

AGREEMENT

THIS AGREEMENT made and entered into this 24th day of September, 1985, between the Township of Ross, a Municipal corporation and duly constituted political subdivision of the Commonwealth of Pennsylvania, party of the first part (hereinafter referred to as "Municipality")

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THE GIRTY'S RUN JOINT SEWER AUTHORITY, a Pennsylvania Municipal Authority duly incorporated under the Municipality Authorities Act of 1945, as amended, party of the second part (hereinafter referred to as "Authority").

W I T N E S S E T H:

WHEREAS, The Girty's Run Joint Sewer Authority is the owner of a sewer system situate within the Borough of Millvale and in the Townships of Reserve, Ross and Shaler; and

WHEREAS, the Municipality transferred that portion of its sewer system situate within the Girty's Run Watershed to The Girty's Run Joint Sewer Authority by an Agreement dated November 21, 1984; and

WHEREAS, pursuant to that Agreement, the Authority assumed the legal obligation of the Municipality to implement a Joint Corrective Action Plan to comply with the Pennsylvania Department of Environmental Resources Order of April 17, 1984, requiring elimination of the sewer system's hydraulic overload; and

WHEREAS, pursuant to that Agreement, the Municipality acknowledged that in order for the Authority to implement the Joint Municipal Corrective Action Plan, as approved by the Pennsylvania Department of Environmental Resources and to continue to maintain and operate the sewer system within the Authority's jurisdiction, it would be necessary for the Authority to impose a uniform user's fee; and

WHEREAS, the Municipality is willing to pay or require its residents to pay the same rates for service to the Authority in order to implement the Corrective Action Plan and to continue to maintain and operate the system as shall be charged and collected throughout the remainder of the Authority's service area; and

WHEREAS, such uniform rates will result in lower costs to the Municipality and its residents than would result from the Municipality individually implementing the Joint Corrective

Action Plan and thereafter maintaining and operating the system;
and

WHEREAS, the parties are desirous of entering into a written agreement establishing procedures for the billing and collection of said user fees.

NOW THEREFORE, the parties hereto and in consideration of the above premises and the mutual covenants and conditions contained herein, and intending to be legally bound agree as follows:

1. User Fees. The Authority shall, for the services and facilities furnished or to be furnished by it, impose upon the owner, tenant or occupant of each lot or parcel of land within the Municipality from which sewage, waste, or water enter the Authority's sewer system, a user's fee which shall be based or computed upon the quantity of water consumed in or upon such lot or parcel as determined by gauging or metering or otherwise. The Municipality agrees that it shall be obligated to pay the aggregate amount of all User Fees charges which under this Agreement would be payable by its users in consideration of the Authority implementing the Municipality's portion of the Corrective Action Plan and the Authority's Agreement to continue

to maintain and operate the Authority's portion of the sewer system within the Municipality.

A. The Authority's schedule of User Fees shall be uniform throughout the entire service area of The Girty's Run Joint Sewer Authority System, and shall be so calculated as to yield in the aggregate during each month or quarter year, the amount required each month or quarter year for paying all current administrative and operating expenses of the Authority, the interest on and the principal of all outstanding bonds and other obligations as the same become due and payable, and to create such reserves for such purposes as may be required by the resolution authorizing the issuance of the Authority's bonds or the trust indenture securing the same.

(1) The schedule of User Fees shall impose reasonable minimum charges, may include such block rates for metered water users and such charges for flat-rate water users as the Authority shall determine, and may provide surcharges for commercial and industrial wastes which impose an extraordinary burden on the sewer system.

(2) Said schedule may be adjusted from time to time in such manner as the Authority shall deem necessary or proper to ensure the collection of adequate revenues to meet its financial requirements.

2. Computation of User Fees. All bills for User Fees shall be computed by the Authority on the basis of the quantity of water used, whether the water is furnished by a public or private waterworks system.

3. Compilation of Data. It is acknowledged by the parties hereto that the Authority shall compute its User Fees on the basis of water usage supplied by various water utilities and compiled by ALCOSAN. In the event ALCOSAN for any reason should cease compiling the water usage figures, the Authority will obtain such information directly from the water utilities.

4. No Free Sewer Services. There shall be no free services rendered by the Authority, and the Municipality or any department, agency or instrumentality thereof, all public corporations, all charitable or nonprofit institutions, all school districts, and all other political subdivisions shall pay for the use of the services and facilities thereof in accordance with the established schedule of User Fees.

5. Bulk Billing. The individual charges of each user within the Municipality shall be computed, but instead of sending individual bills to all such users, all such individual bills shall be totalled and the aggregate amount thereof shall be billed quarterly in accordance with the water supplier's cyclical practice with the Municipality.

6. Payment of Billing. In consideration of services rendered by the Authority to the Municipality, which will enable the Municipality to comply with the duty imposed upon it by law, and in further consideration of the assignment to it of the User Fee accounts as hereinafter provided, the Municipality agrees to pay to the Authority, out of the Municipality's current revenues as hereinafter provided, the face amount of said individual User Fee bills.

7. Due Date of Bulk Billing. The Municipality covenants that it will pay each such quarterly aggregate amount, out of its current revenues as hereinafter provided, within sixty (60) days after the date of the bill.

The initial Billing Period shall be retroactive to the period commencing September 3, 1985.

8. Assignment of User Fee Accounts. The Authority hereby assigns to the Municipality, its current User Fee accounts as the same arise; hereby assigning to the Municipality all rights and remedies now available or hereinafter to become available to the Authority to pursue, enforce and compel payment of any delinquent User Fee, together with penalties, interest and costs, which may be due and owing.

9. Amending User Fees. The Municipality agrees that if the schedule of User Fees in effect at any time does not, or in the opinion of the Authority, may not, yield sufficient

revenue to meet the Authority's financial requirements, or if the Authority finds that such schedule has proven to be inequitable, the Authority shall have the right at any time and from time to time to revise and adjust its User Fees in such manner and to such extent as it may deem advisable.

A. At least sixty (60) days before any revised User Fees shall become effective, the Authority shall submit, in writing, to the Municipality a statement setting forth the new schedule of User Fees and the reasons why it was found necessary or desirable to put them into effect. Such new User Fees shall go into effect no earlier than sixty (60) days from the furnishing of such statement.

10. Guarantees for Payment. The Municipality shall annually provide in its budget for obtaining the funds necessary to meet its obligations under this Agreement. On or before October 1, of each year, the Authority shall supply to the Municipality's governing body a written estimate of the total aggregate amount of all User Fees, which the Municipality will probably be required to pay to the Authority during the ensuing fiscal year. The Municipality shall provide for obtaining revenues by proper Ordinance, tax levy or any other lawful manner so as to insure that the Municipality shall obtain or

collect during the ensuing fiscal year a sum which will be at least one hundred twenty (120%) percent of such estimated amount to become due under this Agreement during such year.

A. The revenues collected from such tax levy or from any other source so designated by the Municipality, or from any combination thereof which the Municipality may elect to employ, shall be deposited to the credit of a special fund to be designated "The Girty's Run Joint Sewer Authority Fund," the monies in which shall be used by the Municipality to meet its obligations under this Agreement and shall not be used for any other purpose whatsoever.

B. If the entire amount due the Authority under this Agreement for any year is not paid out of the current revenues of the Municipality for such year, the balance thereof shall be paid out of the current revenues of succeeding years.

11. Rules and Regulations. The Authority shall have the right to promulgate, issue, publish and enforce rules and regulations governing its activities and carrying into effect the provisions of this Agreement. The Municipality accordingly agrees, on the request of the Authority to enact an Ordinance incorporating all or designated portions of the Authority's rules and providing appropriate penalties for the violation

thereof, to amend such Ordinance from time to time as requested by the Authority and to enforce the provisions thereof fully and prosecute all violators thereof diligently.

12. Bond Issue. The parties hereto acknowledge that the Authority may have to enter into a bond issue for the purpose of carrying out its obligations to implement the Joint Municipal Corrective Action Plan. The Municipality agrees that it shall adopt or execute any resolutions, ordinances or agreements that may become necessary for purposes of the Authority accomplishing any such bond issue.

13. Duration. This Agreement shall become effective upon execution by the parties, shall be retroactive to September 3, 1985, and shall remain in full force and effect until the expiration of the legal existence of the Authority.

14. Amendment and Waiver. This Agreement may not be amended or modified unless done so in writing and executed by the parties hereto.

15. Notices. All notices required pursuant to the terms and conditions of this Agreement shall be in writing and may be given by depositing the same in the United States mail, addressed to the party to be notified, postage pre-paid, and registered or certified with return receipt requested; or by

delivering same in person to such party. For purposes of notice, the addresses of the parties shall until changed be as follows:

Municipality: Township of Ross
Perry & Center Highway
Ross, PA 15229

Authority: The Girty's Run Joint Sewer Authority
1097 North Avenue - Suite 110
Pittsburgh, PA 15209

16. Counterpart Execution. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17. Integrated Agreement. This Agreement constitutes the entire Agreement between the parties hereto, and there are no other agreements, understandings, restrictions, warranties or representations between the parties other than those set forth herein. This Agreement supersedes all prior agreements and understandings relating to the subject matter hereof.

18. Choice of Law. It is the intention of the parties hereto that the Laws of the Commonwealth of Pennsylvania shall govern the validity of this Agreement, the construction of its terms, and the interpretations of the rights and the duties of the parties.

19. Entire Agreement. This Agreement constitutes the entire Agreement and understanding of the parties on the subject hereof and supersedes all prior Agreements and understandings relating to the subject matter hereof.

WITNESS the execution of this Agreement by the proper officers of the Parties, attested to by their Secretaries and under their Municipal Seals.

ATTEST:

THE GIRTY'S RUN JOINT SEWER AUTHORITY

Robert Wettinger
Secretary

BY:

Thomas G Lawlor
President of Board

ATTEST:

TOWNSHIP OF ROSS

Robert J. Novak
Secretary

BY:

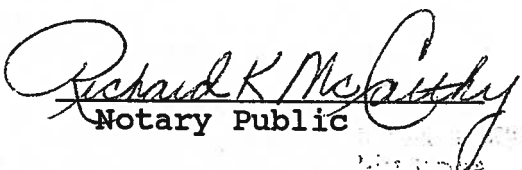
Arthur Z. White
President of Board

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY

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On this 24th day of Sept, 1985, before me, the subscriber, a Notary Public, personally appeared THOMAS G. LAWLOR, who acknowledged himself to be the Chairman of the Board of THE GIRTY'S RUN JOINT SEWER AUTHORITY, and ROBERT DETTLINGER, who acknowledged himself to be the Secretary of THE GIRTY'S RUN JOINT SEWER AUTHORITY and as such officers being authorized to do so, executed the foregoing instrument for the purpose therein contained by themselves as officers of and on behalf of THE GIRTY'S RUN JOINT SEWER AUTHORITY.

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


Notary Public

MY COMMISSION EXPIRES:
RICHARD K. McCARTHY, District Justice
Magisterial District 05-4-01
My Commission Expires on the First
Monday in January, 1988

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY

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) SS:
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On this 24th day of September, 1985, before me, the subscriber, a Notary Public, personally appeared Robert J. Kovach and Arthur F. White, who acknowledged themselves to be the President of the Board and Secretary, respectively for the Township of Ross and that they as such officers being authorized to do so, executed the foregoing instrument for the purpose therein contained by themselves as officers of and on behalf of the Township of Ross.

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

Vida M. Capps
Notary Public

MY COMMISSION EXPIRES:

VIDA M. CAPPS, NOTARY PUBLIC
ROSS TOWNSHIP, ALLEGHENY COUNTY
MY COMMISSION EXPIRES NOV. 19, 1988
Member, Pennsylvania Association of Notaries