

Certificates of Compliance and Real Estate Transfers – Guidelines

Greater Johnstown Water Authority, Johnstown, Pennsylvania

Overview

The Greater Johnstown Water Authority adopted its rule and regulations on September 10th, 2020. The rules and regulations require pressure testing of laterals for all real property having structures to determine if illegal storm or surface water is connected to the sanitary sewer system. The major reason this was enacted, was to comply with the requirements of a Consent Order and Agreement with the Pennsylvania Department of Environmental Protection. The rule and regulations require pressure testing of laterals for any of the following qualifying events:

- At the time of any transfer of ownership of property; or
- At the time of any significant repair or alteration to the private sewer system serving the property; or
- At the time a significant defect is discovered in the private sewer system serving the property; or
- At a time of any significant repair, reconstruction or alteration to the public sewer system receiving sewage from affected properties. d

Conformance with GJWA requirements must be documented by the issuance of a Certificate of Compliance, which in turn requires successfully passing a lateral pressure test.

Testing for Real Estate Transfers

GJWA Rules and Regulations notes that it shall be unlawful for any person to sell or transfer improved and sewerred real property located in the City without having obtained and delivered to the buyer or transferee, at or prior to closing or transfer

- (1) Certificate of Compliance or
- (2) Temporary Certificate of Compliance for the property being sold or transferred.

Application Timeframe

At least ***30 business days*** prior to the date of closing or transfer of any improved real property the seller or transferor or its agent must submit an Application for Certificate of Compliance or Temporary Certificate of Compliance to the Greater Johnstown Water Authority.

Certificate of Compliance

A Certificate of Compliance verifies that there are no connections of surface storm water to the sanitary sewer system. If the property passes the underground lateral pressure test and all fees have been paid, a Certificate of Compliance will be issued within ten (10) days of application. If there are one or more underground surface connections to the sanitary sewer system, the Certificate cannot be issued until a lateral pressure test verifies that underground surface water connections have been removed and all fees are paid.

Temporary Certificate of Compliance

When an underground surface storm water connection to the sanitary sewer system is discovered and the necessary work to remove the connection would require a length of time such as to create a hardship in a transfer of ownership, the seller or applicant may apply for a Temporary Certificate of Compliance at least ***30 business days*** prior to the date of closing or transfer of any improved real property. The applicant must submit all of the following as attachments to the application:

- A bona fide executed contract with a qualified contractor requiring the contractor to complete the remedial work necessary to the removal of the connections of underground surface storm water to the sanitary sewer system and granting the Municipality the right and power to enforce the contract. **Include the Pennsylvania Contractor or the City of Johnstown Contractor License Number and Expiration Date with the bid;**
- Proof of cash security in an amount equal to one hundred ten (110%) percent of the contract described above. If/when an escrow account is established at the time of closing on the sale or transfer, the applicant must provide proof of the escrow account having been established and funded within two (2) business days following the date of closing;
- Agreement of the purchaser to be responsible for cost overruns related to the remedial work, with permission for the GJWA to enter upon the property to complete the remedial work in case of default by the contractor or the applicant.
- When the subject property contains a structure that is going to be demolished, the applicant must provide a bona fide executed contract with a qualified contractor that includes the anticipated date the demolition will be completed, a completed Temporary Certificate of Compliance Application and application fee;
- The filing fee of \$25 to be paid by check or cash only.

After meeting the above requirements, the application may be amended in situations where pressure testing confirming compliance prior to the closing date is not possible due to sudden adverse weather conditions. GJWA Rules and Regulations provides for the following additional required submissions or acknowledgements by the seller or applicant:

- The written, signed agreement of the purchaser or transferee to correct, at the purchaser's or transferee's sole expense, any surface storm water connections to the sanitary sewer system disclosed by the subsequent lateral test, together with a license from the purchaser or transferee to the GJWA, its agents, contractors, and employees, to enter upon the property to conduct the lateral testing should the applicant fail to do so.
- The filing fee noted above (No additional fee required).

The Temporary Certificate of Compliance shall be effective for one hundred eighty ***(180) days***. If, upon the expiration of the Temporary Certificate of Compliance, the seller or applicant has not applied for and received a Certificate of Compliance, the cash security shall be forfeited and the GJWA may use the funds to complete the remedial work for the lateral testing.

The following shall also apply:

- i) If, upon the expiration of the Temporary Certificate of Compliance, the seller or applicant has not applied for and received a Certificate of Compliance, the

applicant can either request an additional extension at the fee of \$25 per request. Otherwise, the cash security shall be forfeited.

ii) The Municipality may use the funds to complete the remedial work for the lateral testing.

**APPLICATION FOR TEMPORARY CERTIFICATE OF COMPLIANCE
GREATER JOHNSTOWN WATER AUTHORITY, CAMBRIA COUNTY,
PENNSYLVANIA APPLICATION DATE: ___/___/___**

Property Location: _____ Johnstown, PA 1590__
(street address)

Tax Assessment Number: _____

The Undersigned parties note the following:

1. The undersigned recognizes that the above referenced property is subject to the rules and regulation as adopted by the GJWA as periodically amended, which requires lateral testing of all real property with structures located thereon to determine if illegal storm, surface and/or ground water is connected to the public sanitary sewer collection/interceptor system.
2. The undersigned understands that the subject property may require replacement of and/or improvements to the sewer lateral for the subject property to pass the required lateral testing and obtain the issuance of a *Certificate of Sewage Compliance*.
3. The undersigned also requests the issuance of a *Temporary Certificate of Compliance* so that the transfer of ownership may proceed while the GJWA is given assurance that the subject property will be ultimately compliant with the rules and regulations as periodically amended.
4. The undersigned parties agree that the Temporary Certificate of Compliance shall be effective for one hundred and eighty **(180) days** and shall expire on the date noted below. If, upon the expiration of the Temporary Certificate of Compliance, the seller or applicant has not applied for and received a Certificate of Compliance, the applicant can either request an additional extension at the fee of \$25 per request. Otherwise, the cash security shall be forfeited. If, upon the expiration of the Temporary Certificate of Compliance, the seller or applicant has not applied for and received a Certificate of Compliance, the cash security shall be forfeited and the GJW may use the funds to complete the remedial work for the lateral testing.

1. Real Estate Transfers _____ **Closing Date:** ___/___/___

In accordance with the rules and regulations, as periodically amended, the following are included, with certain attachments marked as exhibits:

1. A bona fide executed contract with a qualified contractor requiring the contractor to complete the remedial work necessary to the removal of the connections of underground surface storm water to the sanitary sewer system. A valid PA License Number must be listed on the contract.
2. The undersigned grants GJWA the right and power to enforce the contract noted in requirement 1. above.
3. Proof of cash security/escrow in an amount equal to one hundred ten (110%) percent of the contract amount. An escrow account is established at the time of closing on the sale or transfer, the applicant must provide proof of the escrow account having been established.
4. The undersigned Purchaser/Buyer/Transferee acknowledges that she/he shall be responsible for cost overruns related to the remedial work, and grants permission for the GJWA to enter upon the property to complete the remedial work in case of default by the contractor or the Seller/Transferor/Applicant.
5. When the subject property contains a structure that is going to be demolished, the applicant must provide a bona fide executed contract with a qualified contractor that includes the anticipated date the demolition will be completed, a completed Temporary Certificate of Compliance Application and the \$25.00 application fee.
6. Application filing fee to be paid to the Greater Johnstown Water Authority (GJWA) in the amount of twenty-five dollars \$25.00 by check or cash only.

Seller/Transferor/Applicant

Buyer/Purchaser/Transferee

(Printed Name)

(Printed Name)

(Signature)

(Signature)

____/____/____
(Date)

____/____/____
(Date)

Phone No: _____

Phone No: _____

Action by Greater Johnstown Water Authority Resident Manager

_____ Approval Date ____/____/____

Temporary Certificate Expiration Date ____/____/____

_____ Disapproval Date ____/____/____

Comments: _____

(Printed Name – *GJWA Manager*)

(Signature – *GJWA Manager*)