts to be due and payable within thirty (30) days after presentation of a certified statement by the City to the Borough.

ARTICLE 5. It is understood and agreed by the Borough that it shall not permit any other municipality, individual or corporation not located within the Borough to discharge any sewage into the trunk sanitary sewer constructed by the Borough as herein-after provided, unless permission so to do is given in writing by proper authority of the City.

ARTICLE 6. The parties hereto agree that no drainage other than sanitary or domestic drainage shall be admitted into any part of said trunk sewer, and that surface drainage and roof drainage shall be specifically excluded therefrom, and the failure to conform to this provision shall render the offending party subject to such legal recourse as is made and provided by law.

ARTICLE 7. The Borough agrees at no cost to the City of Pittsburgh to construct, maintain and repair a main trunk sanitary sewer connecting with the trunk sanitary sewer constructed by the City of Pittsburgh as hereinbefore described to serve the requirements of said Borough. The plans, specifications and construction of said sewer to be subject to the approval of the Directors of the Department of Public Works of the City, said sewer to be built as to exclude seepage of filtration on ground or surface water into said sewer, and the Director of the Department of Public Works of said City shall have the right of inspection during the course of construction. Both parties to this agreement shall have the right from time to time to inspect the respective portion of the trunk sanitary sewer maintained by the other party in order to ascertain the condition thereof with respect to compliance with the terms of this agreement.

It is further agreed by the Borough that if the City shall be required by the State Sanitary Water Board of the Commonwealth of Pennsylvania, or otherwise find it necessary or advisable to extend the main trunk sanitary sewer from Streets Run to a point of discharge lying below the present outlet or to construct sewage treatment works, then in that event the Borough will pay its proportionate share of the cost of the construction, maintenance, repair and operation of the aforesaid, said proportionate share to be based upon the area and present and future estimated population of the Borough. Its proportionate share of the cost to be based upon the distribution of the whole cost on a pro-rata basis upon all the municipalities served by said trunk sewer.

ARTICLE 8. The city shall have the right to permit other municipalities to connect with its trunk sanitary sewer provided, however, that the use of said trunk sanitary sewer by the Borough is not interfered with.

ARTICLE 9. This agreement shall not become effective until a permit shall have been issued by the State Sanitary Water Board to the Borough for the construction of the portion of the trunk sanitary sewer to be built by it.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly

executed the day and year first above written.

CITY OF PITTSBURGH

Attest:

By /s/ Wm. N. McNair, Mayor

/s/ J. A. McGaffrey  
Chief Clerk

Attest:

/s/ S. Hagerling  
Mayor's Secretary

/s/ A. G. Kaufmann  
Burgess

Attest:

/s/ F. H. Appenrodt  
Secretary

Approved as to form:

Gregory Zatkovich  
City Solicitor

COUNTERSIGNED:

James P. Kerr  
City Controller

BRENTWOOD BOROUGH

By /s/ J. G. Klein  
President of Council

Attest:

F. H. Appenrodt  
Secretary

October 14, 1936  
EXAMINED BY HIRSH SHOCK  
Asst. City Solicitor

-4-

John D. Stevenson, Chief Engineer

January 3, 1947

Brentwood Borough

Ordinance No. 130, approved July 6, 1935, is an Agreement Ordinance between the City of Pittsburgh and Brentwood Borough for its share of the cost of construction, maintenance and repairs of a main trunk sanitary sewer in the Streets Run Drainage Basin and of any extension thereof and of a plant for the treatment or disposal of the sewage discharged by said main trunk sewer, as may be required in the future and for its share of the cost of the operation thereof.

Section 3 of the Agreement reads: "In consideration of the aforesaid permit, the Borough agrees to pay to the City the total sum of \$20,000.00, as being its equitable share of the cost of constructing the trunk sanitary sewer through the City of Pittsburgh, said amount to be payable in 10 annual installments of \$2,000.00 each, with accrued interest to date of the unpaid balance at the rate of 4% per annum; said installment to be due and payable on or before the first day of January, beginning with the year next following the date of completion of the trunk sewer to be constructed by the Borough".

Under the terms of this agreement, the Borough of Brentwood paid to the City the following:

|                       |   |                     |
|-----------------------|---|---------------------|
| December 4, 1940      | = | \$2,000.00          |
| December 30, 1941     | = | 10,000.00           |
| December 25, 1941     | = | 1,417.58 (Interest) |
| Total Payment in full | = | \$13,417.58         |

Malvern Township

Ordinance No. 625, approved December 10, 1940, is an Agreement Ordinance between the City of Pittsburgh and Malvern Township fixing the share of the cost of construction, maintenance and repairs of a main trunk sanitary sewer in the Streets Run Drainage Basin and of any extension thereof, and its share of the cost of constructing, operating and maintaining a plant for the treatment or disposal of the sewage discharged by City Main Trunk Sewer as may be required in the future.

Section 3 of this Agreement reads: "In consideration of this permission, the Township agrees to pay to the City the total sum of \$25,000.00, said sum being fixed as its share of the cost of constructing the trunk sanitary sewer to the City of Pittsburgh; this amount to be payable within 60 days after the completion of the first excavation discharging sewage to the trunk sanitary sewer".

Work in connection with a branch sanitary sewer in the Streets Run Drainage Basin constructed by Malvern Township was started September 1942 and completed October 1943. This sewer connected to an existing sanitary sewer at Brentwood Road and Streets Run Road in Malvern Township, which was previously constructed by Brentwood Borough from the trunk sanitary sewer in the City at the line dividing the City and the Township to their sewage disposal plant.

-4-

**APPENDIX A-25.2**

**STREETS RUN SEWER JOINT MANAGEMENT  
AGREEMENT BETWEEN BOROUGH OF  
BRENTWOOD, BOROUGH OF BALDWIN, BOROUGH  
OF WHITEHALL AND WEST MIFFLIN SANITARY  
SEWER MUNICIPAL AUTHORITY**

**DATED JULY 19, 2000**

**STREETS RUN SEWER  
JOINT MANAGEMENT AGREEMENT**

This Joint Management Agreement, dated and effective as of July 19, 2000, is entered into by and among the Boroughs of Brentwood, Baldwin and Whitehall, and the West Mifflin Sanitary Sewer <sup>MUNICIPAL</sup> Authority.

WITNESSETH:

WHEREAS, the Borough of Brentwood, the Borough of Baldwin, the Borough of Whitehall, and the West Mifflin Sanitary Sewer <sup>MUNICIPAL</sup> Authority (collectively referred to herein as the "Streets Run Sewershed Municipal Members") each uses a common sanitary sewer trunk line which services all or a portion of each Borough and the West Mifflin Sanitary Sewer <sup>MUNICIPAL</sup> Authority and is depicted as the highlighted sections set forth on Exhibit "A", attached hereto (the "Streets Run Sewer");

WHEREAS, each of the Streets Run Sewershed Municipal Members has participated fully in recent projects designed to maintain and rehabilitate the Streets Run Sewer in order to correct and prevent inflows, infiltration and overflows;

WHEREAS, such prior projects have included the creation of watershed maps, the televised inspection of the condition of the line, and the formation of engineering and administrative committees to help implement joint projects;

WHEREAS, each of the Streets Run Sewershed Municipal Members has made a commitment to participate fully in an effort to replace and repair certain manholes in the

Streets Run Sewer, including the preparation and submission of a joint Three Rivers Wet Weather Demonstration Group application, dated January 14, 2000, which was revised and resubmitted on June 15, 2000, for a total cost approximating the amount set forth on the chart, labeled Exhibit "B-1," attached hereto (referred to herein as the "Phase I Project"), and to make payments for the Phase I Project pursuant to the cost distribution formula set forth in the Existing Intermunicipal Arrangements (as herein defined);

WHEREAS, a dispute has arisen between the Borough of Brentwood and other Streets Run Sewershed Municipal Members over the Borough of Brentwood's obligations regarding the administration and financing of the proposal to reline and/or otherwise make substantial improvements to the Streets Run Sewer, which project is expected to be completed by June 30, 2002, for a total cost approximating the amount set forth on the chart, labeled Exhibit "B" and attached hereto, and is further defined in Exhibit "B-2," attached hereto (referred to herein as the "Phase II Project");

WHEREAS, each of the Streets Run Sewershed Municipal Members wishes to enter into a collective agreement ("Collective Agreement") to formalize its intention to participate jointly in (a) the design, bid solicitation, financing and contract administration of the Phase I Project and the Phase II Project, (b) the gathering of data based on flow monitoring and other criteria for use in determining an appropriate method of distributing the cost of any and all undertakings to inspect, repair, maintain, improve, rehabilitate, reconstruct and/or replace the Streets Run Sewer which do not relate to the Phase I Project or the Phase II Project or which occur after the Phase I Project and the Phase II Project are fully completed and operational (collectively referred to herein as the "Future Projects"), and (c) the determination of such method of cost distribution for the Future Projects;

WHEREAS, the Streets Run Sewershed Municipal Members recognize that entering into the Collective Agreement will result in a cost allocation formula for Future Projects which will reflect the relative demographic attributes of each Streets Run Sewershed Municipal Member, promote the development of more sustainable projects, improve the opportunities for creating innovative technologies, and materially enhance their joint prospects of applying for and obtaining grant funds and other financial assistance from governmental and private entities to help defray the cost of the Phase I Project, the Phase II Project, and any and all Future Projects;

WHEREAS, the Borough of Brentwood, as part of the settlement of the dispute regarding the financing of the Phase II Project and as is set forth in the Collective Agreement, is willing to commit to make payments for the Phase II Project pursuant to the cost distribution formula set forth in the existing ordinances, Board of Viewers' decisions and Intermunicipal Agreements related to the repair and maintenance of the Streets Run Sewer, which documents were the subject of the Order, dated April 3, 1997, of the Honorable Alan S. Penkower, Court of Common Pleas of Allegheny County, in the matter of Borough of Baldwin, Borough of West Mifflin and Borough of Whitehall v. Borough of Brentwood, No. G.D. 93-9790 (collectively referred to herein as the "Existing Intermunicipal Arrangements");

WHEREAS, for any and all Future Projects, the Streets Run Sewershed Municipal Members are willing to substitute the cost distribution formula to be devised pursuant to the Collective Agreement for the cost distribution formula set forth in the Existing Intermunicipal Arrangements; and

WHEREAS, each of the Streets Run Sewershed Municipal Members is committed to use its best reasonable efforts to enter into an agreement, similar to the Collective Agreement, with the Pittsburgh Water and Sewer Authority with respect to the portion of the Streets Run sewer trunkline beginning at the City of Pittsburgh boundary and ending where such line connects with the Alcosan trunkline.

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

(1) All of the commitments and intentions set forth in the "WHEREAS" recitals hereinabove are incorporated herein and made a part hereof, as though fully set forth herein.

(2) The administration of the Phase I Project, the Phase II Project and any and all Future Projects may include the following components:

- (a) planning and design of the project and preparation of cost estimates;
  - (b) preparation of specifications and bid documents;
  - (c) advertisement and acceptance of bids;
  - (d) pre- and post-construction flow monitoring, and
  - (e) post-construction inspections, assessment and performance analysis
- ((a) through (e) collectively referred to herein as "Project Administration".)

(3) Each Streets Run Sewershed Municipal Member shall designate an engineer to perform certain responsibilities in connection with the Phase I Project, the Phase II Project and any and all Future Projects (the "Designated Engineer").

(4) The distribution of the responsibilities to be performed by each Designated Engineer in connection with Project Administration in the Phase II Project shall be similar to such distribution for the Phase I Project.

(5) The cost of Project Administration for the Phase I Project and the Phase II Project shall be distributed equally among the four Streets Run Sewershed Municipal Members, with each Designated Engineer submitting monthly itemized invoices to the Designated Engineer serving as the project administrator for any and all Project Administration work performed in connection with such Phase I Project or Phase II Project ("Project Administration Internal Engineering Costs").

(6) All costs of Project Administration shall be shared equally among the Streets Run Sewershed Municipal Members. The costs of construction of such Future Projects shall be distributed among the Streets Run Sewershed Municipal Members in accordance with the results of the following analysis and decision making process:

(a) Each Designated Engineer, subject to periodic written approvals by the Streets Run Sewershed Municipal Member employing such Designated Engineer, shall forthwith embark on and engage in an ongoing process of collecting certain data relevant to a determination of an appropriate, fact-based formula for allocating the cost of any Future Projects among the four Streets Run Sewershed Municipal Members, which data shall include, but not necessarily limited to, the following as it pertains to each such Streets Run Sewershed Municipal Member's contribution to the Streets Run Sewer:

(i) dry weather flow information;

- (ii) wet weather flow information;
  - (iii) population; and
  - (iv) acreage (collectively referred to herein as the "Data").
- (b) The data collection process described in Section 6(a) above shall end no later than two (2) years after the effective date hereof, unless no later than January 1, 2002, at least one (1) Designated Engineer notifies each Streets Run Sewershed Municipal Member of his/her belief that such process will not be completed in such two (2) year period, and include in such notice the grounds for such belief and the suggested duration of an extension of such deadline. In that event, such deadline will be so extended unless at least one Streets Run Sewer Municipal Member notifies the other Streets Run Sewer Municipal Members of its objection to such extension, including its grounds for such objection, which grounds must be reasonable.
- (c) Each Designated Engineer shall review and analyze the Data and, within sixty (60) days after the conclusion of such data collection period, provide a joint recommendation with the three (3) other Designated Engineers with respect to such cost allocation formula for any and all Future Projects.
- (d) Each Streets Run Sewershed Municipal Member shall have sixty (60) days to approve such cost allocation formula. If any Streets Run Sewershed Municipal Member does not so approve of such cost allocation formula within such time frame, all of the data collected by

the Designated Engineers, including their written analyses and other relevant documentation so collected, shall be submitted to Lennon Smith Souleret Engineering Inc., 846 4<sup>th</sup> Avenue, Coraopolis, Pennsylvania ("Lennon"), who shall act as a sole arbitrator to determine, within sixty (60) days of such submission, a cost allocation formula based on, and only on, such data and documentation collected, prepared and submitted by the Designated Engineers.

- (e) Such decision by Lennon shall be final and binding, and will not be subject to appeal. The fees and the costs incurred by Lennon in making such determination shall be paid for equally by each of the Streets Run Sewershed Municipal Members. To the extent Lennon is unable or unwilling to serve as such arbitrator, Gannett Fleming Inc., 2 Parkway Center, Pittsburgh, Pennsylvania 15222 ("Gannett") shall be appointed to make such cost allocation determination following the same procedures applicable to Lennon, if Lennon had been able and willing to serve as the arbitrator.
- (f) At the earlier of (i) five (5) years after the determination of such cost allocation formula and each successive five (5) year period thereafter and (ii) the existence of reasonable grounds for believing the then current data varies materially from the Data, the Streets Run Sewershed Municipal Members shall perform additional data collection to the extent necessary to ensure that such cost allocation formula accurately reflects the then-current relevant facts.

(7) The costs incurred by the Designated Engineers to perform the data collection referred to in Section 6(a) and Section 6(f) above, and any Project Administration Internal Engineering Costs incurred in connection with Future Projects which involve all or substantially all of the Streets Run Sewer shall be distributed and invoiced in accordance with the procedure and manner set forth in Section 5 hereof. The Project Administration Internal Engineering Costs incurred in connection with Future Projects which do not involve all or substantially all of the Streets Run Sewer shall be paid for by the Streets Run Sewershed Municipal Members who are so involved.

(8) This Joint Management Agreement, which includes the Exhibits hereto, sets forth the entire understanding of the parties with respect to its subject matter. Any and all previous agreements and understandings between or among the parties regarding the subject matter hereof, whether written or oral, are except for the applicability to the Phase I Project and the Phase II Project of the cost distribution formula set forth in the Existing Intermunicipal Arrangements, superseded by this Joint Management Agreement.

(9) The enforceability of this Joint Management Agreement is contingent on its approval and execution by each of the Streets Run Sewershed Municipal Members.

(10) Each party hereto shall deliver or cause to be delivered to the other such additional instruments as the other may reasonably request for the purpose of carrying out this Joint Management Agreement.

(11) Except as expressly set forth herein, each party hereto shall pay any and all of the fees, expenses and disbursements of its own engineers, solicitors and other agents incurred in connection with the subject matter of this Agreement.

(12) Any notice, request, claim, demand, waiver, consent, approval or other communication required or permitted hereunder shall be in writing and shall be deemed given if delivered personally, sent by facsimile transmission with receipt of delivery, sent

by registered or certified mail, postage prepaid and return receipt requested, or sent by overnight courier service, to the Secretary of each of the Borough parties hereto, and to the Manager of the West Mifflin Sanitary Sewer <sup>Municipal</sup> Authority.

(13) If any provision of this Joint Management Agreement or the application thereof to any person or circumstance is held invalid or unenforceable, the remainder thereof, and the application of such provision to any other person or circumstance, shall not be effected thereby and such provisions of this Joint Management Agreement shall be severable.

(14) This Joint Management Agreement is the mutual product of the parties hereto, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of each of the parties, and shall not be construed for or against any party hereto.

(15) This Joint Management Agreement may be amended by the parties hereto at anytime only by execution of an instrument in writing signed on behalf of each the parties hereto. Any extension or waiver by any party of any provision hereto shall be valid only if set forth in an instrument in writing signed on behalf of such party.

(16) This Joint Management Agreement shall be effective as of the date set forth in the introductory paragraph hereof, and shall continue indefinitely unless sooner terminated upon agreement of all the parties hereto.

(17) Each of the Streets Run Sewershed Municipal Members hereby represents that it is unaware of any conflict of interest raised by the use of either Lennon or Gannett as an arbitrator in this matter, and each further covenants to promptly notify each of the other Streets Run Sewershed Municipal Members if such a conflict of interest arises at any

time after the effective date of this Joint Management Agreement. To the extent such conflict of interest is not promptly waived by each of the other Streets Run Sewershed Municipal Members, the Designated Engineers shall promptly decide on a replacement engineering firm to serve as arbitrator, which firm shall be so substituted through an amendment to this Joint Management Agreement signed by all of the parties hereto unless any such party promptly notifies the other parties of its reasonable objection to such substitute firm. If there is such a reasonable objection, the Designated Engineers shall promptly decide on another replacement firm, and so on until such a firm is identified and becomes the subject of an amendment to this Joint Management Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Joint Management Agreement as of the effective date.

ATTEST:

Elaine R. Niles

By: [Signature]  
BOROUGH OF BRENTWOOD

ATTEST:

[Signature]

By: Maxim B. Joseph  
BOROUGH OF BALDWIN

ATTEST:

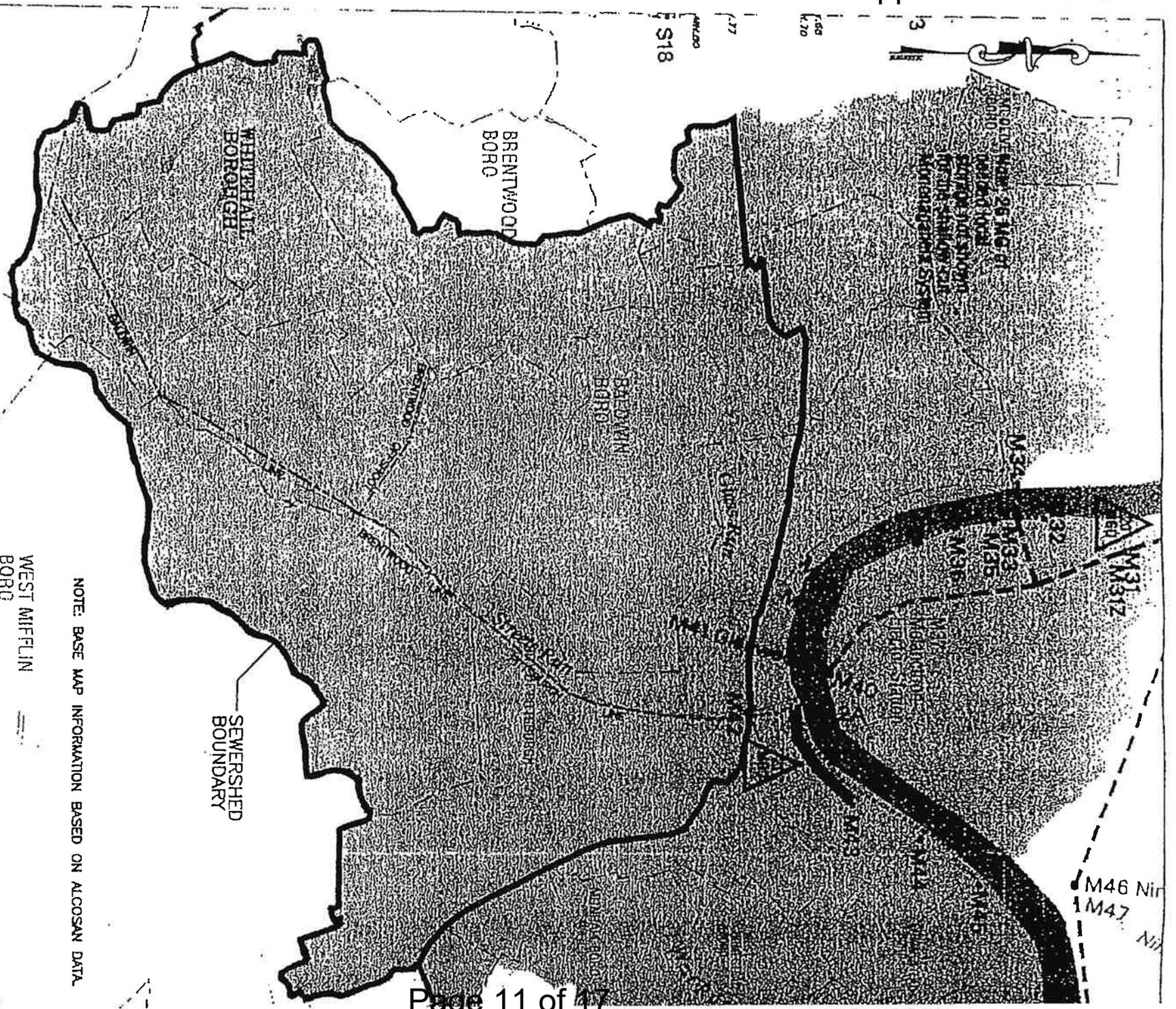
Jan E. Rinty

By: [Signature]  
BOROUGH OF WHITEHALL

ATTEST:

Roberta Chando

By: Michael [Signature]  
WEST MIFFLIN SANITARY SEWER MUNICIPAL  
AUTHORITY



NOTE: BASE MAP INFORMATION BASED ON ALCOGAN DATA.

WEST MIFFLIN BORO

SEWERSHED BOUNDARY

**EXHIBIT "A"**  
**STREETS RUN SEWERSHED**

NEILAN ENGINEERS INC.  
11045 PARKER DRIVE, N. HUNTINGDON, PA 15842  
PHONE (412) 754-0801 FAX (412) 754-0860

# Streets Run Watershed Sewer Line Repairs Phase II

|                | Total Cost          |
|----------------|---------------------|
| • Baldwin      | \$217,754.28        |
| • Brentwood    | \$302,919.57        |
| • Pittsburgh   | \$ 0                |
| • West Mifflin | \$100,462.27        |
| • Whitehall    | <u>\$177,366.38</u> |
| • TOTAL        | \$798,502.50        |

Revised 06/22/00

**STREETS RUN TRUNK LINE REPAIRS**  
**PHASE I MANHOLE REHABILITATION**  
**COST DISTRIBUTION BASED ON OLD AGREEMENTS**

SECTIONS 1-1, 2-2, 3-3 ALCOSAN TO CITY LINE

| Estimated Cost     | \$84,459.46 (25 Manholes)           |                                          |
|--------------------|-------------------------------------|------------------------------------------|
|                    | <u>100%</u><br><u>Local Funding</u> | <u>With</u><br><u>3RWWDP Grant (45%)</u> |
| Baldwin (15%)      | \$12,668.92                         | \$ 5,701.01                              |
| Brentwood (25%)    | \$21,114.87                         | \$ 9,501.69                              |
| Pittsburgh (27%)   | \$22,804.05                         | \$10,261.82                              |
| West Mifflin (18%) | \$15,202.70                         | \$ 6,841.22                              |
| Whitehall (15%)    | \$12,668.92                         | \$ 5,701.01                              |

SECTIONS 4-4 CITY LINE TO BRENTWOOD ROAD

| Estimated Cost        | \$54,054.05 (16 Manholes)           |                                          |
|-----------------------|-------------------------------------|------------------------------------------|
|                       | <u>100%</u><br><u>Local Funding</u> | <u>With</u><br><u>3RWWDP Grant (45%)</u> |
| Baldwin (0%)          | \$ 0.00                             | \$ 0.00                                  |
| Brentwood (84.38%)    | \$45,610.81                         | \$20,524.87                              |
| Pittsburgh (0%)       | \$ 0.00                             | \$ 0.00                                  |
| West Mifflin (15.62%) | \$ 8,443.24                         | \$ 3,799.46                              |
| Whitehall (0%)        | \$ 0.00                             | \$ 0.00                                  |

## Phase I Manhole Rehabilitation

Revised 06/22/00

SECTION 5-5 (BRENTWOOD OFFSHOOT) BRENTWOOD ROAD TO SCHUETTE ROAD

| Estimated Cost      | \$37,162.16 (11 Manholes)           |                                          |
|---------------------|-------------------------------------|------------------------------------------|
|                     | <u>100%</u><br><u>Local Funding</u> | <u>With</u><br><u>3RWWDP Grant (45%)</u> |
| Baldwin (0%)        | \$ 0.00                             | \$ 0.00                                  |
| Brentwood (100%)    | \$37,162.16                         | \$16,722.97                              |
| Pittsburgh (0%)     | \$ 0.00                             | \$ 0.00                                  |
| * West Mifflin (0%) | \$ 0.00                             | \$ 0.00                                  |
| Whitehall (0%)      | \$ 0.00                             | \$ 0.00                                  |

SECTION 6-6 (BRENTWOOD OFFSHOOT) SCHUETTE ROAD TO BRENTWOOD LINE

| Estimated Cost      | \$30,405.41 (9 Manholes)            |                                          |
|---------------------|-------------------------------------|------------------------------------------|
|                     | <u>100%</u><br><u>Local Funding</u> | <u>With</u><br><u>3RWWDP Grant (45%)</u> |
| Baldwin (0%)        | \$ 0.00                             | \$ 0.00                                  |
| Brentwood (100%)    | \$30,405.41                         | \$13,682.44                              |
| Pittsburgh (0%)     | \$ 0.00                             | \$ 0.00                                  |
| * West Mifflin (0%) | \$ 0.00                             | \$ 0.00                                  |
| Whitehall (0%)      | \$ 0.00                             | \$ 0.00                                  |

SECTION 7-7 (BALDWIN LINE) - BRENTWOOD ROAD TO WEST MIFFLIN SEWER

| Estimated Cost        | \$87,837.84 (26 Manholes)           |                                          |
|-----------------------|-------------------------------------|------------------------------------------|
|                       | <u>100%</u><br><u>Local Funding</u> | <u>With</u><br><u>3RWWDP Grant (45%)</u> |
| Baldwin (41.51%)      | \$36,461.49                         | \$16,407.67                              |
| Brentwood (0%)        | \$ 0.00                             | \$ 0.00                                  |
| * Pittsburgh (0%)     | \$ 0.00                             | \$ 0.00                                  |
| West Mifflin (24.68%) | \$21,678.38                         | \$ 9,755.27                              |
| Whitehall (33.81%)    | \$29,697.97                         | \$13,364.09                              |

*Phase I Manhole Rehabilitation*

Revised 06/22/00

SECTION 8-8 (BALDWIN LINE) - WEST MIFFLIN SEWER TO WHITEHALL LINE

|                     |                           |                           |
|---------------------|---------------------------|---------------------------|
| Estimated Cost      | \$81,081.08 (24 Manholes) |                           |
|                     | <u>100%</u>               | <u>With</u>               |
|                     | <u>Local Funding</u>      | <u>3RWWDP Grant (45%)</u> |
| Baldwin (55.11 %)   | \$44,683.78               | \$20,107.70               |
| Brentwood (0%)      | \$ 0.00                   | \$ 0.00                   |
| * Pittsburgh (0%)   | \$ 0.00                   | \$ 0.00                   |
| * West Mifflin (0%) | \$ 0.00                   | \$ 0.00                   |
| Whitehall (44.89%)  | \$36,397.30               | \$16,378.79               |

TOTAL COSTS - PHASE I MANHOLE REHABILITATION

|              |                      |                           |
|--------------|----------------------|---------------------------|
|              | <u>100%</u>          | <u>With</u>               |
|              | <u>Local Funding</u> | <u>3RWWDP Grant (45%)</u> |
| Baldwin      | \$ 93,814.19         | \$ 42,216.38              |
| Brentwood    | \$134,293.25         | \$ 60,431.97              |
| Pittsburgh   | \$ 22,804.05         | \$ 10,261.82              |
| West Mifflin | \$ 45,324.32         | \$ 20,395.94              |
| Whitehall    | <u>\$ 78,764.19</u>  | <u>\$ 35,443.89</u>       |
|              | <u>\$375,000.00</u>  | <u>\$168,750.00</u>       |

\* No sanitary sewage flows from these Municipalities

Revised 05/09/00

**STREETS RUN TRUNK LINE REPAIRS**  
**PHASE II SEWER LINE REPAIRS -**  
**CITY LINE TO BRENTWOOD LINE AND WHITEHALL LINE**

***COST DISTRIBUTION BASED ON OLD AGREEMENTS***

SECTION 4 - 4 CITY LINE TO BRENTWOOD ROAD

|                       |                |
|-----------------------|----------------|
| Estimated Cost        | \$191,360.00** |
| Baldwin (0%)          | 0              |
| Brentwood (84.38%)    | \$161,469.57   |
| Pittsburgh (0%)       | 0              |
| West Mifflin (15.62%) | \$ 29,890.43   |
| Whitehall (0%)        | 0              |

SECTION 5 - 5 (BRENTWOOD OFFSHOOT) - BRENTWOOD ROAD TO SCHUETTE ROAD

|                     |                |
|---------------------|----------------|
| Estimated Cost      | \$ 94,185.00** |
| Baldwin (0%)        | 0              |
| Brentwood (100%)    | \$ 94,185.00   |
| Pittsburgh (0%)     | 0              |
| * West Mifflin (0%) | 0              |
| Whitehall (0%)      | 0              |

SECTION 6 - 6 (BRENTWOOD OFFSHOOT) - SCHUETTE ROAD TO BRENTWOOD LINE

|                     |                |
|---------------------|----------------|
| Estimated Cost      | \$ 47,265.00** |
| Baldwin (0%)        | 0              |
| Brentwood (100%)    | \$ 47,265.00   |
| Pittsburgh (0%)     | 0              |
| * West Mifflin (0%) | 0              |
| Whitehall (0%)      | 0              |

## Phase II Sewerline Repairs

Revised 05/09/00

SECTION 7 - 7 (BALDWIN LINE) - BRENTWOOD ROAD TO WEST MIFFLIN SEWER

|                       |                |
|-----------------------|----------------|
| Estimated Cost        | \$285,947.50** |
| Baldwin (41.51 %)     | \$118,696.81   |
| Brentwood (0%)        | 0              |
| * Pittsburgh (0%)     | 0              |
| West Mifflin (24.68%) | \$ 70,571.84   |
| Whitehall (33.81 %)   | \$ 96,678.85   |

SECTION 8 - 8 (BALDWIN LINE) - WEST MIFFLIN SEWER TO WHITEHALL LINE

|                     |                |
|---------------------|----------------|
| Estimated Cost      | \$179,745.00** |
| Baldwin (55.11 %)   | \$ 99,057.47   |
| Brentwood (0%)      | 0              |
| * Pittsburgh (0%)   | 0              |
| * West Mifflin (0%) | 0              |
| Whitehall (44.89%)  | \$ 80,687.53   |

## TOTAL COST - PHASE II SEWER LINE REPAIRS

|              |                     |
|--------------|---------------------|
| Baldwin      | \$217,754.28        |
| Brentwood    | \$302,919.57        |
| Pittsburgh   | 0                   |
| West Mifflin | \$100,462.27        |
| Whitehall    | <u>\$177,366.38</u> |
|              | \$798,502.50        |

\* No sanitary sewage flows from these Municipalities

\*\* A 15% contingency has been added to the estimated construction costs.

**APPENDIX A-25.3**

**COOPERATION AND ALLOCATION OF  
RESPONSIBILITIES AGREEMENT BETWEEN  
BOROUGH OF BRENTWOOD AND PENNSYLVANIA-  
AMERICAN WATER COMPANY**

**DATED MARCH 2, 2023**

## Cooperation and Allocation of Responsibilities Agreement

This Cooperation and Allocation of Responsibilities Agreement ("**Agreement**") is entered into as of the 2nd day of March, 2023, by and between BOROUGH OF BRENTWOOD, Allegheny County, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania (the "**Borough**"), and PENNSYLVANIA-AMERICAN WATER COMPANY ("**PAWC**"), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (The Borough and PAWC are each referred to as a "**Party**", and collectively referred to as the "**Parties.**")

### RECITALS

- A. The Parties have entered into an Asset Purchase Agreement dated as of December 22, 2020 (the "**Purchase Agreement**"), pursuant to which PAWC has agreed to purchase from the Borough certain Acquired Assets (as defined in the Purchase Agreement) comprising the Borough's sanitary wastewater collection system (the "**System**" as defined in the Purchase Agreement).
- B. Pursuant to the Purchase Agreement, the Borough has agreed to allocate certain rights to PAWC, and PAWC has agreed to accept certain obligations of the Borough (as an additional obligor to the Borough), as set forth in this Agreement, pertaining to that certain Pittsburgh Zone Project Agreement of December 1, 1949, by and among Allegheny County Sanitary Authority ("**ALCOSAN**"), the City of Pittsburgh (the "**City**"), and the Borough (the "**Z Agreement**"), a copy of which is attached as Exhibit A.
- C. Pursuant to the Z Agreement, ALCOSAN is designated as the "**Sewage Agency**" (as defined in the Z Agreement), and as the Sewage Agency ALCOSAN is the sole and exclusive provider of wastewater treatment and disposal services with respect to wastewaters generated by customers of the System as well as customers of 82 other communities (in whole or in part) in the Commonwealth of Pennsylvania.
- D. Pursuant to the Purchase Agreement and this Agreement, upon PAWC's acquisition of the System, PAWC will be allocated certain of the Borough's rights and will be allocated certain of the Borough's obligations under the Z Agreement. The Borough will remain primarily responsible for its rights and obligations under the Z Agreement subject to the terms set forth in this Agreement.
- E. The Borough and the Allegheny County Health Department (the "**ACHD**") are parties to that certain Consent Order and Agreement dated September 26, 2022 (the "**COA**") pursuant to which the Borough is obligated, *inter alia*, to reduce wet weather flows within the System by taking certain corrective actions, as outlined in the COA, and to reasonably cooperate with ALCOSAN and other municipalities and municipal authorities to implement the Regionalization Program (the "**Regionalization Program**") pursuant to ALCOSAN's Clean Water Plan and the Modified Consent Decree (defined below).

- F. ALCOSAN's Clean Water Plan and Regionalization Program were developed and are being implemented consistent with the terms of a Consent Decree, as modified by a Modified Consent Decree (together, the "**Modified Consent Decree**"), entered into between ALCOSAN and the United States Environmental Protection Agency, the Pennsylvania Department of Environmental Protection, and the ACHD (collectively, the "**Regulatory Agencies**"), with the approval and continuing jurisdiction of the United States District Court for the Western District of Pennsylvania.
- G. The Borough and ALCOSAN are parties to that certain Grant Agreement 2017\_01-046, pursuant to which the Borough has been awarded, and has received, certain grant funds, and that certain Grant Agreement 2020\_01-005, pursuant to which the Borough has been awarded, but has not yet received, certain grant funds, under the ALCOSAN Green Revitalization of Our Waterways Grant Program (together, the "**Grow Grants**"), for purposes of assisting in the financing of certain improvements to the System.
- H. The City and The Pittsburgh Water and Sewer Authority ("**PWSA**") are parties to that certain Agreement and Capital Lease, effective July 27, 1995, pursuant to which PWSA assumed responsibility for operating and maintaining the entire City sewer system.

NOW THEREFORE, in consideration of the foregoing premises and the covenants in this Agreement and for other good and valuable consideration as set forth in this Agreement, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. **Definitions.** All capitalized terms not otherwise defined in this Agreement have the meanings set forth in the Z Agreement.

2. **Acknowledgements, Allocation of Rights and Obligations of the Parties.** Effective on the date of this Agreement, and subject to the remaining provisions of this Agreement, the Parties hereby make the following acknowledgements and covenants; the Borough allocates to PAWC its rights in, to and under the Z Agreement that are set forth in this Section 2.c (the "**PAWC Rights**"); and, in conjunction therewith, PAWC shall be bound by and to pay and perform the Borough's obligations under the Z Agreement set forth in this Section 2.d. (the "**PAWC Obligations**"). All rights and obligations that are not expressly PAWC Rights or PAWC Obligations, are "**Retained Obligations**" or "**Retained Rights**" of the Borough as set forth in this Section 2.

a. **Covenants Regarding ALCOSAN, the Z Agreement, and the Modified Consent Decree.**

(i) Pursuant to ¶ 9 of the Z Agreement, the Parties agree and covenant that ALCOSAN shall be the sole and exclusive agency, during the entire life of the Z Agreement, to provide sewage treatment and disposal services to the Borough and the System and to all of the water users therein who or which discharge sewage or wastes into the System. The Borough and PAWC further agree and covenant, in accordance with ¶ 9 of the Z Agreement, that

ALCOSAN shall be permitted and authorized to impose upon and collect from all such water users the sewage service charges as set forth in the Z Agreement without interruption or modification, and consistent with historical custom and practice. The Parties further covenant, in accordance with ¶ 9 of the Z Agreement, that they will not, directly or indirectly, engage in the business of providing sewage treatment and disposal service to such water users, nor will the Parties authorize or permit or support in any manner, directly or indirectly, any other agency or entity, public or private, to do so in competition with or in substitution for ALCOSAN.

(ii) In reference to the Z Agreement, and all the terms and provisions set forth therein, the Parties acknowledge the status and essential role of the Z Agreement, together with those similar agreements now or in the future entered into between ALCOSAN and other municipalities and municipal authorities (the “**Other Z Agreements**”), in serving the sewage disposal and treatment needs of the communities within the ALCOSAN Sewage Disposal System (the “**Sewage Disposal System**”). The Parties agree and covenant at all times to act in good faith to recognize and support ongoing implementation of, and adherence to, the Z Agreement in the same manner as historically implemented, and further agree and covenant not to take any action, directly or indirectly, to challenge, disrupt, or undermine the Z Agreement or the Other Z Agreements, nor will they authorize or permit or support in any manner, directly or indirectly, any other party to challenge, disrupt, undermine, or make any claim under or against the Z Agreement or the Other Z Agreements.

(iii) The Parties shall submit any matter arising under or in connection with this Agreement relevant to or otherwise affecting in any manner whatsoever ALCOSAN and/or the Z Agreement and/or the Modified Consent Decree and/or the Clean Water Plan exclusively to the United States District Court for the Western District of Pennsylvania under the Modified Consent Decree lodged with said District Court at Civil Action No. 2:07-cv-00737, and the Parties consent to the exclusive jurisdiction of said District Court for the adjudication of such matter in any suit, action, or proceeding.

(iv) In reference to the COA, the Parties shall cooperate in good faith with ALCOSAN, ACHD, and the other Regulatory Agencies as contemplated in the COA and in furtherance of the Clean Water Plan, including without limitation, accepting ALCOSAN’s current and future data, calculations, level of service, and design concepts, which form the basis of certain assumptions and obligations contained in the Clean Water Plan.

(v) The Parties understand that PAWC’s acquisition and operation of the System and PAWC’s potential acquisition and operation of other sewage collection systems that obtain sewage treatment from ALCOSAN (to the extent such acquisition(s) and operation(s) of other sewage collection systems are subject to the foregoing covenants) does not (and will not) contravene the foregoing covenants.

b. **Acknowledgement of Recitals and Rights and Obligations of City, PWSA, and ALCOSAN.**

(i) The Parties acknowledge the matters set forth in the recitals to the Z Agreement.

(ii) The Parties acknowledge the provisions of ¶¶ 1 and 2 of the Z Agreement, and further acknowledge the understanding that such provisions have by their terms been fulfilled or have become no longer effective.

(iii) The Parties acknowledge and understand that the City has by proper ordinance designated ALCOSAN as the Sewage Agency to construct and operate the Sewage Disposal System under to ¶ 3 of the Z Agreement.

(iv) The Parties acknowledge and understand that the City has the right to enact an ordinance, pursuant to 53 P.S. § 2231, to impose a charge upon the non-resident users of the City/PWSA sewage system. The Parties further acknowledge and understand that the PWSA has the right to apply its existing, PUC approved Tariff provisions or to implement additional Tariff provisions, subject to PUC approval, for wastewater conveyance service provided to any municipality or PUC-regulated utility that profits from or charges for wastewater conveyance that is transported through the City/PWSA sewage system.

(v) The Parties acknowledge the respective rights of the City, PWSA, and ALCOSAN under the Z Agreement.

c. **PAWC Rights.** Effective on the date of this Agreement, in connection with PAWC's ownership and operation of the System, the Borough allocates to PAWC the following rights under the Z Agreement and the Borough shall enforce the following rights under the Z Agreement for the benefit of PAWC:

(i) The right to receive all of the services from ALCOSAN and to receive all of the benefits of and enforce the covenants and obligations of ALCOSAN under ¶¶ 4, 6, and 10 of the Z Agreement;

(ii) The right to receive all of the benefits of and enforce the covenants of the City and/or PWSA, as applicable, under ¶ 5 of the Z Agreement;

(iii) The right to receive refunds from ALCOSAN as a credit for the savings in billing expense as provided in ¶ 16 of the Z Agreement; and

(iv) Such other rights that pertain to the PAWC Obligations.

d. **PAWC Obligations.** Effective on the date of this Agreement, the Borough shall continue to be liable for all of its obligations under the Z Agreement, and in connection with PAWC's ownership and operation of the System, PAWC shall perform the following Borough obligations under the Z Agreement:

- (i) The Borough's obligations under ¶ 7 of the Z Agreement;
- (ii) Compliance with the covenants under ¶ 9 of the Z Agreement, as set forth in Section 2.a;
- (iii) Those obligations with respect to ¶¶ 10-16 and ¶ 18 of the Z Agreement set forth in Section 2.g; and
- (iv) With respect to ¶ 19 of the Z Agreement:

A. PAWC acknowledges the right of ALCOSAN to promulgate, issue, publish and enforce rules and regulations governing its activities and carrying into effect the provisions of the Z Agreement, including provisions prohibiting or regulating the discharge into the System of oils, acids and other substances which may be harmful to ALCOSAN's sewers, pumping stations or other structures or which may interfere with the sewage treatment processes at ALCOSAN's plant (the "**ALCOSAN Regulations**"), which ALCOSAN Regulations include the Industrial Pretreatment Program ("**IPP**") adopted and administered by ALCOSAN pursuant to 40 C.F.R. Part 403. In furtherance thereof, PAWC shall (A) subject to approval by the PUC, include in its Tariff Rates, Rules and Regulations Governing the Furnishings of Wastewater Collection and Disposal Service governing the System ("**Tariff**") as filed with and approved by the Pennsylvania Public Utility Commission ("**PUC**") provisions requiring that all customers and users connected to the System comply with the applicable ALCOSAN Regulations; and (B) utilize commercially reasonable efforts to cooperate with ALCOSAN in the enforcement of such ALCOSAN Regulations in accordance with the provisions and enforcement methods available to PAWC under the Tariff.

B. PAWC shall, subject to approval by the PUC, include in its Tariff a provision that no user whose connection requires approval from ALCOSAN under the ALCOSAN Regulations, including those users restricted or prohibited by ¶ 19 of the Z Agreement, shall be allowed to connect to the System until ALCOSAN approves such connection.

e. **Retained Obligations.** Effective on the date of this Agreement, the Borough shall be solely responsible to perform the following obligations under the Z Agreement:

- (i) The Borough's obligations under ¶ 6, 17, 18 and 19 of the Z Agreement;
- (ii) Those obligations with respect to ¶¶ 10-16 of the Z Agreement to be performed by the Borough under Section 2.g; and
- (iii) All other obligations and functions of the Z Agreement which, by their nature, are applicable only to governmental bodies.

f. **Retained Rights.** Effective on the date of this Agreement, the Borough retains the rights to enforce and enjoy the benefits of the following provisions under the Z Agreement:

(i) The right to receive the benefits and services from, and to enforce the covenants and obligations of ALCOSAN and/or the City, as applicable, under ¶¶ 4, 5 and 6 of the Z Agreement;

(ii) The right to indemnification from ALCOSAN under the last paragraph of ¶ 6 of the Z Agreement; and

(iii) The rights set forth in ¶ 17 of the Z Agreement, as such right may be modified or superseded by the Borough's obligations under the COA or the Regionalization Program or any future order of the ACHD, other Regulatory Agency, or court.

g. **Obligations Under ¶¶ 10-16 and ¶18.**

(i) The Parties acknowledge that (1) the Borough has previously selected by ordinance the optional method for payment of ALCOSAN sewer charges provided under ¶ 16 of the Z Agreement, agreeing to pay the aggregate amount of all sewer service charges which, under ¶¶ 10-15 of the Z Agreement would be payable by water users receiving services from the System; and (2) pursuant to such option, prior to transfer of the System to PAWC, the Borough reflected the ALCOSAN charges on a pass-through basis as a separate line item on the Borough's bills to such users of the System. The Borough shall not to amend such ordinance selecting such optional payment method without the prior written approval of both PAWC and ALCOSAN. The Parties shall continue the practice of reflecting ALCOSAN charges on a pass-through basis as a line item on PAWC's bills to users of the System, provided, PAWC may, at its sole discretion seek to incorporate the ALCOSAN charges into its base rates in a future proceeding with the PUC, provided reasonable notice to the Borough of such filing.; and

(ii) PAWC shall pay ALCOSAN, on the Borough's behalf, the aggregate charges due to ALCOSAN on a quarterly basis, in accordance with ¶ 16 of the Z Agreement.

(iii) The Borough shall retain and perform the ongoing obligations contained in ¶ 18 of the Z Agreement. Further, the Borough shall not adopt or enforce any future special tax, fee, assessment or other obligation enacted or passed by the Borough requiring PAWC to provide any funds required to meet the Borough's obligations under ¶ 18 of the Z Agreement (other than the funds PAWC has agreed to pay ALCOSAN, on the Borough's behalf, pursuant to subparagraph (ii) above) and that any such purported special tax, fee, assessment or other obligation is null and void and unenforceable against PAWC.

h. **Other.**

(i) The Parties acknowledge the reserved rights of the City and/or PWSA, as applicable, and ALCOSAN under ¶ 8 of the Z Agreement to permit municipalities which

are partially or entirely outside of the service area to pump or drain additional sewage or wastes from territory outside such service area into the Sewage Disposal System for treatment and disposal by ALCOSAN. The Parties understand and agree that nothing in ¶ 8 of the Z Agreement waives or in any way grants approval to any additional municipality or industrial firm to use the System sewage collection and conveyance facilities; provided, however, that the Parties further understand and agree that such waiver or approval may be required under the COA or the Regionalization Program or any future order of the ACHD, other Regulatory Agency, or court.

(ii) PAWC shall assume the Borough's obligations with regard to 1935 Sewer Maintenance Agreement between the City and the Borough, pursuant to City of Pittsburgh Ordinance No. 190 of 1935, for the Streets Run sanitary sewer trunk line. If PAWC does not perform under the 1935 Sewer Maintenance Agreement, the Borough assumes all liability for payment that would have been due to the City, but would now be due to PWSA.

(iii) During the term of this Agreement and the Z Agreement, the Borough and PAWC shall use commercially reasonable efforts to take action consistent with any agreement or order relating to an enforcement action, including without limitation any consent decree, consent order, or consent agreement, that PWSA/City has entered or will enter into with the United States of America, the U.S. Environmental Protection Agency, the Commonwealth of Pennsylvania, the Pennsylvania Department of Environmental Protection, and/or the ACHD related to the System. Provided, however, that if the Borough or PAWC determines that either cannot avoid taking any action inconsistent with a future agreement or order relating to an enforcement action related to the System, then the entity that cannot avoid taking such an action shall cooperate to the extent allowable by law with implementation of the terms of that agreement or order and shall so notify PWSA and the City and confer with PWSA and the City about such cooperation.

3. **Indemnification Obligations.** The Borough and PAWC acknowledge and agree to indemnify, defend and hold each other harmless as follows:

a. The Borough shall indemnify, defend and hold harmless Buyer Indemnified Persons (as defined in the Purchase Agreement) against Damages and Claims which are incurred by, imposed upon or asserted against PAWC or any Buyer Indemnified Persons, arising from the breach by the Borough of any of its covenants in this Agreement, the failure by the Borough to perform any of its Retained Obligations under this Agreement, or the Borough's other obligations as set forth in this Agreement, except to the extent that such Damages and Claims arise from the failure by PAWC to perform any of PAWC's obligations set forth in this Agreement.

b. PAWC shall indemnify, defend and hold harmless the Seller Indemnified Persons (as defined in the Purchase Agreement) against Damages and Claims which are incurred by, imposed upon or asserted against the Borough or any Seller Indemnified Persons, arising from the breach by PAWC of any of its covenants under this Agreement, the failure by PAWC to perform any of its PAWC Obligations under this Agreement, or PAWC's other obligations as set forth in this Agreement, except to the extent that such Damages and Claims arise from the failure by the Borough to perform any of the Borough's obligations set forth in this Agreement.

c. As used in this Agreement, "Damages and Claims" means any loss, demand, claim, suit, action, assessment, damage, liability, cost, expense, fine, penalty, judgment, award or settlement, whether or not involving a Governmental Authority (as defined in the Purchase Agreement) or third party claim, including related reasonable fees and expenses of attorneys, experts, and other persons, and all court costs, fees, interest, and any amounts paid in investigation, defense or settlement of any of the foregoing, and any related expenses incurred in connection with any arbitration, administrative, legal or equitable proceeding in any court, administrative body or arbitral forum.

4. **Preservation and Enforcement of Z Agreement.** The Z Agreement shall continue in full force and effect and the terms thereof are hereby ratified and confirmed in all respects.

a. The Parties acknowledge that the preservation and enforcement of the Z Agreement is essential to assuring that PAWC, as owner and operator of the System, obtains and enjoys the benefits of the sewage treatment and disposal services provided by ALCOSAN. As a result, the Borough shall maintain and keep in full force and effect the Z Agreement. Without limiting for foregoing, but in furtherance thereof, the Borough shall not to take any action to amend, waive, release, agree to or acquiesce in any release, modification, compromise or interpretation, of any provision of the Z Agreement without the prior written consent of PAWC.

b. The Parties shall fully and faithfully fulfill each of their respective allocated and retained obligations under the Z Agreement, and not to take any action or fail to take any action required under the Z Agreement such as to provide grounds for termination or suspension of the effectiveness of the Z Agreement or grounds to excuse or allow suspension in performance of ALCOSAN's obligations under the Z Agreement.

c. In order to monitor compliance with the Z Agreement, the Parties shall promptly, and in any event no later than 5 business days of any notice, claim or other communication from or with any other party to the Z Agreement concerning any issue with respect to the performance or non-performance of any obligations under the Z Agreement, or the waiver, release, modification, compromise or interpretation of any provision of the Z Agreement, inform the other Party of such notice, claim or other communication. The Parties shall confer concerning the response to such notice, claim or other communication.

d. Paragraph 6 of the Z Agreement provides: "It is understood and agreed that the Sewage Agency [ALCOSAN] shall indemnify and save the Borough harmless from all costs and expenses (except those provided for in the Z Agreement), liability, claims and demands of any sort arising out of the construction, extension, replacement, operation, maintenance, repair or possession of the Sewage Disposal System by the Sewage Agency." In order to provide PAWC, as the successor owner and operator of the System, with the effective benefits of such indemnity, to the fullest extent permitted by law the Borough agrees to indemnify and save PAWC harmless from all costs and expenses, liability, claims and demands of any sort arising out of the construction, extension, replacement, operation, maintenance, repair or possession of the System by ALCOSAN.

e. The Parties shall confer and cooperate with respect to enforcement of the Z Agreement and the following provisions shall govern the initiation and prosecution of such enforcement actions:

(i) With respect to claims relating to the Borough's Retained Rights and Retained Obligations, where PAWC has not requested the Borough to initiate enforcement actions as provided in Section 4.e4.e(ii) below, the Borough may take any and all actions in its own name against ALCOSAN, the City or PWSA, as the Borough deems appropriate in order to enforce any and all of the related obligations of ALCOSAN, the City and PWSA under the Z Agreement. The Borough shall bear the costs of any such actions initiated by the Borough but not requested by PAWC, provided that PAWC shall without charge to the Borough reasonably cooperate with the Borough in providing documents in PAWC's possession and the time of PAWC's employees as fact witnesses in such matters, if necessary.

(ii) With respect to claims relating to the PAWC Rights and PAWC Obligations:

A. The Borough must take and diligently prosecute, at PAWC's direction and with counsel selected by PAWC, such actions as PAWC shall request against ALCOSAN, the City or PWSA, as the Borough deems appropriate in order to enforce any and all of the related obligations of ALCOSAN, the City and PWSA under the Z Agreement. PAWC must bear at all costs of any such actions initiated at PAWC's request, provided that the Borough shall without charge reasonably cooperate with PAWC in providing documents in the Borough's possession and the time of Borough employees as fact witnesses in such matters. The Borough shall receive and disburse to PAWC, for PAWC's ultimate account, the proceeds of any claims or judgments relating to enforcement of any PAWC Rights or the resolution of disputes regarding any PAWC Obligations.

B. If, after receiving a request from PAWC, the Borough fails to take such action requested by PAWC pursuant to Section 4(e)(ii)(A) as soon as reasonably practicable, but in any event, no later than thirty (30) days, the Borough hereby appoints PAWC as its sole and exclusive agent, and PAWC hereby accepts such appointment, to take any and all actions, in the name of the Borough, its own name, or in both the name of the Borough and PAWC, against ALCOSAN, the City or PWSA, as may be determined by PAWC, in its sole discretion and at its sole cost, to be appropriate in order to enforce any and all of the obligations of ALCOSAN, City and PWSA under the Agreement. Pursuant to such appointment, PAWC shall have the rights, without limitation, to assert claims, commence, prosecute and resolve litigation in the name of the Borough under or in connection with any such obligations, and receive on behalf of the Borough, but for PAWC's own ultimate account, the proceeds of any claims or judgments relating to enforcement of such obligations. PAWC shall bear at its own cost the expense of any such actions initiated by PAWC, provided that the Borough shall without

charge cooperate with PAWC in providing documents in the Borough's possession and the time of Borough employees as fact witnesses in such matters.

(iii) With respect to matters that involve claims by both the Borough with respect to Retained Rights and Retained Obligations and PAWC with respect to PAWC Rights and PAWC Obligations, the Borough and PAWC shall equitably share the costs of any such enforcement action against ALCOSAN, the City or PWSA in accordance with their proportionate interest in such enforcement actions.

(iv) In any action regarding PAWC Rights, PAWC Obligations, Retained Rights or Retained Obligations, neither PAWC nor the Borough may, without the consent of the other Party, agree to any compromise or settlement that (1) imposes any monetary, performance or other obligation on the other Party; or (2) modifies the rights held by, or the obligations owed to, such other Party.

5. **Notices.** All notices, demands, requests, and other communications delivered under to this Agreement shall be in writing and shall be given by (i) registered or certified mail, return receipt requested, or (ii) recognized overnight delivery service providing positive tracking of items (e.g., Federal Express), or (iii) personal delivery to and receipt by the person to whom delivered, in each case addressed as follows, or at such other address as specified by either Party by delivery of written notice as herein provided:

To  
Borough: Borough of Brentwood  
3735 Brownsville Road  
Brentwood, PA 15227  
Attention: Borough Manager

with a copy to:  
Borough of Brentwood  
3735 Brownsville Road  
Brentwood, PA 15227  
Attention: Solicitor

To PAWC: Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055  
Attention: President

with a copy to:  
Pennsylvania-American Water Company  
852 Wesley Drive  
Mechanicsburg, PA 17055  
Attention: General Counsel

Any written communication given by mail shall be deemed delivered two (2) business days after such mailing date and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Any written communication given

by email shall be deemed delivered as of the date of electronic or telephone confirmation of receipt. Notice by a Party may be given on its behalf by its respective attorney.

6. **Terms of the Agreement.** Nothing in this Agreement shall operate or be construed to modify, waive, limit, expand or release any of the express provisions of the Purchase Agreement.

7. **Successors; Assigns.** Neither Party shall assign or delegate this Agreement or any rights or obligations hereunder without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed, and any attempted assignment or delegation without prior written consent shall be void and of no force or effect.

8. **Governing Law; Jurisdiction.** This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the Commonwealth of Pennsylvania (without giving effect to the principles of conflicts of laws thereof). The Parties irrevocably agree and consent to the jurisdiction of the United States District Court for the Western District of Pennsylvania and the Court of Common Pleas of Allegheny County, Pennsylvania, for the adjudication of any matters arising under or in connection with this Agreement, subject to the superseding requirements of Section 2.a(iii). Any action initiated in court by the Parties shall be filed and litigated (including all discovery proceedings) exclusively in the United States District Court for the Western District of Pennsylvania and the Court of Common Pleas of Allegheny County, Pennsylvania, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding, subject to the superseding requirements of Section 2.a(iii). Service of process, summons, notice or other document by mail to such Party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.

9. **Amendments; Waivers.** This Agreement may be amended, changed or supplemented only by a written agreement signed by the Parties. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific

purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

10. **Interests of ALCOSAN, City, and PWSA.** Each of ALCOSAN, the City, and PWSA are third-party beneficiaries of this Agreement, with rights to enforce the respective covenants and obligations of PAWC and the Borough as set forth in this Agreement. Notwithstanding anything in this Agreement to the contrary, and in addition to and not in limitation or derogation of the third-party beneficiary rights of ALCOSAN, the City, and PWSA set forth in the immediately preceding sentence, the Borough shall remain primarily liable for all its covenants, obligations, and duties under the Z Agreement. Nothing in this Agreement releases the Borough in whole or in part from any of its covenants, obligations, or duties under the Z Agreement.

11. **Parties in Interest; Third-Party Beneficiary.** Except as otherwise specifically provided in this Agreement, this Agreement is not intended to and shall not be construed to create upon any person other than the Parties, ALCOSAN, the City and PWSA any rights or remedies under this Agreement.

12. **Headings.** The article, section and paragraph headings in this Agreement are for reference purpose only and shall not affect the meaning or interpretation of this Agreement.

13. **Further Assurances.** Each Party covenants and agrees, at its own expense, to take such further action and execute and deliver such further instruments of assignment and of assumption as may be reasonably requested by the other Party to carry out the provisions and purpose of this Agreement.

14. **Counterparts; Electronic Transmission.** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. This Agreement shall be effective when it has been executed by each Party and delivered to both Parties. To evidence the fact that it has executed this Agreement, a Party may send a copy of its executed counterpart to the other Party by facsimile or electronic (PDF) transmission. Such Party shall be deemed to have executed and delivered this Agreement on the date it sent such facsimile or electronic transmission. In such event, such Party shall forthwith deliver to the other Party an original counterpart of this Agreement executed by such Party.

15. **PUC Submission.** The Parties acknowledge and agree that this Agreement is subject to approval by the PUC either (a) as deemed approved within thirty (30) days after PAWC files a copy of this Agreement, fully executed by the Parties, with the PUC, or (b) if the PUC institutes an investigation, at such later time as the PUC grants its approval. The Parties will not object to ALCOSAN's participation in any PUC proceedings regarding the Purchase Agreement, this Agreement or any related matters that potentially affect the Z Agreement or ALCOSAN.

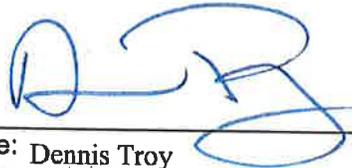
Execution Version

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:

**FOR BOROUGH OF BRENTWOOD**

**FOR PENNSYLVANIA-AMERICAN WATER  
COMPANY**

By:



Name: Dennis Troy

Title: Council President

By:



Name: JUSTIN L. LADNER

Title: PAWK PRESIDENT

**EXHIBIT A  
Z AGREEMENT  
[see attached]**

PITTSBURGH ZONE PROJECT

AGREEMENT OF DECEMBER 1, 1949

BY AND AMONG

ALLECHENY COUNTY SANITARY AUTHORITY

CITY OF PITTSBURGH

AND

BOROUGH OF BRENTWOOD

RE:

SEWAGE TREATMENT PLANT DESIGN, CONSTRUCTION AND OPERATION

City of Pittsburgh: -

Mayor's Contract No.

2718-7

Controller's Contract No.

11631

A G R E E M E N T

THIS AGREEMENT, dated for convenience of reference as of the first day of DECEMBER, 1949, by and among

CITY OF PITTSBURGH

(hereinafter sometimes called the "City"), a municipal corporation of the Commonwealth of Pennsylvania located within the County of Allegheny,

ALLEGHENY COUNTY SANITARY AUTHORITY

(hereinafter sometimes called the "Sanitary Authority"), a body corporate and politic of the Commonwealth of Pennsylvania duly created and existing under the provisions of the Municipality Authorities Act of 1945, as amended, and

BOROUGH OF BRENTWOOD

~~"Township"), a political subdivision~~  
(hereinafter sometimes called the "Borough"), a municipal corporation of the Commonwealth of Pennsylvania also located within the County of Allegheny,

WITNESSETH:

~~Township~~  
WHEREAS, The City and the Borough have heretofore constructed certain sewers but do not have facilities for the treatment and disposal of sewage, and sewage entering their sewers is being discharged without treatment into the rivers and streams; and

WHEREAS, A number of municipalities adjacent to the City have connected their sewers with the City's sewerage system; and

WHEREAS, There are many industries in the Pittsburgh area which are discharging large quantities of industrial wastes without treatment either directly into such rivers and streams or indirectly through the sewers of the municipalities in which they are located; and

WHEREAS, Such discharge of untreated sewage and industrial wastes has polluted the rivers and streams, and such pollution has made the rivers and streams undesirable as sources of public water supply and unsafe for bathing, boating and other recreational purposes; is detrimental to business and commercial interests in the Pittsburgh area; and constitutes a serious menace to the health and safety of the inhabitants of the City, the <sup>Township</sup> Borough and such adjacent municipalities; and

WHEREAS, The Sanitary Water Board of the Commonwealth of Pennsylvania (hereinafter sometimes called the "State Board"), acting to abate stream pollution, pursuant to authority conferred upon it by the Act of the General Assembly of Pennsylvania approved June 22, 1937, P.L. 1987, as amended, ordered and directed all sewer municipalities in Allegheny County, including the City and the <sup>Township</sup> Borough

(a) to discontinue the discharge of untreated sewage into the waters of the Commonwealth, and

(b) to submit, either alone or jointly with any other mutually interested municipality or municipalities, construction plans and specifications for the necessary sewers, pumping stations and

treatment works to collect and convey  
its sewage to a suitable site or sites  
and provide treatment thereof: and

WHEREAS, Shortly thereafter, the Sanitary Authority was organized by the County Commissioners of Allegheny County to collect, transport, treat and dispose of the sewage and industrial wastes of all the municipalities in the County and thus enable them to comply with the orders of the State Board; and

WHEREAS, The Sanitary Authority, after extensive studies and investigations, submitted a metropolitan project to serve, under a uniform schedule of rates, almost all of the sewered municipalities in Allegheny County and the Cities of New Kensington and Arnold in Westmoreland County, but such project was not accepted by the affected municipalities: and

WHEREAS, The Sanitary Authority thereupon prepared a number of zone projects to serve groups of such municipalities, among which projects were several centering about the City: and

WHEREAS, Of these projects, the City has accepted one capable of serving a potential area comprising not only the whole City but also all or portions of fifty-eight adjacent municipalities, including the Township; Borough; and

WHEREAS, The City has executed an agreement with the Sanitary Authority for the preparation of detailed construction plans and specifications for a Sewage Disposal System adequate to meet the present and foreseeable future needs of such potential area, and has agreed to

advance to the Sanitary Authority, as a loan, the entire cost of such plans and specifications, estimated at Two Million (\$2,000,000) Dollars; and

WHEREAS, Plans and specifications for any sewage disposal system will be valueless unless substantially all the municipalities to be served, or their residents, become legally bound to accept and pay for sewage collection and treatment service from the time the system goes into operation until such time as the bonds to be issued for constructing the system shall be fully retired by the revenues thereof; and

WHEREAS, The agreement between the City and the Sanitary Authority therefore provides that every drainage basin beyond the City within the potential service area shall be excluded unless substantially all the municipalities therein, or their residents, become so bound; and

WHEREAS, The City is willing to pay, or to require its residents to pay, after the Sewage Disposal System is constructed and goes into operation, the same rates for service therefrom as shall be charged and collected throughout the remainder of the System's entire service area; and

WHEREAS, Such uniform rates would result in much lower cost to ~~Township-~~ the Borough and its residents than would result from the construction ~~Township~~ and operation of a sewage disposal system for the Borough ~~Township~~ alone; and

WHEREAS, The State Board has recently ordered the Borough ~~Township~~ to inform it that the Borough has executed an agreement with the Sanitary Authority to participate in the project accepted by the City, or to inform the State Board that it has engaged a consulting engineer to proceed

in some other manner with the preparation of plans for treatment of the  
~~Township~~;  
 sewage of the Borough: and

WHEREAS, The execution of the present Agreement by the Borough ~~Township~~  
~~Township~~  
 will benefit the Borough and its residents and will constitute  
 compliance with the orders of the State Board.

NOW, THEREFORE, in consideration of the premises and the under-  
 takings of each party to the others, the parties hereto, each intending  
 to legally bind itself, its successors and its assigns, covenant and  
 agree as follows:

1. The City and the Sanitary Authority reaffirm their agree-  
 ment of August 1, 1949, whereunder the City agrees to loan to the  
 Sanitary Authority Two Million (\$2,000,000) Dollars for the preparation  
 of detailed construction plans and specifications for a Sewage Disposal  
 System adequate to serve a potential area comprising the City and all or  
 portions of fifty-eight adjacent municipalities, including the Borough.  
~~Township~~  
 The City and the Sanitary Authority each covenants with the Borough ~~Township~~  
 to carry out its undertakings under said agreement of August 1, 1949.

2. The City has decided to include in the service area of the  
 Sewage Disposal System only such drainage basins beyond the City as may  
 be served without increasing the cost of service to the City and its  
 residents. The City therefore reserves the right, by ordinance, to  
 terminate and rescind this Agreement if in its opinion an insufficient  
 number of municipalities in the same drainage basin or basins as the  
~~Township~~  
 Borough have executed agreements similar to the present Agreement on or  
 before November 1, 1949.

If the City shall duly enact such ordinance on or before December 31, 1949, this Agreement shall automatically terminate and become null and void on January 1, 1950, and neither the City nor the Sanitary Authority shall be liable to the Borough <sup>Township</sup> in any way for ~~Township~~ excluding the Borough from the service area of the Sewage Disposal System to be designed by the Sanitary Authority, or for the consequences of such exclusion. If no such ordinance shall be enacted by the City on or before December 31, 1949, this Agreement shall continue in full force and effect.

3. The City reserves the right, after the plans and specifications to be prepared by the Sanitary Authority shall have received the final approval of the State Board, to designate the agency which shall construct and operate the Sewage Disposal System. Such agency, hereinafter referred to as the "Sewage Agency", may be the City itself, the Sanitary Authority, a municipal Authority to be organized by the City, or any other agency having legal authority to construct and operate the Sewage Disposal System.

The parties agree that the rights given under this Agreement to the Sewage Agency are primarily given to the Sanitary Authority, for the benefit of the City, and that the Sewage Agency designated by the City, if other than the Sanitary Authority, shall be the assignee of the Sanitary Authority's rights. The Sanitary Authority agrees that the designation by the City of a Sewage Agency other than the Sanitary Authority shall constitute an assignment, by the Sanitary Authority to the Sewage Agency so designated by the City, of the Sanitary Authority's rights as Sewage Agency under this Agreement. If the designated Sewage

Agency is the City, such assignment shall become effective automatically; if it is neither the City nor the Sanitary Authority such assignment shall become effective upon formal acceptance of this Agreement by the designated Sewage Agency. The Sanitary Authority further covenants to execute promptly, upon request of the City, a formal assignment of such rights to such designated Sewage Agency, though such formal assignment is not necessary. The Borough recognizes that performance of the duties imposed by this Agreement on the Sewage Agency will be substantially the same whether done by the City itself, the Sanitary Authority, an authority to be organized for such purpose by the City, or any other lawful agency, inasmuch as the personnel of the Sewage Agency during the extended life of this Agreement cannot be foreseen and would in any event not be selected by the Borough, and since the sewage service charges of the Sewage Agency, as more fully hereinafter set forth, must be uniform and are limited to yield only sufficient revenues to meet administrative and operating expenses and debt requirements. The Borough therefore hereby specifically assents to any such assignment, and covenants to perform all acts and discharge all duties and obligations required of the Borough under this Agreement, whether the Sewage Agency be the Sanitary Authority or any other agency designated by the City.

The City covenants that within a reasonable time after receiving an order from the State Board to construct the Sewage Disposal System, following final approval of the plans and specifications therefor, the City will by proper ordinance designate a suitable Sewage Agency to construct and operate the Sewage Disposal System in accordance with this

Agreement. Paragraphs 4 - 18 of this Agreement shall not be carried into effect until the City shall, by formal ordinance duly enacted, designate such Sewage Agency.

4. The Sanitary Authority covenants with the City and Borough, ~~Township,~~ <sup>Township,</sup> and the City similarly covenants with the Borough, ~~Township,~~ that if it is designated by the City to be the Sewage Agency, it will well and truly perform all the acts and discharge all the duties and obligations imposed upon the Sewage Agency by this Agreement; and that if it is not so designated, it will cooperate fully with the designated Sewage Agency and will assign to it, without charge, any rights and powers it may have in aid of the carrying out of the remaining provisions of this Agreement.

5. The City covenants with the Borough ~~Township-~~ and the Sewage Agency that the rates and charges to be imposed and collected by the Sewage Agency, as hereinafter set forth, shall be uniform throughout the service area of the Sewage Disposal System and in particular shall be the same <sup>Township,</sup> within the City as within the Borough, ~~Township-~~ and that all duties and obligations hereinafter imposed upon the Borough ~~Township-~~ will likewise be assumed and borne by the City.

6. The Sewage Agency designated and qualified pursuant to the provisions of Paragraph 3 of this Agreement shall

(a) promptly issue and sell revenue bonds, secured by its revenues and receipts collected pursuant to this Agreement and to similar agreements with other municipalities and by all

other revenues and receipts of the Sewage Disposal System, in sufficient amount to pay

(1) the cost of constructing the Sewage Disposal System and placing the same in operation,

(2) all loans and advances heretofore or hereafter made to the Sanitary Authority by the City and the Federal Works Administration,

(3) all obligations incurred by the Sanitary Authority and by the Sewage Agency which are repayable out of such bond proceeds, and

(4) all other lawful requirements of the Sewage Agency, including, but without limitation, the cost of all lands, property, rights, easements and franchises acquired, financing charges, the cost of legal services, administrative expenses and all other expenses necessary or incident to the construction of the Sewage Disposal System and to the financing thereof;

(b) upon receipt of the proceeds of such bonds, proceed promptly and with due diligence

in the construction of the Sewage Disposal System, with the privilege of awarding all or portions of the actual construction work under separate contracts to the lowest responsible bidder for each contract;

(c) upon completion of the Sewage Disposal System, intercept all sewage and wastes of the <sup>Township</sup> Borough which are discharged from any municipal outfall sewer located along the interceptor sewers of the Sewage Disposal System (subject to the provisions of Paragraph 7 of this Agreement), transport such sewage and wastes to its treatment plant, provide such treatment and disposal thereof as may be required by law, and operate the Sewage Disposal System in an efficient and economical manner; and

(d) make such changes in and additions to the Sewage Disposal System as may be <sup>Township</sup> necessary to enable the Borough to comply with any future lawful orders of the State Board or any other State or Federal Agency in respect of the treatment and disposal of <sup>Township's</sup> the Borough's municipal sewage and wastes which enter the Sewage Agency's interceptor

sewers, and shall issue additional revenue bonds for such purpose or purposes; provided, however, that the Sewage Agency shall have the right to increase its sewage service charges to such extent as will yield the additional revenue needed to meet all bond requirements and operating and other expenses incurred by the Sewage Agency in the design, construction and operation of such added facilities.

If any portions of the Sewage Agency's interceptor sewers and appurtenances thereof are located in the Borough, ~~Township~~ the Sewage Agency shall have the right to enter upon and open such streets, public ~~Township~~ thoroughfares and vacant land owned by the Borough as may be necessary to install, construct, extend, replace, repair and maintain the same or any part thereof; provided, however, that all pavements and underground structures disturbed in the course of such work shall be restored to ~~Township~~ substantially their original condition. No Borough permit or license ~~Township~~ shall be required for any such work, and the Borough hereby waives all fees and charges in connection therewith.

It is understood and agreed that the Sewage Agency shall ~~Township~~ indemnify and save the Borough harmless from all costs and expenses (except those provided for in this Agreement), liability, claims and demands of any sort arising out of the construction, extension, replacement, operation, maintenance, repair or possession of the Sewage Disposal System by the Sewage Agency.

7. The Sewage Agency's interceptor sewers will be constructed approximately where shown on the map marked "Exhibit A" attached hereto and made a part of this Agreement. The Borough <sup>Township</sup> understands and agrees that the Sewage Agency will accept for treatment and disposal only such <sup>Township's</sup> sewage and wastes entering the Borough's sewers as are discharged from <sup>Township-</sup> municipal outfall sewers (belonging to the Borough or to any other municipality) located along such interceptor sewers, and that it shall be <sup>Township</sup> the obligation of the Borough to bring its sewage and wastes to a proper point of connection with such interceptor sewers, as hereinafter set <sup>Township</sup> forth. If the Borough is not wholly within the service area shown on Exhibit A attached hereto, the Sewage Agency shall not have any obligation to serve any portion of the Borough <sup>Township-</sup> outside such area unless another agreement similar to the present Agreement shall be executed covering such outside territory, as provided in Paragraph 8 hereof. No sewer connection whereby sewage or wastes from any such outside territory may reach a Sewage Agency interceptor sewer shall be made or permitted by <sup>Township</sup> the Borough in the absence of such an agreement.

Provision will be made, in the plans and specifications to be prepared by the Sanitary Authority, for the connection with the Sewage Agency's interceptor sewers of all municipal outfall sewers now in place <sup>Township-</sup> therealong, and only such outfall sewers now being used by the Borough as are located therealong will be connected with the Sewage Agency's <sup>Township-</sup> interceptor sewers without cost to the Borough.

<sup>Township-</sup> All other outfall sewers now used by the Borough and every municipal outfall sewer hereafter constructed shall be brought to a point

to be approved by the Sewage Agency (or, prior to the designation and qualification of the Sewage Agency, by the Sanitary Authority), in order that proper connection with the Sewage Disposal System may be made. Each such connection shall be made in such manner as the Sewage Agency shall direct, and at the expense of the municipality or municipalities using such outfall sewer.

8. The City and the Sanitary Authority reserve the right, prior to the designation of the Sewage Agency, and the City and the Sewage Agency shall have the right thereafter, subject to the approval of the State Board but without consulting or notifying the <sup>Township,</sup> Borough, to permit municipalities which are partially or entirely outside such service area to pump or drain additional sewage or wastes from territory outside such service area into the Sewage Disposal System for treatment and disposal by the Sewage Agency; provided, however, that no such permission shall be given unless an agreement similar to the present Agreement shall be executed with the affected municipality or municipalities.

The City and the Sanitary Authority, or the City and the Sewage Agency, as the case may be, also reserve the similar right to enter into agreements with industrial firms within and without the service area for the treatment and disposal of their sewage and wastes which do not enter a municipal sewer; provided, however, that the service charges shall be at least as high as those imposed on the <sup>Township</sup> Borough and its water users by this Agreement.

<sup>Township</sup>  
9. The Borough covenants and agrees that the Sewage Agency shall be the sole and exclusive agency, during the entire life of this

Agreement, to provide sewage treatment and disposal service to the ~~Township~~ Borough or to such portion thereof as is within the service area of the Sewage Disposal System and to all its water users therein who or which ~~Township's~~ discharge sewage or wastes into the Borough's sewerage system. The ~~Township~~ Borough hereby permits and authorizes the Sewage Agency to impose upon and collect from all such water users the sewage service charges herein-after set forth, and covenants to perform all the acts, and discharge all the duties and obligations imposed upon it by this Agreement. The ~~Township~~ Borough further covenants that it will not itself engage in the business of providing sewage treatment and disposal service to such water users, nor will it authorize or permit any other agency, public or private, to do so in competition with or in substitution for the Sewage Agency.

10. Beginning immediately after the Sewage Disposal System has been completed and put in operation, the Sewage Agency shall, for the services and facilities furnished or to be furnished by it, impose upon and collect from the owner, tenant or occupant of each lot or parcel of ~~Township~~ land within the Borough from which sewage or wastes enter a ~~Township~~ sewer and thence reach the Sewage Disposal System (hereinafter sometimes called a "user" or "water user"), rates, fees or charges (hereinafter sometimes called "sewage service charges" or "charges"), which shall be based or computed upon the quantity of water used in or upon such lot or parcel as determined by gauging or metering or otherwise.

The Sewage Agency's schedule of sewage service charges shall be uniform throughout the entire service area of the Sewage Disposal System, and shall be so calculated as to yield in the aggregate during each month

or quarter year the amount required in each such month or quarter year for paying all current administrative and operating expenses of the Sewage Agency and the interest on and the principal of all outstanding bonds and other obligations as the same become due and payable, and to create such reserves for such purposes as may be required by the resolution authorizing the issuance of its bonds or in the trust indenture securing the same. The schedule shall impose reasonable minimum charges, may include such block rates for metered water users and such charges for flat-rate water users as the Sewage Agency shall determine, and shall provide extra charges for commercial and industrial wastes which impose an extraordinary burden on the Sewage Disposal System. The schedule shall be adjusted from time to time in such manner as the Sewage Agency shall deem necessary or proper to insure the collection of adequate revenues to meet its financial requirements.

In case any water user is not the owner of the premises in or on which the water is used, the Sewage Agency may also impose such sewage service charges upon and demand payment thereof from the owner of such premises, so that if payment is not made promptly, a lien therefor against the premises served may be filed by the Borough <sup>Township-</sup> as assignee of the Sewage Agency delinquent accounts, as provided in Paragraph 14 of this Agreement.

<sup>Township-</sup>  
11. The Borough covenants that during such time as sewage service charges of the Sewage Agency are in effect the Borough <sup>Township-</sup> will not impose upon any person, firm or corporation, or upon any property, any rental, rate or charge whatever for the use of or for the privilege of

~~Township~~  
 using any Borough sewer connected with the Sewage Disposal System, to  
 the end that no person, firm or corporation shall be subject to both the  
 Sewage Agency's sewage service charge, as herein provided, and a ~~Township~~  
 Borough sewer rental, rate or charge of any kind whatever excepting general real  
 estate taxes, sewer connection and street opening permit or license fees,  
 and special assessments imposed according to law upon property benefited  
 by the construction of additional sewers, and excepting charges imposed  
 on other municipalities for the joint use, maintenance or repair of a  
~~Township~~  
 Borough sewer or sewers.

The provisions of this Paragraph shall not apply so long as the  
 optional method of payment provided for in Paragraph 16 of this Agreement  
 is in effect.

12. All bills for sewage service charges shall be computed on  
 the basis of the quantity of water used, whether the water is furnished  
 by the waterworks system of the ~~Township~~ Borough or secured from any other source.

The sewage service charge to be paid by each water user within  
~~Township~~  
 the Borough shall be computed as follows:

(a) Metered water customers -- by applying  
 the Sewage Agency's schedule of charges then in  
 effect to the quantity of water delivered to  
 each water customer during the preceding  
 quarter year or other meter period, as  
 measured by the most recent water meter reading;

(b) Flat-rate water customers -- by  
 applying the percentage set forth in the Sewage

Agency's schedule of charges then in effect to the flat-rate water bill;

(c) Users of water taken from a private water source or public stream -- by applying the Sewage Agency's schedule of charges then in effect to the quantity of water used as estimated by the Sewage Agency; provided, however, that if any such water user shall at his or its own expense install and maintain in good operating condition a meter or other measuring device of a type approved by the Sewage Agency, the amount payable by such water user shall be based upon the quantity of water used as so measured.

~~Township-~~  
If the Borough or other water supplying agency does not make available promptly to the Sewage Agency the necessary data for computing the sewage service charge of any water user, such water user shall be deemed to be a flat-rate water customer, and the sewage service charge for such water user shall be calculated in the same manner as for flat-rate water customers, based upon the estimated flat-rate water bill such customer would have to pay.

There shall be no free services rendered by the Sewage Disposal ~~Township-~~ System, and the Borough (or any department, agency or instrumentality thereof) and all public corporations, all charitable or non-profit institutions and all school districts and other political sub-divisions

shall pay for the use of the services and facilities thereof in accordance with the established schedule of sewage service charges.

If any substantial portion of the water used regularly on any lot or parcel of land does not enter the Borough's <sup>Township's</sup> sewerage system, the owner, tenant or occupant of such lot or parcel may secure a reduction in the amount of the sewage service charges to be paid by him, subject to the established minimum charges, by installing, at his own expense and subject to such regulations as may be prescribed by the Sewage Agency, a separate meter or other measuring device approved by the Sewage Agency for measuring the water so used, in which event the quantity of water so used shall thereafter be excluded in computing the sewage service charges to be paid by the owner, tenant or occupant of such lot or parcel.

In cases where the character of sewage or industrial wastes from any commercial, manufacturing or industrial plant, building or premises is such that it imposes a burden upon the Sewage Disposal System in addition to the burden imposed by the average sewage, such additional charge shall be made therefor as the Sewage Agency shall deem to be fair and equitable to meet the additional cost of collecting, transporting, treating and disposing of such sewage or wastes; or the Sewage Agency may, if it deems it advisable, require the owner, tenant or occupant of such commercial, manufacturing or industrial plant, building or premises to pre-treat such sewage or wastes in such manner as shall be specified by the Sewage Agency before discharging such sewage or wastes into the Borough's <sup>Township's</sup> sewerage system.

13. In order to enable the Sewage Agency to compute its sewage service charges based thereon, as provided in Paragraph 12 hereof, the

~~Township,~~  
 Borough, if it operates its own waterworks system, shall furnish to the Sewage Agency, not later than the 15th day of the month following the month during which water bills are issued, a list or lists of all water meter readings and flat-rate water bills issued during the preceding calendar month together with the basis for each flat-rate water user's water bill, and shall include therein the meter readings of meters installed by water users taking water from a private water source or public stream. The Sewage Agency will request similar information from the private water company, municipal authority or other agency supplying ~~Township.~~  
 water to any water users within the Borough. If by reason of failure to obtain such data promptly the Sewage Agency is compelled to treat any water users as though they were flat-rate water customers, as further provided above in the said Paragraph 12, and in so doing is obliged to survey the premises of each such water user for the purpose of determining his or its flat-rate water status, the cost incurred by the Sewage Agency in making such survey or surveys shall be repaid to it by ~~Township.~~ ~~Township.~~  
 the Borough. The Borough authorizes the Sewage Agency to make such survey or surveys, and it is agreed that every water user, in accepting the Sewage Agency's service, authorizes the Sewage Agency to enter upon his or its premises for such purpose.

~~Township-~~

The Sewage Agency will reimburse the Borough and other water supplying agencies, on or before April first of each year, for the reasonable added clerical expense incurred by each of them during the previous calendar year in preparing the lists of metered water data and of flat rate bills hereinabove referred to, but not for the cost of

reading meters, excepting only the cost of reading such meters as may be installed by or for users of water who are not connected with their respective waterworks systems.

14. The schedule of sewage service charges to be imposed and collected during any year by the Sewage Agency shall be so calculated and adjusted as to provide revenues which will be sufficient to pay all current expenses and meet all obligations of the Sewage Agency during such year. It is understood by the Borough that not all bills for sewage service charges will be paid promptly, and that some of such bills in an indeterminate amount will become delinquent each year. In consideration of the services rendered by the Sewage Agency to the Borough <sup>Township-</sup> under the provisions of this Agreement, which will effect compliance by the <sup>Township</sup> Borough with the duty imposed upon it by law to cease the pollution of the waters of the Commonwealth, and in further consideration of the assignment to it of the delinquent accounts, as hereinafter provided, <sup>Township</sup> the Borough agrees to pay to the Sewage Agency, out of the Borough's <sup>Township's-</sup> current revenues as hereinafter provided, the face amount of all delinquent accounts of the Sewage Agency.

If any water user shall fail to pay the sewage service charges of the Sewage Agency within sixty (60) days after the due date of the bill therefor, the account of such water user shall be deemed delinquent. <sup>Township,</sup> The Sewage Agency shall prepare and submit to the Borough, on or before January 1, April 1, July 1 and October 1 of each year, a list of all delinquent accounts, showing the face amount of each account, the penalty <sup>Township-</sup> thereon, and the interest accrued. The Borough shall, within 60 days

after the furnishing of such list, pay to the Sewage Agency the face amount of all such delinquent accounts. Upon receipt of such amount from ~~Township,~~ <sup>Township-</sup> the Borough, the Sewage Agency shall promptly assign to the Borough all ~~Township.~~ <sup>Township.</sup> such accounts, for the sole use and benefit of the Borough.

The Sewage Agency agrees that the Borough shall have the right to pursue and enforce any and all remedies now available or hereafter to become available to it, to compel payment by any delinquent water user of the sewage service charges, together with penalties, interest and costs, which may be due and owing by him or it.

15. ~~Township-~~ The Borough agrees that if the schedule of sewage service charges in effect at any time does not, or in the opinion of the Sewage Agency may not, yield sufficient revenue to meet the Sewage Agency's financial requirements, or if the Sewage Agency finds that such schedule has proved to be inequitable, the Sewage Agency shall have the right at any time and from time to time to revise and adjust its sewage service charges in such manner and to such extent as it may deem advisable.

At least sixty (60) days before any revised sewage service charges shall become effective, the Sewage Agency shall submit in writing ~~Township-~~ to the Borough a statement setting forth the new schedule of sewage service charges and the reasons why it was found necessary or desirable to put them into effect. Such new schedule of charges shall go into effect at the time specified in said statement (not earlier, however, than sixty (60) days from the furnishing of such statement), unless suspended by a final decree of a court of competent jurisdiction.

16. ~~Township-~~ The Borough shall have the option of paying the aggregate amount of all sewage service charges which, under Paragraphs 10-15 of

this Agreement, would be payable by its water users, in consideration of the performance by the Sewage Agency of the Borough's legal duty to cease the pollution of the waters of the Commonwealth. In such event, the individual charges of each water user shall be computed in the same manner as hereinbefore set forth, but instead of sending individual bills to all water users, all such individual bills shall be totaled and the aggregate amount thereof shall be billed quarterly to the Borough. The Borough covenants that so long as such method of payment is in effect it will pay each such quarterly aggregate amount, out of the current revenues as hereinafter provided, within sixty (60) days after the date of the bill therefor. The Sewage Agency will refund to the Borough, on or before April first of each year, as a credit for the saving in billing expense, a sum equal to the average cost per customer incurred by the Sewage Agency during the preceding calendar year for billing and collecting its charges from individual water users in all other municipalities served by it, multiplied by the average number of individual water users in the Borough.

Before the Sewage Disposal System is completed and put in operation, the Sewage Agency shall request the Borough in writing to indicate whether it desires to adopt the optional method of payment provided for in this Paragraph. Unless the Borough shall so indicate by ordinance duly enacted not later than ninety (90) days after the date of the Sewage Agency's written request, and shall promptly send to the Sewage Agency a certified copy of such ordinance, the method of payment provided for in Paragraphs 10-15 of this Agreement shall become effective.

No change in the method of payment applicable to the ~~Township~~ Borough and its water users shall be made except at the request of the ~~Township~~ Borough, made by ordinance duly enacted, and with the approval of the Sewage Agency, formally given by ordinance or resolution.

17. If there exists any connection through which sewage or wastes emanating from any territory outside the corporate limits of the ~~Township~~ Borough enters the ~~Township's~~ Borough's sewerage system and thence reaches the Sewage Agency's interceptor sewer, and if the municipality having jurisdiction over such territory does not execute an agreement with the ~~Township~~ Sewage Agency similar to this Agreement, the Borough shall either promptly shut off or remove such connection or shall pay to the Sewage Agency, so long as such sewage continues to enter the ~~Township's~~ Borough's sewerage system, the estimated cost of collecting, transporting, treating and disposing of such sewage, such estimated cost to be approximately the same as if the water users within such territory were subject to the Sewage Agency's prevailing sewage service charges.

18. The ~~Township~~ Borough shall annually provide in its budget for obtaining the funds necessary to meet its obligations under this Agreement. On or before October 1 of each year the Sewage Agency shall supply to the ~~Township's~~ Borough's governing body a written estimate of the total amount of delinquent accounts, or (if the optional method of payment is ~~Township~~ applicable to the Borough ) of the total aggregate amount of all sewage service charges, which the ~~Township~~ Borough will probably be required to pay to the Sewage Agency during the ensuing fiscal year; plus, in either case, the estimated amount (if any) due under Paragraph 17 of this Agreement.

~~Township~~  
 The Borough shall, by proper ordinance, promptly levy a special tax, or provide for obtaining revenues in any other lawful manner, or resort to any two or more methods of securing the funds required under this Agreement, in such manner as to assure that the Borough shall obtain or collect during the ensuing fiscal year a sum which, together with any unused moneys remaining from previous years, will be at least 120% of such estimated amount to become due under this Agreement during such year. The revenues collected from such tax levy or from any other source so designated by the Borough, or from any combination thereof which the Borough may elect to employ, shall be deposited to the credit of a special fund to be designated "Sewage Agency Fund", the moneys in which shall be used by the Borough to meet its obligations under this Agreement and shall not be used for any other purpose whatever.

If the entire amount due the Sewage Agency under this Agreement for any year is not paid out of the current revenues of the Borough for such year the balance thereof shall be paid out of the current revenues of succeeding years.

19. The Sewage Agency shall have the right to promulgate, issue, publish and enforce rules and regulations governing its activities and carrying into effect the provisions of this Agreement. Such rules and regulations may include provisions prohibiting or regulating the discharge into the Borough's sewerage system of oils, acids and other substances which may be harmful to the Sewage Agency's sewers, pumping stations or other structures or which may interfere with the sewage treatment processes at the Sewage Agency's plant.

<sup>Township</sup>  
 The Borough may, in its own discretion and without let or  
<sup>Township</sup>  
 hindrance from the Sewage Agency, permit the connection with any Borough  
 sewer that discharges into a Sewage Agency interceptor sewer of any and  
 all premises used wholly as private dwellings, but no permit shall be  
<sup>Township</sup>  
 issued by the Borough for the connection with any such sewer of any  
 premises used wholly or in part for commercial or industrial purposes  
 unless the application for such permit shall first have been submitted  
 to and been approved by the Sewage Agency.

<sup>Township</sup>  
 The Borough recognizes that the carrying out by the Sewage  
<sup>Township</sup>  
 Agency of its obligations under this Agreement will enable the Borough  
 to perform the duty imposed upon it by law to provide for the proper  
<sup>Township</sup>  
 treatment and disposal of its sewage, and the Borough therefore agrees  
 to exercise for the benefit of the Sewage Agency all rights and powers  
 which it may possess to carry into effect the purposes and intent of this  
<sup>Township</sup>  
 Agreement. The Borough accordingly agrees, on request of the Sewage  
 Agency, to enact an ordinance incorporating all or designated portions of  
 the Sewage Agency's rules and regulations and providing appropriate  
 penalties for the violation thereof, to amend such ordinance from time to  
 time as requested by the Sewage Agency, and to enforce the provisions  
 thereof fully and prosecute all violators thereof diligently.

20. This Agreement shall become effective immediately, and shall remain in full force and effect, subject to the provisions of Paragraphs 2 and 3 hereof, until the date of expiration of the legal existence of the Sewage Agency or until the expiration of one calendar year following the payment in full of all bonds, notes and other obligations of the Sewage Agency, original and refunding, issued by it to finance the construction, replacement, maintenance and operation of the Sewage Disposal System and additions thereto, whichever date shall be later.

IN WITNESS WHEREOF, City of Pittsburgh has caused this Agreement to be executed by its Mayor and Director of the Department of Public Works and its official seal to be hereunto impressed, pursuant to Ordinance No. <sup>54</sup>, duly enacted and approved on the <sup>11</sup> day of FEBRUARY, <sup>1950</sup>, ~~1949~~; Allegheny County Sanitary Authority has caused this Agreement to be executed by its Chairman and its official seal to be hereunto impressed and attested by its Secretary, pursuant to a resolution duly adopted by its Board on the <sup>9<sup>th</sup></sup> day of <sup>December</sup>, 1949; and Borough of Brentwood has caused this Agreement to be executed by its Burgess and President of Council and its official seal to be hereunto impressed and attested, pursuant to

Ordinance No. 542 , duly enacted and approved on the 11th day of  
October , 1949.

Attest:

CITY OF PITTSBURGH,

James Keenan  
Act. Secretary to Mayor

By David L. Lawrence  
Mayor

Attest:

Virginia Kelly  
Chief Clerk

W. S. Trotter  
Director, Department of Public Works

Approved as to form:

Arnold Roddy  
FIRST ASS. City Solicitor

Countersigned:

Edward R. Lee  
City Controller

EXAMINED BY J. Howard Rubin  
FEB 24 1950

ggs  
GS

Attest:

ALLEGHENY COUNTY SANITARY AUTHORITY

Hard Green  
Secretary

By J. F. Haroon  
Chairman

Approved as to form:

Leonwald  
Chief Counsel

Attest:

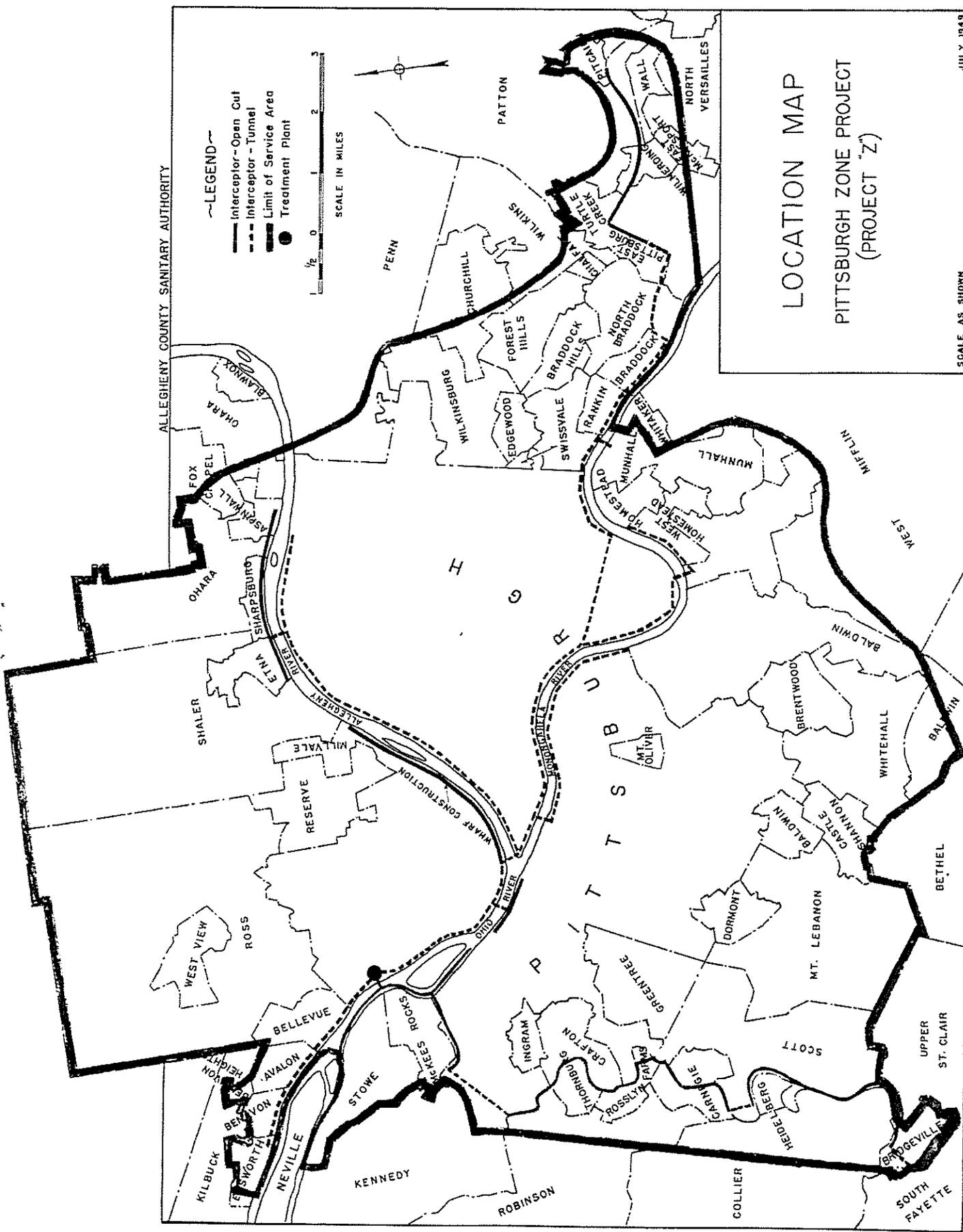
BOROUGH OF BRENTWOOD

W. J. [unclear]  
Borough Clerk Secy

By W. J. [unclear]  
Burgess  
A. J. Snyder  
President of Council

Approved as to form:

Charles H. Bracken  
Borough Solicitor



LOCATION MAP  
 PITTSBURGH ZONE PROJECT  
 (PROJECT "Z")

SCALE AS SHOWN  
 JULY 1949