



Elizabeth Rose Triscari
Director, Corporate Counsel
852 Wesley Drive | Mechanicsburg, PA 17055
Phone: 717-550-1574 | Fax: 717-550-1255
elizabeth.triscari@amwater.com

July 6, 2023

VIA ELECTRONIC FILING

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

In re: In re: Application of Pennsylvania-American Water Company under Section 1102(a) and 1329 of the Pennsylvania Public Utility Code, 66 Pa C.S. §§ 1102(a) and 1329, for approval of (1) the transfer, by sale, to Pennsylvania-American Water Company, of substantially all of the assets, properties and rights related to the wastewater collection and conveyance system owned by Borough of Brentwood, (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the Borough of Brentwood in Allegheny County, Pennsylvania

Docket No: A-2021-3024058

Dear Secretary Chiavetta:

Enclosed for filing are the Responses of Pennsylvania-American Water Company ("PAWC") to the 66 Pa. C.S. Section 1329 Application Completeness Review of Pennsylvania-American Water Company – Wastewater Division Acquisition of the Borough of Brentwood's Assets at Docket No. A-2021-3024058 Missing Application Information, dated June 22, 2023. In conjunction with the filing of these Responses, PAWC is filing an Amended Application requesting approval under 66 Pa. C.S. § 507 of three additional agreements which are attached at **Amended Appendix A-25.4 and Amended Appendix A-25.5**.

Copies are being served upon the statutory advocates in accordance with the attached Certificate of Service and in accordance with the Commission's *Final Supplemental Implementation Order* entered February 28, 2019, at Docket No. M-2016-2543193.

Pursuant to the Commission-approved settlement in *Application of*

*Pennsylvania-American Water Company Pursuant to Sections 507, 1102, and 1329 of the Public Utility Code for approval of its Acquisition of the Water Assets of Steelton Borough Authority at Docket No. A-2019-3006880, PAWC is required to use a form of customer notice in Section 1329 acquisitions that contains a date by which protests and petitions to intervene must be filed. **PAWC therefore requests that the Secretarial Letter conditionally accepting the application for filing also set October 9, 2023, as the deadline for filing protests or petitions to intervene** in the above-referenced proceedings, anticipating the proposed schedule below:*

Individual customer notices sent	July 24, 2023 to August 28, 2023
PAWC files verification of notice completion	August 28, 2023
TUS final acceptance of application	August 29, 2023
Pennsylvania Bulletin notice	September 9, 2023
Protests/Interventions due	October 9, 2023
Final Commission order	February 15, 2024
180-day consideration period ends	February 26, 2024

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,



Elizabeth Rose Triscari

cc: All Parties on the Attached Certificate of Service (*via electronic mail*)
Sean Donnelly (*via electronic mail*)
Thomas Wyatt, Esquire (*via electronic mail*)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of Pennsylvania-American Water Company under Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102(a), for approval of (1) the transfer, by sale, of substantially all of Borough of Brentwood’s assets, properties and rights related to its wastewater collection and conveyance system to Pennsylvania-American Water Company, and (2) the rights of Pennsylvania-American Water Company to begin to offer or furnish wastewater service to the public in the Borough of Brentwood, Allegheny County

Docket No. A-2021-3024058

In re: Application of Pennsylvania-American Water Company under Section 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, for approval of the use for ratemaking purposes of the lesser of the fair market value or the negotiated purchase price of Borough of Brentwood’s assets related to its wastewater collection system.

Docket No. A-2023-

Petition of Pennsylvania-American Water Company, related to its acquisition of the Borough of Brentwood wastewater collection system, for approval under Section 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, to (i) collect a distribution system improvement charge, (ii) for book and ratemaking purposes, accrue Allowance for Funds Used During Construction for post-acquisition improvements not recovered through the distribution system improvement charge, (iii) for book and ratemaking purposes, defer depreciation related to post-acquisition improvements not recovered through the distribution system improvement charge, and (iv) include, in its next base rate case, a claim for transaction and closing costs.

Docket No. P-2023-

In re: Filing by Pennsylvania-American Water Company under Section 507 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 507, of (a) the Asset Purchase Agreement and First Amendment to the Asset Purchase Agreement Between Pennsylvania-American Water Company and Borough of Brentwood; (b) Streets Run Sewer Joint Management Agreement between Boroughs of Brentwood, Baldwin and Whitehall and the Western Mifflin Sanitary Sewer Authority dated July 19, 2000 and (c) Agreement between Borough of Brentwood and City of Pittsburgh dated October 14, 1936 and (d) Cooperation and Allocation of Responsibilities Agreement between Borough of Brentwood and Pennsylvania-American Water Company dated March 2, 2023

Docket Nos. U-2023-_____, *et al.*

CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of July served a true copy of the foregoing Amended Application and Responses upon the parties, listed below and in the manner below in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).

SENT VIA ELECTRONIC MAIL ON JULY 6, 2023

Christine Maloni Hoover, Esquire
Mackenzie C. Battle, Esquire
Aron J. Beatty, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Sharon Webb, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101

Carrie Wright, Esquire
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
400 North Street, F West
Harrisburg, PA 17120

Brian Kalcic
Excel Consulting
225 S. Meramec Avenue, Suite 720
St. Louis, MO 63105

Respectfully submitted,



Elizabeth Rose Triscari, Esquire (PA ID #306921)
Erin K. Fure, Esquire (PA ID #312245)
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
(717) 550-1574
Email: elizabeth.triscari@amwater.com
erin.fure@amwater.com

David P. Zambito, Esquire (PA ID #80017)
Jonathan P. Nase, Esquire (PA ID #44003)
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101
(717) 703-5892
dzambito@cozen.com
jnase@cozen.com

**Attorneys for Pennsylvania-American Water
Company**

**66 Pa.C.S. Section 1329 Application Completeness Review
Pennsylvania-American Water Company – Wastewater Division Acquisition of
Brentwood Borough Wastewater System Assets
Docket No. A-2021-3024058**

Missing Application Information – Set 2

8. Application Completeness Review Item No. 1. requested that PAWC-WD either amend the Application’s Appendix A-12 to include rates for Upstream Municipalities that are equal to Brentwood’s existing rates at the time of acquisition or amend the Application’s Appendix A-25 to include copies of executed or pro forma agreements between PAWC-WD and each Upstream Municipality governing the terms of PAWC-WD’s receipt and conveyance of sewage flow from each Upstream Municipality. In response PAWC-WD indicated that, “[PAWC-WD] cannot set a tariffed rate for Upstream Municipalities because those municipalities are not customers of [PAWC-WD] (just as [PAWC-WD] is not a customer of Downstream Municipalities). All municipalities in the [ALCOSAN] bulk treatment service area are subject to what are essentially uniform Z Agreements that have been executed between ALCOSAN and the municipalities and have been in effect since 1949.” PAWC-WD further averred that, “The use of the Brentwood trunk lines by Upstream Municipalities under the ALCOSAN regional interceptor system would not be “public utility” service by [PAWC-WD] because any bulk transportation would not be provided for the public for compensation.” Regarding the suggestion that PAWC-WD could also submit executed or pro forma agreements with each Upstream Municipality, PAWC-WD referred to its response to Application Completeness Review No. 6. which stated, “[PAWC-WD] disagrees that additional agreements between it and the Downstream Municipalities [and Upstream Municipalities] are necessary for [PAWC-WD] to provide wastewater service in the Brentwood service area after closing on the transaction (“Closing”). Brentwood does not have such additional agreements at this time, yet it is fully able to provide wastewater service in the service area.” In consideration of PAWC-WD’s response that the use of Brentwood trunk line facilities for sewage conveyance is not public utility service, please amend the Application’s Appendix A-25 to include copies of executed or pro forma agreements between PAWC-WD and each Upstream Municipality governing the terms of the PAWC-WD’s receipt and conveyance of sewage flow from each Upstream Municipality.

Response:

PAWC is unable to negotiate the requested agreements with Upstream Municipalities. The numerous existing intermunicipal agreements between the municipalities in the bulk service treatment area of the Allegheny County Sanitary Authority (“ALCOSAN”) create a mutually beneficial regional interceptor system through the use of trunk lines for the conveyance of sewage between municipalities. Municipalities are unwilling to risk upsetting the delicate balance created by the existing agreements by entering into new agreements. Staff’s insistence on the requested agreements would prevent this matter from moving forward without the Commission ever addressing the substantive legal issue of whether the existing agreements, which will be submitted to the Commission for approval pursuant to 66 Pa. C.S. § 507, adequately address the terms and conditions by which PAWC will receive and convey sewage from Upstream Municipalities.

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As an alternative to the requested agreements, PAWC proposes adding a page to its *pro forma* tariff in this matter (see page 94 in the attached **Second Amended Appendix A-12**). This tariff page explains why PAWC will not charge Upstream Municipalities for the use of PAWC's trunk lines, and why PAWC will not pay Downstream Municipalities for the use of their trunk lines. Commission approval of this tariff page would be requested in this proceeding and parties would have an opportunity to review and contest the tariff page during the course of the proceeding. The Commission will have an opportunity to determine whether the situation described in the tariff page is in the public interest.

To the extent that existing agreements are being assigned to PAWC, PAWC is requesting Commission approval of those agreements pursuant to Section 507 in the instant proceeding. The provisions in those agreements regarding cost-sharing for future repairs to the existing trunk lines would therefore be considered by the Commission in this proceeding.

To the extent that additional cost-sharing agreements are necessary for future repairs/improvements to trunk lines, the attached tariff page commits that PAWC will submit any such agreement to the Commission for review and approval pursuant to 66 Pa. C.S. § 507. The provisions in those agreements regarding cost-sharing for future repairs to trunk line would therefore be considered by the Commission in a future proceeding. The rate implications of any agreement would likewise be subject to Commission review in the context of future PAWC base rate proceedings.

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9. Application Completeness Review Item No. 6. requested that PAWC-WD amend the Application’s Appendix A-25 to include copies of executed or pro forma agreements between PAWC-WD and each Downstream Municipality governing the terms of PAWC-WD’s discharge of sewage flow to each Downstream Municipality. In response, PAWC-WD stated, “[PAWC-WD] disagrees that additional agreements between it and the Downstream Municipalities are necessary for [PAWC-WD] to provide wastewater service in the Brentwood service area after closing on the transaction (“Closing”).”, and that, “Brentwood has existing agreements with Downstream Municipalities, which will be assigned to [PAWC-WD] at Closing and have been submitted to the Commission for approval under 66 Pa. C.S. § 507. These include the October 14, 1936 agreement between Brentwood and the City of Pittsburgh (attached to the Application at Appendix A-25.1) and the Streets Run Joint Management Agreement between Brentwood, Baldwin Borough, Whitehall Borough, and the West Mifflin Sanitary Sewer Municipal Authority (attached to the Application at Appendix A-25.2). These agreements provide for the allocation of costs among the parties for the construction and improvement of trunk lines -- including trunk lines to be constructed or improved in the future.” These agreements provide terms for services and costs for Streets Run interceptor facilities. PAWC-WD did not provide copies of executed or pro forma agreements between PAWC-WD and third parties for terms for services and costs for the connecting interceptor between the Saw Mill Run interceptor and Brentwood’s wastewater facilities. For example, the Application’s Appendix A-20-b, Permit No. 4205, Page 171 identified a “connecting link, built between the Saw Mill Run Trunk Sewer and the Brentwood Trunk Sewer by Overbrook Borough with Castle Shannon, Brentwood, and the City participating[.]”. Please amend the Application’s Appendix A-25 to include copies of executed or pro forma agreements between PAWC-WD and each Downstream Municipality governing the terms of PAWC-WD’s discharge of sewage to each Downstream Municipality, including terms for services and costs for the connecting interceptor between the Saw Mill Run interceptor and Brentwood’s wastewater facilities.

Response:

Please see the **Amended Application**, which requests approval under 66 Pa. C.S. § 507 of additional agreements and **Amended Appendix A-25.4**, which are the September 30, 1926 agreements (The Borough of Brentwood Ordinances No. 188 and 189) concerning the connecting link between the Saw Mill Run Trunk Sewer and the Brentwood Trunk Sewer. The agreements govern the terms for Brentwood’s discharge of sewage into the connecting interceptor between the Saw Mill Run interceptor and Brentwood’s Trunk Sewer and the allocation of costs among the parties in the event that future repairs/improvements are needed in the trunk line.

The parties to these agreements were the municipalities that existed at that time along the path of the interceptor sewer construction. Several changes to municipal boundaries have occurred since then: (1) Carrick Borough merged into the City of Pittsburgh in 1927; (2)

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Overbrook Borough merged into the City of Pittsburgh in 1930; and (3) present day Whitehall Borough was formed in 1948 by succeeding from Baldwin Township.

With respect to the request for agreements between PAWC and each Downstream Municipality governing the terms of PAWC's discharge of sewage into other trunk lines, PAWC incorporates by reference its answer to Deficiency #8.

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10. Application Completeness Review Item No. 6. requested that PAWC-WD amend the Application’s Appendix A-25 to include copies of executed or pro forma agreements between PAWC-WD and each Downstream Municipality governing the terms of PAWC-WD’s discharge of sewage to each Downstream Municipality. PAWC-WD did not provide copies of executed or pro forma agreements between PAWC-WD and third parties for terms for services and costs for the Saw Mill Run interceptor. For example, the Application’s Appendix A-20-b, Permit No. 3700, Pages 143-144 identified that “on [October 31, 1925], an agreement was effected between the City of Pittsburgh and the boroughs of Dormont, Knoxville, Mt. Oliver, Overbrook, Carrick, Brentwood and Castle Shannon and the Township of Mt. Lebanon to provide for the constriction, distribution of cost, maintenance and repairs of a main trunk intercepting sewer in the Saw Mill Run Drainage Basin from Bethel Township to the Ohio River[.]”. Also, the Application’s Appendix A-25.3, ALCOSAN Z Agreement, Page 12 indicated, “[ALCOSAN]’s interceptor sewers will be constructed approximately where shown on the map marked “Exhibit A” attached hereto and made a part of this Agreement. [Brentwood] understands and agrees that [ALCOSAN] will accept for treatment and disposal only such sewage and wastes entering [Brentwood]’s sewers as are discharged from municipal outfall sewers [...] located along such interceptor sewers, and that it shall be the obligation of the Borough to bring its sewage and wastes to a proper point of connection with such interceptor sewers[.]” Finally, the ALCOSAN Z Agreement, Exhibit A identified that ALCOSAN’s interceptor sewers were then located along the Ohio and Monongahela Rivers (i.e., excluding the then-existing Saw Mill Run interceptor). Please amend the Application’s Appendix A-25 to include copies of executed or pro forma agreements between PAWC-WD and each Downstream Municipality governing the terms of PAWC-WD’s discharge of sewage to each Downstream Municipality, including terms for services and costs for the Saw Mill Run interceptor, such as the October 31, 1925 agreement and/or an amendment of the ALCOSAN Z Agreement, Exhibit A to modify Brentwood’s point of connection with ALCOSAN’s interceptor sewers to the discharge of the connecting interceptor between the Saw Mill Run interceptor and Brentwood’s wastewater facilities.

Response:

Please see the **Amended Application** which requests approval under 66 Pa. C.S. § 507 of additional agreements and **Amended Appendix A-25.5**, which is the October 31, 1925 agreement referenced in Deficiency #10, above. This agreement governs the terms for Brentwood’s discharge of sewage into the Saw Mill Run interceptor. This agreement also addresses the allocation of costs among the parties in the event that future repairs/improvements are needed in the trunk line.

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With respect to the request for agreements between PAWC and each Downstream Municipality for PAWC's discharge of sewage into other trunk lines, PAWC incorporates by reference its answer to Deficiency #8.

Wastewater Conveyance Agreements (The Borough of
Brentwood Ordinances No. 188 and 189) for Fairhaven
Road, Stewart Avenue, Saw Mill Run between the
Borough of Brentwood, Baldwin Township, Carrick
Borough and Overbrook Borough Dated as of
September 30, 1926 and (f) Bulk Wastewater
Conveyance Agreement (Saw Mill Run) between the
City of Pittsburgh, Borough of Brentwood, Carrick
Borough, Castle Shannon Borough, Dormont Borough,
Knoxville Borough, Mt. Lebanon Township, Mt. Oliver
Borough and Overbrook Borough dated October 31,
1925

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. Pennsylvania-American Water Company (“PAWC” or “Applicant”) hereby respectfully requests that the Pennsylvania Public Utility Commission (“Commission”) issue such Certificates of Public Convenience as necessary to evidence its approval under Section 1102(a) of the Pennsylvania Public Utility Code (“Code”), 66 Pa. C.S. § 1102(a), of: (a) the transfer, by sale of substantially all of the assets, properties and rights related to the wastewater collection system (the “System”) owned by the Borough of Brentwood (“Brentwood” or “Borough”) to PAWC; (b) PAWC’s right to begin to offer, render, furnish and supply wastewater service in the areas served by the System in the Borough (hereinafter the “Service Area”) and (c) PAWC’s right to make effective upon closing the *pro forma* tariff supplement attached hereto as **Second Amended Appendix A-12**.

2. PAWC also respectfully requests that the Commission approve, pursuant to Code Section 1329, 66 Pa. C.S. § 1329: (a) the use for ratemaking purposes of the lesser of the fair market value or the negotiated purchase price of Brentwood’s assets related to the System;¹ (b) the collection of a distribution system improvement charge (“DSIC”) related to the System prior to the

¹ PAWC reserves its right in future proceedings to make rate base claims related to the acquisition as may otherwise be permitted under the Code.

first base rate case in which the System plant-in-service is incorporated into rate base; (c) to record the acquisition at the net value of the assets, (d) the accrual of Allowance for Funds Used During Construction (“AFUDC”) for post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes; (e) the deferral of depreciation related to post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes; and (f) the inclusion, in its next base rate case, of a claim for transaction and closing costs related to the acquisition. Attached hereto as **Appendix A** is the Commission’s current “66 Pa. C.S. § 1329 Application Filing Checklist - Water/Wastewater (Revised February 28, 2019)” (“Section 1329 Checklist”), Appendix A to the Commission’s Final Supplemental Implementation Order in *Implementation of Section 1329 of the Public Utility Code*, Docket No. M-2016-2543193 (Order entered February 28, 2019) (“*Final Supplemental Implementation Order*”). For the ease of reference and review, the sub-appendices to **Appendix A** (such as **Appendix A-1**, **Appendix A-2**, etc.) correspond directly with the filing requirements listed in the Commission’s Section 1329 Checklist. Certain appendices contain proprietary information and are, accordingly, labeled as **CONFIDENTIAL** and filed with the Commission’s Secretary under seal.

3. PAWC further requests, pursuant to Code Section 507, 66 Pa. C.S. § 507, the issuance of Certificates of Filing or approvals for the following agreements between PAWC and a municipal corporation:

- a. Asset Purchase Agreement and First Amendment to the Asset Purchase Agreement By and Between Brentwood Borough, as Seller, and Pennsylvania-American Water Company, as Buyer, dated as of December 22, 2020, and amended on March 2, 2023 (attached hereto as **Appendix A-24-a**) (collectively the “APA”);
- b. Agreement between Borough of Brentwood and City of Pittsburgh, dated

- October 14, 1936 (attached hereto as **Appendix A-25.1**);
- c. Streets Run Sewer Joint Management Agreement between Boroughs of Brentwood, Baldwin and Whitehall and the Western Mifflin Sanitary Sewer Authority dated July 19, 2000 (attached hereto as **Appendix A-25.2**);
 - d. Cooperation and Allocation of Responsibilities Agreement between Borough of Brentwood and Pennsylvania-American Water Company dated March 2, 2023 (“Cooperation Agreement”), attaching as Exhibit A Sewage Treatment, Plan Design, Construction and Operation Agreement by and between Allegheny County Sanitary Authority (“ALCOSAN”), City of Pittsburgh and Borough of Brentwood Dated as of December 1, 1949 (“Z Agreement”) (attached hereto as **Appendix A-25.3**);
 - e. Bulk Wastewater Conveyance Agreements (The Borough of Brentwood Ordinances No. 188 and 189) for Fairhaven Road, Stewart Avenue, Saw Mill Run between the Borough of Brentwood, Baldwin Township, Carrick Borough and Overbrook Borough Dated as of September 30, 1926 (attached hereto as **Appendix A-25.4**);² and
 - f. Bulk Wastewater Conveyance Agreement (Saw Mill Run) between the City of Pittsburgh, Borough of Brentwood, Carrick Borough, Castle Shannon Borough, Dormont Borough, Knoxville Borough, Mt. Lebanon Township, Mt. Oliver Borough and Overbrook Borough dated October 31, 1925

² The parties to these agreements were the municipalities that existed at that time along the path of the interceptor sewer construction. Several changes to municipal boundaries have occurred since then: (1) Carrick Borough merged into the City of Pittsburgh in 1927; (2) Overbrook Borough merged into the City of Pittsburgh in 1930; and (3) present day Whitehall Borough was formed in 1948 by succeeding from Baldwin Township.

(attached hereto as **Appendix A-25.5**).³

The aforementioned agreements are referred collectively herein as the “Section 507 Agreements.”

4. The name and address of the Applicant is:

Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055

5. The names and addresses of PAWC’s attorneys are:

Elizabeth Rose Triscari, Esquire
Erin K. Fure, Esquire
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Telephone: 717-550-1574
Email: elizabeth.triscari@amwater.com
erin.fure@amwater.com

David P. Zambito, Esquire (PA ID #80017)
Jonathan P. Nase, Esquire (PA ID #44003)
Cozen O’Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101
Telephone: 717-703-5892
Email: dzambito@cozen.com
jnase@cozen.com

6. PAWC is a regulated public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, and is engaged in the business of collecting, treating, storing, supplying, distributing and selling water to the public, and collecting, treating, transporting and disposing of wastewater for the public. Water and wastewater service are furnished by PAWC to the public in a service territory encompassing more than 417 communities in 37 counties across the Commonwealth, including Allegheny County and the nearby counties of Washington,

³ The parties to this agreement were the municipalities that existed at that time along the path of the interceptor sewer construction. Two changes to municipal boundaries have occurred since then: (1) Carrick Borough merged into the City of Pittsburgh in 1927; and (2) Overbrook Borough merged into the City of Pittsburgh in 1930.

Westmoreland, Beaver and Armstrong. PAWC serves a combined population of over 2,300,000. A description of PAWC's existing certificated water and wastewater service territory is found in **Appendix B**, along with a detailed corporate history, outlining all of the mergers, acquisitions and consolidations, which have created PAWC as it exists on the date of this Application.

7. Brentwood is a body corporate and politic organized and existing under the Borough Code in the Commonwealth of Pennsylvania, with its offices located at 3735 Brownsville Road, Brentwood, PA 15227. Brentwood owns and operates the System to provide wastewater service to customers throughout the Service Area.

8. As of March 20, 2023, Brentwood furnished wastewater service to 3,974 active customers in the span of its Service Area consisting of approximately 1.4 square miles.

9. As of February 28, 2023, PAWC furnished wastewater service to approximately 97,325 residential, commercial, industrial, municipal and bulk customers in Pennsylvania. As of February 28, 2023, PAWC furnished water service to approximately 680,144 residential, commercial, industrial, municipal and bulk customers in Pennsylvania.

10. The completion of the below-defined Transaction will confer benefits upon the long-term financial health of the Borough, while ensuring that Brentwood's existing customers receive safe, adequate, and reliable wastewater service at just and reasonable rates.

A. TRANSFER, BY SALE, OF ALL OF BRENTWOOD'S ASSETS, PROPERTIES AND RIGHTS RELATED TO THE SYSTEM TO PAWC (OTHER THAN THE EXCLUDED ASSETS)

Summary of the Transaction

11. On December 22, 2020, Brentwood entered into the APA, along with detailed schedules, with PAWC to sell all of Brentwood's assets, properties and rights relating to the System (other than the Excluded Assets, as defined by the APA) (the "Transaction"). On March 2, 2023, PAWC entered into a First Amendment to the APA with Brentwood adjusting the purchase price to

reflect the prudent capital expenditures made by the Borough in the System since execution of the APA.

12. The Transaction will be completed in accordance with the APA.

13. Among other things, the APA: (i) requires PAWC and Brentwood to complete the Transaction after receipt of all governmental approvals (including from this Commission) and the satisfaction of all conditions precedent; (ii) requires PAWC to assume certain contracts; (iii) requires PAWC initially to adopt the rates in effect at the time of closing of the Transaction (“Closing”) (see *pro forma* tariff supplement attached hereto as **Second Amended Appendix A-12**); and, (iv) sets forth rates for the Service Area that will be fair to both Brentwood’s current customers and PAWC’s current customers.⁴

Applicable Legal Standards

14. Under Code Section 1103, the Joint Applicants must demonstrate that PAWC is legally, technically, and financially fit. *Seaboard Tank Lines v. Pa. Pub. Util. Comm’n*, 502 A.2d 762, 764 (Pa. Cmwlth. 1985); *Warminster Township Mun. Auth. v. Pa. Pub. Util. Comm’n*, 138 A.2d 240, 243 (Pa. Super. 1958). As a currently certificated public utility, PAWC’s fitness is presumed by law to be continuing. See, e.g., *South Hills Movers, Inc. v. Pa. Pub. Util. Comm’n*, 601 A.2d 1308, 1310 (Pa. Cmwlth. 1992).

15. The Commission may issue a certificate of public convenience upon a finding that “the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public.” 66 Pa. C.S. § 1103(a). Ownership and operation of the System by PAWC will “affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way.” *City of York v. Pa. Pub. Util. Comm’n*, 449 Pa. 136, 151,

⁴ The rate commitments set forth in the APA do not fall within the definition of a “rate stabilization plan” as defined by 66 Pa. C.S. § 1329. See Direct Testimony of Ashley E. Everette, **Appendix A-14-a**, PAWC St. No. 3.

295 A.2d 825, 828 (1972). The “substantial public interest” standard is satisfied by a simple preponderance of the evidence of benefits. *Popowsky v. Pa. Pub. Util. Comm’n*, 594 Pa. 583, 611, 937 A.2d 1040, 1057 (2007).

16. Code Section 1329 establishes a voluntary process whereby the acquiring public utility and the selling municipality may choose to have the fair market value of the assets established through independent appraisals conducted by Utility Valuation Experts (“UVEs”). For ratemaking purposes, the valuation will be the lesser of the average of the two appraisals or the negotiated purchase price. 66 Pa. C.S. § 1329.

17. Code Section 1329 also allows, as a matter of law, the acquiring public utility, *inter alia*, (i) to collect a DSIC for the Service Area prior to the first base rate case in which the Service Area plant-in-service is incorporated into rate base,⁵ (ii) to accrue AFUDC for post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes, (iii) to defer depreciation related to post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes, and (iv) to include, in its next base rate case, a claim for transaction and closing costs associated with the acquisition. In order to obtain this ratemaking treatment, the acquiring public utility must produce certain documents and information as required by the Commission in the context of a future base rate proceeding. 66 Pa. C.S. § 1329; *see Final Supplemental Implementation Order*.

18. Code Section 507, 66 Pa. C.S. § 507, requires that contracts between a public utility and a municipal corporation, except for contracts to furnish service at a regular tariffed rate, be filed with the Commission at least 30 days before the effective date of the contract. The Commission

⁵ Before doing so, however, PAWC would need to file and receive Commission approval of, an amended Long Term Infrastructure Improvement Plan and a compliance tariff supplement, which incorporate the Service Area into PAWC’s DSIC tariff.

acknowledges the contract by issuing a certificate of filing unless it decides to institute proceedings to determine whether there are any issues with the reasonableness, legality, or any other matter affecting the validity of the contract. Should the Commission initiate proceedings, the contract or agreement is not effective until the Commission grants its approval. 66 Pa. C.S. § 507.

Background Financial Information

19. Attached hereto is Brentwood's balance sheet as of December 31, 2021 (**Appendix C**) and PAWC's audited balance sheet as of December 31, 2021 (**Appendix D**).

20. Attached hereto is Brentwood's audited income statement for the 12 months ended December 31, 2021 (**Appendix E**), and PAWC's audited income statement for the 12 months ended December 31, 2021 (**Appendix F**).

21. All the annual reports, tariffs, certificates of public convenience, applications, securities certificates and similar documents filed with this Commission by PAWC, and its predecessors are made a part hereof by reference.

Terms and Impact of the Transaction

22. As noted above, this Application seeks, among other things, approval of the transfer to PAWC of substantially all of the assets, properties and rights related to the System (other than the Excluded Assets, as defined by the APA) (**Appendix A-24-a**).

23. PAWC and Brentwood are not affiliated with each other.

24. The Transaction is, and was negotiated, at arm's length.

25. Attached hereto as **Appendix G** is a *pro forma* balance sheet of PAWC as of December 31, 2021, giving effect to the transfer.⁶

⁶ The timing difference in restating the Brentwood's financial statements to December 31, 2021 is assumed by PAWC to be immaterial.

26. Attached hereto as **Appendix H** is a *pro forma* consolidated income statement of PAWC and Brentwood for the 12 months as of December 31, 2021.⁷

27. Attached hereto as **Appendix A-19-d** is an estimate of PAWC's revenues and expenses in the new service area during the first year after Closing.

28. Attached hereto as **Appendix I** is a verification by the Secretary of PAWC verifying that the Board of Directors of PAWC authorized the execution of the APA.

29. Attached hereto as **Appendix J** is a copy of Brentwood's Board of Directors Resolution No. 2020-72 approving the execution of an Asset Purchase Agreement for the sale of the wastewater system assets and Resolution 2023-14 approving execution of the First Amendment to the APA.

Transaction's Effect on Service and Rates and Other Affirmative Benefits

30. The Transaction is in the public interest, will provide affirmative public benefits of a substantial nature, and satisfies the applicable standard of Code Section 1103, 66 Pa. C.S. § 1103, because the benefits of the Transaction outweigh the detriments for all major stakeholder groups: (a) the public-at-large, (b) the Borough; (c) the existing customers of Brentwood, (d) the existing wastewater customers of PAWC, and (e) the existing water customers of PAWC.

31. The Transaction will benefit the public-at-large, for the following reasons (among others):

- a. The Transaction promotes the Commission's policy favoring regionalization and consolidation of water and wastewater systems. 52 Pa. Code § 69.721(a).
- b. The Transaction promotes the Legislature's policy goals when it enacted Section 1329.

⁷ The timing difference in restating the Brentwood's financial statements to December 31, 2021 is assumed by PAWC to be immaterial.

- c. Due to its greater financial resources and greater depth of experience in managing wastewater systems, PAWC is in a better position than Brentwood to address the System's existing environmental challenges and to maintain environmental compliance in the future. PAWC has a good record of complying with applicable environmental statutes and regulations. Improved environmental compliance will promote the rights of all Pennsylvanians, which are protected by the Environmental Rights Amendment. PA. CONST. Art. 1, § 27.

32. The Transaction will benefit the Borough for the following reasons (among others):

- a. The Transaction will enable the Borough to reallocate administrative time to focus on other key initiatives, while also providing much needed sale proceeds to provide financial stability and security in the current unpredictable economic environment. The sale proceeds will be available to provide the Borough with the opportunity to eliminate its current debt obligations, fund renovations to its Civic Center, assist with future grant matching/cost sharing opportunities for other development projects in the Borough and eliminate the need for the Borough to raise taxes to its residents in the near future.
- b. PAWC is the water service provider in the area. It will evaluate needed infrastructure upgrades holistically from both the water and wastewater perspectives, and can plan water distribution system improvements and sewer system rehabilitation projects together when feasible, reducing the number of street openings, lessening the inconvenience to the public, and lowering overall construction and restoration costs.
- c. The Borough will receive additional tax revenues because the System will be subject to tax after Closing. In addition, PAWC will improve the System, which will promote economic development in the area, further enhancing tax revenues to the Borough.

33. The Transaction will benefit the existing customers of Brentwood for the following reasons (among others):

- a. The existing customers of Brentwood are members of the public-at-large, and so will enjoy the same benefits from the Transaction as all other members of the public-at-large.
- b. Brentwood customers will become part of a very large PAWC customer base. As a stand-alone system, Brentwood customers would have to bear the complete burden of impending capital improvement needs on their own. As part of a larger customer base, Brentwood customers will benefit at times but also be required to contribute to other customers at times. The sharing of costs over an extended period of time is a benefit of regionalization and consolidation of wastewater systems in the Commonwealth.

- c. Customers will receive service from a financially, legally and technically fit public utility, subject to the regulatory oversight of the Commission. Customers will now be able to receive assistance from the Office of Consumer Advocate, the Office of Small Business Advocate, and the Bureau of Investigation and Enforcement with service and rate issues.
 - d. Pursuant to the APA, PAWC will not raise rates for at least two years after Closing.
 - e. PAWC has more robust cyber security, physical security, business continuity and emergency plans than does Brentwood.
 - f. Customers can make service calls to PAWC's customer call centers at hours when Brentwood's office is closed, and can request service via the internet, which Brentwood does not offer.
 - g. PAWC has more robust customer assistance programs and customer education programs. PAWC also offers a wider range of bill payment options than does Brentwood. Because PAWC is the water provider in the area, residents will have the convenience of one bill for both water and wastewater.
 - h. PAWC must comply with the Responsible Utility Customer Protection Act, and the Commission's regulations at 52 Pa. Code Chapter 56, whereas Brentwood is not subject to this statute and regulations.
 - i. Brentwood's existing customers will enjoy the economies of scale that come from PAWC's greater size and purchasing power, including its ability to obtain goods and services at lower costs because it buys in large quantities.
34. The Transaction will benefit the existing wastewater customers of PAWC for the following reasons (among others):
- a. PAWC's existing wastewater customers are members of the public-at-large, and so will enjoy the same benefits from the Transaction as all other members of the public-at-large.
 - b. The Transaction will have no immediate rate impact on PAWC's existing wastewater customers; any impacts on the rates of PAWC's existing customers would occur only upon Commission approval as part of a base rate proceeding.
 - c. The Transaction will add approximately 3,974 wastewater customers to PAWC's existing wastewater customer base of approximately 97,325 customers (or an increase of more than 4%). In the long term, this will benefit existing wastewater customers by spreading the costs of the System

among a larger number of customers, allowing all customers to share future infrastructure and other expenses, which permits rates for all customers to remain just and reasonable over time. It also promotes rate stability because ratepayers in any particular wastewater system are unlikely to experience sharp rate spikes when their individual system requires extensive capital investments.

35. The Transaction will benefit the existing water customers of PAWC for the following reasons (among others):
- a. The existing water customers of PAWC are members of the public-at-large, and so will enjoy the same benefits from the Transaction as all other members of the public-at-large.
 - b. The Transaction will have no immediate rate impact on PAWC's existing water customers.
 - c. In the long term, the Transaction will have no impact at all on the rates of PAWC's existing water customers unless, in a future rate case, the Commission determines that an allocation of PAWC's wastewater requirement to water customers is in the public interest.

B. THE RIGHTS OF PAWC TO OFFER OR FURNISH WASTEWATER SERVICE TO THE PUBLIC IN THE BOROUGH OF BRENTWOOD, ALLEGHENY COUNTY, PENNSYLVANIA

36. Brentwood provides wastewater service to approximately 3,974 active customers in the Service Area.

37. The System's Service Area is the same as PAWC's applied-for service territory and is shown on the maps in **Appendix A-16-a through A-16-f (Appendix A-16-f is CONFIDENTIAL)** and is further described in those appendices. The applied-for service area will be consistent with the Act 537 Service Area for Brentwood and the surrounding municipalities when the Act 537 Plan is updated to reflect the change in ownership of the System. This Act 537 Plan Update, including the service area map, will be adopted by ALCOSAN and all the affected municipalities and approved by DEP prior to Closing.

38. No corporation, partnership or individual other than Brentwood is now furnishing or

has corporate or franchise rights to furnish service similar to that to be rendered by PAWC in the territory covered by this Application, and no competitive condition will be created. As part of this Application, PAWC has requested approval to acquire, by purchase, substantially all of the assets, properties and rights related to the wastewater collection System (other than the Excluded Assets, as set forth in the APA). Upon closing of the Transaction, Brentwood will permanently discontinue all wastewater service to the public.

C. FAIR MARKET VALUATION UNDER CODE SECTION 1329

39. **Appendix A** and related Section 1329 Checklist appendices satisfy the filing requirements of Code Section 1329, the *Final Supplemental Implementation Order*, and the Section 1329 Checklist. The Section 1329 appendices correspond directly with the numbered requirements of the Section 1329 Checklist (e.g., **Appendix A-1** (Requirement No. 1), **Appendix A-2** (Requirement No. 2), etc.).

40. The fair market valuation reports of the seller's and buyer's UVEs are contained in **Appendix A-5** (with electronic working documents included at **Appendix A-4** as **Appendix A-4.2 (Weinert Appraisal and Depreciation Service, LLC)** and **Appendix A-4.3 (Gannett Fleming Valuation and Rate Consultants, LLC)**). Buyer's UVE's written direct testimony in support of its report is set forth in **Appendix A-14-b**.⁸

41. PAWC's other written direct testimony in support of this Application can be found in **Appendix A-14-a**.

⁸ PAWC is submitting Direct Testimony of Brentwoods's UVE and one other piece of testimony by George Zboyovsky, Borough Manager. These two pieces of Direct Testimony are being submitted as directed by the *Final Supplemental Implementation Order*. PAWC's submission of this testimony should not be considered support for or sponsorship of such testimony. PAWC anticipates that Brentwood will intervene in this matter and will sponsor their respective direct testimony and exhibits. PAWC reserves its right to submit rebuttal testimony regarding the testimony of Brentwood as appropriate.

42. As PAWC has strictly followed the requirements of Code Section 1329, the *Final Supplemental Implementation Order*, and the Section 1329 Checklist, PAWC should be permitted to: (a) use for ratemaking purposes the lesser of the fair market value or the negotiated purchase price of the assets related to the System; (b) collect a DSIC related to the Service Area prior to the first base rate case in which the Service Area plant-in-service is incorporated into rate base, (c) accrue AFUDC for post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes; (d) defer depreciation related to post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes; and, (e) include, in its next base rate case, a claim for transaction and closing costs related to the acquisition.

43. PAWC seeks approval to record the net value of the \$19,364,443 assets on its books. Specifically, PAWC requests to record the acquisition on a net basis consistent with generally accepted accounting principles, which advise that property, plant and equipment acquired in a business combination intended to be held and used should be recognized and measured at fair value, and that the accumulated depreciation of the acquiree is not carried forward in a business combination (*i.e.*, net presentation). Recording the acquisition at the net value of the assets is consistent with Section 1329.

D. FILING OF CONTRACTS PURSUANT TO CODE SECTION 507

44. The APA and the Cooperation Agreement, because they are between PAWC and a municipal corporation, are required to be filed with the Commission under 66 Pa. C.S. § 507. The APA is attached hereto as **Appendix A-24-a**. The Cooperation Agreement is attached hereto as **Appendix A-25.3**. In addition, contracts between Brentwood and certain municipal corporations will be assumed by PAWC upon Closing. The Section 507 Agreements, other than the APA, are listed on **Appendix A-25** and attached hereto as **Appendices A-25.1 through A-25.5**. The municipal agreements are reasonable and otherwise lawful. Assumption of the agreements by

PAWC is necessary for PAWC to abide by the existing contractual arrangements of Brentwood and in order for PAWC to provide safe, adequate, and reasonable service to the Service Area customers at just and reasonable rates. As explained further in PAWC Statement No. 1, the Direct Testimony of Michael Salvo, at pp. 8-12, the Z Agreement with ALCOSAN is not being directly assigned to PAWC. Rather the Cooperation Agreement sets forth the rights and obligations under the Z Agreement that will be allocated to PAWC by Brentwood at Closing. Accordingly, the Commission should issue Certificates of Filing or otherwise approve the Section 507 Agreements under 66 Pa. C.S. § 507.

E. NOTICE

45. As evidenced by the Certificate of Service accompanying this Application, PAWC is serving copies of this filing electronically by emailing a One Drive link to the Office of Consumer Advocate, the Office of Small Business Advocate, and the Commission's Bureau of Investigation and Enforcement. Once the Application is reviewed and conditionally accepted by Commission Staff, PAWC will serve copies of the Application upon the municipal entities required to be provided with copies by the Commission's regulations at 52 Pa. Code § 3.501(f) and by the Section 1329 Checklist and upon the Pennsylvania Department of Environmental Protection ("DEP") Central Office and Northwestern Regional Office. Similarly, notice will be published in local newspapers of general circulation.

46. Upon receiving conditional acceptance of this filing by the Commission, PAWC will provide individual notice to its customers by bill insert or bill onsert and to Brentwood's customers by direct mail, in substantial compliance with the settlement in *Application of Pennsylvania-American Water Company Pursuant to Sections 1102 and 1329 of the Public Utility Code for Approval of its Acquisition of the Water System Assets of the Steelton Borough Authority*, Docket

No. A-2019-3006889 (Order entered October 3, 2019).⁹ PAWC will verify to the Commission when individual notice to affected customers has been completed and ask that the filing be finally accepted.

47. Upon final acceptance of this filing, PAWC respectfully requests that the Commission publish notice of this filing in the Pennsylvania Bulletin as soon as possible, with a reasonable deadline for the filing of protests, interventions, etc. in this proceeding.

F. CONCLUSION AND REQUEST FOR RELIEF

WHEREFORE, Pennsylvania-American Water Company respectfully requests that the Pennsylvania Public Utility Commission approve the Application and order that:

(a) such Certificates of Public Convenience be issued as necessary to evidence its approval under 66 Pa. C.S. § 1102(a) of (i) the transfer, by sale, of substantially all of the assets, properties and rights related to the wastewater collection system owned by Brentwood to Pennsylvania-American Water Company, and (ii) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply wastewater service in the areas served by the wastewater collection system owned by Brentwood;

(b) the *pro forma* tariff supplement attached hereto as **Second Amended Appendix A-12**, including all rates, rules and regulations regarding conditions of Pennsylvania-American Water Company's wastewater service as revised herein, be permitted to become effective immediately upon closing of the Transaction;

(c) pursuant to 66 Pa. C.S. § 1329, Pennsylvania-American Water Company be permitted to use for ratemaking purposes the lesser of the fair market value or the negotiated purchase price of the assets purchased pursuant to the Transaction;

⁹ See Direct Testimony of Ashley E. Everette, **Appendix A-14-a**, PAWC Statement No. 3. at pp. 11-16.

(d) pursuant to 66 Pa. C.S. § 1702, Pennsylvania-American Water Company be permitted to record the acquisition at the net value of the assets;

(e) pursuant to 66 Pa. C.S. § 1329, Pennsylvania-American Water Company be permitted to collect a distribution system improvement charge prior to the first base rate case in which the Service Area plant-in-service is incorporated into rate base:

(f) pursuant to 66 Pa. C.S. § 1329, Pennsylvania-American Water Company be permitted to accrue Allowance for Funds Used During Construction for post-acquisition improvements not recovered through the distribution system improvement charge for book and ratemaking purposes;

(g) pursuant to 66 Pa. C.S. § 1329, Pennsylvania-American Water Company be permitted to defer depreciation related to post-acquisition improvements not recovered through the DSIC for book and ratemaking purposes;

(h) pursuant to 66 Pa. C.S. § 1329, Pennsylvania-American Water Company be permitted to include, in its next base rate case, a claim for transaction and closing costs associated with the acquisition of the System;

(i) pursuant to 66 Pa. C.S. § 507, a Certificate of Filing or approvals be issued for the following agreements between Pennsylvania-American Water Company and a municipal corporation:

i. Asset Purchase Agreement and First Amendment to the Asset Purchase Agreement By and Between Brentwood Borough , as Seller, and Pennsylvania-American Water Company, as Buyer, Dated as of December 22, 2020 and amended March 2, 2023 (attached hereto as **Appendix A-24-a**);

ii. Agreement between Borough of Brentwood and City of Pittsburgh, dated

October 14, 1936 (attached hereto as **Appendix A-25.1**);

- iii. Streets Run Sewer Joint Management Agreement between Boroughs of Brentwood, Baldwin and Whitehall and the Western Mifflin Sanitary Sewer Authority dated July 19, 2000 (attached hereto as **Appendix A-25.2**);
- iv. Cooperation and Allocation of Responsibilities Agreement between Borough of Brentwood and Pennsylvania-American Water Company dated March 2, 2023, attaching as Exhibit A the Sewage Treatment, Plan Design, Construction and Operation Agreement by and between Allegheny County Sanitary Authority, City of Pittsburgh and Borough of Brentwood Dated as of December 1, 1949 (attached hereto as **Appendix A-25.3**);
- v. Bulk Wastewater Conveyance Agreements (The Borough of Brentwood Ordinances No. 188 and 189) for Fairhaven Road, Stewart Avenue, Saw Mill Run between the Borough of Brentwood, Baldwin Township, Carrick Borough and Overbrook Borough Dated as of September 30, 1926 (attached hereto as **Appendix A-25.4**); and
- vi. Bulk Wastewater Conveyance Agreement (Saw Mill Run) between the City of Pittsburgh, Borough of Brentwood, Carrick Borough, Castle Shannon Borough, Dormont Borough, Knoxville Borough, Mt. Lebanon Township, Mt. Oliver Borough and Overbrook Borough dated October 31, 1925 (attached hereto as **Appendix A-25.5**).

(j) the issuance of any other approvals or certificates appropriate, customary, or necessary under the Code to carry out the Transaction contemplated in this Application in a lawful manner.

Respectfully submitted,



Elizabeth Rose Triscari, Esquire (PA ID #306921)
Erin K. Fure, Esquire (PA ID #312245)
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
(717) 550-1574
Email: elizabeth.triscari@amwater.com
erin.fure@amwater.com

David P. Zambito, Esquire (PA ID #80017)
Jonathan P. Nase, Esquire (PA ID #44003)
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101
Phone: (717) 703-5892
Email: dzambito@cozen.com
jnase@cozen.com

Dated: July 6, 2023

Attorneys for
Pennsylvania-American Water Company

VERIFICATION

I, Michael Salvo hereby state that the facts above set forth above are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. Cons. Stat. §4904 relating to unsworn falsification to authorities.



Michael Salvo, Director, Business Development
Pennsylvania-American Water Company

Dated 7/6/23

**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

12. Provide a proposed tariff containing a rate equal to the existing rates of the seller at the time of the acquisition and a rate stabilization plan, if applicable to the acquisition.

SECOND AMENDED RESPONSE:

See enclosed **Second Amended Appendix A-12**, *pro forma* Tariff Supplement No. XX to Tariff Wastewater PA P.U.C. No. 16 of PAWC, Wastewater Division, containing an initial base rate equal to the existing rates of the Borough of Brentwood at the time of the acquisition.

The APA provides that base rates shall not be increased until the second anniversary of the Closing Date as set forth in Section 7.03 and on Schedule 7.03(a) of the APA which is attached as **Appendix A-24-a**. The Company does not anticipate that the Borough's rates will be held constant after the next rate base rate case and therefore does not technically fall within the definition of a "rate stabilization plan" as defined in 66 Pa C.S. §1329. See Direct Testimony of Ashley E. Everette, PAWC St. No. 3, pp. 8-9, enclosed as **Amended Appendix A-14-a**.

**PENNSYLVANIA-AMERICAN WATER COMPANYS
Wastewater Division
(hereinafter referred to as the “Company”)
D/B/A
Pennsylvania American Water**

RATES, RULES AND REGULATIONS

GOVERNING THE FURNISHINGS OF

WASTEWATER COLLECTION AND DISPOSAL SERVICE

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED IN:

ADAMS COUNTY, ALLEGHENY COUNTY, BEAVER COUNTY, BERKS COUNTY,
CHESTER COUNTY, CLARION COUNTY, CUMBERLAND COUNTY, LACKAWANNA
COUNTY, LUZERNE COUNTY, MCKEAN COUNTY, MONROE COUNTY,
MONTGOMERY COUNTY, NORTHUMBERLAND COUNTY, PIKE COUNTY,
WASHINGTON COUNTY AND YORK COUNTY
ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Issued:

Effective:

Issued by:
Justin Ladner, President
Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

<https://www.amwater.com/paaw/>

NOTICE

**This Tariff authorizes Pennsylvania American Water Company to furnish
wastewater services to the public in the Borough of Brentwood, Allegheny County,
Pennsylvania.**

(Refer to pages 2, 4, 5, 7, 9, 11.13, 16, 18.1, 26, 94.)

Second Amended Appendix A-12

Supplement No. XX to
Tariff Wastewater PA P.U.C. No. 16
XXXXXX Revised Page 2
Canceling XXXXXX Revised Page 2

PENNSYLVANIA-AMERICAN WATER COMPANY

LIST OF CHANGES

This Tariff supplement authorizes Pennsylvania American Water Company – Wastewater Division to begin to offer or furnish wastewater services to the public in the Borough of Brentwood in Allegheny County, Pennsylvania, as ordered by the Pennsylvania Public Utility Commission at Docket No. A-2021-3024058 entered XXXXXX.

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY

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PENNSYLVANIA-AMERICAN WATER COMPANY

TERRITORIES SERVED (CONT'D)

**(By State Region and Company Wastewater System District)
(All territories are subject to Rate Zone 1 unless otherwise noted)**

Southeastern Pennsylvania**Coatesville District**

Chester County. The City of Coatesville, the Borough of Parkesburg and portions of the Borough of South Coatesville and portions of the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley (portions – Rate Zone 5), West Caln and West Sadsbury.

Exeter Sewer District

Berks County. Portions of the Townships of Exeter, Alsace and Lower Alsace (and related points of bulk service interconnection).

Royersford District – Rate Zone 9

Montgomery County. Royersford Borough and portions of Upper Providence Township.

Upper Pottsgrove District

Montgomery County. Portions of Upper Pottsgrove Township.
Berks County. A portion of Douglass Township.

Western Pennsylvania**Clarion District**

Clarion County. Clarion Borough and portions of the Townships of Clarion and Monroe.

Claysville District

Washington County. Claysville Borough and portions of the Townships of Donegal.

Kane District – Rate Zone 4

McKean County. Kane Borough and portions of Wetmore Township.

Koppel District

Beaver County. Koppel Borough.

McKeesport District – Rate Zone 6

Allegheny County. The City of McKeesport, the City of Duquesne, Port Vue Borough, the Borough of Dravosburg, and a portion of West Mifflin Borough (and related points of bulk service interconnection).

Paint-Elk District

Clarion County. Shippenville Borough and portions of the Townships of Elk and Paint.

Brentwood District – Rate Zone XX

Allegheny County. Borough of Brentwood.

(C)

(C) means Change

Issued:

Effective Date:

SCHEDULE OF RATES

RATE ZONE XX – METERED AND UNMETERED

APPLICABILITY

The rates as set forth below will apply in the service territory formerly served by the Borough of Brentwood served under this tariff for collection service rendered on and after the Effective Date shown at the bottom of this page.

Rates for treatment service in the service territory formerly served by the Borough of Brentwood shall be applied to bills rendered on a monthly basis and as determined by the Allegheny County Sanitary Authority (“ALCOSAN”). ALCOSAN rates will be made available on the Company’s website.

AVAILABILITY

The rates under this schedule are available to customers in all classes.

METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC’s discretion)

All metered customers shall be subject to a monthly service charge.

For collection service provided by the Company

Service Charge per month:	\$4.57
Usage Charge per 100 gallons:	\$0.8910

For treatment service provided by the Allegheny County Sanitary Authority (“ALCOSAN”)

Service Charge per month:	As determined by ALCOSAN
Usage Charge per 100 gallons:	As determined by ALCOSAN

(C) means Change

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

**LOW-INCOME RIDER – ALL RATE ZONES
FOR QUALIFYING RESIDENTIAL CUSTOMERS**

APPLICABILITY

This rider applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available for a customer in the Residential Class that meets the low-income criteria of 150% based on the Federal Poverty Level.

RATE

Customers under this rate schedule will receive a discount off their total wastewater bill as follows:

Tier 1 (0%-50% of FPL):	80%
Tier 2 (51%-100% of FPL):	55%
Tier 3 (101%-150% of FPL):	30%

Customers in Rate Zone XX – Brentwood: Discounts do not apply to the portion of the bill related to wastewater treatment by the Allegheny County Sanitary Authority. (C)

(C) means Change

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of **0.00%** will apply to bills rendered on or after the Effective Date shown on the bottom of this page.

This Charge will be applicable to:

All Rate Zones except Rate Zone 1 customers in the Sadsbury, Exeter and Upper Pottsgrove service areas; Rate Zone 4 – Kane; Rate; Zone 5 – Valley; Rate Zone 7 – York; Rate Zone 9 – Royersford and **Rate Zone XX – Brentwood.**

(C)

The above charge will be recomputed quarterly using the elements prescribed by the Commission as shown on pages 18.2,18.3 and 18.4 of this tariff.

(C) means Change

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY**RULES AND REGULATIONS****Section C - Applications for Service (cont'd)**

3. **Acceptance of Application and Right to Reject:** An application for service shall be considered accepted by the Company only upon written approval by the Company. All regulatory requirements shall be met before Company can provide approval. The Company may limit the amount or character of service it will supply, or may reject applications for service for the following reasons: requested service is not available under a standard rate; requested service may affect service to other customers; for a non-Residential Applicant's or non-Residential Customer's failure to establish Creditworthiness; for failure to address prior Company debts; for the Applicant's failure to provide identifying documentation of the Applicant and each adult occupant residing at the location; when identifying documentation cannot be verified; for the reasons set forth in Section D, paragraph 5, or for other good and sufficient reasons.
4. **Temporary Service:** In the case of temporary service for less than a 12-month period, the Company may require the Customer to pay all costs of making the service connection and for its removal after the service has been discontinued, or to pay a fixed amount in advance to cover such expenses. If the actual costs differ from the estimate, the Applicant will pay to the Company any excess amount due or the Company will refund to the Applicant any excess amount paid.
5. **Owner or Landlord Responsibility for Service:** If a building is master metered, the Company may, at its discretion, require the building owner or landlord to establish a single account for the building at the master meter in the name of the building owner or landlord even where there are existing meters for individual tenants behind the master meter.
6. **Acquired Customers:** Upon acquisition of a wastewater system where the Company is already the water service provider, the Customer of record for wastewater service shall be the same as the Customer of record for water service.
7. **Customers in the Brentwood service territory whose wastewater is treated by the Allegheny County (C) Sanitary Authority ("ALCOSAN"):** No user whose connection requires approval from ALCOSAN shall be allowed to connect to the Brentwood system until ALCOSAN approves such connection.

(C) means Change

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY**RULES AND REGULATIONS**

Section X - Special Provisions Concerning Trunk Lines in the ALCOSAN Bulk Treatment Service Area**1. APPLICABILITY AND BACKGROUND**

This Section X pertains to trunk lines in the Allegheny County Sanitary Authority (“ALCOSAN”) bulk treatment service area, including (a) Company trunk lines that convey waste from municipalities upstream of the Company’s system to downstream municipalities, and (b) downstream municipal trunk lines that convey waste from the Company and upstream municipalities. These trunk lines are subject to numerous agreements that have been in effect for decades and do not provide for payments between the parties for the conveyance of wastewater through the trunk lines.

The agreements specify the respective rights and obligations of the parties. For example, the agreements require the Company to allow upstream municipalities to convey sewage through the Companies’ trunk lines and give the Company (and upstream municipalities) the right to convey sewage through the trunk lines of downstream municipalities. In addition, these agreements provide for the construction, operation and maintenance of the trunk lines. Some of the agreements even allocate the costs of future repairs to the trunk lines among the parties to the agreements.

Together, the agreements establish a mutually beneficial regional interceptor system through the use of trunk lines for the conveyance of sewage.

2. USE OF TRUNK LINES

No compensation will be exchanged between the Company and municipalities upstream from the Company who use the Company’s trunk lines to convey wastewater downstream. Similarly, no compensation will be exchanged between the Company and downstream municipalities for the conveyance of wastewater through downstream trunk lines. If the Company begins to be charged by other entities for the conveyance of wastewater through the trunk lines and intends to start charging other entities for the conveyance of wastewater through the trunk lines, the Company will address the charges, and the associated revenues and expenses, through its base rate proceedings or other appropriate filings with the Commission.

3. FUTURE COST SHARING AGREEMENTS FOR IMPROVEMENTS TO TRUNK LINES

To the extent that these contracts addressing the allocation of costs among the parties for future repairs of the trunk lines have been or will be assigned to PAWC, they have been or will be submitted to the Commission for review and approval pursuant to 66 Pa. C.S. § 507. If any future capital projects regarding the trunk lines require the negotiation of additional capital contribution agreements among the Company and the relevant municipalities, the Company will submit any such agreement to the Commission for review pursuant to 66 Pa. C.S. § 507. In addition, any costs associated with the project will be subject to Commission review for prudence and reasonableness in the Company’s base rate proceedings.

Issued:

Effective Date:

**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.

AMENDED

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-25.5**. Please note there are no contracts that will be assumed by PAWC other than those listed below.

Municipal and Affiliate Contracts

Tab	Agreement	Parties to Contract	Date of Contract
Appendix A-25.1	Agreement	Borough of Brentwood and City of Pittsburgh	October 14, 1936
Appendix A-25.2	Streets Run Sewer Joint Management Agreement	Borough of Brentwood Borough of Baldwin Borough of Whitehall West Mifflin Sanitary Sewer Municipal Authority	July 19, 2000
Appendix A-25.3	Cooperation and Allocation of Responsibilities Agreement	Borough of Brentwood and Pennsylvania- American Water Company	March 2, 2023
Appendix A-25.4	Bulk Wastewater Conveyance Agreements – Brentwood Ordinances No. 188 and 189 (Fairhaven Road, Stewart Avenue, Saw Mill Run)	Borough of Brentwood Baldwin Township Carrick Borough Overbrook Borough	September 9, 1926
Appendix A-25.5	Bulk Wastewater Conveyance Agreement (Saw Mill Run)	Borough of Brentwood Carrick Borough Castle Shannon Borough Dormont Borough Knoxville Borough Mt. Lebanon Township	October 31, 1925

**Application of Pennsylvania-American Water Company for the Acquisition
of the Wastewater Collection and Treatment System Owned by the York City Sewer
Authority (the “Authority”) and Operated by the City of York (the “City”)
(collectively “York”)**

**66 Pa. C.S. § 1329
Application Filing Checklist – Water/Wastewater
Docket No. A-2021-3024681**

		Mt. Oliver Borough Overbrook Borough	
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ORDINANCE No.188

AN ORDINANCE AUTHORIZING AN AGREEMENT BETWEEN THE BOROUGHS OF OVERBROOK, CARRICK, BRENTWOOD PROVIDING FOR THE PAYMENT OF THE COST OF CONSTRUCTION, MAINTENANCE AND REPAIRS OF A SANITARY SEWER ALONG STEWART AVENUE IN BALDWIN TOWNSHIP FROM FAIR HAVEN ROAD TO STEWART AVENUE CONNECTION ON CLAIRTON ROAD.

WHEREAS: The unsanitary condition caused by the raw sewage of the aforesaid Municipalities being discharged into the Saw Mill Run Drainage Basin, has caused the State Department of Health to issue permits authorizing the various Municipalities to abate the same by reason of the construction of the necessary sewers, and
 WHEREAS: It is mutually advantageous and beneficial for the Boroughs of Overbrook, Carrick and Brentwood by reason of the topography of the territory, to construct, maintain and repair a lateral Sanitary Sewer along Stewart Avenue in Baldwin Township, from Fairhaven Road to Stewart Avenue connection on Clairton Road, and to apportion the cost of same, among the aforesaid Municipalities, according to the average of the taxable valuation, area and population of the sub-drainage areas affected as of the year 1922, - NOW THEREFORE,

SECTION 1. Be it ordained and enacted by the Council of the Borough of Brentwood, in Council assembled and it is hereby ordained and enacted by and with the authority of the same, that the President and Secretary of Council are hereby authorized and directed to enter into an agreement to be in the following form:-

ARTICLES OF AGREEMENT

Made and entered into this _____ day of _____ A.D., 1926, between the Boroughs of OVERBROOK, CARRICK and BRENTWOOD to provide for the construction, distribution of cost, maintenance and repairs of a Sanitary Sewer along Stewart Avenue in Baldwin Township, from Fairhaven Road to Stewart Avenue Connection on Clairton Road.

THIS AGREEMENT WITNESSETH:-

THAT IN CONSIDERATION OF the mutual covenants and agreements herein contained, it is agreed as follows:-

That the parties hereto shall construct, pay the cost thereof, maintain and repair Sanitary Sewer along Stewart Avenue in Baldwin Township from Fairhaven Road to Stewart Avenue Connection on Clairton Road.

The cost of said sewer apportioned between the Municipalities interested and based on the average population, area and taxable valuation for the year 1922, shows that they should and do hereby agree to pay for the cost of same, as follows:-

OVERBROOK	BOROUGH	10%
CARRICK	BOROUGH	9%
BRENTWOOD	BOROUGH	74%
BALDWIN	TOWNSHIP	7%

In accordance with the above apportionment of cost of Baldwin Township's assessment is 7% of the total cost of said sewer, estimated at FIVE THOUSAND SEVEN HUNDRED (\$5700.00) DOLLARS. Said Baldwin Township having refused to join in with the above outlined Boroughs in the payment of the cost of said sewer, the said per-centum (7%) of the total cost estimated at FIVE THOUSAND SEVEN HUNDRED, (\$5700.00) DOLLARS or THREE HUNDRED AND NINETY-NINE (\$399.00) DOLLARS, is apportioned between the Boroughs as follows:-

OVERBROOK	BOROUGH	11%
CARRICK	BOROUGH	10%
BRENTWOOD	BOROUGH	79%

Baldwin Township therefore does not participate in any manner in the construction of the Sanitary Sewer and has no right whatsoever to connect any lateral sewers thereto until the payment of the whole of the total amount of the apportionment of cost, namely 7%, estimated at THREE HUNDRED NINETY-NINE (\$399.00) DOLLARS with legal interest to date of payment is made to the respective Boroughs above cited in the same proportion of the original distribution of the said cost, and upon payment of the said sum to the respective Boroughs, the said Townships of Baldwin shall participate in all the rights and privileges under the said agreement with the same force as if the said Township had originally been a party to this agreement.

And it is further agreed that the said section of sewer on Stewart Avenue in Baldwin Township, from Fairhaven Road to Stewart Avenue connection on Clairton Road shall be maintained and repaired by the respective Boroughs participating in the construction, and that the cost of maintenance and repairs shall be distributed pro-rata among the Boroughs participating on the payment of the cost of construction thereof in proportion to the total cost thereof:- It being understood and agreed that each Borough shall make such repairs within its own territory and collect the costs thereof from the other parties to this agreement as aforesaid, but in the event that the cost of such repairs shall exceed FIVE HUNDRED (\$500.00) DOLLARS the same shall not be done except with the consent of the advisory board, herein after referred to.

The design and construction of this sewer shall be made in accordance with the ordinances and specifications of the interested Municipalities and the approval of the State Department of Health.

Any party to this agreement shall have the right to connect Sanitary Sewers to the Main Line Trunk Sewer without cost for the privilege of making said connection, provided that the plans for said sewer connections have been approved by the State Department of Health and provided further that said plans and lateral sewers shall be of the Sanitary Type of Sewers from which storm water shall be excluded.

The cost of construction, maintenance and repairs of either extensions to the Main Sewer or additional lateral sewers, shall be entirely borne by the Municipalities constructing same.

The design of the said sewer and the construction and maintenance thereof through these several municipalities shall be under the control of the General Advisory Committee being composed of one Councilman from each of the Municipalities concerned in the payment of the cost of the said Sanitary Sewer on Stewart Avenue, in Baldwin Twp. from Fairhaven Road to Stewart Avenue Connection on Clairton Road. The said advisory committee shall approve the plans, specifications and form of contract for the construction of said sewer.

The Borough Engineer of Overbrook Borough shall have full charge of the Engineering and supervision of the construction of the said Sanitary Sewer.

The Borough of Overbrook shall advertise and receive proposals for the Construction of the said lateral sanitary sewer, said proposals to be received and opened at a meeting of the Council of the Borough of Overbrook, and the contract awarded to the lowest responsible bidder,- upon which the Boroughs of Overbrook, Carrick and Brentwood shall join in entering a contract with the successful bidder for the construction of said sewer; and the proper officers of the Borough shall execute said contract for and in behalf of their respective Boroughs.

The Borough Engineer for the Borough of Overbrook shall make a report and final estimate of the cost, showing the amount due the contractor, engineer and inspectors and for the various items cited above:- said report to be made to each of the Councils interested in the construction of the said sewer at their first regular meeting following the final completion of the work. The said Councils shall upon the receipt of said report, issue warrants in favor of said contractor, engineer and inspectors, and for other items in accordance with said report and estimate:-said warrants shall be issued through said Engineer in order to keep a proper record of same.

The contract shall indicate the amounts to be paid by each Municipality, as shown on the percentage column contained herein for the distribution of the cost inclusive of the proportionate shares of each municipality in Baldwin Township's share of the cost.

The Total cost of this contract shall include advertising for proposals, cost of construction in accordance with the proposals and contract, engineering and inspection, cost of right-of-ways through private property and any expense incidental to the above.

BOROUGH OF OVERBROOK

ATTEST: _____
Secretary of Council

President of Council

BOROUGH OF CARRICK

ATTEST: _____
Secretary of Council

President of Council

BOROUGH OF BRENTWOOD

ATTEST: R. L. Appert Page 2 of 6 M. R. Jordan

President of Council

SECTION 11. That the proper officers of the Borough are hereby authorized, when the contract for the construction of said sewer has been awarded to the successful bidder, as provided for in the foregoing agreement, to enter into and execute a contract on behalf of this Borough in conjunction with the Boroughs of Overbrook and Carrick with the successful bidder for the construction of the said sewer as outlined in the foregoing agreement.

SECTION 111. That no part of this Ordinance or agreement shall interfere with or affect the arrangements or agreements made by the parties hereto in relation to the distribution of costs, etc., of the Main Trunk Sanitary Sewer along Saw Mill Run, among all the Municipalities in the Saw Mill Run Frainage Basin, excepting Baldwin Township.

SECTION IV. That any ordinance or part of ordinance conflicting with the provisions of this ordinance, be and the same is hereby repealed, as far as it affects this ordinance.

Ordained and enacted into a law this 30TH day of SEPT.
A.D. 1926..

M. A. Gordon
President of Council
Pro Gen.

ATTEST: R. H. Cassin
Secretary of Council

Approved this 30TH day of SEPTEMBER A.D., 1926.

Bernhard Westner
Burgess.

THE BOROUGH OF BRENTWOOD

ORDINANCE NO. 189.

AN ORDINANCE AUTHORIZING AN AGREEMENT BETWEEN TO BOROUGHES OF OVERBROOK, CARRICK, BRENTWOOD AND CASTLE SHANNON, PROVIDING FOR THE PAYMENT OF THE COST OF CONSTRUCTION, MAINTENANCE AND REPAIRS OF A SANITARY SEWER ALONG FAIRHAVEN ROAD, FROM LIBRARY ROAD TO STEWART AVENUE IN OVERBROOK BOROUGH.

WHEREAS,- The unsanitary condition caused by the discharge of raw sewage by the aforesaid Municipalities into the Saw Mill Run Drainage Basin, has caused the State Department of Health to issue permits authorizing the various Municipalities to abate the same by means of the construction of the necessary sewers, and

WHEREAS,- It is mutually advantageous and beneficial for the Boroughs of Overbrook, Carrick, Brentwood and Castle Shannon by reason of the topography of the territory, to construct, maintain and repair a lateral Sanitary Sewer along Fairhaven Road, from Library Road to Stewart Avenue in Overbrook Borough, and to apportion the cost of same between the aforesaid municipalities according to the average of the taxable valuation, area and population of the subdrainage areas affected as of the year of 1922,- now therefore,

SECTION 1. Be it ordained and enacted by the Council of the B Borough of Brentwood, in Council Assembled, and it is hereby ordained and enacted by the authority of the same,- That the President and Secretary of Council are hereby authorized and directed to enter into an agreement to be in the following form:-

ARTICLES of AGREEMENT

Made and entered into this _____ day of _____, A.D., 1926 between the Boroughs of Overbrook, Brentwood, Carrick and Castle Shannon, to provide for the construction, distribution of costs, maintenance and repairs of a Sanitary Sewer along Fairhaven Road, from Library Road to Stewart Avenue in Overbrook Borough.

THIS AGREEMENT WITNESSETH;-

THAT IN CONSIDERATION of the mutual covenants herein contained, it is agreed as follows:-

That the parties hereto shall construct, pay the cost thereof, maintain and repair a Sanitary Sewer along Fairhaven Road, from Library Road to Stewart Avenue in Overbrook Borough.

The cost of said Sanitary Sewer apportioned between the Municipalities interested and based on the average of the actual population, area and taxable valuation for the year 1922, shows that they should and do hereby agree to pay for the cost of same as follows:-

OVERBROOK BOROUGH	11.00%
CARRICK BOROUGH	6.00%
BRENTWOOD BOROUGH	43.00%
CASTLE SHANNON BOROUGH	4.00%
BALDWIN TOWNSHIP	36.00%

In accordance with the above apportionment of cost, Baldwin Township's assessment is 36.00% of the total cost of said sewer, estimated at TWO THOUSAND THREE HUNDRED FORTY (\$2,340.00) DOLLARS. Said Baldwin Township having refused to join in with the above outlined Boroughs in the payment of the cost of said sewer, the said 36.00% of the cost estimated at TWO THOUSAND THREE HUNDRED FORTY (\$2,340.00) DOLLARS IS APPORTIONED BETWEEN THE BOROUGHES AS FOLLOWS:-

OVERBROOK BOROUGH	17.00%
CARRICK BOROUGH	9.00%
BRENTWOOD BOROUGH	67.00%
CASTLE SHANNON BOROUGH	7.00%

Baldwin Township therefore does not participate in any manner in the construction of the Sanitary Sewer and has no right whatever to connect any lateral sewers thereto until the payment of the whole of the total amount of the apportionment of cost, namely 36.00% estimated at TWO THOUSAND THREE HUNDRED FORTY (\$2,340.00) DOLLARS, with legal interest to date of payment is made to the respective Boroughs above recited, in the same proportion as the original distribution of said cost, and upon payment of said sum to the respective Boroughs, the said Township of Baldwin shall participate in all the rights and privileges under the said agreements with the same force and effect as if the said Township had originally been a party to this agreement.

And it is further agreed that the said section of Sewer on Fairhaven Road, from Library Road to Stewart Avenue in Overbrook Borough, shall be maintained and repaired by the respective Boroughs participating in the construction, and that the cost of maintenance and repairs shall be distributed pro-rata among said Boroughs participating in the payment of the cost of construction thereof in proportion to the TOTAL COST thereof:- It being understood and agreed the each Borough shall make such repairs within its own territory and collect the cost thereof from the other parties to this agreement as aforesaid, but in the event that the cost of such repairs whall exceed FIVE HUNDRED (\$500.00) DOLLARS, the same shall not be done except with the consent of the ADVISORY BOARD, hereinafter referred to.

The design and construction of this section of the sewer shall be made in accordance with the ordinances and specifications of the interested Municipalities and the approval of the State Department of Health.

Any party to this agreement shall have the right to connect Sanitary Sewers to the Main Line Trunk Sewer without cost for the privilege of making said connection, provided that the plans for said sewer connections have been approved by the State Department of Health, and provided further that said plans and lateral sewers shall be the Sanitary Type of Sewers from which storm water shall be excluded.

The cost of construction, maintenance and repairs of either extensions to the main sewer or additional lateral sewers, shall be entirely borne by the Municipalities constructing same.

The design of the said sewer and the construction and maintenance thereof through these several Municipalities shall be under the control of the GENERAL ADVISORY COMMITTEE being composed of one Councilman from each of the Municipalities concerned in the payment of the cost of said Sanitary Sewer on Fairhaven Road, from Library Road to Stewart Avenue in Overbrook Borough. The said Advisory Committee shall approve the plans, specifications and form of contract or contracts for the construction of the said sewer.

The Borough Engineer of Overbrook shall have full charge of the Engineering and supervision of the construction of the said Sanitary Sewer.

The Borough of Overbrook shall advertise and receive proposals for the construction of the said Lateral Sewers, said proposals to be received and opened at a meeting of the Council of the Borough of Overbrook in said Borough, and the contract awarded to the lowest responsible bidder, - upon which the Boroughs of Overbrook, Carrick, Brentwood and Castle Shannon shall join in entering a contract with the successful bidder for the construction of said sewer, - and the proper officers of the Borough shall execute said contract for and on behalf of their respective Boroughs.

The Borough Engineer of the Borough of Overbrook shall make a report and final estimate of the cost showing the amount due the contractor, engineer and inspectors and for the various items cited above; said report to be made to each of the Councils interested in the constructions of said sewer at their first regular meeting following the final completion of the work. The said Councils shall upon the receipt of said report, issue warrents in favor of said contractor, engineer and inspectors and for other items in accordance with said report and estimate;- said warrants shall be issued through said Engineer in order to keep a proper record of the same.

The contract shall indicate the amounts to be paid by each interested Municipality, as shown in the percentage column contained herein for the distribution of the cost inclusive of the proportionate shares of each Municipality in Baldwin Township's share of the cost.

The total cost in such contract shall include the advertising for proposals, cost of construction in accordance with the proposals and contract, engineering and inspection, cost of right-of-ways through private property, and any expense incidental to the above.

BOROUGH OF OVERBROOK

ATTEST:

Secretary of Council

President of Council PRO-TIM

BOROUGH OF CARRICK

ATTEST:

Secretary of Council

President of Council

BOROUGH OF BRENTWOOD

ATTEST: B. Lippman
Secretary of Council

M. A. Gordon
President of Council PRO-TEM

BOROUGH OF CASTLE SHANNON

ATTEST: _____
Secretary of Council

President of Council

SECTION II. That the proper officer of the Boroughs are hereby authorized, when the contract for the construction of said sewer has been awarded to the successful bidder as provided for in the foregoing agreement, to enter into and execute a contract on behalf of this Borough in conjunction with the Boroughs of CARRICK, OVERBROOK, BRENTWOOD and CASTLE SHANNON, with the successful bidder for the construction of said sewer as outlined in the foregoing agreement.

SECTION III. That no part of this ordinance or agreement shall interfere with or affect the arrangement or agreement made by the parties hereto in relation to the distribution of the costs, etc., of the Main Trunk Sanitary Sewer along Saw Mill Run, among all the Municipalities within the Saw Mill Run Drainage Basin, excepting Baldwin Township.

SECTION IV. That any ordinance or part of Ordinance conflicting with the provisions of this ordinance be and the same is hereby repealed as far as it affects this ordinance.

Ordained and enacted into a law this 30TH day of SEPT.

A.D., 1926.

M. A. Gordon
President of Council PRO-TEM

ATTEST: B. Lippman
Secretary of Council

Approved this 30TH day of SEPTEMBER, A.D., 1926.

Bernhard Westner
Burgess.

Ordinance

Agreement

Municipality

Area

Appendix A-25.5

54

130
10/31/25

4/1/25

Dormont
Carrick*
Brentwood
Overbrook*
Mt Oliver
Mt Lebanon
Castle Shannon
(City*)

Saw Mill
Run

Saw Mill Run

FILE OF COUNCIL, CITY OF PITTSBURGH
Series 1925

File No. 1184 Bill No. 2779
Presented by Mr. Hoardle, March 16, 1925
In Committee on Public Works, March 17, 1925
Affirmatively Recommended

130
App. A-25.5
10/31/25

AN ORDINANCE - Authorizing an agreement between the City of Pittsburgh, designated as part, as party of the first part, and Dormont Borough, Knoxville Borough, Carrick Borough, Brentwood Borough, Overbrook Borough, Mt. Lebanon Township, Castle Shannon Borough and Mt. Oliver Borough, designated as parties of the second part, and providing for the payment of cost of construction, maintenance and repairs of a main trunk sanitary sewer in the Saw Mill Run Drainage Basin, from Bethel Township to the Ohio River.

WHEREAS, The insanitary condition caused by the discharge of raw sewage by the aforesaid municipalities into Saw Mill Run, has caused the State Department of Health to issue permits authorizing the various municipalities to abate the same by means of the construction of the necessary sanitary sewers, and

WHEREAS, It is mutually advantageous for the section of the City of Pittsburgh designated as the 19th and 20th Wards, and other municipalities, to-wit, Dormont Borough, Knoxville Borough, Carrick Borough, Brentwood Borough, Overbrook Borough, Mt. Lebanon Township, Castle Shannon Borough and Mt. Oliver Borough, by reason of the topography of the territory located in the Saw Mill Run Drainage Basin, to construct, maintain and repair a main trunk sanitary sewer along a line, at or near that of the existing Saw Mill Run, from Bethel Township to the Ohio River, and

WHEREAS, The said trunk sanitary sewer is mutually beneficial to all municipalities within the limits of the Saw Mill Run Drainage Basin in proportion to the Actual Population and Taxable Valuation for 1923, and

WHEREAS, the cost of said main trunk sewer apportioned between the municipalities interested and based on the average of the Actual Population and the Taxable Valuation for 1923 shows that the City of Pittsburgh should pay 29.18% of the total cost of said sewer and the other municipalities interested 30.82% of the total cost of said sewer, NOW ENACTED, be it

SECTION 1. Be it ordained and enacted by the City of Pittsburgh in Council assembled and it is hereby ordained and enacted by the authority of the same, That the Mayor and the Director of the Department of Public Works of the City of Pittsburgh be and they are hereby authorized and directed to enter into an agreement on behalf of the City of Pittsburgh, designated as party of the first part, with Dormont Borough, Knoxville Borough, Carrick Borough, Brentwood Borough, Overbrook Borough, Mt. Lebanon Township, Castle Shannon Borough and Mt. Oliver Borough, designated as parties of the second part, said agreement to be in the following form, to-wit:

ARTICLES OF AGREEMENT

Made and entered into this 31st day of October, 1925, between the City of

Pittsburgh, designated as party of the first part and Dormont Borough, Knoxville Borough, Carrick Borough, Brentwood Borough, Overbrook Borough, Mt. Lebanon Township, Castle Shannon Borough and Mt. Oliver Borough, designated as parties of the second part, to provide for the construction, distribution of cost, maintenance and repairs of a main trunk sanitary sewer in the Saw Mill Run Drainage Basin, from Bethel Township to the Ohio River.

THIS AGREEMENT WITNESSETH:

That in consideration of the mutual covenants and agreements herein contained, it is agreed as follows:

1. That the party of the first part shall construct, pay the cost thereof, maintain and repair the main sanitary trunk sewer along a line at or near Saw Mill Run, from the present City Line near Edgebrook Avenue, to the Ohio River.
2. The party of the first part further agree to construct and pay for the sanitary by-pass connection from the existing Knoxville sewer east of Tarrington Avenue, to the main trunk sewer, without cost to said Borough.
3. The parties of the second part agree to construct, maintain and repair the section of the main trunk sanitary sewer at or near the line of Saw Mill Run, from Bethel Township to the present City Line near Edgebrook Avenue, to connect with the section of the sewer to be constructed by the party of the first part.

The said parties of the second part agree to pay the cost of construction of said section of the trunk sewer to be constructed by them according to the basis determined by the area, the actual population and taxable valuation of 1972 as follows:

Dormont Borough . . . . .	.22.60%
Knoxville Borough . . . . .	.16.83%
Carrick Borough . . . . .	.16.20%
Brentwood Borough . . . . .	.4.50%
Overbrook Borough . . . . .	.9.33%
Mt. Lebanon Township . . . . .	.13.02%
Castle Shannon Borough . . . . .	.7.08%
Mt. Oliver Borough . . . . .	.0.14%
Baldwin Township . . . . .	.18.18%

In accordance with the above apportionment of cost Baldwin Township's assessment is 10.18% of the total cost of said section of the trunk sewer estimated at Seventeen Thousand Three Hundred Six (\$17,306.00) Dollars. Said Baldwin Township having refused to join with the above outlined Boroughs and Townships in the payment of the cost of said sewer, the said 10.18% of the cost estimated at Seventeen Thousand Three Hundred Six (\$17,306.00) Dollars is apportioned between the Boroughs and Township as follows:

Dormont Borough . . . . .	.25.23%
Knoxville Borough . . . . .	.18.74%
Carrick Borough . . . . .	.18.04%
Brentwood Borough . . . . .	.5.08%
Overbrook Borough . . . . .	.10.39%
Mt. Lebanon Township . . . . .	.14.47%
Castle Shannon Borough . . . . .	.7.83%
Mt. Oliver Borough . . . . .	.0.13%

Baldwin Township therefore does not participate in any manner in the construction of the trunk sewer and has no rights whatsoever to connect any lateral sewers thereto until the payment of the whole or a part of the total amount of the apportionment of cost, namely 10.18% estimated at Seventeen Thousand Three Hundred Six (17,306.00) Dollars is made to the respective Boroughs and Township above recited in the same proportion as the original distribution of said cost, and upon payment of said sum to the respective Boroughs and Townships, the said Township of Baldwin, shall participate in all the rights and privileges granted under this agreement with the same force and effect as if said Township of Baldwin had originally been a party to this Agreement.

And it is further agreed that said section of trunk sewer between Bethel Township and the City line shall be maintained and repaired by the respective Boroughs and Townships participating in the construction, and that the cost of maintenance and repairs shall be distributed pro rata among said Boroughs and Township participating in the payment of the construction thereof in proportion to the total cost of construction.

The design and construction of this section of the sewer shall be made in accordance with the general recommendation of the Department of Public Works, City of Pittsburgh and the approval of the State Department of Health.

4. Any party to this agreement shall have the right to make connections of sanitary sewers to the main line trunk sewer without cost for the privilege of making said connection, providing that the plans for said sewer connections have been approved by the State Department of Health, and providing further that said plans of lateral sewers shall be of the sanitary type of sewers from which storm water and ground water shall be excluded.

The cost of construction, maintenance and repairs of either extensions to the main sewer or additional lateral sewers, shall be entirely borne by the municipality constructing the same.

5. Should the City of Pittsburgh hereafter decide to construct sewage disposal plant wherein the sewage from Saw Mill Run Drainage Basin shall be treated, it is hereby agreed that said construction, maintenance and repairs of both the plant and sewers carrying the sewage to and from same, shall be done by the City of Pittsburgh, and that the cost of both the construction, maintenance and repairs of said disposal plant and sewers leading from and thereto, shall be distributed pro rata among the municipalities located in the Saw Mill Run Drainage Basin.

The basis for the distribution of said cost of construction and maintenance shall be determined by the municipalities interested at the time said sewage disposal plant is constructed.

Attest: M. H. Fisher

/s/ H. E. Spoker
Mayor's Secretary

CITY OF PITTSBURGH

By /s/ Chas. A. Finley, Director
Department of Public Works

By /s/ I. A. Hines
Clerk

Attest /s/ E. O. Corbett
Borough Secretary

BOROUGH OF ROSMONT
By /s/ Thomas J. Kenny
President (SEAL)

Attest: /s/ Geo. H. A. Roehrig
Secretary

BOROUGH OF FRONVILLE
By /s/ Norman Kowler
President (SEAL)

Attest: /s/ Chas. J. Jilkenberg
Borough Secretary

BOROUGH OF CARGIVE
By /s/ Mark F. Roberts
President (SEAL)

Attest: /s/ F. H. Appenrodt
Borough Secretary

BOROUGH OF BLANCKENBURG
By /s/ A. S. Lautmann
President Pro Tem (SEAL)

Attest: /s/ Philip J. Battinger
Secretary

BOROUGH OF OYERBROOK
By /s/ W. E. Gram
(SEAL)

Attest: /s/ F. S. Woods
Secretary

BOROUGH OF CANTON
By /s/ R. E. Howell
Pres. (SEAL)

Attest: /s/ Geo. A. Hoffman
Secretary

BOROUGH OF MT. AIRY
By /s/ John A. Dwyer
(SEAL)

SECTION 2. That any ordinance or part of ordinance conflicting with the provisions of this Ordinance, be and the same is hereby repealed, so far as the same affects this Ordinance