

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 the Sutersville-Sewickley Municipal Sewage Authority's assets, properties and rights related to its sanitary sewage collection and conveyance system to Pennsylvania-American Water Company; and (2) the right of Pennsylvania-American Water Company to begin to offer and furnish wastewater service to the public in the Borough of Sutersville and in portions of Sewickley Township, Westmoreland County, Pennsylvania

Appendix A.2

Intermunicipal Authorities Sewage Service Agreement for the
Sutersville-Sewickley Municipal Sewage Authority Service Area,
Dated as of September 11, 2006, as amended May 9, 2025

**INTERMUNICIPAL AUTHORITIES SEWAGE SERVICE AGREEMENT FOR THE
SUTERSVILLE-SEWICKLEY MUNICIPAL SEWAGE AUTHORITY SERVICE AREA**

This Agreement is made and entered into as of the 11th day of September, 2006, by and between the Sutersville-Sewickley Municipal Sewage Authority, a municipal authority organized and existing under and by virtue of the Municipality Authorities Act, 53 Pa.C.S.A. § 5601, et. seq., (hereinafter "SSMSA") and having its principal office located at Sutersville Municipal Building, Sutersville, Pennsylvania, 15083,

AND

the Elizabeth Township Sanitary Authority, a municipal authority organized and existing under and by virtue of the Municipality Authorities Act of 1945, as amended, 53 P.S. § 301, et. seq., now the Municipality Authorities Act, 53 Pa.C.S.A. § 5601 et. seq., (hereinafter "ETSA") and having its principal office located at 2420 Greenock Buena Vista Road, McKeesport, Pennsylvania, 15135.

WHEREAS, ETSA was created for the purpose of acquiring, holding, owning, constructing, improving, maintaining and operating sewers, sewers systems or parts thereof and sewage treatment works, including works for the treatment and disposal of domestic sewage and acceptable commercial and industrial wastes, and

WHEREAS, ETSA operates within the Township of Elizabeth a public sanitary sewer system consisting of sewage treatment works, required interceptor sewers, pumping station and all other appurtenances necessary for the collection, transportation, treatment and disposal of the sewage and acceptable commercial and industrial wastes (hereinafter "ETSA System"), and,

WHEREAS, SSMSA was created for the purpose of acquiring, holding, owning, constructing, improving, maintaining and operating sewers, sewers systems or parts thereof and

sewage treatment works, including works for the treatment and disposal of domestic sewage and acceptable commercial and industrial wastes; and,

WHEREAS, SSMSA has determined that it is more economically feasible to construct a system for the collection and conveyance of sewage and acceptable commercial and industrial wastes from within the SSMSA Service Area (hereinafter "SSMSA System") and then connect the SSMSA System to the ETSA System for the further conveyance and treatment of the sewage and acceptable commercial and industrial wastes at the Buena Vista Treatment Plant owned and operated by ETSA, a copy of the construction drawing for this connection attached hereto as Exhibit "B"; and,

WHEREAS, ETSA represents to SSMSA that the ETSA System has sufficient capacity to accept, convey and treat the sewage and acceptable commercial and industrial wastes reasonably anticipated to be discharged from the SSMSA Service Area into the SSMSA System during the term of this Agreement; and,

WHEREAS, SSMSA has requested that ETSA accept for conveyance and treatment the sewage and acceptable commercial and industrial wastes discharged from within the SSMSA Service Area into the SSMSA System; and,

WHEREAS, ETSA has agreed to accept for conveyance and treatment the sewage and acceptable commercial and industrial wastes discharged from within the SSMSA Service Area into the SSMSA System; and,

WHEREAS, SSMSA and ETSA desire and intend to enter into this Agreement for the purpose of setting forth the terms, covenants, conditions, and agreements of the parties pertaining to the following matters:

A. The construction, ownership, operation, and maintenance of the SSMSA System;

B. The Capital Contribution to be paid by SSMSA to ETSA for the purchase of 191,000 gallons per day of conveyance and treatment capacity in the ETSA System;

C. The Sewage Treatment Fee to be charged by ETSA to SSMSA for the conveyance and treatment of sewage and acceptable commercial and industrial wastes discharged from Customers into the SSMSA System.

D. The payment of a Connection Fee by SSMSA to ETSA upon connection of a New Customer to the SSMSA System; and,

NOW THEREFORE, in consideration of the foregoing preambles as well as in consideration of the terms, covenants, conditions, and agreements hereinafter set forth, the parties hereto, each intending to be legally bound hereby, agree as follows:

Article 1. Incorporation of Preambles

1.1. The preambles hereinabove set forth are incorporated herein by reference as though the same were here set forth at length.

1.2. The parties acknowledge and agree that the preambles are an essential part of this Agreement.

Article II. Definitions

2.1. When used herein, the following words shall have the following meanings, unless the context clearly indicates another meaning:

A. "Agreement" shall mean this Agreement made on the 11th day of September, 2006 between the Elizabeth Township Sanitary Authority and the Sutersville-Sewickley Municipal Sewage Authority;

B. **“Capital Contribution”** shall mean the amount to be paid by SSMSA to ETSA pursuant to Article 5 of this Agreement for the purchase of 191,000 gallons per day of conveyance and treatment capacity in the ETSA System;

C. **“Connection Fee”** shall mean the fee which ETSA charges SSMSA for allowing SSMSA to discharge sewage or acceptable commercial or industrial wastes from a New Customer into the ETSA System for conveyance and treatment;

D. **“Customer”** shall mean each structure within the SSMSA Service Area that is connected to the SSMSA System and from which SSMSA intends to transmit sewage or acceptable commercial or industrial wastes to the ETSA System for further conveyance and treatment;

E. **“EDU”** or **“Equivalent Dwelling Unit”** has been defined by ETSA Resolution 6/06, dated July 6, 2006, a copy of which has been attached hereto as Exhibit "C", and, as defined therein, shall mean a uniform unit to be used for the purposes of determining the amount of the Capital Contribution to be paid by SSMSA to ETSA pursuant to Article 5 of this Agreement and the Sewage Treatment Fee which ETSA will charge SSMSA each month pursuant to Article 6 of this Agreement:

(1) The number of EDUs at each single family residential structure shall be deemed to be one;

(2) The number of EDUs at each multiple family residential structure shall be deemed to be equal to the number of individual residential units within the structure;

(3) The number of EDUs at each existing structure other than single family residential structures or multiple family residential structures shall be

deemed to be equal to the whole number (rounded up from .5) obtained by dividing the average number of gallons of water consumed at the structure per day during the immediately preceding four (4) quarterly billing periods (as determined by the billing records of the Water Provider) by 260. For these structures, there shall be a minimum of one (1) EDU per division/dwelling/use unit.

(4) The number of EDUs at each new structure other than single residential structures or multiple family residential structures which is new or which is put to a new use shall, for the first eighteen months, be the equal to the whole number (rounded up from .5) obtained by an estimate (based on other structures of that type and use) of the gallons of water to be consumed at the structure divided by 260, and thereafter the EDUs for that structure shall be deemed to be equal to the whole number (rounded up from .5) obtained by dividing the average number of gallons of water consumed at the structure per day during the preceding calendar year (as determined by the billing records of the Water Provider) by 260;

F. "ETSA" shall mean the Elizabeth Township Sanitary Authority;

G. "ETSA Engineer" shall mean the engineering firm for ETSA, currently being Senate Engineering Company;

H. "ETSA's System" shall mean the sewage disposal system consisting of sewage treatment works, required interceptor sewers, pumping station and all other appurtenances necessary for the collection, transportation, treatment and disposal of the sewage and acceptable commercial and industrial wastes which ETSA owns and operates within the Township of Elizabeth;

I. **“Existing Customer”** shall mean each structure which is:

- (1) in existence as of the date of this Agreement;
- (2) located within the SSMSA Service Area; and
- (3) connected to the SSMSA System within 180 days of the date the SSMSA Engineer certifies to SSMSA and ETSA that construction of the SSMSA System is substantially complete.

J. **“New Customer”** shall mean each structure located within the SSMSA Service Area other than an Existing Customer;

K. **“Prohibited Waste”** shall mean waste which may not be placed into the ETSA System or treated by ETSA pursuant to ETSA’s Rules and Regulations as they exist on the date of the execution of this Agreement, or any amendment thereof, or by any federal, state or county statute, ordinance, rule, regulation, permit or protocol which applies to the Authority or the Authority’s System;

L. **“SSMSA”** shall mean the Sutersville-Sewickley Municipal Sewage Authority ;

M. **“SSMSA Engineer”** shall mean the engineering firm for SSMSA, currently being Gannett Fleming;

N. **“SSMSA Service Area”** shall mean the Borough of Sutersville, Westmoreland County, Pennsylvania, and those area of the Township of Sewickley, Westmoreland County, Pennsylvania, for which SSMSA was formed to undertake the planning, financing, acquisition, construction, operation and maintenance of a joint regional sewage collection, transmission, and treatment system pursuant to the Service Agreement entered into between the Borough of Sutersville and the Township of Sewickley dated November 19, 2001, and the First Amendment To Service Agreement And Community Development Block Grant Administration Agreement entered into

between the Borough of Sutersville, Township of Sewickley, and SSMSA dated _____, 2003, said SSMSA Service Area being identified on Exhibit "A" attached hereto.

O. "SSMSA System" shall mean the sewage collection and conveyance system consisting of the required interceptor sewers, pumping stations and all other appurtenances necessary for the collection and conveyance of sewage and acceptable commercial and industrial wastes from Customers located within the SSMSA Service Area and which SSMSA intends to hereafter construct, own, operate, and maintain;

P. "Sewage Treatment Fee" shall mean the fee which ETSA shall charge SSMSA pursuant to Article 6 of this Agreement for conveying and treating the sewage and acceptable commercial or industrial wastes discharged from the SSMSA System into the ETSA System; and,

Q. "Water Provider" shall mean the entity which provides water to a Customer.

**Article 3
Construction, Ownership And Maintenance**

3.1. The SSMSA System shall be constructed by or on behalf of SSMSA substantially in accordance with the construction plans and specifications prepared by SSMSA's engineering firm, Gannett Fleming.

3.2. SSMSA retains sole ownership and control of the SSMSA System and shall be solely responsible for the operation, maintenance, repair and replacement of same. SSMSA covenants that it will maintain the SSMSA System in good condition and repair and will comply with all federal, state and county laws, statutes, ordinances, rules, regulations, permits or protocols applicable to the operation and maintenance of the SSMSA System.

3.3. ETSA retains sole ownership and control of the ETSA System and shall be solely responsible for the operation, maintenance, repair and replacement of same. ETSA covenants that it will maintain the ETSA System in good condition and repair and will comply with all federal, state and county laws, statutes, ordinances, rules, regulations, permits or protocols applicable to the operation and maintenance of the ETSA System.

Article 4
Connection, Transmission And Treatment

4.1. SSMSA is hereby granted the right to connect the SSMSA System to the ETSA System and to convey sewage and acceptable commercial and industrial wastes, except Prohibited Waste, from Customers through the ETSA System for treatment by ETSA. SSMSA shall provide to ETSA, at no cost or charge, an as-built drawing depicting the connection of the SSMSA System to the ETSA System

4.2. ETSA agrees to accept and to treat all sewage and acceptable commercial and industrial wastes, excepted Prohibited Waste, discharged from the SSMSA System into the ETSA System.

4.3. No Prohibited Waste shall be discharged into the ETSA System through the SSMSA System, and ETSA and SSMSA reserve their rights to take all action within their respective powers necessary and desirable to abate known violations of this Section.

4.4 Any expansion of the SSMSA Service Area to include areas not presently within the SSMSA Service Area shall require the prior approval of ETSA, such approval not to be unreasonably withheld, except that no such approval shall be required if the sewage and acceptable commercial and industrial wastes discharged from Customers located in the expanded areas will not be discharged into the ETSA System. In the event the SSMSA Service Area is

expanded with the approval of ETSA, and absent other agreement of the parties hereto pertaining to the expanded areas, the terms and conditions of this Agreement shall apply to the SSMSA Service Area as expanded.

**Article 5
Capital Contribution**

5.1. SSMSA shall pay to ETSA for the purchase of 191,000 gallons per day of conveyance and treatment capacity in the ETSA System a Capital Contribution in the dollar amount determined by multiplying the total number of EDUs assigned to the Existing Customers by \$900.00. It is presently estimated that the Capital Contribution will total \$495,900.00.

5.2. The parties acknowledge that SSMSA's purchase of capacity in the ETSA System pursuant to this Agreement is intended for the life of the ETSA System and the actual amount of the Capital Contribution will not exceed the sum of SSMSA's proportionate share of the unpaid principal of the debt incurred by ETSA to finance construction of the ETSA System and the costs incurred by ETSA to modify the ETSA System to make it available for use by SSMSA. The parties further acknowledge that the payment of the Capital Contribution by SSMSA to ETSA will not result in a rate reduction to the existing Elizabeth Township users of the ETSA System.

5.3. The Capital Contribution shall be due and payable to ETSA as follows:

A. Ninety-Five percent (95%) of the amount thereof on or before the date the SSMSA Engineer certifies to SSMSA and ETSA that construction of the SSMSA System is substantially complete; and

B. The balance thereof within ten (10) days of receipt by SSMSA of the final payment from PennVest under the Bond Purchase Agreement-

Article 6
Sewage Treatment Fee

6.1. ETSA agrees to charge SSMSA and SSMSA agrees to pay to ETSA a Sewage Treatment Fee for the conveyance and treatment by ETSA of the sewage and acceptable commercial and industrial wastes discharged from the SSMSA System into the ETSA System. For purposes of calculating the amount of the Sewage Treatment Fee, the quantity of sewage and acceptable commercial and industrial wastes discharged from the SSMSA System into the ETSA System shall be based upon a flow meter located in a metering pit to be constructed by and at the sole cost and expense of SSMSA and in accordance with plans and specifications approved by ETSA, such approval not to be unreasonably withheld. Upon completion of the construction of the metering pit, including the installation of the flow meter, SSMSA shall dedicate same to ETSA and upon ETSA's acceptance thereof, the metering pit, including the flow meter and all appurtenances thereto, shall be owned, operated, and maintained by ETSA.

6.2. In the event of a dispute between the parties hereto as to the accuracy of any reading recorded by the flow meter, ETSA agrees to allow SSMSA, its agents and employees, reasonable access to the metering pit to verify the proper functioning and accuracy of the flow meter.

6.3. The Sewage Treatment Fee shall be determined based upon the following charges:

A. A minimum charge of \$15.75 per month for each EDU connected into the SSMSA System on or before the first day of the month for which the Sewage Treatment Fee is then being charged, which provides for the conveyance and treatment of a maximum of 3,000 gallons of sewage and acceptable commercial and industrial wastes per EDU; and,

B. A consumption charge of \$3.95 per month for each 1,000 gallons of sewage and acceptable commercial and industrial wastes discharged into the ETSA System from the SSMSA System in excess of the total gallonage allowed pursuant to subsection A above.

6.4. ETSA shall bill SSMSA for the Sewage Treatment Fee on a quarterly basis. The total amount of each monthly Sewage Treatment Fee shall be based upon the metered volume of sewage and acceptable commercial and industrial wastes, measured in increments of 1,000 gallons, discharged into the ETSA System from the SSMSA System during the billing month, as recorded by the flow meter located in the metering pit constructed pursuant to Section 6.1 above. SSMSA agrees to make full and complete payment within 30 days of its receipt of the Sewage Treatment Fee bill. In the event SSMSA fails to make full and complete payment within 30 days of its receipt of the Sewage Treatment Fee bill, then SSMSA shall pay a penalty of 2% of the amount billed but not timely paid for that month, and simple interest at the rate of 6% on the outstanding balance for that month, until paid in full.

6.5. In order to provide for the correct calculation of each monthly Sewage Treatment Fee, SSMSA shall timely inform ETSA in writing of the initial number of EDUs assigned to the Existing Customers and thereafter so inform ETSA of any increases or decreases in such number of EDUs.

6.6. To effectively and efficiently maintain and operate the ETSA System, the parties acknowledge that it may be necessary from time to time to adjust the Sewage Treatment Fee charges. SSMSA acknowledges that ETSA has the right and power to fix, alter, charge, and collect rates and other charges in the area served by its facilities at reasonable and uniform rates to be determined exclusively by it. Notwithstanding the foregoing, ETSA agrees that any future

adjustments in the Sewage Treatment Fee charges, regardless of whether such adjustments increase or decrease the amount of the charges, shall be subject to the following terms and conditions:

A. The minimum charge set forth in subsection 6.3(A) shall remain fixed for the first three years of the term of this Agreement. Thereafter, any adjustment to the minimum charge shall be equal, on a percentage basis, to any adjustment then being made to the corresponding charge billed to the Elizabeth Township users of the ETSA System; and,

B. Any adjustment to the consumption charge set forth in subsection 6.3(B) shall be equal, on a percentage basis, to any adjustment then being made to the corresponding charge billed to the Elizabeth Township users of the ETSA System.

ETSA shall notify SSMSA in writing of any adjustment to the Sewage Treatment Fee charges at least 60 days prior to the adjustment taking effect.

Article 7 Connection Fee

7.1. SSMSA agrees not to allow any New Customers to connect to the SSMSA System without SSMSA first paying to ETSA a Connection Fee, the amount of which shall be determined in accordance with the provisions of this Article 7.

7.2. ETSA and SSMA acknowledge and agree that the Capacity Fee to be charged SSMSA for each New Customer connecting to the SSMSA System is subject to the provisions of 53 Pa.C.S.A. § 5607(24)(iv) which provides that a municipal authority with available excess sewage capacity, wishing to sell that capacity to another municipal authority, may not charge a higher cost for the capacity portion of the tapping fee as the selling municipal authority charges to its customers for the capacity portion of the tapping fee. In turn, the municipal authority

buying this excess capacity may not charge a higher cost for the capacity portion of the tapping fee to its residential customers than that charged to them by the selling municipal authority.

7.3. In accordance with the provisions of Act 57 of 2003, the ETSA Engineer prepared A Report On Determination Of Enumerated Fees (I.E. Capacity Charges) For Future Customers Of The Authority's Sewage Facilities dated May, 2005. The portion of the ETSA System to be utilized by SSMSA pursuant to this Agreement consists of the Buena Vista STP Watershed Area. Pursuant to the aforesaid Report, the capacity fees for the capacity components of the Buena Vista STP Watershed Area total \$13,174.00. The Connection Fee to be initially charged to SSMSA for each New Customer connecting to the SSMSA System shall be \$4,500.00, which is the same amount currently being charged to the residents of Elizabeth Township who connect to the ETSA System.

7.4. ETSA agrees that it shall not increase the Connection Fee more than once every five years during the term of this Agreement. The Connection Fee under this Agreement shall not exceed the sum of the capacity fee components for the Buena Vista STP Watershed Area or the Connection Fee then being charged by ETSA to Elizabeth Township users of the ETSA System, whichever is less. ETSA shall notify SSMSA in writing of any adjustment to the Connection Fee at least 60 days prior to the adjustment taking effect.

Article 8
Prohibition Against Other Charges And fees

8.1. During the term of this Agreement, ETSA shall not charge to SSMSA and SSMSA shall not be required to pay to ETSA any other charges, rates, or fees other than the Capital Contribution set forth in Article 5, the Sewage Treatment Fee set forth in Article 6, and the Connection Fee set forth in Article 7 of this Agreement.

Article 9
Effective Date And Term

9.1. This Agreement shall be dated and effective as of the date it is last authorized and executed by a party hereto and shall thereafter remain in full force and effect for a term of 50 years unless otherwise terminated in accordance with this Article.

9.2 Prior to payment in full of SSMSA's Debt Obligation to the Pennsylvania Infrastructure Investment Authority ("Pennvest") incurred pursuant to the Debt Obligation Documents to be entered into between SSMSA and Pennvest and providing for the financing of the construction of the SSMSA System, neither party may terminate this Agreement without first obtaining the express written consent of Pennvest, its successors or assigns, and the other party.

9.3. At any time after payment in full of SSMSA's Debt Obligation to Pennvest, either party may terminate this Agreement without the consent of Pennvest or its successors or assigns, but with the express written consent of the other party, such consent not to be unreasonably withheld. Unless otherwise agreed to by the parties, the termination shall take effect one year after the date of the written consent to the termination.

9.4. Notwithstanding any other term or provision of this Agreement, in the event SSMSA elects not to construct the SSMSA System, written notice of which shall be given to ETSA, then this Agreement shall become null and void and of no force or effect whatsoever.

Article 10
General Provisions

10.1. Inspection and Reporting. Each party agrees to follow the other, at the other's expense, to inspect at reasonable times, and/or to provide the other with any and all information regarding any: (i) reporting requirements as established by law, including Chapter 94 reporting

requirements; (ii) operation, maintenance and repair of its system, including costs thereof, and (iii) the basis of charges, rates and adjustments thereto.

10.2. Integration Clause. This Agreement sets forth the entire agreement between the parties, and there is and was no prior or contemporaneous representation, agreement or understanding, written or oral, which is or was material to either party, or upon which either party does or did rely, which has not been set forth in this Agreement. Each party hereby waives the right to enforce or sue upon any prior or contemporaneous representation, agreement or understanding, written or oral, which has not been set forth in this Agreement. This Agreement may not be altered or modified except by a writing signed by the parties hereto. Each party hereby waives the right to enforce or sue upon any alleged alteration or modification of this Agreement which is not in writing and signed by the parties hereto. Subject to the other applicable provision of this Agreement, this Agreement shall be binding upon the parties hereto, their heirs, successors, legal representatives and permitted assigns.

10.3. Notices. All notices, requests and other communications under this Agreement shall be in writing and shall be sent to the receiving party at its address as set forth below (or to such other address as the receiving party notifies the sending party, in writing): (i) by registered or certified mail, return receipt requested, postage prepaid; (ii) by any courier service which provides written confirmation of delivery, or (iii) by hand delivery by a competent adult with written, signed certification of delivery:

1. Sutersville-Sewickley Municipal Sewage Authority
Sutersville Municipal Building
Sutersville, PA 15083
2. Elizabeth Township Sanitary Authority
2420 Greenock Buena Vista Road
McKeesport, PA 15135

All such notices, requests or other communications shall have been sufficiently given for all purposes hereof on the date of the receiving party's receipt thereof as shown by a return receipt, a courier's written confirmation of delivery or a competent adult's written, signed certification of delivery, and may be sent on behalf of any party by that party's respective counsel.

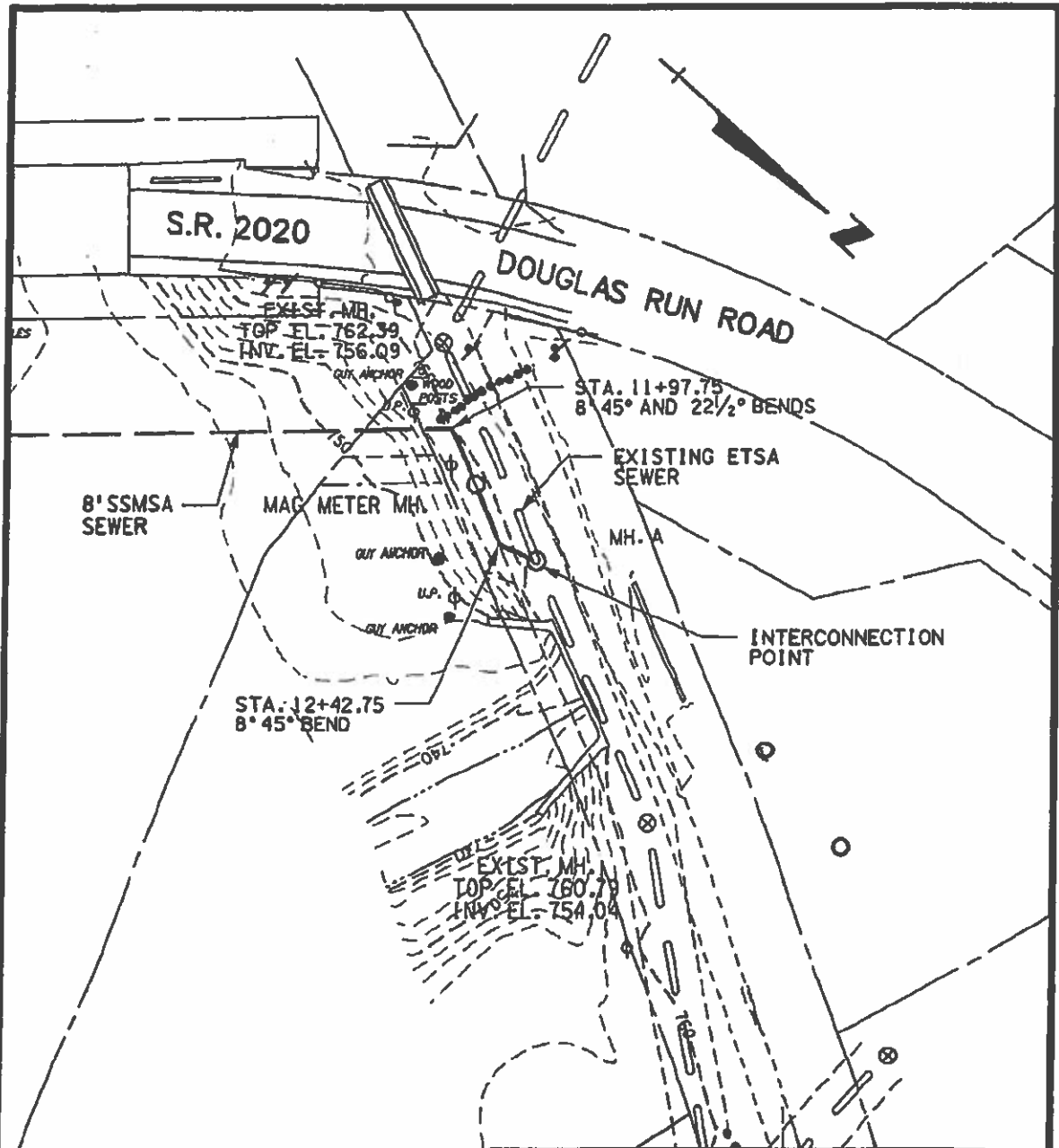
10.4. Interpretation. No provision of this Agreement shall be interpreted for or against either party because of any presumption in law based upon the preparation of this Agreement.

10.5. This Agreement and the execution thereof in duplicate by the officers of SSMSA have been duly authorized by motion approved by the Board of SSMSA at a public meeting held on the 11th day of September, 2006.

10.9. This Agreement and the execution thereof in duplicate by the officers of ETSA have been duly authorized by motion approved by the Board of ETSA at a public meeting held on the 7th day of September, 2006.

[The Next Page Is The Signature Page]





SUTERSVILLE-GEWICKLEY MUNICIPAL SEWAGE AUTHORITY
WESTMORELAND COUNTY, PENNSYLVANIA

ELIZABETH TOWNSHIP SANITARY AUTHORITY
INTERCONNECTION POINT

EXHIBIT B

JOB NO.
041883



SCALE
1" = 60'

AUGUST
2008

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
 DATE 08/20/2008 BY 60321/UC/SAB/STP

RESOLUTION NO. 06/06

**A RESOLUTION OF ELIZABETH TOWNSHIP
SANITARY AUTHORITY, ALLEGHENY COUNTY,
COMMONWEALTH OF PENNSYLVANIA,
CONSOLIDATING ALL RATE RESOLUTIONS,
AMENDMENTS, ADDENDUMS AND
CLARIFICATIONS INTO ONE RESOLUTION.**

WHEREAS, Elizabeth Township Sanitary Authority wishes to combine its Rate Resolution, Resolution 06/02, and all of its Amendments, Addendums and Clarifications into one Rate Resolution.

BE IT ENACTED by the Authority Board of the Elizabeth Township Sanitary Authority (ETSA) as follows:

All owners of property connected with the sewers and sewage system as owned or leased by ETSA, Allegheny County, Pennsylvania and all of the owners of property who may hereafter connect with and use the same shall pay sewer rentals or charges, payable quarterly (or monthly, at ETSA's discretion for commercial, industrial, institutional, and multiple residential unit accounts) as hereinafter provided, for the use of such sewage facilities based upon the following schedule of rates:

SECTION 1. RESIDENTIAL CONNECTIONS:

WATER CONSUMPTION RATE PER QUARTER

First 7,000 gallons allowance/EDU	\$63.00 Fixed Minimum Usage/EDU per month
All consumption thereafter	\$3.95 per 1,000 gallons (after minimum is met)

SECTION 2. MULTIPLE RESIDENTIAL CONNECTIONS

The quarterly sewer rental charge for multiple dwellings shall be arrived at by taking the number of units within the building and multiplying said number by sixty-three (\$63.00) dollars. This shall constitute the minimum quarterly sewer rental charge for said building. If the consumption of said building exceeds the minimum consumption rate (allowing minimum gallonage for each dwelling unit) then the additional consumption charges will be added to the above mentioned minimum quarterly rate as computed by the consumption rates now in effect.

(The minimum use charge is 7,000 gallons per equivalent dwelling unit (EDU) per quarter for multiple unit connections.)

First 7,000 gallons allowance/EDU	\$63.00 Fixed Minimum Usage/EDU per
-----------------------------------	-------------------------------------

Exhibit "C"

month

All consumption thereafter \$3.95 per 1,000 gallons (after minimum
is met)

SECTION 3. SEPARATE STRUCTURES WITH SANITARY DRAINS.

Any structure not attached to the main structure that has its own sanitary drain must obtain its own tap in permit, its own lines and generate its own bill for service.

SECTION 4. NON-RESIDENTIAL/COMMERCIAL CONNECTIONS

For service accounts other than single family and/or multiple dwelling unit accounts, the following minimum charges shall be applied:

First 7,000 gallons allowance/EDU	\$25.00 Fixed Minimum Usage/EDU per month
All consumption thereafter	\$3.95 per 1,000 gallons (after minimum is met)

For equivalent dwelling unit (EDU) for non-residential buildings, EDU's shall be determined according to standards set forth in the Pennsylvania Code, Title 25, Chapter 73.13 (Sewage Flows) (a copy attached herewith for reference). For the basis of calculation, EDU's shall be calculated as 260 gallons per day/equivalent dwelling unit (260 GPD/EDU).

If it is determined that the Table in the above code does not specifically apply, then there shall be MINIMUM of one (1) EDU per division/dwelling/use unit in a non-residential/commercial use building.

The EDU Calculation may be reevaluated by ETSA and if needed, the EDU number will be increased as needed. There can never be a reduction below the one EDU minimum.

Or

In the case of existing facilities the average of twelve (12) consecutive months of metered water service may be used for calculation, if requested by the customer or the Authority.

The EDU basis may be re-evaluated bi-annually (i.e., at two (2) year intervals) at the discretion of the Authority or at the request of the customer.

SECTION 6. To effectively and efficiently maintain and operate the sanitary collection, conveyance and treatment system, it may be desirable to adjust the preceding rate structure from time to time either upward or downward (i.e., increase or decrease). Therefore the Authority Board, may, by formal action, adjust rates according to the following:

Minimum Use Allowance - Residential

Adjust minimum use allowance upward or downward in 1,000 gallon increments, but not more than (1) 1,000 gallon increment within a twelve (12) month period.

Minimum Quarterly Charge and Consumption Charge per 1,000 Gallons - Residential

Adjust minimum quarterly charge and/or consumption charge upward or downward, but not exceed a five (5) percent change in any twelve (12) month period.

Minimum Use Allowance - Commercial

Adjust minimum use allowance upward or downward in 1,000 gallon increments, as is necessary to reasonably allocate costs of said commercial accounts.

Minimum Monthly Charge and Consumption Charge per 1,000 Gallons - Commercial

Adjust minimum monthly charge and/or consumption charge upward or downward, as is necessary to reasonably allocate costs of said commercial accounts.

SECTION 5. FIXED MINIMUM USE CHARGE.

Any and all EDUs are subject to the fixed minimum use charge, notwithstanding water usage or lack thereof. This includes EDUs where there is a meter, but water is shut off to the dwelling.

SECTION 6. RESIDENTIAL DELINQUENT ACCOUNTS.

When such a residential premise has a delinquent or unpaid bill for rentals, rates and charges for sewer, sewage or treatment service, the following procedures shall apply:

Penalty shall be applied to unpaid and/or delinquent residential accounts in the amount of five percent (5%) of the unpaid balance after the balance is fifteen (15) days delinquent. Interest in the amount of .833 percent of the gross amount per month shall be applied each month that the account is delinquent.

SECTION 7. NON-RESIDENTIAL DELINQUENT ACCOUNTS.

When such a non-residential premise has a delinquent or unpaid bill for rentals, rates and charges for sewer, sewage or treatment service, the following procedures shall apply:

Penalty shall be applied to unpaid and/or delinquent non-residential accounts in the amount of five percent (5%) of the unpaid balance for the first month that said rentals, rates and charges for sewer, sewage and sewage treatment service.

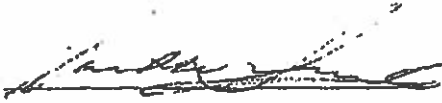
For every additional month of non-payment or delinquency, penalty shall be applied to unpaid and/or delinquent non-residential accounts in the amount of two hundred forty percent (240%) per annum, or any fraction thereof, of the unpaid balance for the first month that said rentals, rates and charges for sewer, sewage and sewage treatment service.

SECTION 8. All sewer charges shall be due and payable, including penalties and interest, from and after the date the sewer is available to abutting improved property for use, and shall constitute a lien, which lien may be filed in the Office of the Prothonotary, and collected in the manner provided by law for the filing and collection of Municipal Claims.

APPROVED THIS 6th day of July, 2006.

ATTEST:

ELIZABETH TOWNSHIP
SANITARY AUTHORITY



Chairman Elizabeth Township
Sanitary Authority

**AMENDED AND RESTATED INTERMUNICIPAL SEWAGE SERVICES
AGREEMENT**

This Amended and Restated Intermunicipal Sewage Services Agreement (this “Agreement”) is made and entered into as of the 9th day of May 2025, by and between **Sutersville-Sewickley Municipal Sewage Authority**, a municipal authority organized and existing under and by virtue of the Municipality Authorities Act, 53 Pa.C.S.A. § 5601, et. seq., (“SSMSA”) and having its principal office located at Sutersville Municipal Building, Sutersville, Pennsylvania, 15083,

AND

Elizabeth Township, a municipal corporation existing under and pursuant to the Pennsylvania First Class Township Code (“Elizabeth Township”) and having its principal office located at 522 Rock Run Road, Elizabeth, PA 15037. Elizabeth Township and SSMSA are collectively referred to as the “Parties.”

WHEREAS, SSMSA and the Elizabeth Township Sanitary Authority (“ETSA”) were parties to an Intermunicipal Authorities Sewage Service Agreement for the Sutersville-Sewickley Municipal Sewage Authority Service Agreement dated September 11, 2006 (the “Original Agreement”); and

WHEREAS, Elizabeth Township created ETSA for the purpose of acquiring, holding, owning, constructing, improving, maintaining and operating sewers, sewers systems or parts thereof and sewage treatment works, including works for the treatment and disposal of domestic sewage and acceptable commercial and industrial wastes (the “Elizabeth System”); and

WHEREAS, SSMSA was created for the purpose of acquiring, holding, owning, constructing, improving, maintaining and operating sewers, sewers systems or parts thereof and

sewage treatment works, including works for the treatment and disposal of domestic sewage and acceptable commercial and industrial wastes; and

WHEREAS, pursuant to the Original Agreement, SSMSA had determined that it is more economically feasible to construct a system for the collection and conveyance of sewage and acceptable commercial and industrial wastes from within the SSMSA Service Area (hereinafter “SSMSA System”) and then connect the SSMSA System to the Elizabeth System for the further conveyance of the sewage and acceptable commercial and industrial wastes for treatment at the Buena Vista Treatment Plant owned and operated by ETSA; and

WHEREAS, pursuant to the Original Agreement, ETSA represented to SSMSA that the Elizabeth System had sufficient capacity to accept and convey the sewage and acceptable commercial and industrial wastes reasonably anticipated to be discharged from the SSMSA Service Area into the SSMSA System during the term of this Agreement; and

WHEREAS, pursuant to the Original Agreement, ETSA had agreed to accept for conveyance and treatment at the Buena Vista Treatment Plant the sewage and acceptable commercial and industrial wastes discharged from within the SSMSA Service Area into the Elizabeth System; and

WHEREAS, Elizabeth Township terminated ETSA and assumed all the obligations of ETSA pursuant the Municipality Authorities Act in December 2013, including the obligations to perform the services as set forth in the Original Agreement; and

WHEREAS, ETSA decommissioned the Buena Vista Treatment Plant in June 2023 and connected the Elizabeth System (and the SSMSA System) to Pennsylvania American Water Company’s (“PAWC”) Wastewater Treatment Plant in McKeesport; and

WHEREAS, Elizabeth Township now conveys flow from the Elizabeth System (and the SSMSA System) into the PAWC Wastewater Treatment Plant in McKeesport for sewage treatment and disposal and is billed PAWC's PUC-approved tariff rates; and

WHEREAS, Elizabeth Township filed suit against SSMSA in the Court of Common Pleas of Allegheny County under Case No. GD 19-011632 regarding a dispute relating to unpaid conveyance and treatment charges; and

WHEREAS, the Parties have entered into a Settlement Agreement and Mutual General Release ("Agreement and Release") and pursuant to the terms of the Agreement and Release the Parties have agreed to enter into this Agreement that amends and restates the Original Agreement; and

NOW THEREFORE, for and in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree to the terms and conditions hereinafter set forth.

Article 1. Incorporation of Preambles

1.1. The preambles hereinabove set forth are incorporated herein by reference as though the same were here set forth at length.

1.2. The Parties acknowledge and agree that the preambles are an essential part of this Agreement.

Article 2. Definitions

2.1. When used in this Agreement, the following words have the following meanings, unless the context clearly indicates another meaning:

A. **“Capital Contribution”** means the \$495,000 paid by SSMSA to ETSA pursuant to the Original Agreement and Article 5 of this Agreement that reserves and allocates to SSMSA 191,000 gallons per day or 551 EDUs of conveyance capacity in and through the Elizabeth System;

B. **“Connection Fee”** means the fee which Elizabeth Township charges SSMSA for allowing New Customers to discharge sewage or acceptable commercial or industrial wastes from a New Customer into the Elizabeth System for conveyance over the allocated Capital Contribution or 551 EDUs;

C. **“Conveyance Fee”** means the quarterly fee (based on SSMSA’s metered water consumption records from SSMSA’s water provider for each relevant quarter) that Elizabeth Township charges SSMSA for allowing the SSMSA System to discharge sewage or acceptable commercial or industrial wastes through Elizabeth Township for conveyance into the PAWC Wastewater Treatment Plant in McKeesport for treatment;

D. **“Customer”** means (i) each structure within the SSMSA Service Area that is currently connected to the SSMSA System or (ii) each future structure within the SSMSA Service Area that is connected to the SSMSA System up to the allocated Capital Contribution or 551 EDUs and from which SSMSA intends to convey sewage or acceptable commercial or industrial wastes to the Elizabeth System and into the PAWC Wastewater Treatment Plant in McKeesport for treatment;

E. **“EDU”** or **“Equivalent Dwelling Unit”** is defined by the then-current ELIZABETH Resolution;

F. **“New Customer”** means each structure located within the SSMSA Service Area that connects to the SSMSA System other than a Customer;

G. **“Prohibited Waste”** means waste which may not be placed into the Elizabeth System or treated at the PAWC Wastewater Treatment Plant in McKeesport pursuant to Elizabeth Township and PAWC Rules and Regulations as they exist on the date of the execution of this Agreement, or any amendment thereof, or by any federal, state or county statute, ordinance, rule, regulation, permit or protocol which applies to Elizabeth Township or the Elizabeth System;

H. **“SSMSA Service Area”** means the Borough of Sutersville, Westmoreland County, Pennsylvania, and those areas of the Township of Sewickley, Westmoreland County, Pennsylvania, for which SSMSA was formed to undertake the planning, financing, acquisition, construction, operation and maintenance of a joint regional sewage collection, transmission, and treatment system as depicted on **Exhibit A** attached hereto.

I. **“SSMSA Treatment Fee”** means SSMSA System’s quarterly portion of the applicable PUC-approved tariff rate that PAWC charges Elizabeth Township for wastewater treatment and disposal from the Elizabeth System (based on SSMSA’s metered water consumption records from SSMSA’s water provider for each relevant quarter) as illustrated on **Exhibit B** attached hereto.

Article 3. Ownership and Maintenance.

3.1. SSMSA retains sole ownership and control of the SSMSA System and shall be solely responsible for the operation, maintenance, repair and replacement of same. SSMSA covenants that it will maintain the SSMSA System in good condition and repair and will comply with all federal, state and county laws, statutes, ordinances, rules, regulations, permits or protocols applicable to the operation and maintenance of the SSMSA System.

3.2. Elizabeth Township retains sole ownership and control of the Elizabeth System and shall be solely responsible for the operation, maintenance, repair and replacement of same.

Elizabeth Township covenants that it will maintain the Elizabeth System in good condition and repair and will comply with all federal, state and county laws, statutes, ordinances, rules, regulations, permits or protocols applicable to the operation and maintenance of the Elizabeth System.

Article 4. Connection, Transmission, and Conveyance Fee.

4.1. Elizabeth Township acknowledges and agrees that SSMSA has the right to connect the SSMSA System to the Elizabeth System and to convey sewage and acceptable commercial and industrial wastes, except Prohibited Waste, from Customers in the SSMSA Service Area through the Elizabeth System and into the PAWC Wastewater Treatment Plant in McKeesport for treatment.

4.2. SSMSA shall pay Elizabeth Township a Conveyance Fee of \$27.90 / EDU / month (but billed quarterly) from the date of this Agreement to May 31, 2026. After May 31, 2026, SSMSA shall pay Elizabeth Township a Conveyance Fee of \$35.00 / EDU / month (but billed quarterly) thereafter to convey sanitary wastewater from the SSMSA System through the Elizabeth System and into the PAWC Wastewater Treatment Plant in McKeesport for treatment as illustrated on **Exhibit B**. If Elizabeth Township raises its rates for its customers after the date of this Agreement, SSMSA's rates shall increase in the same aggregate monetary amount.

4.3. SSMSA shall also pay Elizabeth Township the quarterly SSMSA Treatment Fee as illustrated on **Exhibit B**.

4.4. SSMAS shall not discharge Prohibited Waste into the Elizabeth System through the SSMSA System, and Elizabeth Township and SSMSA reserve their rights to take all action within their respective powers necessary and desirable to abate known violations of this Section.

4.5. Any expansion of the SSMSA Service Area to include areas not presently within the SSMSA Service Area shall require the prior approval of Elizabeth Township, such approval not to be unreasonably withheld, except that no such approval shall be required if the sewage and acceptable commercial and industrial wastes discharged from Customers located in the expanded areas will not (i) exceed the Capital Contribution or 551 EDUs or (ii) be discharged into the Elizabeth System. If the SSMSA Service Area is expanded with the approval of Elizabeth Township, and absent other agreement of the Parties pertaining to the expanded areas, the terms and conditions of this Agreement shall apply to the SSMSA Service Area as expanded.

Article 5. Original Capital Contribution.

5.1. SSMSA paid ETSA the Capital Contribution pursuant to the Original Agreement. Elizabeth Township acknowledges and agrees that SSMSA has paid the Capital Contribution.

Article 6. Connection Fee.

6.1. SSMSA agrees not to allow any New Customers to connect to the SSMSA System without SSMSA first paying to Elizabeth Township a Connection Fee.

6.2. Elizabeth Township and SSMA acknowledge and agree that the Connection Fee to be charged SSMSA for each New Customer connecting to the SSMSA System is subject to the provisions of 53 Pa.C.S.A. § 5607(24)(iv) which provides that a municipal authority with available excess sewage capacity, wishing to sell that capacity to another municipal authority, may not charge a higher cost for the capacity portion of the tapping fee as the selling municipal authority charges to its customers for the capacity portion of the tapping fee. In turn, the municipal authority buying this excess capacity may not charge a higher cost for the capacity portion of the tapping fee to its residential customers than that charged to them by the selling municipal authority.

6.3. Elizabeth Township agrees that it shall not increase the Connection Fee more than once every three years during the term of this Agreement. The Connection Fee under this Agreement shall not exceed the sum of the capacity fee components for the PAWC Treatment Plant at McKeesport or the Connection Fee then being charged by Elizabeth Township to Elizabeth Township users of the Elizabeth System, whichever is less. Elizabeth Township shall notify SSMSA in writing of any adjustment to the Connection Fee at least 60 days prior to the adjustment taking effect.

Article 7. Prohibition Against Other Charges and Fees.

7.1. During the term of this Agreement, Elizabeth Township shall not charge to SSMSA and SSMSA shall not be required to pay to Elizabeth Township any other charges, rates, or fees other than the Conveyance Fee and the SSMSA Treatment Fee as set forth in Article 4 of this Agreement and the Connection Fee set forth in Article 6 of this Agreement.

Article 8. Effective Date, Term, and Capacity.

8.1. This Agreement shall be dated and effective as of the date it is last authorized and executed by a Party hereto and shall thereafter remain in full force and effect for a term of twenty (20) years unless otherwise terminated in accordance with this paragraph.

Article 9. General Provisions.

9.1. Inspection and Reporting. Each Party agrees to allow the other, at the other's expense, to inspect at reasonable times, and/or to provide the other with any and all information regarding any: (i) reporting requirements as established by law, including Chapter 94 reporting requirements; (ii) operation, maintenance and repair of its system, including costs thereof, and (iii) the basis of charges, rates and adjustments thereto.

9.2. Integration Clause. This Agreement sets forth the entire agreement between the Parties, and there is and was no prior or contemporaneous representation, agreement or understanding, written or oral, which is or was material to either Party, or upon which either Party does or did rely, which has not been set forth in this Agreement. Each Party hereby waives the right to enforce or sue upon any prior or contemporaneous representation, agreement or understanding, written or oral, which has not been set forth in this Agreement. This Agreement may not be altered or modified except by a writing signed by the Parties hereto. Each Party hereby waives the right to enforce or sue upon any alleged alteration or modification of this Agreement which is not in writing and signed by the Parties hereto. Subject to the other applicable provision of this Agreement, this Agreement shall be binding upon the Parties hereto, their heirs, successors, legal representatives and permitted assigns.

9.3. Assignment. This Agreement is assignable by either Party upon thirty (30) days written notice to the other Party in connection with the assigning Party's sale or lease of its conveyance system (either the Elizabeth System or the SSMSA System). This Agreement is binding on the Parties and each of its successors and assigns.

9.4. Notices. All notices, requests and other communications under this Agreement must be in writing and must be sent to the receiving Party at its address as set forth below (or to such other address as the receiving Party notifies the sending Party, in writing): (i) by registered or certified mail, return receipt requested, postage prepaid; (ii) by any courier service which provides written confirmation of delivery, or (iii) by hand delivery by a competent adult with written, signed certification of delivery:

Sutersville Sewickley Municipal Sewage Authority
(SSMSA)
826 Curry Road
Sutersville PA, 15083

Attention: Chairperson

Elizabeth Township
522 Rock Run Road
Elizabeth, PA 15037

Attention: Township Manager

All such notices, requests or other communications shall have been sufficiently given for all purposes hereof on the date of the receiving Party's receipt thereof as shown by a return receipt, a courier's written confirmation of delivery or a competent adult's written, signed certification of delivery, and may be sent on behalf of any Party by that Party's respective counsel.

9.5. Interpretation. No provision of this Agreement shall be interpreted for or against either Party because of any presumption in law based upon the preparation of this Agreement.

9.6. Nothing contained in this Agreement shall be construed to relieve or limit the future obligations of either Party to comply with all local state and federal laws.

9.7. Neither this Agreement nor any term hereof may be orally changed, waived, discharged or terminated. The Agreement may be amended only by written agreement between the Parties.

9.8. If any term or provision of this Agreement shall be held to be invalid or unenforceable for any reason, then such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining terms or provisions hereof, and such term or provision shall be deemed modified to the extent necessary to make it enforceable.

9.9. This Agreement has resulted from negotiation by the Parties represented by counsel, and in the event of ambiguity or otherwise, it shall not be construed against or in favor of any party on the grounds that counsel for such party was the draftsman of the Agreement or any

particular part of it. The Parties represent that the terms of this Agreement have been completely read by them, and that those terms are fully understood and voluntarily accepted by them.

9.10. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, without regard to the conflict of law principles of any jurisdiction. All remedies at law and equity shall be available for the enforcement of this Agreement.

Execution Version

**SUTERSVILLE-SEWICKLEY MUNICIPAL
SEWAGE AUTHORITY**

By: Bruce Riley
Chairman

[Signature] (SEAL)
Secretary

ELIZABETH TOWNSHIP

By: John M. White
Chairman

Jessica Gammert (SEAL)
Secretary

Exhibit A
SSMSA Service Area



Exhibit B

[Example] Quarter 2025

		491	
Number of EDUs ¹ :			
		\$[]	
x \$27.90 x 3 ²	=		
Total Consumption gallons ³ :		[],000	
		\$[]	
x \$16.68 / 1000 gal ⁴	=		
		\$[]	
		\$[]	
		\$[]	
Total Payment Due to Elizabeth Township	=		

¹ Current SSMSA EDUs
² (i) \$27.90 / EDU / month (but billed quarterly) from the date of this Agreement and (ii) \$35.00 / EDU / month (but billed quarterly) starting on the earlier of the date of closing of the SSMSA System sale or June 1, 2026, pursuant to the terms and conditions of the IMA and any increases in accordance with all subsequent PAWC increases
³ Information to come from SSMSA's water provider for each relevant quarter
⁴ Current PAWC PUC-approved tariff rate and any increases in accordance with all subsequent PAWC increases

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 the Sutersville-Sewickley Municipal Sewage Authority's assets, properties and rights related to its sanitary sewage collection and conveyance system to Pennsylvania-American Water Company; and (2) the right of Pennsylvania-American Water Company to begin to offer and furnish wastewater service to the public in the Borough of Sutersville and in portions of Sewickley Township, Westmoreland County, Pennsylvania

Appendix B

Pennsylvania-American Water Company
Pro Forma WW Tariff