

March 27, 2015

Dear Municipal Officer or Council President:

As a customer municipality of ALCOSAN ("Customer Municipality"), you entered into either a Consent Order and Agreement ("COA") with the Department or an Administrative Consent Order ("ACO") with the Allegheny County Health Department ("ACHD") for the evaluation, repair and maintenance of your sewer system. These COAs and ACOs expire on March 30, 2015. Many Customer Municipalities have asked to extend the termination date or enter into a new COA or ACO.

Specifically, the City of Pittsburgh and other Customer Municipalities have asked the Department to afford them 12 to 18 months to explore the potential benefits of Green Infrastructure ("GI") as a means of reducing flows. The Department, ACHD and the United States Environmental Protection Agency ("EPA") (collectively "Regulatory Agencies") are fully supportive of the implementation of GI as an an effective method of reducing stormwater sewage flow volume and offer the following two phase approach going forward. With this in mind, the Regulatory Agencies are offering the opportunity for the Customer Municipalities to investigate flow reduction opportunities, including GI.

Realization of these flow reduction opportunities will be conducted in two phases. Phase I will be implemented under an interim COA with a duration of 18 months. Different agreements will be developed for Customer Municipalities operating sanitary sewer systems ("SSS") and for Customer Municipalities operating combined sewer systems ("CSS") or a combination of SSS and CSS ("Hybrids"). During this Phase, the parties will negotiate the provisions of Phase II, new COAs or ACOs that will meet the time line contained in the federal Amended Consent Decree currently being negotiated between the Regulatory Agencies and ALCOSAN.

As a condition of entering into the Phase I COA or ACO, Customer Municipalities must agree to provide a GI or Source Reduction Study designed to reduce flows entering into the regional sewer collection system. As part of the GI or Source Reduction Study, Customer Municipalities will conduct a pilot GI project to demonstrate that GI will reduce the CSO volume or be a component of removing SSO volume.

Under the Phase I COA, CSS Customer Municipalities will develop a GI Plan and Implementation Schedule, and determine anticipated flow reductions through (i) the use of the Storm Water BMP Manual or other well established Design Documents and/or (ii) the removal of flow through other types of projects such as stream removals etc. The CSS and Hybrid Customer Municipalities will continue to address incomplete obligations under the previous COA. Customer Municipalities with CSS will implement statutorily required Nine Minimum Controls.

SSS Customer Municipalities will determine whether a GI Plan will result in beneficial flow reductions and, if so, provide a plan and schedule for implementation. Alternatively, they can propose to develop a Source Reduction Study identifying source reduction projects and anticipated flow reductions. In addition to completing a Source Reduction Study, SSS Customer Municipalities will implement one or more flow or source reduction projects during the term of the Phase I ACO. Examples of source reduction projects include stream removal, sewer replacement in high inflow infiltration areas, private lateral replacements or a private lateral resale ordinance. Furthermore, under the Phase I ACO, SSS Customer Municipalities will continue to address any incomplete obligations under the previous ACOs. This latter obligation will include the continued implementation of the Operations and Maintenance Program Plan developed under the previous ACOs. Upon execution of the Phase I COA or ACO, Customer Municipalities may continue to self-regulate connections under the same provisions that currently appear in their respective COAs or ACOs.

It should be understood that entry into the interim Phase I agreements will not result in delay of a project to expand the capacity of the Woods Run STP owned and operated by ALCOSAN. This expansion is necessary regardless of any flow reductions that may be anticipated from GI or Source Reduction.

The Department and ACHD intend to send you a draft COA or ACO, as applicable, shortly. For ease of communication with the Department, please use 3Rivers Wet Weather Association as a facilitator or clearing house for issues you have in common with other Customer Municipalities.

Moving forward, the Department recommends that an evaluation of a GI and or Source Reduction plan begin immediately. This will provide you with the benefit of more than 18 months of analysis. The Regulatory Agencies anticipate that ALCOSAN will use the GI and Source Reduction plans of the Customer Municipalities to refine and finalize its regional Wet Weather plan. The Regulatory Agencies will use the refined information in Phase II COAs and ACOs with the Customer Municipalities.

If you have any questions or concerns in this matter, please contact Chris Kriley of my staff at 412.442.4312, or by email at ckriley@pa.gov.

Sincerely,

Susan Malone

Regional Director

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Southwest Regional Office