

# ***CITY COUNCIL***

## ***Meeting Agenda***

***REGULAR MEETING  
COUNCIL CHAMBERS***

***MONDAY, NOVEMBER 19, 2012  
7:00P.M.***

*The Regular Meetings of City Council are filmed and can be viewed LIVE while the meeting is taking place or at your convenience at any time after the meeting on the City's website at [www.ReadingPa.gov](http://www.ReadingPa.gov), under Info and Downloads/Meetings and Agenda.*

*All electronic recording devices must be located behind the podium area in Council Chambers and located at the entry door in all other meeting rooms and offices, as per Bill No. 27-2012*

### **1. OPENING MATTERS**

#### **A. CALL TO ORDER**

**B. INVOCATION:** Pastor Bruce Osterhout, Christ Lutheran Church

**C. PLEDGE OF ALLEGIANCE**

**D. ROLL CALL**

### **2. PROCLAMATIONS AND PRESENTATIONS**

- Council Commendation recognizing the 60<sup>th</sup> Anniversary of M. J. Reider Associates, accepted by Barbara Coyle
- Council Commendation recognizing Veteran's Day, accepted by Deputy Director of Veteran's Affairs Elizabeth Graybill, Ret. US Army
- Council Commendation recognizing Ricky Pena

### **3. PUBLIC COMMENT – AGENDA MATTERS:**

*Citizens have the opportunity to address the Council, by registering with the City Clerk by 5 pm on the day of the scheduled Council meeting. All remarks must be directed to Council as a*

*body and not to any individual Council member or public or elected official in attendance. Any person making personally offensive or impertinent remarks or any person becoming unruly while addressing Council may be called to order by the Presiding Officer and may be barred from speaking before Council, unless permission to continue speaking is granted by the majority vote of Council.*

*All comments by the public shall be made from the speaker's podium. **Citizens attending the meeting may not cross into the area beyond the podium.** Any materials to be distributed to Council must be given to the City Clerk before the meeting is called to order.*

*Those commenting on agenda business shall speak at the beginning of the meeting and shall limit their remarks to 5 minutes. Those commenting on general matters shall speak after the legislative business is concluded and shall limit their remarks to 3 minutes. No comments shall be made from any other location except the podium, and anyone making "out of order" comments may be subject to removal. There will be no demonstration at the conclusion of anyone's remarks. Citizens may not ask questions of Council members or other elected or public officials in attendance.*

#### **4. APPROVAL OF AGENDA**

**A. MINUTES:** Regular Meeting of October 22, 2012 & Special Meeting of November 13, 2012

**B. AGENDA:** Regular Meeting of November 19, 2012

#### **5. Consent Agenda Legislation**

**A. Resolution 122-2012** - authorization to open a bank account to accept NSP2 program income deposits is granted. Comingling funds among accounts is prohibited by Housing Urban Development stipulations (**Controller**)

**B. Award of Contract** - to Raftelis Financial Consultants, Inc., 1031 S. Caldwell Street, Suite 100, Charlotte, NC for a total submitted price of \$58,690 for the Sewer Rate RFP (**Purchasing**)

**C. Resolution 123-2012** – Authorizing the Administration to oppose the zoning variance applications for a personal care facility and relief from the off street parking regulations filed for 1711 Hampden Blvd, a single family property located in an R1 Zoning District (**Council Staff**)

#### **6. ADMINISTRATIVE REPORT**

#### **7. REPORT FROM OFFICE OF THE AUDITOR**

## **8. REPORT FROM DEPT. DIRECTORS, BOARDS, AUTHORITIES, & COMMISSIONS**

### **9. ORDINANCES FOR FINAL PASSAGE**

**A. Bill No. 107-2012** - amending the City of Reading Codified Ordinances Chapter 1 Administration and Government, Section 186 G Fiscal Provisions - 4.0 Preparing Requests for Proposals (RFP's) for contracts greater than \$10,000 eliminating the Managing Director's ability to waive the RFP process for professional services **(Council Staff) Introduced at the October 22 regular meeting**

**B. Bill No. 108-2012** - amending the City of Reading Codified Ordinances Chapter 1 Administration and Government, Section 186 G Fiscal Provisions by reducing the amount of expenditures and allocations requiring Council's approval from \$25,000 to zero (\$0) **(Council Staff) Introduced at the October 22 regular meeting**

**C. Bill No. 109-2012** - amending the 2012 City of Reading General Fund Budget by authorizing the transfer of funds from the Contingency Fund to the Purchasing Division **(Purchasing) Introduced at the October 22 regular meeting**

**D. Bill No. 110-2012** - modifying the Fee Schedule of the City of Reading related to certain permitting and licensure activities of the Department of Community Development, Building & Trades Division **(Business Analyst) Introduced at the October 22 regular meeting**

**E. Bill No. 111-2012** - amending the City of Reading Codified Ordinances Chapter 5 Code Enforcement by removing references to fees in Section 122 of the International Existing Building Code **(Business Analyst) Introduced at the October 22 regular meeting**

**F. Bill No. 112-2012** - approving an Intergovernmental Cooperation Agreement associated with the operation and enforcement of the wastewater treatment Inter-municipal Agreement with Muhlenberg Township **(Public Works/Law) Introduced at the October 22 regular meeting**

**G. Bill No. 113-2012** - authorizing the Administration to develop and implement an Amnesty Program to encourage responsible parties to pay delinquent housing-related fees and quality-of-life violations **(Business Analyst) Introduced at the October 22 regular meeting**

### **10. INTRODUCTION OF NEW ORDINANCES**

**A. Ordinance** - Reading Phillies Lease Extension **(Law)**

**B. Ordinance** - amending the Code of Ordinances of the City of Reading, Berks County, Pennsylvania, Fee Schedule, to reflect new rates for Rental Housing Inspections **(Business Analyst/Council Staff)**

**C. Ordinance** – amending the Code of Ordinances of the City of Reading, Berks County, Pennsylvania, Fee Schedule to reflect new Health Permit fees **(Business Analyst/Council Staff)**

### **Pending Legislation**

**Ordinance** – 2013 General Fund Budget **(Managing Director)** *Introduced at the October 3 Special Meeting*

**Ordinance** – 2013 Capital Improvement Budget **(Managing Director)** *Introduced at the October 3 Special Meeting*

**Ordinance** - levying the Real Estate Taxes for the fiscal year beginning the first day of January, 2013, and ending the thirty-first day of December, 2013 **(Law)** *Introduced at the October 22 regular meeting*

**Ordinance** - establishing the employee positions for the City of Reading for the fiscal year 2013 **(Law)** *Introduced at the October 22 regular meeting*

**Ordinance** - amending Chapter 24 Part 2b Home Rule Earned Income Tax Section 24-221 through Section 24-235 of the City of Reading Codified Ordinances. Section 24-221 through Section 24-235 shall provide for a tax of one and four tenths percent (1.4%) on all Earned Income and Net Profits generated by residents of the City of Reading. This tax of one and four tenths percent (1.4%) on all Earned Income and Net Profits generated by residents of the City of Reading shall be in addition to the tax collected under 24-201 et seq. of the City of Reading Codified Ordinances **(Law)** *Introduced at the October 22 regular meeting*

**Ordinance** – amending Chapter 24 Part 2B Home Rule Earned Income Tax Section 24-221 through Section 24-235 of the City of Reading Codified Ordinances. Section 24-221 through Section 24-235 shall provide for a tax of one and seven tenths percent (1.7%) on all earned income and net profits generated by residents of the City of Reading. This tax of one and seven tenths percent (1.7%) on all earned income and net profits generated by residents of the City of Reading shall be in addition to the tax collected under 24-201 et seq. of the City of Reading Codified Ordinances **(Law)** *Introduced at the October 22 regular meeting*

**Ordinance** - providing for a tax of up to a maximum of one and one tenth percent (1.1%) on all earned income and net profits generated in the City of Reading by non-residents of the City of Reading **(Law) Introduced at the October 22 regular meeting**

**Ordinance** – providing for a tax of up to a maximum of one and three tenths percent (1.3%) on all earned income and net profits generated in the City of Reading by non-residents of the City of Reading for 2013 **(Law) Introduced at the October 22 regular meeting**

**Ordinance** – amending the Municipalities Financial Recovery Act Recovery Plan for the City of Reading, Berks County, Pennsylvania (as filed with the City Clerk on May 28, 2010, and enacted into law under Bill No. 26 of 2010 on June 11, 2010) **(Law) Introduced at the November 13 special meeting**

## **11. RESOLUTIONS**

**A. Resolution** – authorizing the Mayor to create a separate account for Microloan Program for small businesses and fund the program with \$550,000 **(Community Development)**

**B. Resolution** – appointing Michael Reese to the Charter Review Commission **(Nom & Appts)**

**C. Resolution** – Upholding and affirming the suspension of Officer Christopher Cortazzo, #392, as attached in the Recommendation of Charges dated July 24, 2012 and Conclusions of Law **(Law)**

### **Pending Legislation**

**Resolution** – extending the lease between the City and the Reading Phillies **(Law)**  
**Tabled at the July 9 regular meeting**

## **12. PUBLIC COMMENT – GENERAL MATTERS**

## **13. COUNCIL BUSINESS / COMMENTS**

## **14. COUNCIL MEETING SCHEDULE**

Monday, November 19

*Committee of the Whole – Council Office – 4:30 pm*  
*Regular Meeting – Council Chambers – 7 pm*

**\*Thursday and Friday, November 22 and 23\***

*City Hall Closed – Thanksgiving Holiday*

**Monday, November 26**

*Committee of the Whole – Council Office – 5 pm*  
*Regular Meeting – Council Chambers – 7 pm*

**Monday, December 3**

*Nominations & Appointments Committee – Council Office – 4 pm*  
*Committee of the Whole – Council Office – 5 pm*  
*Housing and Economic Development – Council Office – 5:30 pm*  
*Open Government, Rules and Intergovernmental Relations Committee – Council Office – 5:30 pm*

**Wednesday, December 5**

*Conditional Use Hearing re 912 Amity St request to add 1 rental unit – 5 pm Council Chambers*

**Monday, December 10**

*Committee of the Whole – Council Office – 5 pm*  
*Regular Meeting – Council Chambers – 7 pm*

## **15. BAC AND COMMUNITY GROUP MEETING SCHEDULE**

### **Monday, November 19**

Library Board – 113 S 4<sup>th</sup> St – 4 pm

### **Tuesday, November 20**

Charter Board – Penn Room – 7 pm

HARB – Planning Conference Room – 7 pm

### **Wednesday, November 21**

Diversity Board – Penn Room – 4 pm

Redevelopment Authority – Redevelopment Authority Office – 5:30 pm

### **Thursday, November 22**

Water Authority – Water Authority Office – 4 pm

### **Monday, November 26**

DID Authority – 645 Penn St 5<sup>th</sup> Floor – noon

BARTA – BARTA office – 3 pm

District 7 Crime Watch – Holy Spirit Church – 7 pm

### **Tuesday, November 27**

Housing Authority Workshop – WC Building – 4 pm

Housing Authority – WC Building – 5 pm

Environmental Advisory Council – Council Office – 5 pm

Planning Commission – Penn Room – 7 pm

Penns Commons Neighborhood Group – Penns Commons Meeting Room – 7 pm

### **Wednesday, November 28**

Human Relations Commission – Penn Room – 5:30 pm

Parking Authority – Parking Authority Office – 5:30 pm

Outlet Area Neighborhood Assn – St Mark's Lutheran Church – 6:30 pm

Stadium Commission – Stadium RBI Room – 7:30 pm

### **Monday, December 3**

Shade Tree Commission – Planning Conference Room – 6 pm

### **Tuesday, December 4**

Board of Health – Penn Room – 4 pm

Charter Board – Penn Room – 7 pm

**Wednesday, December 5**

Reading Elderly Housing Crime Watch – Front & Washington Sts – 2:30 pm

District 2 Crime Watch – St Paul’s Lutheran Church – 6:30 pm

**Thursday, December 6**

Police Civil Service Board – Penn Room – noon

Glenside Community Council – Christ Lutheran Church – 6:30 pm

District 3 Crime Watch – Calvary Baptist Church – 7 pm

**Sunday, December 9**

College Heights Community Council – Nativity Lutheran Church – 7 pm

**Monday, December 10**

Fire Civil Service Board – Penn Room – 4 pm

6<sup>th</sup> & Amity Neighborhood & Playground Assn – 6<sup>th</sup> & Amity Fieldhouse – 6:30 pm

**City of Reading City Council  
Regular Business Meeting  
Monday, October 22, 2012**

Council President Francis G. Acosta called the meeting to order.

The invocation was given by Pastor Eileen Levan, of Nativity Lutheran Church.

All present pledged to the flag.

**ATTENDANCE**

Council President Acosta  
Councilor Corcoran, District 1  
Councilor Goodman-Hinnershitz, District 2  
Councilor Sterner, District 3  
Councilor Marmarou, District 4  
Councilor Reed, District 5  
Councilor Waltman, District 6  
Managing Director C. Snyder  
City Auditor D. Cituk  
City Solicitor C. Younger  
City Clerk L. Kelleher  
Mayor V. Spencer

**PROCLAMATIONS AND PRESENTATIONS**

City Council issued the following:

- Council Commendation recognizing the 40<sup>th</sup> Anniversary of Herbein & Co, accepted by Carl Herbein
- Council Commendation recognizing the 50<sup>th</sup> Anniversary of Gilberts Furniture, accepted by Denny Buckley
- Commendation celebrating the 30<sup>th</sup> Anniversary of the Centre Park Historic District, accepted by Chris Miller, President and members of the community

**PUBLIC COMMENT**

Council President Acosta announced that there are two citizens registered to address Council on non agenda matters this evening. He inquired if any member of Council objected to suspending the rule requiring non-agenda comment at the end of the meeting. As no one objected the rule requiring non-agenda comment at the end of the meeting was suspended.

Council President Acosta reminded the citizens registered to speak about the remaining public speaking rules.

**David Csanyi**, of Franklin Street, stated that he feels unsafe when walking downtown because unsafe drivers fail to recognize or obey the Pedestrian Warning signs placed in cross walks.

**Maryanne Ciarlone**, of Douglass Street, expressed her belief in the Mayor's campaign platform to have an open and transparent government; however she noted the need for follow through. She stated that she appealed the "Sledgehammer" lawsuit to the PA Supreme Court. She expressed the belief that the City needs to respect the rights of property owners and tenants.

## **APPROVAL OF THE AGENDA & MINUTES**

Council President Acosta called Council's attention to the minutes for the October 8<sup>th</sup> Regular Meeting of Council and the agenda for this meeting, including the legislation under the Consent agenda heading. He noted the need to add one ordinance for introduction to the agenda as follows:

- Ordinance – authorizing an amnesty program for the collection of housing and Quality of Life ticketing fees
- 

**Councilor Sterner moved, seconded by Councilor Mamarou, to approve the minutes from the October 8<sup>th</sup> Regular Meeting of Council and the agenda as amended. The motion was approved unanimously.**

## **Consent Agenda**

None

## **ADMINISTRATIVE REPORT**

Mayor Spencer read the report distributed to Council with the agenda packet. In summary:

- Attendance at the Mayor's Institute for City Design Eastern Conference
- Jr ROTC clean up along North 13<sup>th</sup> Street
- Completion of the landscaping project at the Bingaman Street Triangle by Anewalt Landscaping, sponsored by Berks Packing
- Activities for Fire Prevention Week
- CORE Press Conference on October 18<sup>th</sup> at 737 N. 4<sup>th</sup> Street

## AUDITOR'S REPORT

City Auditor Cituk read the report distributed to Council at the meeting. In summary:

- Report on the Municipal Sewage Rate Calculation, effective in 2013
- Collection of the 2012 Admissions Tax
- Report on municipal pensions and municipal obligation requirement (local and state)
- Collection report on Public Utility Realty Tax

Councilor Waltman thanked the Auditor for his report on the municipal pensions. He stated that the analysis shows that the State's contribution has been decreasing over the past two years. He asked the Auditor to prepare a graph showing the results of the analysis for the Budget meeting on Wednesday, October 24<sup>th</sup>.

City Auditor Cituk stated that the State's MMO payment is based on the per unit (employee) value.

## ORDINANCES FOR FINAL PASSAGE

**Bill 98-2012** - amending Chapter 1, Administration, of the Codified Ordinances of the City of Reading, the Capital Improvement Program and renumbering as required (**Council Staff/PFM**) *Introduced at the Sept 24 regular meeting; Tabled at the Oct 8 regular meeting*

**Councilor Corcoran moved, seconded by Councilor Goodman-Hinnershitz, to enact Bill No. 98-2012.**

**Bill No. 98-2012 was enacted by the following vote:**

**Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta, President -7**  
**Nays: None -0**

**Bill 103-2012** - authorizing the transfer of \$44,000 in the Property Maintenance budget from Salaries to Abatement in the 2012 Budget (**Property Maintenance/Council Staff**) *Introduced at the October 8 regular meeting*

**Councilor Marmarou moved, seconded by Councilor Reed, to enact Bill No. 103-2012.**

**Bill No. 103-2012 was enacted by the following vote:**

**Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman,**

Acosta, President -7

Nays: None -0

**Bill 104-2012** - requesting authorization to transfer funds from the Trash/Recycle Fund to the General Fund (**Controller**) *Introduced at the October 8 regular meeting*

**Councilor Reed moved, seconded by Councilor Corcoran, to enact Bill No. 104-2012.**

Council President Acosta stated that this ordinance will transfer the \$1.5M loaned to Recycling/Solid Waste at the beginning of 2012.

**Bill No. 104-2012 was enacted by the following vote:**

**Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta, President -7**

**Nays: None -0**

**Bill 105-2012** - amending Chapter 11, Housing, of the Codified Ordinances of the City of Reading, by providing for in personam actions, in lieu of liens, for delinquent housing permit surcharges as attached in Exhibit A (**Law**) *Introduced at the October 8 regular meeting*

**Councilor Goodman-Hinnershitz moved, seconded by Councilor Marmarou, to enact Bill No. 105-2012.**

Councilor Corcoran expressed his support for this bill, as is a step in the right direction. The bill will increase the accountability of rental property owners.

**Bill No. 105-2012 was enacted by the following vote:**

**Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta, President -7**

**Nays: None -0**

**Bill 106-2012** - amending Chapter 1 Administration and Government Part 5 Boards, Commissions, Committees and Councils Subpart D Blighted Property Review Committee by adding a Single Properties Section and a Multiple Properties Section and Definitions for the Term Blighted Property for each consistent with State Law as attached in Exhibit A (**Law**) *Introduced at the October 8 regular meeting*

Councilor Corcoran moved, seconded by Councilor Reed, to enact Bill No. 106-2012.

Bill No. 106-2012 was enacted by the following vote:

Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman,  
Acosta, President -7

Nays: None -0

## INTRODUCTION OF NEW ORDINANCES

Council President Acosta read the following ordinances into the record:

**A. Ordinance** - levying the Real Estate Taxes at 0.07201 or \$17.201 for the fiscal year beginning the first day of January, 2013, and ending the thirty-first day of December, 2013 (**Law**)

**B. Ordinance** - amending Chapter 24 Part 2b Home Rule Earned Income Tax Section 24-221 through Section 24-235 of the City of Reading Codified Ordinances. Section 24-221 through Section 24-235 shall provide for a tax of one and four tenths percent (1.4%) on all Earned Income and Net Profits generated by residents of the City of Reading. This tax of one and four tenths percent (1.4%) on all Earned Income and Net Profits generated by residents of the City of Reading shall be in addition to the tax collected under 24-201 et seq. of the City of Reading Codified Ordinances (**Law**)

**C. Ordinance** - establishing the employee positions for the City of Reading for the fiscal year 2013 (**Law**)

**D. Ordinance** - amending the City of Reading Codified Ordinances Chapter 1 Administration and Government, Section 186 G Fiscal Provisions - 4.0 Preparing Requests for Proposals (RFP's) for contracts greater than \$10,000 eliminating the Managing Director's ability to waive the RFP process for professional services (**Council Staff**)

**E. Ordinance** - amending the City of Reading Codified Ordinances Chapter 1 Administration and Government, Section 186 G Fiscal Provisions by reducing the amount of expenditures and allocations requiring Council's approval from \$25,000 to zero (\$0) (**Council Staff**)

**F. Ordinance** - amending the 2012 City of Reading General Fund Budget by authorizing the transfer \$80,000 from the Contingency Fund to the Purchasing Division (**Purchasing**)

**G. Ordinance** - providing for a tax of up to a maximum of one and one tenth percent (1.1%) on all earned income and net profits generated in the City of Reading by non-residents of the City of Reading (**Law**)

**H. Ordinance** – modifying the Fee Schedule of the City of Reading related to certain permitting and licensure activities of the Department of Community Development, Building &

Trades Division (**Business Analyst**)

**I. Ordinance** - amending the City of Reading Codified Ordinances Chapter 5 Code Enforcement by removing references to fees in Section 122 of the International Existing Building Code (**Business Analyst**)

**J. Ordinance** – approving an Intergovernmental Cooperation Agreement associated with the operation and enforcement of the wastewater treatment Inter-municipal Agreement with Muhlenberg Township (**Public Works/Law**)

**K. Ordinance** – amending Chapter 24 Part 2B Home Rule Earned Income Tax Section 24-221 through Section 24-235 of the City of Reading Codified Ordinances. Section 24-221 through Section 24-235 shall provide for a tax of one and seven tenths percent (1.7%) on all earned income and net profits generated by residents of the City of Reading. This tax of one and seven tenths percent (1.7%) on all earned income and net profits generated by residents of the City of Reading shall be in addition to the tax collected under 24-201 et seq. of the City of Reading Codified Ordinances (**Law**)

**L. Ordinance** – providing for a tax of up to a maximum of one and three tenths percent (1.3%) on all earned income and net profits generated in the City of Reading by non-residents of the City of Reading for 2013 (**Law**)

**M. Ordinance** – authorizing an amnesty program to collect delinquent housing and Quality of Life Ticketing fees (**Bus. Analyst**)

### **Pending Legislation**

**Bill No** – 2013 Budget (**Managing Director**) *Introduced at 10-3 Special Mtg*

**Bill No** – 2013 Capital Budget (**Managing Director**) *Introduced at 10-3 Special Mtg*

### **RESOLUTIONS**

**Resolution No. 119-2012** - authorizing the proper officers of the City to petition the Court of Common Pleas of Berks County, Pennsylvania, for permission to impose a nonresident earned income tax in the amount not to exceed one and one tenth percent (1.1%); authorizing incidental action; and repealing inconsistent resolutions (**Law**)

**Councilor Goodman-Hinnershitz moved, seconded by Councilor Corcoran, to adopt Resolution No. 119-2012.**

Councilor Goodman-Hinnershitz stated that this and Resolution 120 will authorize City

officers to petition the Berks County Court of Common Pleas to retain the current Commuter tax rate or to increase the Commuter tax rate. She noted the need for the City to consider all possible options as it attempts to close the gap between revenues and expenditures in the 2013 budget.

**Resolution No. 119-2012 was adopted by the following vote:**

**Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta, President - 7**

**Nays: None - 0**

**Resolution No. 120-2012** - authorizing the proper officers of the City to petition the Court of Common Pleas of Berks County, Pennsylvania, for permission to impose a nonresident earned income tax in the amount not to exceed one and three tenths percent (1.3%); authorizing incidental action; and repealing inconsistent resolutions (**Law**)

**Councilor Goodman-Hinnershitz moved, seconded by Councilor Corcoran, to adopt Resolution No. 120-2012.**

**Resolution No. 120-2012 was adopted by the following vote:**

**Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta, President - 7**

**Nays: None - 0**

## **COUNCIL COMMENT**

Councilor Corcoran described the path the CORE (Community Reinvestment) Program was taken, from concept to reality. He expressed the belief that the first property was acquired and marketed much faster than originally anticipated. He thanked all involved, City and Reading Berks Association of Realtors, for their tireless work. He noted that this is the first program in Pennsylvania. He stated that communities across the State are using Reading as a model.

Councilor Marmarou stated that the College Heights Community Council has an event scheduled for Saturday, November 10<sup>th</sup> at the Stelmach home, located on Alsace Rd. The cost is \$60 per person at the door and \$50 per person in advance.

Councilor Goodman-Hinnershitz described the Rec Commission's Hayride and Halloween event held at Schlegel Park last Friday evening. She noted the great leadership of the Rec Commission. She also thanked the Alvernia University students who assisted at the event.

Councilor Reed noted the recent passing of Senator George McGovern and his advocacy of special programs to aid those in need. She suggested that people everywhere think of being kind and helpful before becoming critical.

Council President Acosta conveyed Council's sympathy to the family of Senator Arlen Specter, who recently passed away. City Clerk Kelleher noted the Senator's assistance with the remediation of Bernhart's Park.

Councilor Waltman thanked City Clerk Kelleher for her work to make the CORE program happen here in Reading. He noted the importance of this program here in Reading. He stated that the first property, 737 N 4<sup>th</sup> Street, is located in the Centre Park Historic District and has a park view. He stated that vacant properties in stable neighborhoods create problems.

Council President Acosta noted the success of the press conference organized by the Reading Berks Association of Realtors and the Pennsylvania Association of Realtors.

Councilor Acosta reviewed the meeting schedule.

**Councilor Reed moved, seconded by Councilor Marmarou, to adjourn the regular meeting of Council.**

*Respectfully submitted by Linda A. Kelleher CMC, City Clerk*

**City of Reading City Council  
Special Meeting  
Tuesday, November 13, 2012**

Vice President of Council Marcia Goodman-Hinnershitz called the meeting to order. She announced that the purpose of this meeting is for Council to consider the adoption of the FFY 2013 CDBG Action Plan and address other legislative matters.

**ATTENDANCE**

Councilor Corcoran, District 1  
Councilor Goodman-Hinnershitz, District 2  
Councilor Sterner, District 3  
Councilor Marmarou, District 4  
Councilor Reed, District 5  
Councilor Waltman, District 6  
City Solicitor Younger  
City Clerk Kelleher  
City Auditor D. Cituk  
Adm. Services Director M. Bembenick  
Controller C. Zale

**PUBLIC COMMENT**

Council Vice President Goodman-Hinnershitz stated that one person was registered to address Council this evening. She reminded the person about the public speaking rules.

**Jay Gibson, of Argonne Rd**, stated that he represents Family Resource Center which has been designated by the Commonwealth of PA as a senior center which serves about 150 low-moderate income senior individuals. He noted the significant participation by the African American senior population. He stated that a CDBG allocation would strengthen and increase programming for senior citizens.

**AGENDA**

**Councilor Sterner moved, seconded by Councilor Marmarou, to approve the agenda for this meeting, including the legislation listed under the consent agenda heading. The motion was approved unanimously.**

**Consent Agenda**

**Award of Contract** - to Mid-Atlantic Waste Systems, Baltimore MD for a total price of \$494,024.00; Allentown Mack Sales & Service, Allentown, PA for a total price of

\$559,161.92; and E.M. Kutz, Inc., Reading, PA for a total price of \$49,564.00  
**(Purchasing)**

## **ORDINANCES FOR INTRODUCTION**

### **A. Ordinance – amending Bill No. 26-2010 the Act 47 Recovery Plan (PFM)**

Solicitor Younger explained that the amendment of the plan will provide the City with the ability to request the Court of Common Pleas to consider a .2% increase to the commuter and resident EIT. He stated that the hearing is scheduled for November 26<sup>th</sup> at 9:30 am.

## **Resolutions**

**A. Resolution 121-2012** - authorizing the submission of the FFY 2013 Action Plan to the United States Department of Housing and Urban Development (Community Development)

**Councilor Marmarou moved, seconded by Councilor Corcoran, to adopt Resolution 121-2012.**

Councilor Waltman noted the reductions in the CDBG Budget over the past 12 years and the City's move to stop funding non-profits and to support public safety services in income eligible areas. He stated that the City has the ability to award un-programmed funds and amend the CDBG Budget as the City moves through 2013.

Councilor Reed stated that she will not support the CDBG Budget due to her differing philosophy with funding BCTV which is a news organization (in part). She questioned this allocation when there are many other public safety related needs. She stated that she has no ill will for BCTV and expressed the belief that they provide a commendable public service. However she expressed the belief that this allocation could be better budgeted.

Council Vice President Goodman-Hinnershitz stated that HUD requires the City to approve the annual CDBG Action Plan annually by November 15.

**Resolution No. 121-2012 was adopted by the following vote:**

**Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Sterner, Waltman - 5**

**Nays: Reed - 1**

**Councilor Marmarou moved, seconded by Councilor Reed, to adjourn the special meeting of Council.**

*Respectfully submitted by Linda A. Kelleher CMC, City Clerk*



# AGENDA MEMO

## ESTABLISH BANK ACCOUNT

**TO:** Members of City Council

**FROM:** Christian F. Zale, City Controller

**PREPARED BY:** Christian F. Zale, City Controller

**MEETING DATE:** November 5, 2012

**AGENDA MEMO DATE:** October 26, 2012

**RECOMMENDED ACTION:** Bank Account – HUD NSP2 Program

**BACKGROUND:**

Housing Urban Development (HUD) proclaims that a segregated bank account is required for NSP2 Program Income deposits; comingling funds among accounts is prohibited.

**BUDGETARY IMPACT:**

None

**PREVIOUS ACTION:**

None

**RECOMMENDED BY:**

City Controller

**RECOMMENDED MOTION:**

Approve the request.

RESOLUTION \_\_\_\_\_ - 2012

A RESOLUTION

THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS  
FOLLOWS:

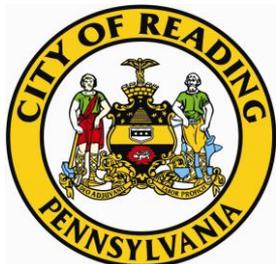
That authorization to open a bank account to accept NSP2 program income deposits is granted.  
Comingling funds among accounts is prohibited by Housing Urban Development stipulations.

Adopted \_\_\_\_\_, 2012

\_\_\_\_\_  
President of Council

Attest:

\_\_\_\_\_  
City Clerk



# AGENDA MEMO

FINANCE DEPARTMENT

**TO:** City Council  
**FROM:** Tammi Reinhart, Purchasing Coordinator  
**PREPARED BY:** Tammi Reinhart, Purchasing Coordinator  
**MEETING DATE:** November 13, 2012  
**AGENDA MEMO DATE:** November 7, 2012  
**RECOMMENDED ACTION:** Awarding of Contract for the Sewer Rate RFP

## RECOMMENDATION

The recommendation is to award the contract to Raftelis Financial Consultants, Inc., 1031 S. Caldwell Street, Suite 100, Charlotte, NC for a total submitted price of \$58,690.

## BACKGROUND

The City employed a five member evaluation team that considered criteria including, but not limited to, responsiveness, experience, stability, MWE/MBE, and price. The responses to the requests for proposals were evaluated independently by the members of the RFP selection review committee. All of the evaluators of the proposals recommend Raftelis Financial Consultants, Inc.

## BUDGETARY IMPACT

The services will cost \$58,690 and will be paid out of the sewer line item.

## PREVIOUS ACTIONS

None.

## SUBSEQUENT ACTION

Formal action by Council is needed to award the contract at the November 13, 2012 meeting.

## RECOMMENDATION

The recommendation is that City Council approve the recommendation of the Administration to employ Raftelis Financial Consultants, Inc. for the Sewer Rate RFP.

## RECOMMENDED BY

Mayor, Managing Director, Director of Public Works, Director of Administrative Services, Wastewater Superintendent and Purchasing Coordinator.

**RECOMMENDED MOTION**

To approve/deny Administration's recommendation that Raftelis Financial Consultants, Inc. be retained for the Sewer Rate RFP for the City of Reading.

cc: File

**R E S O L U T I O N   N O .   \_\_\_\_ 2012**

THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS FOLLOWS:

Authorizing the Administration to oppose the zoning variance applications for a personal care facility and relief from the off street parking regulations filed for 1711 Hampden Blvd, a single family property located in an R1 Zoning District.

Adopted by Council \_\_\_\_\_, 2012

\_\_\_\_\_  
Francis G. Acosta  
President of Council

Attest:

\_\_\_\_\_  
Linda A. Kelleher CMC  
City Clerk

ORDINANCE NO. \_\_\_\_-2012

**AN ORDINANCE AMENDING THE CITY OF READING CODIFIED ORDINANCES CHAPTER 1 ADMINISTRATION AND GOVERNMENT, SECTION 186 G FISCAL PROVISIONS - 4.0 PREPARING REQUESTS FOR PROPOSALS (RFP'S) FOR CONTRACTS GREATER THAN \$10,000 ELIMINATING THE MANAGING DIRECTOR'S ABILITY TO WAIVE THE RFP PROCESS FOR PROFESSIONAL SERVICES.**

**THE COUNCIL OF THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:**

**SECTION ONE.** Amending The City of Reading Codified Ordinances Chapter 1 Administration and Government, Section 186 Fiscal Provisions, - 4.0 Preparing Requests For Proposals (RFP's) For Contracts Greater Than \$10,000 eliminating the managing director's ability to waive the RFP process for professional services, as attached in Exhibit A.

**SECTION TWO.** All other parts of the Ordinance remain unchanged.

**SECTION THREE.** If any section, subsection, sentence or clause of this Ordinance is held for any reason to be invalid such decision shall not affect the validity of the remaining portions of this Ordinance.

**SECTION FOUR.** This ordinance shall become effective ten (10) days after its adoption in accordance with Sections 219 and 221 of the City of Reading Home Rule Charter.

Enacted by Council \_\_\_\_\_, 2012

\_\_\_\_\_  
President of Council

Attest:

\_\_\_\_\_  
City Clerk

(Reed/Council Staff)

Submitted to Mayor: \_\_\_\_\_  
Date: \_\_\_\_\_

Received by the Mayor's Office: \_\_\_\_\_  
Date: \_\_\_\_\_

Approved by Mayor: \_\_\_\_\_  
Date: \_\_\_\_\_

Vetoed by Mayor: \_\_\_\_\_  
Date: \_\_\_\_\_

## **EXHIBIT A**

### **ADMINISTRATIVE REGULATION PURCHASING OF PROFESSIONAL SERVICES**

#### **1.0 PURPOSE:**

The purpose of this regulation is to outline the process involved for preparing specifications, letting of Request for Proposals (RFP's), awarding contracts and payment of bills for professional services.

#### **2.0 APPLICABLE TO:**

All department directors.

#### **3.0 POLICY:**

3.1 For the purpose of this regulation the term "professional" is defined as those persons or firms marketing services requiring advanced academic or technical training skills. Examples of professional services include work done by the following contractors but is not necessarily limited to these services:

- \* Accountants
- \* Architects
- \* Attorneys
- \* Bond Underwriters
- \* Engineers
- \* Insurance Consultants, Agents, and/or Brokers
- \* Investment Advisors
- \* Physicians

3.2 Professional service contracts are not to be confused with standard contracts which seek a price or costs for particular work detailed in specifications. Professional contracts seek expertise through an RFP and pricing or cost may not be of "primary" importance.

3.3 A professional contract, while it is based upon work performed in response to task specifications and the need for a finished product as outlined by the City and agreed to by a contractor, it is one that by its very nature cannot be awarded solely based upon the selection of the lowest bidder.

3.4 Factors other than price alone must be carefully weighed in the review of proposals and the award of such contracts. These factors include the professional qualifications/certifications, special skills, experience, and familiarity of the contractor with the work requested, all of which have an impact on the quality of the product/service to be delivered.

#### **4.0 PREPARING REQUESTS FOR PROPOSALS (RFP'S) FOR CONTRACTS GREATER THAN \$10,000.**

4.1 When to prepare an RFP.

4.1.1 ~~Unless otherwise determined by the Managing Director,~~ Any purchase of professional service in amounts exceeding \$10,000 must be made by written contract and initiated by an RFP. Competitive proposals increase the ability to fully evaluate both the benefit and costs of the services being sought.

4.1.2 Notwithstanding any other provisions to the contrary if the Managing Director so determines, no RFP shall be required for an employee engaged in providing professional services to the City who terminates employment with the City and shall than be engaged as an independent contractor. ~~In addition, no RFP shall be required for an independent contractor whose engagement terminates, if the Managing Director desires to continue the engagement by the City.~~

4.1.3 For all contracts expected to exceed \$10,000 including these which are multi-phased (e.g., feasibility study and design, person(s) designated by the Managing Director shall prepare an RFP specifically for the extent of the work effort that can be defined at that particular time. The RFP should solicit information pertaining to the contractor's qualifications and costs (including appropriate hourly rates, etc.) for as many phases as appropriate. Costs and qualification information should then be utilized to select the contractor. For any subsequent phases of the contract that have not been specifically defined in the initial RFP, a new RFP should be drafted and circulated to secure competitive proposals from interested contractors.

ORDINANCE NO. \_\_\_\_-2012

**AN ORDINANCE AMENDING THE CITY OF READING CODIFIED ORDINANCES CHAPTER 1 ADMINISTRATION AND GOVERNMENT, SECTION 186 G FISCAL PROVISIONS BY REDUCING THE AMOUNT OF EXPENDITURES AND ALLOCATIONS REQUIRING COUNCIL'S APPROVAL FROM \$25,000 TO ZERO (\$0).**

**THE COUNCIL OF THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:**

**SECTION ONE.** Amending The City of Reading Codified Ordinances Chapter 1 Administration and Government, Section 186 Fiscal Provisions, Part G by reducing the amount of expenditures and allocations requiring council's approval from \$25,000 to Zero (\$0) as follows:

**Fund Accounts, §1-186. Fiscal Provisions.**

**3. Regulations Concerning Appropriations and Transfers.**

A. The authorization and expenditure of all funds and preparation of department budgets shall be in accordance with a policy adopted by the Council and a financial procedures manual to be prepared and periodically reviewed and updated by the Department of Finance. Expenditures shall be executed in a uniform manner for every City Department.

B. The Director of Finance shall prepare and submit a monthly report to the Mayor, the managing director, and Council. This monthly report shall include all Expenditures, borrowing, or any use for each City Department and each City Fund account, and status reports comparing those expenditures with the adopted budget, as well as any Department justification of transfer, borrowing, or any use of funds within departments, between departments and within or between City Funds account.

C. In order to allow flexibility in the administration of the City's business, departments may transfer money between line items within the department. A majority of Council, in response to any monthly report, may place a limit on the amount of additional excess expenditure allowed for any program or line item. This is not intended to restrict unduly the Mayor's ability to manage and administer the budget

D. Justification for transferring, borrowing or any use of funds between departments and/or City Fund accounts must be presented to and approved by Council. The financial procedures manual will stipulate the following:

- (1) Expenditure procedures.
- (2) Justification procedures for transferring money between line items.
- (3) Justification procedures for transferring money between departments.

(4) Administration of petty cash funds.

(5) Justification procedures for transferring, borrowing, or any use of money between City Fund accounts.

E. Requiring an amendment to the City's annual Budget Ordinance authorizing the transfer, borrowing, or any use of all monies including, but not limited to, transfers, borrowing, or any use of funds between departments, and transfers, borrowing, or any use of funds in and out of any City Fund account, account or line item either attached in part or unattached to a departmental budget. The City Funds include all general, operating, capital and enterprise funds. The request for a budget amendment must be submitted to City Council with an agenda memorandum explaining the justification for transfer, borrowing, or any use of funds and the proposed use for the funds transferred at least 2 weeks before the transfer is required. [Ord. 36-2000]

F. Requiring an amendment to the City's annual Budget Ordinance to authorize any cumulative modification to any departmental overall budget or line item that exceeds \$10,000. The request for a budget amendment must be submitted to City Council with an agenda memorandum explaining the justification for transfer and the proposed use for the funds transferred, borrowed or used at least 2 weeks before the transfer is required. [Ord.54-2009]

G. Requiring City Council approval, via ordinance, for the following:

(1) Salary increases that were not approved in or included in the budget for the fiscal year and fall outside the labor contract for union employees.

(2) All expenditures not approved and listed in the operating or capital budgets for the fiscal year before those expenditures are made. [Ord. 36-2000]

(3) All *contracts*, expenditures and allocations of ~~\$25,000 or more~~ from and to any and all agency funds and any and all line-items falling in the Departmental and Non Departmental area of the General Fund. [Ord 14-2012]

**SECTION TWO.** All other parts of the Ordinance remain unchanged.

**SECTION THREE.** This ordinance shall become effective ten (10) days after its adoption in accordance with Sections 219 and 221 of the City of Reading Home Rule Charter.

Enacted by Council \_\_\_\_\_, 2012

---

President of Council

Attest:

---

City Clerk

(Reed/Council Staff)

Submitted to Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Received by the Mayor's Office: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Vetoed by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

BILL NO. \_\_\_\_\_-2012

AN ORDINANCE

**AN ORDINANCE AMENDING THE 2012 CITY OF READING GENERAL FUND BUDGET BY AUTHORIZING THE TRANSFER OF FUNDS FROM THE CONTINGENCY FUND TO THE PURCHASING DIVISION**

THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Amending the City of Reading 2012 Budget by authorizing the transfer of a total of \$80,000 from the Contingency Fund line item #01-14-91-4739 to the Purchasing Division line item #01-06-16-4411(Maintenance Agreements).

SECTION 2: This ordinance shall become effective ten (10) days after its adoption, in accordance with Sections 219 & 221 of the City Home Rule Charter.

Passed Council \_\_\_\_\_, 2012

\_\_\_\_\_  
President of Council

Attest:

\_\_\_\_\_  
City Clerk

Submitted to Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Received by the Mayor's office: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by the Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

**BILL NO. \_\_\_\_\_ -2012  
AN ORDINANCE**

**AN ORDINANCE MODIFYING THE FEE SCHEDULE OF THE CITY OF READING RELATED TO CERTAIN PERMITTING AND LICENSURE ACTIVITIES OF THE DEPARTMENT OF COMMUNITY DEVELOPMENT, BUILDING & TRADES DIVISION**

**THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:**

**SECTION 1:** The Code of Ordinances of the City of Reading, Berks County, Pennsylvania, Fee Schedule be amended as shown on Appendix A hereof, effective January 1, 2013.

**SECTION 2:** All other items, parts, sections, etc. of the Code of Ordinances of the City of Reading, Berks County, Pennsylvania, which are contrary to the amendment set forth above in Section 1 are hereby repealed; otherwise, all other items, parts, sections, etc. of said Code shall remain in effect unchanged and likewise are ratified.

**SECTION 3:** This ordinance shall be effective ten (10) days after its adoption and approval by the Mayor, in accordance with Section 219 of the City of Reading Home Rule Charter.

Enacted \_\_\_\_\_, 2012

\_\_\_\_\_  
Council President

Attest:

\_\_\_\_\_  
Clerk

Submitted to the Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Received by Mayor's Office: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Vetoed by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit A**

**Code Enforcement**

**BOCA National Bldg Code** 26-2004 2004

<b>Description</b>	<b>Current Amount</b>	<b>Ordinance</b>	<b>Change</b>	<b>Last Changed</b>
Administrative Fee	\$4	72-2007		2007
Building Permit Fee	\$0-\$250 - <del>\$12</del> <b>\$50</b> \$250.01-\$500 - <del>\$20</del> <b>\$70</b> \$500.01-\$1,000 - <del>\$30</del> <b>\$90</b> \$1,000.01 and up - <del>\$7.50</del> <b>\$90 plus \$15 per additional \$1,000</b>			
Hearing Application Fee	\$750	18-2010		2010
<i>Commercial, Industrial, Institutional Plan Review</i>	<b>\$250</b>			
Penalty	\$100 - \$1,000 plus cost			

**National Plumbing Code** 25-2004 2004

Appeal Application Submission

Fee \$750 18-2010 2010

License Fees:

Administrative Fee	\$4	72-2007		2007
Master Plumber	\$100 reciprocity	106-2010	\$75	2010
	\$100 exam	106-2010		2010
	\$90 fee			
Journeyman Plumber	<del>\$80</del> <b>\$85</b> reciprocity	106-2010	\$75	2010
	<del>\$80</del> <b>\$85</b> exam	106-2010		2010
	\$50 fee			
Appliance Contractor	\$80 reciprocity	106-2010	\$75	2010

	\$80 \$85 exam	106-2010	\$75	2010
	\$40 fee			
Appliance Installer	\$80 \$ 85 reciprocity	106-2010	\$75	2010
	\$80 exam	106-2010	\$75	2010
	\$40 fee			
Fire Sprinkler				
Contractor	\$100 reciprocity			
	\$90 fee			
Fire Sprinkler Installer	\$65 reciprocity			
	\$50 fee			
<b>National Electrical Code</b>		21-2004		2004
Appeal Fee	\$750	18-2010		2010
Re-introduction of				
power inspection program	\$100	53-2010		2010
License Fees:				
Administrative Fee	\$4	72-2007		2007
Master Electrician	\$100 reciprocity			
	\$100 exam			
	\$90 fee			
Journeyman Electrician	\$80 \$85 reciprocity	106-2010	\$75	2010
	\$80 \$85 exam	106-2010	\$75	2010
	\$50 fee			

**BILL NO. \_\_\_\_\_-2012**  
**AN ORDINANCE**

**AN ORDINANCE AMENDING THE CITY OF READING CODIFIED ORDINANCES CHAPTER 5 CODE ENFORCEMENT BY REMOVING REFERENCES TO FEES IN SECTION 122 OF THE INTERNATIONAL EXISTING BUILDING CODE**

**THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:**

**SECTION 1:** §5-122 of the Codified Ordinances of the City of Reading is hereby modified as shown on Appendix A hereof, effective January 1, 2013

**SECTION 2:** All other items, parts, sections, etc. of the Code of Ordinances of the City of Reading, Berks County, Pennsylvania, which are contrary to the amendment set forth above in Section 1 are hereby repealed; otherwise, all other items, parts, sections, etc. of said Code shall remain in effect unchanged and likewise are ratified.

**SECTION 3:** This ordinance shall be effective ten (10) days after its adoption and approval by the Mayor, in accordance with Section 219 of the City of Reading Home Rule Charter.

Enacted \_\_\_\_\_, 2012

\_\_\_\_\_  
Council President

Attest:

\_\_\_\_\_  
Clerk

Submitted to the Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Received by Mayor's Office: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Vetoed by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit A**

**§5-122.**

C. **Section 105.1.2.3**, amended to read as follows:

All tradespersons shall pay ~~the following~~ permit fees as specified by the City of Reading Fee Schedule prior to commencing work or performing services in or upon all premises within the City based upon aggregate cost of labor and materials.

**~~PERMIT FEE – LABOR and MATERIALS FEE~~**

~~\$0 to \$250 \$12~~

~~\$250.01 to \$500 \$20~~

~~\$500.01 to \$1,000 \$30~~

~~Excess of the first \$1,000 for each additional \$500 or part thereof \$7.50~~

**ADMINISTRATIVE FEE**

In addition to the aforesaid fee, all tradespersons shall be required to pay an

~~\$4~~ administrative fee as specified by the City of Reading Fee Schedule for each permit applied for and received. This fee is in addition to the above-listed permit fee. ~~{Ord. 72-2007}~~

**As Built.** Should it be determined that the job costs greatly differentiate from the as built costs to save monies on the fee for the permit at the discretion of the Codes Services Division-Building/Trades said persons reserves the right to undertake any and all appropriate and applicable methods including, but not limited to, commencement of legal action to obtain the difference of the fee submitted for a permit and estimated job costs and the as built costs.

**Consultation Fee.** In addition to the fee for a permit as set forth herein, a fee of ~~\$50 per hour~~ as specified by the City of Reading Fee Schedule shall be charged for consultation either in person or via telephone with the/any Building/Trades Inspector for consultation prior to submission of plans for review and subsequent to approval of plans and issuance of permit beyond 1 hour total time calculated by combining time of all Building/Trades Inspector consulted on single project per above parameters.

BILL NO. \_\_\_\_\_ - 2012

**AN ORDINANCE**

**AN ORDINANCE OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, AUTHORIZING THE CITY OF READING, PURSUANT TO THE PROVISIONS OF THE SECOND CLASS CITY CODE AND THE INTERGOVERNMENTAL COOPERATION LAW TO ENTER INTO AN AGREEMENT WITH MUHLENBERG TOWNSHIP AND MUHLENBERG TOWNSHIP AUTHORITY FOR COOPERATION WITH REGARD TO TRANSPORTATION, TREATMENT AND DISPOSAL OF SEWAGE AS DESIGNATED IN THE INTERGOVERNMENTAL COOPERATION AGREEMENT.**

**NOW THEREFORE, BE IT ENACTED AND ORDAINED** by the Council of the City of Reading, County of Berks, Commonwealth of Pennsylvania, and it is hereby **ENACTED AND ORDAINED** by the authority of the same as follows:

**INTERMUNICIPAL AGREEMENT  
FOR SEWER TRANSPORTATION AND TREATMENT SERVICES WITH  
MUHLENBERG TOWNSHIP AND MUHLENBERG AUTHORITY**

**SECTION 1. Background.**

- A. Pursuant to the Second Class City Code (“Second Class City Code”), 53 P.S. § 35102, *et seq.*, as amended, and the Intergovernmental Cooperation Act (“Intergovernmental Cooperation Act”), Act of December 19, 1996, P.L. 1158, 53 Pa. C.S.A., § 2301, *et seq.*, the City of Reading may enter into agreements with other local governments for joint performance of governmental powers, duties and functions, including, without limitation, the collection and treatment of sewage.
- B. The City of Reading (“City”) entered an agreement with Muhlenberg Township (“Township”) and the Muhlenberg Township Authority (“Authority”) for the transportation, treatment and disposal of Sewage collected in the Township dated May 1, 1986 (“1986 Agreement”). The City of Reading entered into a Consent Decree with the United States Environmental Protection Agency (“EPA”) and the Pennsylvania Department of Environmental Protection (“DEP”) which was filed on November 7, 2005 with the United States District Court for the Eastern District of Pennsylvania, which Consent Decree applies additional regulatory obligations on the City including greater demands for treatment and improvements in the operation of the City’s Sewage System. The City desires the costs of such additional regulatory obligations to be shared on a connection and volumetric basis with municipalities whose Sewage Systems connect to the City of Reading’s Sewage System and whose Sewage is treated by the City. The City further seeks the assistance of municipalities whose sewage the City treats in complying with the additional

regulatory obligations. The alterations to the treatment facilities and other changes in operations mandated by the Consent Decree require replacement of the 1986 Agreement between the Township, City and Authority with a new agreement.

- C. The City further desires to enter into an agreement with the Township and Authority to establish their respective duties and responsibilities with regards to the transportation, treatment and disposal of sewage pursuant to an Intergovernmental Cooperation Agreement (“Agreement”) which is attached hereto and made a part hereof as Exhibit “A”.

## **SECTION 2. Authority to Enter Agreement.**

The Mayor of the City of Reading is hereby authorized and directed to execute and deliver the Agreement, and to execute and deliver such additional instruments, and to take such further actions, as may be necessary or appropriate to carry out the Agreement and the transactions to be effected under the Agreement.

## **SECTION 3. Specific Findings.**

As required by the Intergovernmental Cooperation Act, the following matters are specifically found and determined:

- A. The conditions of the agreement are set forth in the Agreement.
- B. The term of the Agreement, as provided in Section 2 thereof, continues in effect until December 31, 2052, subject to automatic ten (10) year renewals.
- C. The purpose and objectives of the Agreement are for the transportation, treatment and disposal of Muhlenberg Township sewage by the City of Reading in accord with a Consent Decree entered into by the City with the EPA and DEP.
- D. The financial terms of the Agreement are set forth in Section 9 of the Agreement.
- E. A Municipal Advisory Committee will be created to serve in an advisory capacity as described in Section 6B of the Agreement.
- F. All property shall be acquired, managed, or disposed of pursuant to the Agreement in accordance with the terms of the Agreement. No acquisition of real property or real estate is authorized.
- G. No new entity has been created by the Agreement that would require employees or insurance therefor.

## **SECTION 4. Miscellaneous.**

A. Severability. If any article, section, subsection, provision, regulation, limitation, restriction, sentence, clause, phrase or word in this Ordinance, is, for any reason declared to be illegal, unconstitutional or invalid, by any Court of competent jurisdiction, this decision shall not affect or impair the validity of the Ordinance as a whole, or any other article, section, subsection, provision, regulation, limitation, restriction, sentence, clause, phrase, word, or remaining portion of the within Ordinance. The City hereby declares that it would have adopted the within Ordinance and each article, section, subsection, provision, regulation, limitation, restriction, sentence, clause, phrase and word thereof, irrespective of the limitations, restrictions, sentences, clauses, phrases, or word that may be declared illegal, unconstitutional or invalid.

**SECTION 5. Effective**

A. This Ordinance shall be effective ten (10) days after passage.

Enacted \_\_\_\_\_, 2012

\_\_\_\_\_  
President of Council

Attest:

\_\_\_\_\_  
City Clerk

(LAW DEPT)

Submitted to Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Received by Mayor's Office: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Vetoed by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT "A"

**INTER-MUNICIPAL AGREEMENT**

**CITY OF READING, PARTY OF THE FIRST PART  
AND  
MUHLENBERG TOWNSHIP AND MUHLENBERG TOWNSHIP AUTHORITY, PARTIES  
OF THE SECOND PART**

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EXHIBIT “A”: CONSENT DECREE

EXHIBIT “B”: SEWAGE SERVICE AREA

EXHIBIT “C”: CONNECTION LOCATIONS

EXHIBIT “D”: CITY ORDINANCE

EXHIBIT “E”: OPERATING COSTS

EXHIBIT “F”: RESERVED CAPACITY TABLE

EXHIBIT “G”: RESERVED CAPACITY CHARGE FEE SCHEDULE

EXHIBIT “H”: EXAMPLE CALCULATIONS

EXHIBIT “I”: ANNUAL REPORT FORMS

**THIS INTER-MUNICIPAL AGREEMENT (the “Agreement”), dated the \_\_\_\_\_ day of \_\_\_\_\_, 2012, (“Effective Date”) by and among the CITY OF READING, Berks County, Pennsylvania, a Municipal Corporation organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter called “City”) and MUHLENBERG TOWNSHIP AUTHORITY, organized and existing under the laws of the Commonwealth of Pennsylvania, (hereinafter called “Authority”), and the MUHLENBERG TOWNSHIP, organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter called “Township”). For purposes of this Agreement, the Authority and Township shall collectively be referred to herein as the “Municipality” and the City, Authority and Township shall collectively be referred to herein as the “Parties”.**

**BACKGROUND**

- A. WHEREAS, the Parties entered into an agreement(s), dated May 1, 1986, as amended, wherein, inter alia, it provided for the transportation, treatment, and disposal of Sewage collected in the Township by and through the Municipality’s Sewage collection and transportation system to the City’s Sewage mains for further transportation and treatment at the City’s Sewage Treatment Plant (the “Prior Agreements”); and**
- B. WHEREAS, conditions, economically and technically, have drastically changed since the Prior Agreements were executed; and**
- C. WHEREAS, the City entered into a Consent Decree with the United States Environmental Protection Agency (“EPA”) and the Pennsylvania Department of Environmental Protection (“DEP”), which was filed on November 7, 2005, with the United States District Court for the Eastern District of Pennsylvania, Docket Number 2:04-cv-05696 and which is attached hereto as Exhibit “A” (“Consent Decree”); and**
- D. WHEREAS, evolving regulatory requirements and obligations imposed on the City continue to demand greater degrees of treatment and improvement in the operation of the City’s Sewage System, including, but not limited to, reducing infiltration of stormwater into the City’s Sewage System, constructing structural upgrades, and implementing additional treatment processes; and**
- E. WHEREAS, such greater degrees of treatment and improvement require substantially more operational and capital expenditures by the City than were originally contemplated by the Parties when the Prior Agreements were executed; and**

**F. WHEREAS, wherever reasonably quantifiable, with the exception of treatment of Industrial or Commercial Sewage, the most equitable method of charging for the Sewage service rendered by the City is on a connection and volumetric basis; and**

**G. WHEREAS, the cost of transportation and treatment of Sewage collected from connections outside of the City should not be subsidized by the City or its residents and the cost of transportation and treatment of Sewage collected from the City or its residents should not be subsidized by the Municipality or its residents, except as expressly set forth herein; and**

**H. WHEREAS, the Consent Decree imposes requirements on the Parties which include, but are not limited to, reporting data, limiting concentrations of pollutants in Sewage influent, and enforcing civil penalties or enjoining the discharge from Industrial or Commercial Users with Sewage exceeding influent limitations established by the City, Municipality, or Applicable Laws; and**

**I. WHEREAS, the City requires the assistance and cooperation of the Municipality to perform the obligations set forth under Applicable Laws in order to prevent a potential ban or moratorium on the treatment of additional Sewage connections to the Sewage Treatment Plant; and**

**J. WHEREAS, the Parties desire to enter into this Agreement to set forth the Parties' respective obligations for the treatment of Sewage emanating from certain areas of the Municipality and as such the Parties agree that this Agreement shall supersede and replace the Prior Agreements.**

**NOW THEREFORE, in consideration of the mutual covenants hereinafter contained and other good and valuable consideration, the Parties, intending to be legally bound hereby, agree to and with each other as follows:**

**I. Sewage Service Area.**

**Subject to the terms of this Agreement and the Municipality's Reserved Capacity, the City hereby agrees to accept Sewage originating from the portions of the Municipality marked in Exhibit "B" attached hereto and transported through the Municipality's Sewage Transportation System before entering the City's Sewage System. To the extent the City's Sewage System is capable and permitted to transport and treat such Sewage, the Municipality agrees that it will convey all Sewage originating from the portions of the Municipality marked in Exhibit "B" to the City's Sewage System for treatment except as specifically provided in this Agreement. The City shall have no obligation to accept Sewage from the Municipality except as specifically provided in this Agreement. The Sewage from the Municipality shall be transported by the Municipality to the points of connection with the**

**City's Sewage System as set forth in Exhibit "C".**

**II. Term.**

**This Agreement amends, supersedes and supplants the Prior Agreements, and shall remain in effect from the date of execution hereof through December 31, 2052 (the "Initial Term"); provided, however, as set forth below in this SECTION 2, the City shall have the right to renegotiate specific terms of this Agreement whenever Applicable Laws require the City to incur additional costs concerning the operation of City's Sewage System. This Agreement shall be automatically extended for additional periods of ten (10) years, unless any party, by serving written notice on the other at least twelve (12) months prior to the completion of the Initial Term or any additional ten (10) year renewal term, requests that the Agreement be revised, rescinded or abrogated.**

**Notwithstanding anything to the contrary in this Agreement, this Agreement shall be automatically extended, under the same terms and conditions as stated herein, to the maturity date of any debt incurred by City to finance renovations, improvements or additions to City's Sewage System and the Municipality shall not have the right to terminate this Agreement prior to the maturity date of said debt.**

**Whenever Applicable Laws require the expenditure of additional funds concerning the operation of City's Sewage System, which were not foreseen by the City, then specific terms of this Agreement, as identified by the City in its reasonable discretion, may be renegotiated upon written notice from City, with respect to the payment by Municipality of any such additional costs incurred by City, including, without limitation, additional costs relating to the Operating Costs of the Sewage Treatment Plant, Operating Costs of the Sewage Transportation System, Upgrading and Improvement Costs or Debt Service that are incurred by the City. Municipality and City shall each negotiate in good faith. All terms and conditions of this Agreement shall remain in full force and effect unless and until a modification to this Agreement is executed by the Parties.**

**III. Definitions.**

**The terms defined in this III, whenever used for reference in this Agreement, shall have the respective meanings indicated unless a different meaning clearly appears from the context.**

**"Accredited Laboratory" shall mean an analytical laboratory accredited by the DEP or EPA to evaluate and analyze environmental media for the relevant parameters, chemicals and substances.**

“**Act 537 Plan**” shall mean the current, official sewage facilities plan for the Municipality required pursuant to 35 P.S. § 705.1 et seq., and the regulations promulgated thereunder, as they may be amended from time to time.

“**Applicable Laws**” shall include, without limitation, all applicable local, state and federal laws, rules, regulations, codes, published guidance documents from government agencies, orders, decrees, ordinances (including, but not limited to, the City Ordinance) and all provisions of any permits, approvals, variances, or waivers from permits or approvals, applicable in any jurisdiction associated with the performance of this Agreement, including, but not limited to, the City and Municipality pretreatment programs, the Consent Decree and/or NPDES Permit.

“**Best Management Practices**” or “**BMPs**” shall mean the schedule of activities, prohibition of practices, maintenance procedures, and other management practices to implement the requirements listed in 40 CFR § 403.5(a)(1) and (b), as it may be amended from time to time. BMPs also include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

“**BOD<sub>5</sub>**” (Biochemical Oxygen Demand) shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at twenty (20) degrees centigrade expressed in milligrams per liter (“*mg/L*”) as determined by an Accredited Laboratory.

“**City Ordinance**” shall mean the Sewage ordinance established by the City as such Sewage ordinance may be amended by the City from time to time. A true and correct copy of the current City Ordinance is attached hereto in Exhibit “D”.

“**Consent Decree**” shall have the meaning set forth in PARAGRAPH C in the Background section of this Agreement.

“**Claims**” shall have the meaning set forth in XIV.

“**Contributing Municipality**” shall mean a political subdivision or authority (or a political subdivision’s designated municipal authority), excluding the City, which discharges Sewage to the City’s Sewage System.

“**Daily Volume Exceedance**” shall mean a cumulative discharge of Sewage from the Municipality’s Sewage Transportation System for treatment at the City’s Sewage Treatment Plant, measured over a twenty-four (24) hour period, that exceeds the Municipality’s Reserved Capacity (inclusive of the daily peak factor identified in IV.A).

“**Debt Service**” shall mean all monies required for the City to make payments due on principal, interest, applicable letter of credit fees, applicable remarketing fees and sinking fund requirements on all outstanding loans, notes or bonds associated with the operation, maintenance, and Upgrading and Improvement Costs of the City Sewage System on the terms of such loans, notes or bonds. Debt Service shall also include all other reasonable expenses incurred by the City, which are associated with such loans, notes or bonds.

**“Debt Service Adjustment”** shall mean the Debt Service Paid during the latest completed calendar year minus the Debt Service Projection, which was estimated for such calendar year (which may result in a negative adjustment to the Debt Service Charge).

**“Debt Service Charge”** shall have the meaning set forth in IX.D.

**“Debt Service Paid”** shall mean the total Debt Service paid by City during a calendar year.

**“Debt Service Projection”** shall mean the estimated Debt Service due to be paid by the City during a calendar year as determined by the City in its reasonable discretion and accounting assumptions.

**“DEP”** shall have the meaning set forth in PARAGRAPH C in the Background section of this Agreement.

**“Domestic Sewage”** shall have the same meaning as set forth in Part 503.9 of Title 40 of the Code of Federal Regulations, as it may be amended from time to time.

**“EDU”** shall mean the equivalent dwelling unit Sewage discharged to the City’s Sewage System, as calculated in IX.I.

**“EPA”** shall have the meaning set forth in PARAGRAPH C in the Background section of this Agreement.

**“Funding Notice”** shall have the meaning set forth in 0.

**“Hydraulic Capacity Report”** shall have the meaning set forth in 0.

**“I/I”** shall mean infiltration/inflow of stormwater in the Sewage Transportation System.

**“Impact Transfer”** shall have the meaning set forth in IX.K.

**“Industrial or Commercial User(s)”** shall mean any source of discharge to the Municipality’s Sewage Transportation System from any non-residential source.

**“Industrial or Commercial Sewage”** shall mean any non-Domestic Sewage.

**“Industrial or Commercial Sewage Surcharge”** shall have the meaning set forth in IX.G.

**“Industrial or Commercial Sewage Surcharge Formula”** shall have the meaning set forth in IX.G.

“**Infrastructure Contingency Charge**” shall have the meaning set forth in IX.E.

“**Infrastructure Contingency Fund**” shall mean a fund established by the City for the purpose of funding unforeseen and/or emergency repair, maintenance or capital improvements to the infrastructure of the Sewage Treatment Plant or the City’s Sewage System and funded through the payment of the Infrastructure Contingency Charge.

“**Initial Term**” shall have the meaning set forth in II.

“**Monthly Volume Exceedance**” shall mean an average daily cumulative discharge of Sewage from the Municipality’s Sewage Transportation System for treatment at the City’s Sewage Treatment Plant, measured over a calendar month, that exceeds the Municipality’s Reserved Capacity.

“**Multi-Family Connection**” shall mean any building or facility where more than one family is permitted to reside but does not provide for a separate lateral connection and/or meter to a Sewage Transportation System for each individual familial unit in such building or facility.

“**Municipal Advisory Committee**” shall mean a committee of seven persons appointed annually; the five political subdivision with the highest Reserved Capacity (including the City) shall each appoint one member, and two members shall be collectively appointed by mutual agreement from all other political subdivisions discharging Sewage to the City’s Sewage System, organized and existing for the purpose of advising and consulting with the City regarding the operation, maintenance, capital improvements and borrowing related to the City’s Sewage System. Each member of the Municipal Advisory Committee shall serve at the will and pleasure of the political subdivision or subdivisions which appointed such member. A representative, appointed by the Mayor of the City of Reading, shall serve as the City’s committee member on the Municipal Advisory Committee.

“**NPDES Permit**” shall mean the currently effective City NPDES Permit No. 0026549 authorizing discharge of certain pollutants and setting forth requirements regarding the operation and maintenance of the City’s Sewage System as well as effective implementation of a Pretreatment program, including any subsequent modification, re-issuance, replacement or successor to such permit.

“**Operating Costs of the Sewage Treatment Plant**” shall include, without limitation, expenditures for appropriate direct and indirect supplies and chemicals, heat, light, power, insurance, laboratory sampling, ordinary repairs and normal maintenance, Upgrading and Improvement Costs of the Sewage Treatment Plant, salaries and wages, including, without limitation, normal fringe benefits and taxes necessary to operate City’s Sewage Treatment Plant and which are consistent with generally accepted accounting principles; however, such costs shall be reduced by funds collected by the City by way of the Industrial Commercial Sewage Surcharge or federal or state subsidies for the operation of the Sewage Treatment Plant and does not include (a) Debt Service, (b) depreciation or (c) any costs paid by

way of the Infrastructure Contingency Fund. Attached hereto and made a part hereof and marked Exhibit "E" is a list of the line items that will be included in the calculation of Operating Costs of the Sewage Treatment Plant together with any items that should be included therein in accordance with generally accepted accounting principles; provided, however, the list of Operating Costs of the Sewage Treatment Plant set forth in Exhibit "E" may later be amended by mutual agreement signed by the Parties in accordance with XXIII.N.

**"Operating Costs of the Sewage Treatment Plant Adjustment"** shall mean the Operating Costs of the Sewage Treatment Plant Paid during the latest completed calendar year for which an audited financial statement exists minus the Operating Costs of the Sewage Treatment Plant Projection for such calendar year (which may result in a negative adjustment to the Treatment Unit Rate).

**"Operating Costs of the Sewage Treatment Plant Paid"** shall mean the total Operating Costs of the Sewage Treatment Plant paid by the City during a calendar year.

**"Operating Costs of the Sewage Treatment Plant Projection"** shall mean the Operating Costs of the Sewage Treatment Plant to be paid by City during a calendar year, as estimated by the City in its reasonable discretion and as presented in a operational budget, as provided in IX.F.

**"Operating Costs of the Sewage Transportation System"** shall include, without limitation, expenditures for appropriate direct and indirect supplies and chemicals, heat, light, power, insurance, laboratory sampling, meter reading, ordinary repairs and normal maintenance, Upgrading and Improvement Costs of the City's Sewage System, salaries and wages, including, without limitation, normal fringe benefits and taxes necessary to operate City's Sewage System and which are consistent with generally accepted accounting principles; however, such costs shall be reduced by funds collected by the City by way of the Industrial Commercial Sewage Surcharge or federal or state subsidies for the operation of the Sewage Transportation System and does not include (a) Debt Service, (b) depreciation or (c) any costs paid by way of the Infrastructure Contingency Fund. Attached hereto and made a part hereof and marked Exhibit "E" is a list of the line items that will be included in the calculation of Operating Costs of the Sewage Transportation System together with any other items that should be included therein in accordance with generally accepted accounting principles; provided, however, the list of Operating Costs of the Sewage Transportation System set forth in Exhibit "E" may later be amended by mutual agreement signed by the Parties in accordance with XXIII.N.

**"Operating Costs of the Sewage Transportation System Adjustment"** shall mean the Operating Costs of the Sewage Transportation System Paid during the latest completed calendar year for which an audited financial statement exists minus the Operating Costs of the Sewage Transportation System Projection for such calendar year (which may result in a negative adjustment to the Transportation Unit Rate).

**"Operating Costs of the Sewage Transportation System Paid"** shall mean the total Operating Costs of the Sewage Transportation System paid by the City during a calendar year less ten percent (10%) of the Operating Costs of the Sewage

Transportation System attributed to the salaries and fringe benefits of staff employed by the City during such calendar year for operating the Sewage Transportation System.

**“Operating Costs of the Sewage Transportation System**

**Projection”** shall mean the Operating Costs of the Sewage Transportation System to be paid by City during a calendar year, less ten percent (10%) of the Operating Costs of the Sewage Transportation System budgeted for the salaries and fringe benefits of staff employed by the City during such calendar year for operating the Sewage Transportation System, as estimated by the City in its reasonable discretion and as presented in an operational budget, as provided in IX.F.

**“Person”** shall mean any individual, firm, company, association, society, corporation or group.

**“pH”** shall mean the logarithm of the reciprocal of the weight of hydrogen ions in grams per liter of solution, as determined by a DEP and/or EPA approved test method.

**“Pretreatment”** shall mean the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater prior to or in lieu of discharging or otherwise introducing such pollutants into the City’s Sewage System, as provided in Part 403 of Title 40 of the Code of Federal Regulations, as it may be amended from time to time.

**“Prior Agreements”** shall have the meaning set forth in PARAGRAPH B in the Background section of this Agreement.

**“Reserved Capacity”** shall have the meaning set forth in IV.A.

**“Reserved Capacity Charge”** shall have the meaning set forth in IV.G.

**“Sewage”** shall mean the total volume of water and water-carried wastes from I/I, residential, Industrial or Commercial Users and other sources of discharge to the Sewage System.

**“Sewage System”** shall mean all collective components of the City’s Sewage Transportation System and Sewage Treatment Plant.

**“Sewage Transportation Charge”** shall have the meaning set forth in IX.B.

**“Sewage Transportation System”** shall mean all facilities, piping, pump stations and equipment used for collecting, conveying, transporting or storing Sewage for treatment at the Sewage Treatment Plant, and any extensions or additions thereto.

**“Sewage Treatment Plant”** shall mean an arrangement of devices and structures used by City for treating and disposing of Sewage, presently existing and all future improvements and additions thereto.

**“Sewage Treatment Charge”** shall have the meaning set forth in IX.A.

**“Sewer Enterprise Fund”** shall mean the fund established by the City to (a) receive the Total Charge, except that the Infrastructure Contingency Charge shall thereafter be transferred to the Infrastructure Contingency Fund and (b) make payments for the operation of the City’s Sewage System.

**“Total Aggregate Reserved Capacity”** shall mean the aggregate sum of the Reserved Capacities allocated the political subdivisions contributing Sewage to the Sewage Treatment Plant, as identified in Exhibit “F”.

**“Total Charge”** shall mean the amount due and payable to City each quarter by Municipality for all services provided under this Agreement including, but not limited to, the Reserved Capacity Charge, the Sewage Treatment Charge, the Sewage Transportation Charge, the Debt Service Charge, the Infrastructure Contingency Charge, the Industrial or Commercial Sewage Surcharge, the Volume Exceedance Surcharge and any other charge paid by the Municipality to the City and authorized by this Agreement or Applicable Laws.

**“Total Solids”** shall mean solids that either float on the surface of, or are in suspension or dissolved in water, Sewage or other liquids, and which are determined by an Accredited Laboratory.

**“Total Dissolved Solids”** shall mean solids that are dissolved and are in solution in the Sewage measured in parts per million as determined by an Accredited Laboratory.

**“Total Suspended Solids”** shall mean solids suspended in Sewage measured in mg/L, which remain after settlement and mostly colloidal in character as determined by an Accredited Laboratory.

**“Transportation Unit Rate”** shall have the meaning set forth in 0.

**“Treatment Unit Rate”** shall have the meaning set forth in 0.

**“Unit Rates”** shall mean the Treatment Unit Rate and Transportation Unit Rate.

**“Upgrading and Improvement Costs”** shall include, without limitation, the cost of labor, material, equipment, printing, underwriting, and all other related costs used to improve the City’s Sewage System operations to conform with DEP and/or EPA Sewage handling, operation or treatment guidance and requirements; however, such costs shall not include Debt Service and shall be reduced by any federal or state subsidies the City receives for upgrading or improving the City’s Sewage Treatment Plant and the amount of any interest earned on sewer bond proceeds.

“**Volume Exceedance**” shall mean a Daily Volume Exceedance and/or Monthly Volume Exceedance.

“**Volume Exceedance Surcharge**” shall have the meaning set forth in IV.C.

**IV. Reserved Capacity and Reserved Capacity Charge; Additional Connections.**

**A. Reserved Capacity.**

**Subject to the terms of this Agreement, the City agrees to accept for treatment from the Municipality a maximum flow of Sewage, I/I, and any other associated flow from the areas set forth on Exhibit “B”, based on the average number of gallons per day over a calendar month, as set forth in Exhibit “F”, with a daily peak factor not to exceed one and five tenths (1.5) times the permitted average number of gallons per day (the “Reserved Capacity”). The Municipality’s Reserved Capacity may be increased or modified only as set forth in this Agreement. The Municipality cannot decrease its Reserved Capacity without the prior written consent from the City, which may be given or withheld by the City as determined by the City in its sole discretion. The Municipality’s Reserved Capacity is reserved for the exclusive use of the Municipality or its successors and shall not be conveyed or assigned to any other Contributing Municipality, except with the prior express written approval from the City. The Municipality shall be entitled to send for treatment at the Sewage Treatment Plant flows equal to the entire Reserved Capacity immediately upon the full execution of this Agreement.**

**B. Modifications to the Reserved Capacity.**

**The Municipality’s Reserved Capacity shall be increased by the additional permitted flow resulting from any additional connections to the City’s Sewage System, which has been approved by the City consistent with IV.D, IV.E or IV.F, after payment of the Reserved Capacity Charge to the City.**

**When a change to any Contributing Municipality’s Reserved Capacity is approved by the City, Exhibit “F” shall be amended by the City accordingly. The amended Exhibit “F” shall be incorporated in this Agreement immediately upon written notice to the Municipality by the City of such amendment. Changes to the Debt Service Charge resulting from an amendment to Exhibit “F” shall occur in accordance with IX.D.**

**C. Excess Discharges.**

**Notwithstanding anything to the contrary in this Agreement and without limiting the City’s rights under this Agreement or Applicable Laws, it shall be**

**a violation of this Agreement for a Volume Exceedance to occur. A Volume Exceedance shall be determined by comparing the cumulative metered volume of Sewage discharged from the Municipality to the City's Sewage System over the applicable time period.**

**The City shall notify the Municipality upon the City's discovery of a Volume Exceedance and the Municipality shall immediately take reasonable efforts to reduce the volume of discharge to the City's Sewage System, including investigating and taking action at the source of the excess flow. The Municipality shall continue to have the right to discharge Sewage from its Sewage Transportation System into the City's Sewage System in an amount not exceeding the Volume Exceedance. The City reserves the right, but not the obligation, to take corrective actions to immediately halt any Volume Exceedance, correct any Volume Exceedance through restricting or ceasing the excess discharge, or upgrading the City's Sewage System in order to accommodate the Volume Exceedance. The City's performance of any corrective action shall not relieve or excuse the Municipality from any obligation under this Agreement or Applicable Laws. The Municipality shall reimburse the City for the City's reasonable costs incurred in taking any such corrective actions. Notwithstanding anything to the contrary in this Agreement, the City shall have no liability to the Municipality's residents for damages resulting from any corrective actions the City or its agents take to halt or correct a Volume Exceedance.**

**In the event of a Monthly Volume Exceedance, the Municipality shall not permit any further connections to the Municipality's Sewage Transportation System until a calendar month has completed without a Volume Exceedance or additional capacity is purchased to increase the Municipality's Reserved Capacity, such that a Volume Exceedance will not occur.**

**Volume Exceedance Surcharge.**

**If a Volume Exceedance occurs, the Municipality would be using facilities which may not be designed to handle the excess Sewage and for which the Municipality has not made a capital contribution; therefore, a surcharge will be imposed upon the Municipality to compensate the City for the additional cost, expense, and administration of handling the excess discharge on the following terms and conditions (the "Volume Exceedance Surcharge");**

**If a Daily Volume Exceedance occurs at any time during the term of the Agreement, the Municipality shall pay as a Volume Exceedance Surcharge, in addition to the Total Charge attributable to such excess discharges pursuant to this Agreement, a surcharge equal to twenty-five percent (25%) of the Unit Rates multiplied by the number of gallons of excess discharge (i.e., the number**

**of gallons discharged minus the Reserved Capacity inclusive of the daily peak factor identified in IV.A) divided by 50,000 (i.e., gallons per year per EDU);**

**If a Monthly Volume Exceedance occurs at any time during the term of the Agreement, the Municipality shall pay as a Volume Exceedance Surcharge, in addition to the Total Charge attributable to such excess discharges pursuant to this Agreement, a surcharge equal to fifty percent (50%) of the Unit Rates multiplied by the number of gallons of excess discharge (i.e., the Reserved Capacity multiplied by the number of calendar days in said calendar month subtracted from the cumulative number of gallons discharged in said calendar month), divided by 50,000 (i.e., gallons per year per EDU). If a Monthly Volume Exceedance occurs in six (6) consecutive months, said Volume Exceedance Surcharge shall double for each month thereafter until a calendar month has completed without a Monthly Volume Exceedance.**

**Payment of the Volume Exceedance Surcharge herein provided shall not excuse a Volume Exceedance nor shall it prevent the City from taking corrective action, as provided in this Agreement, enjoining the discharge of excess Sewage or recovering from the Municipality actual damages, costs, and expenses, including, without limitation, reasonable legal fees, incurred by the City in connection with any Volume Exceedance. All amounts collected by the City as a Volume Exceedance Surcharge shall be deposited in the Infrastructure Contingency Fund.**

**Notwithstanding anything to the contrary in this Agreement, the City may bring suit in law or in equity in the Court of Common Pleas of Berks County, Pennsylvania, or any other court of competent jurisdiction, to enjoin a Volume Exceedance or compel appropriate corrective action for such violation. In such event, the Municipality agrees to pay the costs and expenses including, without limitation, reasonable legal fees, incurred by the City and arising out of or relating to any such violation of this Agreement by the Municipality.**

#### **Hydraulic Capacity Limitations**

**The Parties understand that the size, slope, material and other factors associated with the City's Sewage Transportation System affect the hydraulic capacity for each component of the City's Sewage Transportation System. Significant collateral damage to the City's Sewage System may occur if its hydraulic capacity is exceeded. The City will engage an independent third party consultant to evaluate each interface between the Municipality's Sewage Transportation System and the City's Transportation System to identify the hydraulic capacity at each interface (the "Hydraulic Capacity Report"). The City will provide a draft of the Hydraulic Capacity Report to the Municipality so that the Municipality may have an opportunity to engage its own**

**independent third party consultant (at the Municipality's sole cost and expense) to review and comment on such report. The City's consultant will consider all such comments received within sixty (60) days of the Municipality's receipt of the draft Hydraulic Capacity Report. The Municipality shall use best efforts to ensure that the hydraulic capacity of each interface between its Sewage Transportation System and the City's Sewage Transportation System, as identified in the Hydraulic Capacity Report, are not exceeded. In the event the hydraulic capacity is exceeded by the Municipality (as measured at any individual interface), the Municipality shall be strictly liable for any damages, losses, costs and/or penalties resulting from such hydraulic capacity exceedance and shall immediately take corrective measures to reduce the flow through the particular interface or make all improvements necessary to increase the hydraulic capacity to accommodate the additional flow.**

**D. Additional Single Family Residential or Multi-Family Connections.**

**The City grants to the Municipality, subject to all of the terms and conditions of this Agreement, the right to permit the connection of additional projects, land developments, or subdivisions involving one (1) or two (2) single family residences within the area specified in Exhibit "B" to the Municipality's Sewage Transportation System to the City's Sewage System to the extent that such additional connections do not have the effect of creating a Volume Exceedance. Any projects, land developments, or subdivisions consisting of a new Multi-Family Connection and/or more than two (2) additional single family residences (including, but not limited to, individual lateral connections) within the area specified in Exhibit "B", shall be subject to the written approval of the City, which approval shall not be unreasonably withheld (if a planning module is required by law for such additional connections, the City's approval of such planning module shall constitute the City's approval required by this IV.D). Approval of any project, land development, or subdivision involving a Multi-Family Connection and/or more than two (2) additional single family residences which will result in a Volume Exceedance based upon the reasonable estimated flows for such project, land development or subdivision shall be subject to the Municipality's payment of an additional Reserved Capacity Charge based on the Municipality's additional Reserved Capacity.**

**The Municipality shall provide the City with copies of any new planning committee approval, building permit and any other reasonable documentation requested by the City relating to any new connections to the Municipality's Sewage Transportation System. The Municipality shall provide the City with**

**such information and documentation each quarter.**

*E.* Additional Industrial or Commercial Users.

**The City grants to the Municipality, subject to all of the terms and conditions of this Agreement, the right to permit the connection of additional projects and/or land developments involving Industrial or Commercial Users within the area specified in Exhibit “B” to the Municipality’s Sewage Transportation System to be treated by the City’s Sewage System provided such connection will not result in a Volume Exceedance, violation of the NPDES Permit, violation of the City Ordinance or this Agreement, including, without limitation, as provided in VII. The Municipality shall provide the City with any building permit, plumbing permit and planning committee approval for any new or existing Industrial or Commercial User connected or to be connected to the Municipality’s Sewage Transportation System each quarter. Upon the City’s request, the Municipality shall provide all information and documentation reasonably requested by the City for the City to evaluate the quantity and quality of Sewage, which may result from the Industrial or Commercial User.**

**Notwithstanding the foregoing, the Municipality shall provide the City with written notice contemporaneously with the submission of any land development plan, subdivision plan, building/trade permit application to the Township or Authority and prior to (a) the connection of any new Industrial or Commercial User or (b) a change in use that would result in a modification of Sewage characteristics at the facility of any Industrial or Commercial User. Such written notice shall include the projected volume and characteristics of the Sewage from such connections. Industrial or Commercial User connections projected to discharge Industrial or Commercial Sewage (i.e., the anticipated discharge is of a character that it is not classified as Domestic Sewage) shall be subject to the written approval of the City, which approval shall not be unreasonably withheld (if a planning module is required by law for such additional connections, the City’s approval of such planning module shall constitute the City’s approval required by this IV.E). Approval of any additional Industrial or Commercial User connections which will cause a Volume Exceedance based upon the reasonably estimated flows for such projects and/or land developments shall be subject to the Municipality’s payment of an additional Reserved Capacity Charge based on the Municipality’s additional Reserved Capacity.**

*F.* Additional Connections Outside of Area in Exhibit “B”.

**The City shall have no obligation to offer any Sewage treatment capacity to**

**the Municipality for Sewage originating from any areas beyond the area set forth on Exhibit “B”. The Municipality shall not permit any connections to its Sewage Transportation System for sources of Sewage originating from any areas beyond the area set forth on Exhibit “B” without the City’s prior written approval.**

**The City may, in its sole discretion, provide the Municipality with written approval, which may be withheld for any reason or no reason at all, for the privilege to connect Sewage originating from areas beyond the area set forth in Exhibit “B” (if a planning module is required by law for such additional connections, the City’s approval of such planning module shall constitute the City’s approval required by this IV.F). Approval of any such connections which will cause a Volume Exceedance based upon the reasonable estimated flows for such connections shall be subject to the Municipality’s payment of an additional Reserved Capacity Charge. Exhibit “B” shall be automatically amended to incorporate additional areas approved in writing by the City after the City’s receipt of the corresponding Reserved Capacity Charge.**

**If the City provides the Municipality with written approval to connect areas beyond the areas set forth in Exhibit “B”, the Municipality shall provide the City with: (i) an opportunity to review and comment on the proposed amendment to the Municipality’s Act 537 Plan prior to its submission to DEP consistent with the process provided in XX of this Agreement; (ii) any building permit, plumbing permit or planning committee approval for any proposed connection to the Municipality’s Sewage Transportation System; and (iii) all information and documentation reasonably requested by the City for the City to evaluate the quantity and quality of Sewage for any proposed connection to the Municipality’s Sewage Transportation System.**

**G. Municipality Reserved Capacity Charge.**

**The Municipality shall pay or cause to be paid to the City a fee in accordance with the Reserved Capacity Charge fee schedule attached hereto as Exhibit “G” and in compliance with Applicable Laws, to compensate the City for the additional engineering and treatment costs of Sewage from the additional connection to the City’s Sewage Transportation System in the event the Municipality desires to or is otherwise required to increase its Reserved Capacity or add connections beyond the areas identified in Exhibit “B” (the “Reserved Capacity Charge”). All amounts collected by the City as a Reserved Capacity Charge shall be deposited in the Infrastructure Contingency Fund.**

**H. Charges to the City’s Residents.**

**To the extent allowed by Applicable Laws, including but not limited to, the**

**City Ordinance, the City may charge new users in the City a reservation fee or other connection fee for new commercial and industrial connections. Such reservation fee or other connection fee charged by the City to its new users shall be determined by the City, in its reasonable discretion; provided, however, such reservation fee or other connection fee (or lack thereof) shall not affect the Municipality's obligations under this Agreement.**

**V. Transportation of Sewage.**

**The City agrees to take all necessary steps to carry the Sewage delivered to the City's Sewage System in the quality and quantity consistent with the terms of this Agreement to the Sewage Treatment Plant, whether said connections are made directly to the Sewage Treatment Plant or to the City's Sewage Transportation System for transportation to the Sewage Treatment Plant, and to treat and dispose of such Sewage consistent with Applicable Laws.**

**VI. Information Sharing and Consultation.**

**A. General Obligations.**

**The Municipality shall cooperate and share relevant information with the City in facilitating the City's management operations and maintenance of the City's Sewage System. In furtherance of the foregoing, the City shall provide the Municipality with an annual report providing a summary of the operation of the Sewage Treatment Plant. Within forty-five (45) days of the close of each calendar quarter, the City shall complete the applicable information identified in the Tables set forth in Exhibit "I" and provide the same to the Municipality.**

**B. Municipal Advisory Committee**

**Establishment.**

**The Municipality, in cooperation with all other Contributing Municipalities, will establish a Municipal Advisory Committee with whom the City will regularly consult during the term of this Agreement.**

**General Meetings**

**In addition to participation by the City as a committee member of the Municipal Advisory Committee, the City shall also participate in meetings as requested and scheduled by the Municipal Advisory Committee (subject to the reasonable availability of the City's personnel), by providing information and reports regarding the operation, maintenance, annual budget and capital improvements of the City's Sewage System and by providing such other information related to the City's Sewage System as may be reasonably requested by the Municipal Advisory Committee. The City's participation at**

**the Municipal Advisory Committee meetings (other than the participation by the City as a committee member of the Municipal Advisory Committee) shall be by a manager or director supervising the administration of the Sewage Transportation System or Sewage Treatment Plant. The Municipal Advisory Committee shall be represented by a quorum of its members at such meetings. The Municipal Advisory Committee shall prepare a proposed agenda for all scheduled meetings and seek input from the City on the proposed agenda. No less than ten (10) days prior to each such scheduled meeting, the Municipal Advisory Committee shall circulate an agenda to a representative from each Contributing Municipality, identifying the time, date and location of the meeting. Such agenda shall allocate time for elected official(s), municipal manager(s), engineer(s), consultant(s) and/or such other designee(s) from each Contributing Municipality, at the election of each Contributing Municipality, to submit comments or questions to the Municipal Advisory Committee for its consideration.**

**Notice to the Municipal Advisory Committee**

**The Municipal Advisory Committee, acting on behalf of the Municipality, shall identify to the City the mailing and e-mail address of one person to whom the City shall direct all of the City's correspondence related to matters appropriately before the Municipal Advisory Committee. Such correspondence from the City shall be deemed received by the Municipal Advisory Committee (a) when sent, if sent by electronic mail, (b) five (5) days after having been sent by United States Postal Service, postage prepaid, or (c) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt.**

**Written Recommendations**

**The Municipal Advisory Committee may make written recommendations to the City with regard to the operation, maintenance, annual budget and/or capital improvements associated with the City's Sewage System. The City shall consider all such written recommendations in good faith. However, the City (as the responsible permittee) maintains the right to determine, in its reasonable discretion, the means, methods and manners for administering, operating, maintaining and funding the City's Sewage System and shall not be obligated to adopt the written recommendation(s) of the Municipal Advisory Committee. In the event the City does not adopt a written recommendation from the Municipal Advisory Committee, the City shall provide the Municipal Advisory Committee with a written response setting forth the City's basis for not adopting such written recommendation.**

#### Additional Debt and Infrastructure Contingency Fund.

**When the City intends to (1) incur additional debt with regard to the City's Sewage System or (2) fund any individual project by a withdrawal from the Infrastructure Contingency Fund in excess of Five Hundred Thousand Dollars (\$500,000), the City shall provide the Municipal Advisory Committee with notice of such intention along with reasonable information about the proposed funding and the specific purpose of such funding (the "Funding Notice").**

**The Municipal Advisory Committee may request a meeting with the City regarding the proposed funding within twenty (20) days of its receipt of the applicable Funding Notice. If requested by the Municipal Advisory Committee, such meeting shall occur within thirty (30) days of the Municipal Advisory Committee's receipt of the applicable Funding Notice. The City shall participate in such requested meeting in good faith and provide the Municipal Advisory Committee with any such additional reasonable information requested by the Municipal Advisory Committee related to the same. If the Municipal Advisory Committee desires to make a written recommendation with regard the subject of the Funding Notice, the Municipal Advisory Committee shall submit its written recommendation to the City within forty (40) days of the Municipal Advisory Committee's receipt of the applicable Funding Notice. The City shall respond to such written recommendation in the manner set forth in 0.**

**Except in the event of an emergency or as may be required to perform unanticipated activities required to comply with Applicable Laws, the City shall wait at least forty (40) days from the date of the Municipal Advisory Committee's receipt of the applicable Funding Notice prior to borrowing such new debt or withdrawing such funds from the Infrastructure Contingency Fund.**

#### Annual Audit Review

**The City shall transmit the draft of its annual audit report regarding the Sewage System to the Municipal Advisory Committee prior to the issuance of such audit report. The Municipal Advisory Committee may review such draft audit report and may provide written comments to the City on such draft audit report within thirty (30) days after receipt of the draft audit report. The City shall not issue the final audit report until after the expiration of (a) such thirty (30) day review period if no comments are received or (b) it has responded to such written comments in the manner set forth in 0.**

#### Annual Budget Review

**The City shall transmit it annual budget for the Sewage System (including the**

**applicable Operating Costs of the Sewage Treatment Plant Projection, Operating Costs of the Sewage Transportation System Projection and Debt Service Projection) to the Municipal Advisory Committee no later than October 10<sup>th</sup> of each year. The Municipal Advisory Committee may review such information and make a written recommendation to the City related to such annual budget within thirty (30) days of its receipt of the same and the City shall respond to such written recommendation in the manner set forth in 0.**

Consideration of a Joint Municipal Authority

**After the termination of the Consent Decree, the City agrees to attend a meeting, upon the request of the Municipal Advisory Committee, to discuss in good faith the feasibility of the creation of a joint municipal authority to own, operate and/or administer the City's Sewage System (or components thereof). After such meeting, the Municipal Advisory Committee may make a written recommendation to the City for the creation of such a joint municipal authority, if deemed appropriate by the Municipal Advisory Committee, which shall include a reasonably detailed (a) administrative framework for the proposed joint municipal authority, (b) list of the proposed distribution of rights and obligations among the proposed joint municipal authority, City and Contributing Municipalities, (c) summary of the proposed method for assigning, assuming or otherwise addressing any outstanding debt and liabilities attributable to the City's Sewage System (or debt and liabilities attributable to such components of the City's Sewage System as may be owned, operated and/or administered by the proposed joint municipal authority), and (d) such other matters as the Municipal Advisory Committee shall deem necessary. The City shall respond to such written recommendation in the manner set forth in 0. Notwithstanding anything else in this Agreement, neither the City nor the Municipality shall be obligated to create a joint municipal authority.**

C. Reports Required by Applicable Laws.

**The Municipality shall provide the City with all data reasonably required for the City to complete the reports required by Applicable Laws including, but not limited to, by providing data, reports or information related to:**

The Municipality's Industrial or Commercial Users;

Sewage discharge metering, monitoring and sampling data at each interface of the Municipality's Sewage Transportation System to the City's Sewage System; and

I/I analysis.

The Municipality shall also compel any of its Industrial or Commercial users required by Applicable Laws to have meters or sampling manholes to provide the City with all data reasonably required for the City to complete the reports required by Applicable Laws.

*D.* Industrial or Commercial User Connections.

**By the seventh day of each quarter, the Municipality shall prepare and provide the City with a detailed and itemized list designating the name, physical and mailing address, standard industrial classification and total metered flow (based on Sewage from meter or water meter readings as the case may be) of each and every Industrial or Commercial User connected to the Municipality's Sewage Transportation System.**

*E.* Connection Records.

**By February 1<sup>st</sup> of each calendar year (to the extent not already included in the information and documentation furnished by the Municipality to the City in connection with the Chapter 94 report), the Municipality shall provide the City with all records necessary to validate or identify the total number of residences and Industrial or Commercial Users connected to the Municipality's Sewage Transportation System.**

*F.* Chapter 94 Reports.

**The Municipality shall provide the City with all information or documentation required for the City to file its Chapter 94 report, as required by the DEP and Title 25, Part I, Subpart C, Article II, Chapter 94 or as required by any other Applicable Laws, as amended from time to time.**

*G.* Failure to Provide Information.

**The Municipality shall supply all information or documentation as set forth in this Agreement or required by Applicable Laws to the City in writing. In no event shall the Municipality provide information or documentation to the City any later than thirty (30) days from receipt of the City's request. If the Municipality fails to provide information or documentation to the City in compliance with this VI.G, and as a result, the City is unable to submit a complete report which results in a ban, moratorium or prohibition being placed upon the City, the Authority, the Township or any other political subdivision as to future connections to the City's Sewage System, the Municipality shall be financially responsible for reasonable losses, damages, penalties or costs incurred by the City directly related to the Municipality's failure to provide information or documentation to the City in compliance with this VI.G.**

**If, through the City's sole negligence or willful misconduct, the City fails to**

**submit a report required by Applicable Laws, and as a direct result a ban, moratorium or prohibition is placed upon the City, the Authority, or the Township as to future connections to the City's Sewage Transportation System, the City shall be financially responsible for reasonable losses incurred by the Municipality directly related to the City's sole negligence or willful misconduct in failing to file such required reports.**

**H. Limitation of the City's Liability for Failure to Submit Reports.**

**The Municipality acknowledges and understands that the City's Sewage System services other Contributing Municipalities, which are also obligated to provide the City with information for the submission of required reports. In the event the City is unable to submit or complete a report required by Applicable Laws due to the failure of any Contributing Municipality to submit information required by the City for such report, the City shall have no financial responsibility to the Municipality or any other Person for any damages resulting therefrom.**

**VII. Sewage Characteristics and Pretreatment.**

**A. General Obligation.**

**The Municipality shall not discharge any Sewage, nor permit the discharge of Sewage, from the Municipality's Sewage Transportation System to the City's Sewage System in violation of this Agreement or any Applicable Laws.**

**B. I/I.**

**The Parties agree that they will take all reasonable efforts to ensure that the Sewage passing through their respective Sewage Transportation Systems shall not contain storm water or roof or surface drainage. The Municipality, at its sole cost and expense, shall perform reasonable upgrades or improvements to the Municipality's Sewage Transportation System to reduce I/I that the Municipality knows or reasonably should know is passing through its Sewage Transportation System, including, but not limited to, any such reasonable improvements requested by the City. The City shall perform reasonable upgrades or improvements to the City's Sewage Transportation System to reduce I/I that the City knows or reasonably should know is entering directly into its Sewage Transportation System; provided, however, the City shall not be responsible for reducing I/I that is passing through its Sewage Transportation System as a result of I/I that originates from the Municipality or other political subdivision.**

C. Prohibited Sewage Characteristics.

**The Municipality shall prohibit the entrance into its Sewage Transportation System of any Sewage that (i) causes, or may cause, “pass through” or “interference,” both as defined in Part 403 of Title 40 of the Code of Federal Regulations, (ii) violates any influent limitations or Pretreatment requirements under Applicable Laws, or (iii) causes the residual biosolids from the treated Sewage to require treatment prior to land application. Without limiting the generality of the foregoing, the Municipality shall prohibit the entrance into its Sewage Transportation System of Sewage having the following characteristics, chemicals or materials:**

having a temperature higher than 105° F;

containing more than 100 parts per million by weight of fat, oil or grease as measured by Method 1664, Revision A:N-Hexane Extractable Material (HEM; Oil and Grease) or more than 25 parts per million by weight of fat, oil or grease as measured by Silica Gel Treated N-Hexane Extractable Material (SGT-HEM; Non-polar Material) by Extraction and Gravimetry;

containing any gasoline, benzene, naphtha, fuel oil or other inflammable or explosive liquid, solid or gas;

containing any unground garbage;

containing any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch manure or any other solid or viscous substance capable of causing obstruction or other interference with the proper operation of the City’s Sewage System;

having a pH lower than 5.0 or higher than 10.0 or having any other corrosive property capable of causing damage or hazard to structures, equipment or personnel of the City’s Sewage System;

containing BOD<sub>5</sub>, Total Solids, Total Dissolved Solids, Total Suspended Solids, ammonia, nitrogen, or total phosphorus of such character, quality or quantity that causes interference with the Sewage Treatment Plant processes or requires unusual attention or expense to handle such materials at the City’s Sewage Treatment Plant;

containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any Sewage treatment process, to constitute a hazard to humans or animals, or to create any hazard in the City’s Sewage System, the receiving water or biosolids residuals;

containing noxious or malodorous gas or substance capable of creating a public nuisance; unless specifically permitted, authorized and approved in writing by

the City and the Commonwealth of Pennsylvania or any duly constituted board, commission or department thereof having jurisdiction in the matter; or

exceeding standards established by Applicable Laws.

*D.* Pretreatment Obligations.

**The Municipality shall be subject to, comply with and cooperate with the City's enforcement of the restrictions and conditions of any Industrial or Commercial Sewage Pretreatment programs or ordinances, including, but not limited to, the City Ordinance, as it may be amended by the City from time to time, concerning the Industrial or Commercial Users of the Municipality's Sewage Transportation System. Sewage emanating from the Municipality shall comply with all Applicable Laws, including, but not limited to, the Pretreatment obligations, processes, standards and restrictions set forth in Part 403 of Title 40 of the Code of Federal Regulations, as amended from time to time. In the event of a conflict, the more stringent standard shall apply.**

*E.* Organic Loading Limitations.

**In the event the Sewage Treatment Plant reaches (or is projected to reach) the NPDES Permit limits for organic, solids or nutrient loading, the City may require additional Pretreatment obligations for Industrial or Commercial Users specifically designed to maintain compliance with the NPDES Permit. Notwithstanding anything else to the contrary in this Agreement, the City shall not be required to approve new connections from any political subdivision (including the City) that will cause a projected exceedance of the organic, solids or nutrient loading limitations established by the NPDES Permit based on the conditions existing at the time the City's approval is sought. The Municipality and City agree to cooperate to identify any additional Pretreatment parameters that may be adopted to allow for further reduction of organic, solid or nutrient loading (as applicable) and/or increase organic, solids or nutrient loading limitations (as applicable) established by the NPDES Permit so such new connections may be approved.**

*F.* Exceedances.

**In the event the Sewage discharged by the Municipality under this Agreement into the City's Sewage System violates the covenants of this VII or otherwise requires special handling or disposal for treatment of the resulting sludge, the costs incident to providing such special handling or treatment shall be borne solely by the Municipality as an additional treatment charge; provided, however, the Municipality, after paying the City for such special handling or treatment costs, may seek to recover such special handling or treatment costs**

from the Person who is the source of such discharge. The Municipality shall be responsible for and shall pay the cost of any physical or structural damage to the City's Sewage System or the environment (including, but not limited to, any removal or remedial costs associated with addressing the release of hazardous substances to the environment and natural resource damages) resulting from the discharge of improper Sewage from the Municipality's Sewage Transportation System into the City's Sewage System.

The City may prohibit or prevent any Person, including the Municipality, from discharging Sewage, waste, or materials in a quantity or quality that violates this Agreement or Applicable Laws, regardless of the materiality of such violation, if prior written notice has first been provided by the City to the violator.

The Municipality shall have the right to request a split sample at the time such samples are taken by the City. All samples taken by the Municipality, including, but not limited to, any split samples, shall be analyzed by an Accredited Laboratory. Notwithstanding the foregoing, the pendency of the Municipality's analysis shall not affect any right or obligation under this Agreement.

**VIII. Sewage System Maintenance.**

**A. Maintenance and Repair.**

The City shall maintain its Sewage System in good repair and in material compliance with Applicable Laws. The Municipality shall maintain its Sewage Transportation System in good repair and in material compliance with Applicable Laws. In the event of damage to or vulnerability of the Municipality's Sewage Transportation System or at the City's request, the Municipality shall promptly repair, replace or reinforce the damaged or vulnerable component(s) of its Sewage Transportation System at the Municipality's sole cost or expense.

**B. Access to Municipality's and City's Sewage Facilities.**

The City shall have the right, upon reasonable notice to the Municipality, to access the Municipality's Sewage Transportation System to investigate or evaluate the integrity of the Municipality's Sewage Transportation System. Municipality shall have the right, upon reasonable notice to City, to access the City's Sewage Transportation System and Sewage Treatment Plant to investigate or evaluate the integrity of the City's Sewage System.

**C. Limitation on the City's Liability.**

The City shall not be responsible for damage to the Municipality or to any

**other Person caused by a malfunction of the Sewage Treatment Plant or the City's Sewage Transportation System unless such damage was caused by the gross negligence or willful misconduct of the City.**

**D. Certifications.**

**The City agrees to provide the Municipality an annual report, certified by an engineer, that the City's Sewage System is in good operating condition.**

**The Municipality agrees to provide the City, upon the City's request, an annual report, certified by an engineer, that the Municipality's Sewage Transportation System is in good operating condition.**

**IX. Compensation Arrangement.**

**The Municipality shall pay the City the Total Charge for the rights, privileges, and benefits herein provided, for each EDU, as calculated in IX.I, transported into the City's Sewage Transportation System, and/or treated at the Sewage Treatment Plant, during each quarterly period.**

**A. Method of Determining Sewage Treatment Charge.**

**The "Sewage Treatment Charge" is a charge levied by the City on the Municipality for the City's treatment of Sewage originating from the Municipality. The Sewage Treatment Charge shall be calculated by multiplying the number of EDUs of Sewage emanating from the Municipality's Sewage Transportation System into the City's Sewage System, as calculated in IX.I, by the Treatment Unit Rate.**

**B. Method of Determining Sewage Transportation Charge.**

**The "Sewage Transportation Charge" is a charge levied by the City on the Municipality for privilege of using the City's Sewage Transportation System for the transportation of Sewage originating from the Municipality. The Sewage Transportation Charge shall be calculated by multiplying the number of EDUs of Sewage emanating from the Municipality's Sewage Transportation System into the City's Sewage Transportation System, as calculated in IX.I, by the effective Transportation Unit Rate, as calculated in 0.**

**C. Calculating the Unit Rates.**

Treatment Unit Rate Formula.

**The Treatment Unit Rate shall be calculated annually by:**

**(a) Adding the Operating Costs of the Sewage Treatment Plant Projection for the next calendar year to the Operating Costs of the Sewage Treatment Plant Adjustment;**

**(b) Dividing the result from (a) above, by the**

**total EDUs reported by all Sewage System users to have been treated at the Sewage Treatment Plant during the latest completed calendar year.**

**Notwithstanding the foregoing, the Operating Costs of the Sewage Treatment Plant Adjustment shall not be incorporated in the Treatment Unit Rate as provided in IX.F until determined by the City on the initial October 1st immediately following the first year's anniversary of the Effective Date of this Agreement. See Exhibit "H" for an example calculation of the Treatment Unit Rate.**

Transportation Unit Rate Formula.

**The Transportation Unit Rate shall be calculated annually by:**

**(a) Adding the Operating Costs of the Sewage Transportation System Projection (which, as defined, includes a reduction equal to ten percent (10%) of the Operating Costs of the Sewage Transportation System budgeted for the salaries and fringe benefits of staff employed by the City during such calendar year for operating the Sewage Transportation System) for the next calendar year to the Operating Costs of the Sewage Transportation System Adjustment;**

**(b) Dividing the result from (a) above, by the total EDUs reported by all Sewage System users to have been transported through the City's Sewage Transportation System during the latest completed calendar year.**

**Notwithstanding the foregoing, the Operating Costs of the Sewage Transportation System Adjustment shall not be incorporated in the Transportation Unit Rate as provided in IX.F until determined by the City on the initial October 1st immediately following the first year's anniversary of the Effective Date of this Agreement. See Exhibit "H" for an example calculation of the Transportation Unit Rate.**

*D.* Debt Service Charge.

**The "Debt Service Charge" is a charge levied by the City on the Municipality for the Municipality's prorated share of the Debt Service paid by the City for the Sewage System. The Debt Service Charge shall be calculated annually by:**

Adding the Debt Service Projection for the next calendar year to the Debt Service Adjustment;

Multiplying such sum by the respective percentage of the Municipality's Reserved Capacity as related to the Total Aggregate Reserved Capacity for all political subdivisions (including the City) contributing flow to the Sewage Treatment Plant, as identified in Exhibit "F".

**Notwithstanding the foregoing, the Debt Service Adjustment shall not be**

incorporated in the Debt Service Charge as provided in IX.F until determined by the City on the initial October 1st immediately following the first year's anniversary of the Effective Date of this Agreement. See Exhibit "H" for an example calculation of the Debt Service Charge.

*E.* Method of Determining the Infrastructure Contingency Charge.

The "Infrastructure Contingency Charge" is a charge levied by the City on each political subdivision, including the City and the Municipality, due and payable to the City each quarter of a calendar year as a component of the Total Charge, to create and continuously fund the Infrastructure Contingency Fund. The Infrastructure Contingency Charge shall be equal to ten percent (10%) of the political subdivision's Debt Service Charge for the then applicable quarter. However, no political subdivision shall be required to pay any individual Infrastructure Contingency Charge if Infrastructure Contingency Fund exceeds twenty million dollars (\$20,000,000) at the time such Infrastructure Contingency Charge is calculated as set forth in IX.F.

*F.* Annual Update to the Total Charge.

The Unit Rates, Debt Service Charge and Infrastructure Contingency Charge will be revised annually by the City. The City shall prepare the Operating Costs of the Sewage Treatment Plant Projection, Operating Costs of the Sewage Transportation System Projection and Debt Service Projection each year. At the City's election, it may also prepare a budget that includes the estimated Sewage System costs over a five-year horizon. An estimate of the Unit Rates and Debt Service Charge, including any modifications to Exhibit "F", shall be transmitted to the Municipality by the first day of October of each year. Any changes to the Unit Rates or Debt Service Charge resulting from a recommendation of the Municipality Advisory Committee and/or otherwise adopted by the City shall be transmitted to the Municipality prior to the twentieth day of December of each year. Changes to the Unit Rates and Debt Service Charge shall be effective as of the first day of January following the notice of the new Unit Rates and Debt Service Charge. Until January 1, 2013, the Total Charge shall be calculated as provided in the Prior Agreements. After January 1, 2013, the Total Charge shall be calculated as provided in this Agreement.

*G.* Method of Determining Industrial or Commercial Sewage Surcharge.

The Municipality shall pay, or cause to be paid by the applicable Industrial or Commercial User(s), to the City a surcharge on Industrial or Commercial Sewage ("Industrial or Commercial Sewage Surcharge") calculated in

**accordance with the formula established by the City Ordinance attached hereto as Exhibit “D” (“Industrial or Commercial Sewage Surcharge Formula”). The City shall provide public notice of the intent to amend the City Ordinance in accordance with Applicable Laws and, if enacted, the new Industrial or Commercial Sewage Surcharge Formula shall immediately apply to the Total Charge.**

**H. Other Charges.**

**The City and the Municipality agree that all other non-residential charges and fines shall be in accordance with the Industrial or Commercial Sewage Pretreatment ordinances to be in effect in both the City and the Municipality, including, but not limited to, the City Ordinance, which ordinances may be amended from time to time provided that all pertinent ordinances shall remain consistent with the general tenor and scope of this Agreement. In the event these ordinances, including, but not limited to, the City Ordinance or any amendments thereto, are in conflict with the terms of this Agreement, the Municipality shall comply with the more stringent standards.**

**I. Calculation of EDUs.**

**EDUs shall be calculated on a quarterly basis to determine the total quantity of EDUs for that quarter. EDUs shall be calculated by using the following criteria:**

Each single family residential connection, regardless of the amount of Sewage emanating therefrom, shall equal one EDU.

Each Multi-Family Connection, regardless of the amount of Sewage emanating therefrom, shall equal one EDU per family unit permitted to reside in such building or facility.

Each Industrial or Commercial User discharging 12,500 gallons or less per quarter shall equal one EDU.

Each Industrial or Commercial User which discharges more than 12,500 gallons per quarter shall be allocated an EDU rating equal to the ratio of each such Industrial or Commercial User’s actual discharge for each quarter, as measured by a water or Sewage meter, or by the City in its sole discretion if unmetered, divided by 12,500 gallons.

In addition to the total EDUs from single family residential connections, Multi-Family Connections and Industrial or Commercial Users, the total EDUs shall also include the total gallons of I/I, as determined from Sewage flow data measured by Sewage meters at the interface of the Municipality’s Sewage Transportation System to the City’s Sewage System. If an interface is not metered with a Sewage meter, I/I shall be calculated by multiplying the average gallons of I/I per connection for a metered interface with similar characteristics as the

area serviced by the unmetered interface by the number of connections to the unmetered interface, and all divided by 12,500 gallons.

Should it be determined by the City that, due to a malfunctioning meter, insufficient data is available with which to compute the EDUs for a particular billing period, an average of the EDUs for the previous four (4) quarters associated with the malfunctioning meter shall be used notwithstanding any measured flow.

**J.** Rate Adjustment.

**In the event any component of the Total Charge is in violation of any Applicable Laws, the Total Charge shall be adjusted to the maximum rate permitted by Applicable Laws without affecting any other provision of this Agreement.**

**K.** Method of Distributing Proceeds.

**The Total Charge shall be deposited in the Sewer Enterprise Fund upon receipt by the City. The Infrastructure Contingency Charge shall thereafter be transferred from the Sewer Enterprise Fund to the Infrastructure Contingency Fund. The City shall transfer three million dollars (\$3,000,000) from the Sewer Enterprise Fund to the City's general fund (the "Impact Transfer") once per calendar year. Upon the later of (i) three (3) years from the Effective Date or (ii) the termination of the Consent Decree, the Impact Transfer shall be increased each year by a percentage equal to the greater of (i) three percent (3%) or (ii) the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) in the Philadelphia-Wilmington-Atlantic City area for the most recently completed twelve (12) month period for which the index has been reported. The remaining balance of the Total Charge may be used to satisfy the Operating Costs of the Sewage Treatment Plant, Operating Costs of the Sewage Transportation System, Debt Service and any other costs, fees or obligations incurred by the City as a result of operating and maintaining its Sewage System.**

**L.** Sewer Enterprise Fund.

**The City agrees to maintain a separate audited Sewer Enterprise Fund, which shall account for all Operating Costs of the Sewage Treatment Plant and the Operating Costs of the Sewage Transportation System on a yearly basis.**

**M.** Capital Reserve Accounts Under Prior Agreements.

**Notwithstanding the terms of the Prior Agreements, the Municipality hereby agrees that it is not entitled to a credit against future capital improvements, capital equipment and major revisions to the City's Sewage Transportation**

**System, Sewage Treatment Plant or Debt Service retirement associated therewith. The Municipality further hereby agrees to waive any and all of its rights to monies that were not placed by the City into the “Capital Reserve - Sewage Transportation” and “Capital Reserve - Sewage Treatment” interest bearing accounts under the Prior Agreements.**

**X. Payment.**

**The Municipality shall pay the calculated Total Charge to the City on a quarterly basis. Payments for any fractional quarter shall be prorated. The Total Charge for each quarter is due and payable to the City within sixty (60) days of the last day of the quarter. A late payment penalty of one percent (1%) of the Total Charge per month shall be charged for each month or part of a month that payment is delayed beyond the sixty (60) day period. The Municipality shall keep accurate records of the number and classifications of all connections made to its Sewage Transportation System, which records shall be available for inspection by the City or its authorized representatives no more than four (4) times in any fiscal year.**

**XI. Meters.**

**A. Installation and Maintenance of Meters.**

**Municipality’s Meters.**

**The Municipality shall, at its own cost and expense, install, maintain and routinely service a meter acceptable to the City immediately before each interface between the Municipality’s Sewage Transportation System and the City’s Sewage System to enable the calculation of the volume of the effluent leaving the Municipality’s Sewage Transportation System and then entering the City’s Sewage System, except as specifically noted on Exhibit “C”. The method of metering, programming parameters and the types of meters shall be satisfactory to the City. At minimum, meters shall (a) meet current technological standards, (b) have a permanent primary device appropriately sized for the location and conditions, (c) have an accurate secondary metering or measuring device, (d) be capable of electronically transmitting real-time flow rate data to the City unless the flow levels or other conditions at the particular connection make the use of such metering methods impracticable, as determined by an independent third party mutually agreeable to the City and the Municipality and (e) be installed in a manhole. The meters and accompanying manholes shall meet any specification requirements adopted by the City. Where the Municipality, at the time of execution of this Agreement, already has an established system for the electronic transmission of real-time**

flow rate data, such system shall satisfy the requirements of this 0(d) and the City shall be responsible for the costs of any equipment or programming necessary to receive information from such system, all with the cooperation of the Municipality and the Municipality's consultants. If an independent third party consultant determines, in its professional opinion, that any existing meter installed by the Municipality does not meet the specifications required by the terms of this Agreement, the Municipality may review and comment on such determination within sixty (60) days after receiving such determination. After considering such comments, if any, the Municipality shall repair or replace such meter (or a component thereof) consistent with the determination of the third party consultant no later than (a) ninety (90) days from receipt of the third party consultant's determination if no comments were submitted by the Municipality or (b) thirty (30) days from receipt of the third party consultant's response to the Municipality's timely comments to the determination.

The Municipality agrees to exercise due diligence to promptly correct (or provide a binding schedule for the correction of) any malfunctioning meter within no more than seven (7) days after the Municipality becomes aware of or is notified of a malfunctioning meter. The Municipality shall be liable for and shall pay the City immediately upon demand any and all actual damages, costs and expenses incurred by the City relating to a malfunctioning meter until the malfunction is corrected by the Municipality. Should it be determined by the City that, due to a malfunctioning meter, insufficient data is available to compute the EDUs for a particular billing period, an average of the EDUs for the previous four (4) quarters shall be used.

All meters, locations and points of connection are more fully described and identified in Exhibit "C". Within thirty (30) days after the installation of any new or replacement meter, the Municipality shall provide the City with an updated and amended Exhibit "C" which clearly identifies the (i) number, type and the location of all connections with the City's Sewage System, (ii) location of each meter installed by the Municipality, (iii) area serviced by each meter installed by the Municipality and (iv) location and reasonable detail with respect to each connection in unmetered service areas. The amended Exhibit "C" shall be incorporated in this Agreement upon written approval by the City.

#### Industrial or Commercial User Meters.

For each Industrial or Commercial User connected to the Municipality's Sewage Transportation System, the Municipality shall require that each such Industrial or Commercial User install a water meter or a Sewage flow meter

for determining Domestic Sewage and Industrial or Commercial Sewage volumes.

*B. Meter Reading.*

At its sole cost and expense, the Municipality shall read and record on the last working day of each quarterly billing period all applicable Sewage meter totalizers associated with the Municipality's Sewage Transportation System. The Municipality shall notify the City engineer, or his delegate, at least three (3) days in advance of such readings and shall permit a City representative to accompany the meter reader to verify results. The Municipality shall provide the City with copies of all meter readings or measuring device examinations for each meter for each quarterly billing period within twenty (20) days of the end of each quarterly billing period. In addition, the Municipality shall cause each meter installed on its behalf after the Effective Date to electronically transmit real-time flow rate data to the City, unless the flow levels or other conditions at the particular connection make the use of such metering methods impracticable, as determined by an independent third party mutually agreeable to the City and the Municipality.

If a meter reading identifies the occurrence of a Volume Exceedance, the Municipality shall notify the City in writing of the Volume Exceedance within twenty (20) days of the meter reading. The Municipality shall perform additional metered flow readings every ten (10) days until the Volume Exceedance has ceased. The Municipality shall notify the City engineer, or his delegate, at least three (3) days in advance of taking such readings and shall permit a City representative to accompany the meter reader to verify results. The Municipality shall promptly supply the results of all such meter readings to the City.

If the Municipality requests, the City shall permit a Municipality representative to accompany the City meter reader to verify results when the flow meters within the Sewage System are read on a quarterly basis.

*C. Certification of Meters.*

The City agrees to have a third party certify and calibrate every three (3) months all Sewage flow meters at the Sewage Treatment Plant for accuracy. The Municipality shall permit the City or its contractor to certify and calibrate all of the flow meters associated with the Municipality's Sewage Transportation System measuring sewage flow entering the City's Sewage System. The City may perform such certification and calibration upon twenty-four (24) hours prior notice to the Municipality. Such third party shall also certify that the Municipality continues to use the method of metering,

**programming parameters and the type of primary and secondary metering devices required by the City under the terms of the Agreement. The City shall maintain records derived from the certifications/calibrations of meters and will provide such records to the Municipality upon request.**

**D. Flow From Other Political Subdivisions.**

**If Sewage emanates from areas outside the boundaries of the Municipality, and the flow from those areas is recorded in the meter readings of the Municipality or the Municipality's flow is accounted for in another political subdivision's meter, such flow shall be included as part of the Municipality's Sewage flow volume for purposes of determining the Total Charge and Volume Exceedance Surcharge. The Municipality shall pay the City for the flow emanating from any other political subdivision through the Municipality's Sewage Transportation System or emanating from the Municipality to another political subdivision, except as otherwise provided in this Agreement. Notwithstanding any provision herein, this Agreement does not amend, modify, supplant or supersede any agreements the Township or Authority may have with another Contributing Municipality. The Municipality shall, in its sole discretion, manage its contractual relationship(s) with other Contributing Municipalities and the City shall have no responsibility or liability therefor.**

**If the City has a separate written treatment agreement with a political subdivision which combines its Sewage flow with the Municipality's Sewage flow prior to entering the City's Sewage System, the Municipality shall inform the City what percentage of the flow to attribute to the Municipality and what percentage of the flow to attribute to the other political subdivision. Provided that one hundred percent (100%) of the Sewage flow from the applicable Sewage Transportation System is accounted for in the attribution, the City shall separately bill the Municipality and other political subdivision. Provided, however, if the attribution provided by the Municipality and other political subdivision is disputed or does not equal one hundred percent (100% ) of the Sewage flow from the applicable Sewage Transportation System, the Municipality and the other political subdivision shall be jointly and severally liable to City for the Total Charge and Volume Exceedance Surcharge for one hundred percent (100%) of the Sewage flow from the applicable Sewage Transportation System.**

**In order to determine if a Volume Exceedance has occurred when there is combined flow, the Reserved Capacity for the Municipality and such other political subdivision shall be combined (on a pro rated basis if 100% of the flow is not combined at the applicable metered points.)**

**E. Installation of Sampling Manholes.**

Municipality's Sampling Manholes.

**The Municipality shall, at its own cost and expense, install and maintain a sampling manhole acceptable to the City immediately before each interface between the Municipality's Sewage Transportation System and the City's Sewage System to enable the testing of the effluent leaving the Municipality's Sewage Transportation System and then entering the City's Sewage System. All sampling manholes shall meet the City's requirements with respect to type, size, location and construction.**

Industrial or Commercial User Sampling Manholes.

**Municipality shall require all new Industrial or Commercial Users to install a sampling manhole at the interface of the Industrial or Commercial Users' discharge with the Municipality's Sewage Transportation System, if warranted by the type or volume of flow to be discharged by such new user. All sampling manholes shall meet the City's requirements with respect to type, size, location and construction.**

**XII. Geographic Information System ("GIS") Map.**

**A. General Obligation.**

**Upon the City's request, the Municipality shall provide the City with access to the Municipality's Sewage Transportation System and applicable records to develop a GIS map.**

**B. New Industrial or Commercial User Connections.**

**For any new Industrial or Commercial User connection to the Municipality's Sewage Transportation System, the Municipality shall furnish to the City upon request:**

Any GIS information reasonably requested by the City regarding the new connection in electronic format compatible with the City's GIS mapping program; and

A detailed itemized list designating the name, physical and mailing address, and standard industrial classification of each new Industrial or Commercial User connected to the Municipality's Sewage Transportation System.

**C. Shared Information.**

**All GIS information, maps, coordinator and other data compiled by the City with respect to the Municipality's Sewer System shall be shared with and provided to the Municipality, at no charge from the City to the Municipality.**

**The Municipality shall be responsible for the cost of any software licenses required to utilize such data.**

**XIII. Ordinances.**

**A. Rental and Other Charges.**

**The Municipality agrees that it will, at all times, keep in full force and effect an ordinance or ordinances imposing sewer rentals and other charges so that the amounts which reasonably may be collected by the Municipality by virtue of said ordinance or ordinances, together with any other monies received by the Municipality in connection with the operation of its Sewage Transportation System shall be sufficient to provide funds in each fiscal year to pay the total of:**

Estimated annual cost of operating and maintaining the Municipality's Sewage Transportation System in good order and repair;

The Municipality's debt service requirements in each such year on any debt incurred to finance the construction, upgrade or improvement of the Municipality's Sewage Transportation System; and

The Total Charge required to be paid by the Municipality to the City. Should such revenues at any time be insufficient for such purposes, the said ordinance shall provide that the Municipality shall immediately take all required action to adjust its schedule of rates and charges so that the revenues estimated to be received therefrom, together with other monies collected, received or allocated, as aforesaid, shall be sufficient to comply with the requirements of XIII.A.

**B. Pretreatment, Inspection, Access and Reports.**

**The Municipality agrees that it will adopt and, at all times during the term of this Agreement, keep in full force and effect the City Ordinance. The Municipality shall ensure that its adoption of the City Ordinance provides it and the City with the authority to impose obligations regarding Pretreatment, inspection, access and reports on each Industrial or Commercial User as reasonably necessary to implement the terms of this Agreement and comply with Applicable Laws. The City will maintain the right to have the primary enforcement authority associated with such ordinance; however, the Municipality agrees to cooperate and coordinate efforts as requested by the City and to allow the City to sue in the Municipality's name any Industrial or Commercial User discharging Sewage in violation of the terms of this Agreement, contrary to Applicable Laws or beyond the limits authorized by such Industrial or Commercial User's permit from the City authorizing the Sewage discharge. The purpose of this XIII.B is to provide the right for the**

**City to:**

**Have the permitting authority to establish pretreatment conditions associated with the discharge of the Industrial or Commercial User;**

**Access, inspect, survey, monitor or sample discharge from each Industrial or Commercial User during normal business hours, with or without notice;**

**Access, inspect and evaluate each Industrial or Commercial User's Pretreatment facilities during normal business hours, with or without notice;**

**Access, inspect and evaluate records relating to Sewage generation, treatment or discharge from each Industrial or Commercial User during normal business hours, with or without notice;**

**Enforce injunctive relief, civil or criminal penalties consistent with Applicable Laws for any violation of Applicable Laws or this Agreement, including, but not limited to, the discharge limitations set forth in VII.C; and**

**Immediately compel the discontinuance of the discharge of Sewage from any facility if the City believes, in its sole discretion, such discharge is in violation of this Agreement or Applicable Laws.**

The obligation for all Industrial or Commercial Users to comply will all applicable Best Management Practices;

The obligation for all Industrial or Commercial Users to immediately notify the City once an Industrial or Commercial User has reason to know a discharge to the Municipality's Sewage Transportation System or the City's Sewage System occurred which may potentially create an imminent hazard to human health or the environment;

The obligation for Industrial or Commercial Users to notify the City within thirty (30) days of any material change in the quality or quantity of Sewage discharge;

The obligation for Industrial or Commercial Users to submit all data, reports or information required by Applicable Laws for such Industrial or Commercial Users, including, but not limited to, submission of data required for and compatible with the Pretreatment computerized management system;

The obligation for Industrial or Commercial Users to implement Pretreatment processes of all waste and pollutants not authorized by Applicable Law to be directly discharged to the Sewage Treatment Plant, consistent with the terms of this Agreement and Applicable Laws;

The obligation for Industrial or Commercial Users to perform self monitoring for pollutants of concern as required by Applicable Laws;

Provide local limits, as provided in Part 403 of Chapter 40 of the Code of Federal Regulations and the Consent Decree, of concentrations and characteristics of Sewage discharged from Industrial or Commercial Users, consistent with the most stringent limits set forth in this Agreement or Applicable Laws; and

The obligation for Industrial or Commercial Users to install and maintain sampling ports and meters of Sewage discharge or water usage, in accordance with this Agreement.

**C. Intergovernmental Cooperation Act.**

**The Municipality and City agree to formally authorize intergovernmental cooperation by adoption of an ordinance in compliance with the requirements of the Intergovernmental Cooperation Act, 53 Pa. C.S.A § 2301 et seq., to allow the other to perform its obligations and enjoy its rights in accordance with the terms of this Agreement.**

**XIV. Indemnification.**

**The Township and Authority, jointly and severally, shall indemnify, defend and save the City harmless from and against all claims, suits, demands, orders, penalties, losses, costs and/or damages (“Claims”) arising out of or relating to the breach of this Agreement by the Township, Authority, or their respective servants, agents or employees or the gross negligence or willful misconduct of the Township, Authority or their respective servants, agents or employees.**

**The City likewise agrees to indemnify, defend and save the Municipality harmless from and against all Claims arising out of or relating to the breach of this Agreement by the City, its servants, agents or employees or the gross negligence or willful misconduct of the City, its servants, agents or employees; provided however, for purposes of this Agreement, the Contributing Municipalities are not the City’s servants, agents or employees. Notwithstanding anything else to the contrary in this Agreement, the City shall have no responsibility or liability to the Municipality for Claims resulting directly or indirectly from the acts or omission of any political subdivision other than the City.**

**XV. Insurance.**

**A. The Municipality’s Insurance Obligations.**

**Throughout the term of this Agreement, the Municipality shall maintain the following insurance coverages in effect:**

Comprehensive General Liability – including bodily injury and property damage, with limits of \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

Public Officials Liability – included at limits of \$1,000,000 for each wrongful act and \$2,000,000 annual aggregate.

Umbrella/Excess Liability – with limits of not less than \$2,000,000 per occurrence and \$2,000,000 aggregate following from underlying liability coverage.

**Within ten (10) days of the Effective Date of this Agreement, the Municipality shall furnish to the City a certificate of insurance evidencing all required coverage in at least the limits required herein, naming the City of Reading, its elected officials, agents, and employees as additional insureds under the Comprehensive General Liability coverage, and providing that no policies may be cancelled without ten (10) days advance written notice to the City. All policies shall be in effect with companies holding an A.M. Best rating of “A-” or better and shall be licensed or authorized to do business in the Commonwealth of Pennsylvania. Such companies shall also be acceptable to the City.**

**B. The City’s Insurance Obligations**

**Throughout the term of this Agreement, the City shall maintain the following insurance coverages in effect:**

Comprehensive General Liability – including bodily injury and property damage, with limits of \$1,000,000 per occurrence and \$1,000,000 annual aggregate.

Public Officials Liability – included at limits of \$2,000,000 for each wrongful act and \$2,000,000 annual aggregate.

Premises Pollution Liability – included at limits of \$1,000,000 per pollution condition and \$1,000,000 annual aggregate.

Umbrella/Excess Liability – with limits of not less than \$4,000,000 per occurrence and \$4,000,000 annual aggregate following from underlying liability coverage.

**C. Periodic Limit Increases**

**The insurance limits set forth herein shall be reviewed periodically and increased upon mutual agreement.**

**XVI. Inspection of Records.**

**The Parties shall make available for inspection by the other parties hereto, upon reasonable request, any records and accounts associated with the financial, technical, physical or mechanical components of the other party’s Sewage Transportation System and, in the case the City, its Sewage Treatment Plant. Any inspections made pursuant to this XVI shall take place not more**

than four (4) times during any calendar year.

**XVII. Title Transfer.**

If the Township or Authority, at any future time, transfers title to its Sewage Transportation System to any Person by deed or otherwise, the Township or Authority shall ensure that the Person shall be subject to all obligations of this Agreement. Township and Authority shall also be liable for the Total Charge and full compliance with the obligations under this Agreement unless and until the City authorizes the assignment of this Agreement pursuant to XXIII.L.

**XVIII. Most Favorable Pricing Terms.**

In the event the City enters into any agreement of a similar nature concerning Sewage transportation through the City's Sewage Transportation System or the treatment at its Sewage Treatment Plant with any other Contributing Municipality, upon more favorable terms with respect to pricing (as compared to those provided in SECTION 9 of this Agreement), then the Parties hereto agree that such pricing terms shall be incorporated herein by amendment, and the City shall provide the Municipality with written notice of any more favorable terms agreed upon by the City. Upon request, the City shall furnish to the Municipality a copy of all Sewage treatment or transportation agreements fully executed between the City and any other municipality whose Sewage is transported through the City's Sewage Transportation System or treated at the Sewage Treatment Plant.

**XIX. Service to Additional Municipalities.**

Notwithstanding anything contained herein to the contrary, the City agrees that the initial cost of any future discrete expansion, renovation, revision or improvement to its present Sewage System required solely as the result of the addition of a political subdivision not presently served by the City shall not be passed through, charged or paid in part by the Municipality.

**XX. Act 537 Plan.**

The Municipality shall take any and all steps, if necessary, to amend its Act 537 Plan to reflect the terms and conditions of this Agreement, Applicable Laws and the collection and treatment of Sewage by the City for the area described in Exhibit "B" no later than twelve (12) months after the Effective Date. Thereafter, the Municipality shall evaluate and comprehensively amend, if necessary, its Act 537 Plan for the areas specified in Exhibit "B" at least once every five years.

The Municipality shall provide the City with any proposed amendments to the Municipality's Act 537 at least sixty (60) days prior to submitting the proposed

amendments to the Municipality's Act 537 Plan to DEP. Within thirty (30) days of receiving the Municipality's proposed amendment to the Municipality's Act 537 Plan, the City shall provide the Municipality with comments, if any. The Municipality shall, in good faith, address and modify the proposed amendment to the Municipality's Act 537 Plan consistent with the City's comments prior to submitting the proposed amendment to the Municipality's Act 537 Plan to DEP. The City reserves the right to submit comments to the proposed amendment to Municipality's Act 537 Plan during any public comment period.

**XXI. Consent Decree.**

The Municipality agrees to cooperate and assist the City with facilitating the implementation of the requirements and recommendations contained in the Consent Decree and any related recommendations of the U.S. Department of Justice, the EPA, the DEP and any other governmental authority with jurisdiction.

**XXII. Default.**

Except as otherwise set forth in this Agreement with respect to the City's right to injunctive relief, if any party to this Agreement believes that another party has materially breached this Agreement, the non-breaching party shall provide the breaching party with sixty (60) days prior written notice of the breach along with an explanation of the breach and basis for such belief before the non-breaching party institutes any action in arbitration, if elected by the City, or in law or equity.

The breaching party shall have sixty (60) days immediately following the written notice to cure the breach or take appropriate corrective action to cure the breach. Provided, however, the non-breaching party shall retain all legal rights to institute an action in law or equity.

**XXIII. Miscellaneous.**

**A. Counterparts.**

This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original and such counterparts shall constitute but one and the same instrument.

**B. Applications for Grants.**

The City and the Municipality may, in their individual discretion, make applications for any available grants, subsidies, low interest loans or other similar payments in connection with their respective Sewage facilities. The Municipality and the City shall reasonably cooperate with each other in the

**application process for obtaining any such grants, subsidies, low interest loans or other similar payments.**

*C.* Compliance with Applicable Laws.

**Without limiting the Parties' respective obligations as set forth in this Agreement, each Party shall operate its respective Sewage Transportation System (and, for the City, also its Sewage Treatment Plant) in material compliance with all Applicable Laws.**

*D.* Governing Law; Venue.

**This Agreement has been made, executed, and delivered in, and shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to principles of conflicts of law. The Parties hereby irrevocably consent to the exclusive jurisdiction and venue of the state courts located in the County of Berks, Commonwealth of Pennsylvania, and the United States District Court for the Eastern District of Pennsylvania and irrevocably agree that all actions or proceedings relating to this Agreement shall be litigated in such courts. Each party waives any objection, which it may have based on lack of personal jurisdiction, improper venue, or forum non conveniens to the conduct of any proceeding in any such court and waives personal service of any and all process upon them.**

*E.* Force Majeure.

**Notwithstanding any other provisions of this Agreement, neither the City nor the Municipality shall be responsible in damages to the other for any failure to comply with this Agreement resulting from an act of God or riot, sabotage, public calamity, strike, or unforeseen breakdown of the Sewage Transportation System or Sewage Treatment Plant. The party so affected, however, shall proceed promptly to remedy the consequences of such event.**

*F.* Records Retention.

**The Parties shall retain records in accordance with the Federal Water Pollution Control Act (also known as the "Clean Water Act"), 33 U.S.C.A §§ 1251 to 1387 (and the regulations promulgated thereunder) and the Municipal Records Act of 1968 (P.L 961, No. 428), 53 P.S. §§ 9001 to 9010, as it may be amended from time-to-time, and may dispose of municipal records as permitted therein.**

*G.* Severability.

**Subject to the rate adjustment process set forth in IX.J, should any provision of this Agreement for any reason be held illegal or invalid, no other provision**

**of this Agreement shall be affected, and this Agreement shall then be construed and enforced as if such illegal or invalid provision had not been contained herein.**

*H.* Headings.

**The headings of this Agreement are solely for convenience and shall have no effect in the legal interpretation of any provision hereof.**

*I.* Exhibits.

**The exhibits listed below are incorporated into and made a part of this Agreement. In interpreting this Agreement and resolving any conflicts, inconsistencies, discrepancies, or ambiguities between and/or within the Agreement and the exhibits attached hereto, the main body of this Agreement takes precedence over the exhibits and any inconsistency between the exhibits shall be resolved in the listed order, below, unless an exhibit expressly states otherwise:**

- Exhibit "A": Consent Decree
- Exhibit "B": Sewage Service Area
- Exhibit "C": Connection Locations
- Exhibit "D": City Ordinance
- Exhibit "E": Operating Costs
- Exhibit "F": Reserved Capacity Table
- Exhibit "G": Reserved Capacity Charge Fee Schedule

*J.* Reference to Days.

**Unless specifically stated otherwise, all references to a "day" or "days" shall mean a "calendar day" or "calendar days."**

*K.* Waiver.

**The failure of a party hereto to insist upon strict performance of this Agreement or of any of the terms or conditions hereof shall not be construed as a waiver of any of its rights hereunder.**

*L.* Successors and Assigns.

**The Parties hereto shall not voluntarily assign this Agreement without the prior written consent of the other parties hereto. This Agreement shall bind and inure to the benefit of the Parties hereto and their respective successors and assigns notwithstanding any such assignment.**

**M. Entire Agreement.**

**This Agreement contains the entire agreement among the parties hereto, and no oral statements or representations or prior written matter not contained in this Agreement shall have any force and effect.**

**N. Modification.**

**This Agreement may only be modified or amended in a writing signed by the Parties hereto or as specifically provided herein after the City has provided written notice of such modification to the Municipality.**

**O. Notices.**

**All written notices and approvals given or made pursuant to this Agreement shall be deemed effectively received upon the earlier of actual receipt or: (i) the date of personal delivery to the party to be notified, (ii) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their contact information set forth below. Either party may modify its contact information upon written notice to the other party.**

**If to the City:**

**Managing Director  
City of Reading  
815 Washington Street  
Reading, PA 19601  
Fax No.: (610) 655-6034**

**With a copy to:**

**City Solicitor  
City of Reading  
815 Washington Street  
Reading, PA 19601**

**If to the Authority:  
Authority**

**Muhlenberg Township  
Attn: Manager  
2840 Kutztown Road  
Reading, PA 19605  
Fax No.: (610) 929-2172**

**If to the Township:**

**Muhlenberg Township  
Attn: Township Manager  
5401 Leesport Avenue  
Temple, PA 19560  
Fax No.: (610) 921-3764**

**[SIGNATURES ON THE FOLLOWING PAGE]**

**IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their appropriate officers thereunto duly authorized respectively, by adoption of appropriate ordinances, and by the adoption of a resolution, and their respective seals to be hereunto affixed, all as of the day and year first above written.**

**CITY OF READING**

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

(SEAL)

**MUHLENBERG TOWNSHIP  
AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)

**MUHLENBERG TOWNSHIP**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)

**EXHIBIT "A": CONSENT DECREE**

## **EXHIBIT “B”: SEWAGE SERVICE AREA**

**Notwithstanding the Municipality’s obligation to convey all Sewage emanating from the Service Area, as such obligation is set forth in I of this Agreement, the Municipality shall not be required to connect the three hundred seventy-two (372) single-family residential lots and twenty-seven (27) non-residential lots currently services by on-lot sewage systems to connect to the Municipality’s Sewage Transportation System.**

**Furthermore, the Municipality shall be permitted to service the parcels within the Service Area designated as “Planned/Future Development” in the Sewer Service Area Map attached hereto through use of on-lot sewage systems.**

**EXHIBIT “C”: CONNECTION LOCATIONS**

<b>Connection Point “A”</b>	
<b>Location/Name</b>	<b>Front Street / Ball Park</b>
<b>Meter Manufacturer</b>	<b>Badger</b>
<b>Meter Model Number</b>	<b>2100</b>
<b>Meter Serial Number</b>	<b>5768</b>
<b>Metering Method</b>	<b>12” Parshall Flume</b>
<b>Meter Type</b>	<b>Ultrasonic</b>
<b>Off-Site Communications</b>	<b>MTA SCADA / Radio</b>

<b>Connection Point “B”</b>	
<b>Location/Name</b>	<b>North 5<sup>th</sup> Street</b>
<b>Meter Manufacturer</b>	<b>Unmetered</b>
<b>Meter Model Number</b>	<b>N/A</b>
<b>Meter Serial Number</b>	<b>N/A</b>
<b>Metering Method</b>	<b>N/A</b>
<b>Meter Type</b>	<b>N/A</b>
<b>Off-Site Communications</b>	<b>N/A</b>

<b>Connection Point “C”</b>	
<b>Location/Name</b>	<b>Columbia Avenue</b>
<b>Meter Manufacturer</b>	<b>Unmetered</b>
<b>Meter Model Number</b>	<b>N/A</b>
<b>Meter Serial Number</b>	<b>N/A</b>
<b>Metering Method</b>	<b>N/A</b>
<b>Meter Type</b>	<b>N/A</b>
<b>Off-Site Communications</b>	<b>N/A</b>

<b>Connection Point “D”</b>	
<b>Location/Name</b>	<b>Raymond Street</b>
<b>Meter Manufacturer</b>	<b>Badger</b>
<b>Meter Model Number</b>	<b>2100</b>

<b>Meter Serial Number</b>	<b>6427</b>
<b>Metering Method</b>	<b>6" Parshall Flume</b>
<b>Meter Type</b>	<b>Ultrasonic</b>
<b>Off-Site Communications</b>	<b>MTA SCADA / Radio</b>

<b>Connection Point "E"</b>	
<b>Location/Name</b>	<b>Kutztown Road</b>
<b>Meter Manufacturer</b>	<b>Unmetered</b>
<b>Meter Model Number</b>	<b>N/A</b>
<b>Meter Serial Number</b>	<b>N/A</b>
<b>Metering Method</b>	<b>N/A</b>
<b>Meter Type</b>	<b>N/A</b>
<b>Off-Site Communications</b>	<b>N/A</b>

<b>Connection Point "F"</b>	
<b>Location/Name</b>	<b>N. 11<sup>th</sup> Street</b>
<b>Meter Manufacturer</b>	<b>Unmetered</b>
<b>Meter Model Number</b>	<b>N/A</b>
<b>Meter Serial Number</b>	<b>N/A</b>
<b>Metering Method</b>	<b>N/A</b>
<b>Meter Type</b>	<b>N/A</b>
<b>Off-Site Communications</b>	<b>N/A</b>

<b>Connection Point “G”</b>	
<b>Location/Name</b>	<b>N. 13<sup>th</sup> Street</b>
<b>Meter Manufacturer</b>	<b>Badger</b>
<b>Meter Model Number</b>	<b>2100</b>
<b>Meter Serial Number</b>	<b>918816</b>
<b>Metering Method</b>	<b>3” Parshall Flume</b>
<b>Meter Type</b>	<b>Ultrasonic</b>
<b>Off-Site Communications</b>	<b>None</b>

<b>Connection Point “H”</b>	
<b>Location/Name</b>	<b>N. 17<sup>th</sup> Street</b>
<b>Meter Manufacturer</b>	<b>Unmetered</b>
<b>Meter Model Number</b>	<b>N/A</b>
<b>Meter Serial Number</b>	<b>N/A</b>
<b>Metering Method</b>	<b>N/A</b>
<b>Meter Type</b>	<b>N/A</b>
<b>Off-Site Communications</b>	<b>N/A</b>

<b>Connection Point “I”</b>	
<b>Location/Name</b>	<b>Hampden Blvd</b>
<b>Meter Manufacturer</b>	<b>Badger</b>
<b>Meter Model Number</b>	<b>2100</b>
<b>Meter Serial Number</b>	<b>962893</b>
<b>Metering Method</b>	<b>3” Parshall Flume</b>
<b>Meter Type</b>	<b>Ultrasonic</b>
<b>Off-Site Communications</b>	<b>None</b>

**EXHIBIT “D”: CITY ORDINANCE**

## **EXHIBIT “E”: OPERATING COSTS**

The Operating Costs of the Sewage Treatment Plant and the Operating Costs of the Sewage Transportation System are defined in III of the Agreement, and subject to subsequent amendment upon agreement by the Parties, shall be the following:

### **Personnel**

- Salary, Wages and Taxes
- Fringe Benefits (e.g, medical, dental, vision, disability and life insurance, as applicable)
- Retirement/Pension
- Continuing Education
- Uniforms

### **Operation, Supplies & Equipment**

- Biosolids and Residual Transportation & Disposal Fees
- Vehicles
- Vehicle/Equipment Fuels
- Chemicals
- General Supplies
- Lab Supplies
- Safety Supplies & Equipment

### **Contracted Services (Includes Labor and Materials)**

- Laboratory
- Rentals
- Operation & Maintenance Services
- General and Administrative Services

### **Utilities**

- Electricity
- Telephone (including data services)
- Water
- Sewer
- Building Fuel (e.g., natural gas & heating oil)

### **Maintenance**

- Materials & Parts
- Supplies & Equipment
- General Repairs
- Minor Capital
- Instrumentation & Communication

**Professional Services**

- Administrative
- Technical (for example: engineer, construction manager, surveyor, geotechnical expert)
- Legal
- Financial

**General & Administrative**

- Indirect Costs
- Public Works Direct Cost Reimbursement
- Dues & Subscriptions
- Electronic Hardware & Software
- Office Supplies & Services
- Advertisement, Printing, Copying and Scanning
- Regulatory Permits, Fees and Fines/Penalties

**Insurances and Surety Bonds****Impact Transfer****Bond Expense**

- Issuance Cost

If generally accepted accounting principles require any item of expense listed above to be described or categorized differently, then such expense shall still be deemed an Operating Costs of the Sewage Treatment Plant and the Operating Costs of the Sewage Transportation System. Notwithstanding the foregoing, the general scope of the expenses listed above may only be expanded by a written amendment in accordance with XXIII.N.

**EXHIBIT “F”: RESERVED CAPACITY TABLE**

<u>Contributing Municipality</u>	<u>Reserved Capacity (gallons per day)</u>
Antietam Valley Municipal Authority	86,558
Bern Township	170,000
Cumru Township	1,875,832
Kenhorst Borough	266,190
Laureldale Borough	696,402
Mohnton Borough	46,742
Muhlenberg Township	6,011,146
City of Reading	9,541,933
Robeson Township	44,000
Shillington Borough	70,556
Spring Township	1,542,600
Wyomissing Borough	65,074
<b>TOTAL AGGREGATE RESERVED CAPACITY:</b>	<b>20,417,033</b>

## **EXHIBIT “G”: RESERVED CAPACITY CHARGE FEE SCHEDULE**

Unless otherwise amended by written agreement signed by the Parties, the Reserved Capacity Charge shall be calculated as follows:

Sixteen Dollars (\$16) per gallon of additional Reserved Capacity as compensation necessitated for the infrastructure accommodate such additional flow.

In addition, the Reserved Capacity Charge shall include payment of Five Dollars (\$5) per gallon per day as compensation for implementing and designing capital improvements necessitated by the additional Reserved Capacity.

An inflation factor of three percent (3%) of the Reserved Capacity Charge, compounded annually as of the Effective Date, shall be added to the sum of (1) and (2), above.

## EXHIBIT “H”: EXAMPLE CALCULATIONS

### A. Unit Rates

#### 1. Treatment Unit Rate

- Step 1: Develop a budget for the Operating Costs of the Sewage Treatment Plant for the next calendar year to establish the Operating Costs of the Sewage Treatment Plant Projection.
- Step 2: Sum the total amount of Operating Costs of the Sewage Treatment Plant that were paid in the previous calendar year, based on the audited financials.
- Step 3: Determine the amount of Operating Costs of the Sewage Treatment Plant that was projected for the previous calendar year.
- Step 4: Subtract the previous year’s actual payments for operating the Sewage Treatment Plant, as calculated in the second step, from the cost projection for operating the Sewage Treatment Plant that was made for the same calendar year, as determined in the third step. (Note – during the first two years of the Agreement, there will not be an adjustment because the audited financial statements for the first full year of calculating Unit Rates will not be available until after the rates are set for Year 2 in October of Year 1)
- Step 5: Add the number from the first step to the number from the fourth step.
- Step 6: Divide the number from fifth step by the total number of EDUs reported to have been treated at the Sewage Treatment Plant for the latest calendar completed year.

Below is an example of how the Treatment Unit Rate is calculated.

**Example Calculation 1(a):** Assume the City is in the process of determining the Treatment Unit Rates for Year 5. The City would project the estimated cost of operating the Sewage Treatment Plant in August/September of Year 4 in order to establish the Year 5 Treatment Unit Rate by October 1 of Year 4 (as required by IX.C). Assume the City’s estimate for the Year 5 operating costs of the Sewage Treatment Plant is \$12 Million. The latest available audited financial statements available to the City in October of Year 4 would be for Year 3. Assume the results from the audited financial statements from Year 3 show that the City incurred \$12.1 Million in operational expenses for the Sewage Treatment Plant in Year 3. In October of Year 2, the City would have made a projection for its estimate of the operating costs of the Sewage Treatment for Year 3 in order to set the Treatment Unit Rate for Year 3. Assume the City projected the operating costs for Year 3 to be \$11,900,000 when the City made its Year 3 projection in August/September of Year 2. The numerator for the Year 5 Treatment Unit Rate would be determined based on the following formula:

$$\$12 \text{ Million} + (\$12.1 \text{ Million} - \$11,900,000) = \$12.2 \text{ Million}$$

An upward adjustment of \$200,000 was necessary because the City incurred \$200,000 more in operational costs than the Municipalities paid to the City in Year 3. Then, in order to determine the Treatment Unit Rate, \$12.2 Million would need to be divided by the total sum of EDUs

reported to have been treated at the Sewage Treatment Plant by all of the Contributing Municipalities (including the City) from the latest completed calendar year. For purposes of this calculation, assume 72,500 EDUs were reported to be treated at the Sewage Treatment Plant in Year 3. Therefore, the formula for the Treatment Unit Rate would be:

$$\text{\$12.2 Million} / 72,500 \text{ EDUs} = \text{\$168.27 for Sewage treatment per EDU}$$

**Example Calculation 1(b):** On the other hand, if the City had overestimated the projection for Year 3 (assume its projection for the operational costs of the Sewage Treatment Plant for Year 3 was \\$12.2 Million), the Year 5 Treatment Unit Rate would be determined based on the following formula:

$$\text{\$12 Million} + (\text{\$12.1 Million} - \text{\$12.2 Million}) = \text{\$11.9 Million}$$

A downward adjustment would be required because the City projection was higher than the amount of operational costs it actually incurred during Year 3. Therefore, the formula for the Treatment Unit Rate would be:

$$\text{\$11.9 Million} / 72,500 \text{ EDUs} = \text{\$164.13 for Sewage treatment per EDU}$$

## **2. Transportation Unit Rates**

- Step 1: Develop a budget for the Operating Costs of the Sewage Transportation System for the next calendar year to establish the Operating Costs of the Sewage Transportation System Projection.
- Step 2: Determine the next year's budgeted salaries and fringe benefits of staff employed by the City for operating the Sewage Transportation System for the next calendar year and multiply by ten percent (10%).
- Step 3: Subtract the amount from second step from the Operating Costs of the Sewage Transportation System Project for the next calendar, as determined in the first step.
- Step 4: Sum the total amount of Operating Costs of the Sewage Transportation System that were paid in the previous calendar year, based on the audited financials.
- Step 5: Determine the amount that was paid for the pro-rated salaries and fringe benefits of staff employed by the City for operating the Sewage Transportation System from the previous calendar year, based on the audited financials.
- Step 6: Determine the amount of Operating Costs of the Sewage Transportation System that was projected for the previous calendar year.
- Step 7: Subtract the previous year's actual payments for operating the Sewage Transportation System (less ten percent (10%) of the salaries and fringe benefits of staff employed by the City during such calendar year for operating the Sewage Transportation System), as calculated in the fourth step, from the cost projection that was made for the same calendar year, as calculated in the sixth step. (Note – during the first two years of the Agreement, there will not be an adjustment because the audited financial statements for the first full year of calculating Unit Rates will not be available until after the rates are set for Year 2 in October of Year 1)

- Step 8: Add the number from the third step to the number from the seventh step.
- Step 9: Divide the number from eighth step by the total number of EDUs reported to have been treated at the Sewage Treatment Plant for the latest calendar completed year.

**Example Calculation 2:** Assume the City is in the process of determining the Transportation Unit Rates for Year 5. The City would project the estimated cost of operating the Sewage Transportation System in August/September of Year 4 in order to establish the Year 5 Transportation Unit Rate by October 1 of Year 4 (as required by IX.C). Assume the City’s estimate for the Year 5 operating costs of the Sewage Transportation System is \$2 Million (\$1.2 Million of which is budgeted for the City’s staff and fringe benefits for operating the Sewage Transportation System). The Operating Costs of the Transportation System Projection would be determined based on the following formula:

$$(\$2 \text{ Million} - (\$1.2 \text{ Million} \times 0.10)) = \$1.88 \text{ Million}$$

The latest available audited financial statements available to the City in October of Year 4 would be for Year 3. Assume the results from the audited financial statements from Year 3 show that the City incurred \$2.2 Million in operational expenses (\$1.1 Million of which was for salaries and fringe benefits of staff employed by the City for operating the Sewage Transportation System) for the Sewage Transportation System in Year 3. In October of Year 2, the City would have made a projection for its estimate of the operating costs of the Sewage Transportation System for Year 3 in order to set the Transportation Unit Rate for Year 3. Assume the City projected the operating costs for the Sewage Transportation System in Year 3 is \$1.9 Million (\$1.0 Million of which was for salaries and fringe benefits of staff employed by the City for operating the Sewage Transportation System) when the City made its Year 3 projection in August/September of Year 2. Operating Costs of the Transportation System Projection would be determined based on the following formula:

$$(\$2.2 \text{ Million} - (\$1.1 \text{ Million} \times 0.10)) - (\$1.9 \text{ Million} - (\$1.0 \text{ Million} \times 0.10)) = \$290,000$$

The numerator for the Year 5 Treatment Unit Rate would be determined based on the following formula:

$$\$1.88 \text{ Million} + \$290,000 = \$2.17 \text{ Million}$$

An upward adjustment of \$290,000 was necessary because the City incurred \$290,000 more in operational costs (after the adjustment for ten percent (10%) of staff salary and fringe benefits) than the Contributing Municipalities paid to the City in Year 3. Then, in order to determine the Transportation Unit Rate, \$2.17 Million would need to be divided by the total sum of EDUs reported to have been treated at the Sewage Treatment Plant by all of the Contributing Municipalities (including the City) from the latest completed calendar year. For purposes of this calculation, assume 72,500 EDUs were reported to be treated at the Sewage Treatment Plant in Year 3. Therefore, the formula for the Transportation Unit Rate would be:

$$\$2.17 \text{ Million} / 72,500 \text{ EDUs} = \$29.93 \text{ for Sewage treatment per EDU}$$

## B. Debt Service Charge

**Example Calculation 3:** Like in Example Calculation 1, assume the City is in the process of determining the Debt Service Charge for calendar Year 5. In September of Year 4, the City projects to incur \$11 Million in Debt Service over the course of Year 5. Based on the audited financial statements from Year 3, the City paid \$14 Million in Debt Service during Year 3. However, in September of Year 2, the City projected that it would only incur \$12 Million in Debt Service.

Further assume that the Municipality has a Reserved Capacity of 500,000 gallons per day and that all of the Contributing Municipalities have reserved a capacity totaling 18 million gallons per day (i.e., the Total Aggregate Reserved Capacity).

The Debt Service Charge would be based on the following formula:

$\$11 \text{ Million} + (\$14 \text{ Million} - \$12 \text{ Million}) \times (500,000/18,000,000) = \$361,110.10$  for the total Debt Service Charge due for the entire Year 5 calendar year.

## C. Infrastructure Contingency Charge

**Example Calculation 4:** Carrying forward all of the assumptions set forth in Example Calculation 3, the Infrastructure Contingency Charge due for the entire Year 5 calendar year would equal \$36,111.01, which is ten percent (10%) of the Debt Service Charge.

## D. Volume Exceedance Surcharge

**Example Calculation 5 (Daily Volume Exceedance):** Assumptions for purpose of this example:

1. The current Treatment Unit Rate is \$165
2. The current Transportation Unit Rate is \$90
3. The Municipality has a Reserved Capacity of 500,000 gallons per day
4. On one day the Municipality measured an aggregate discharge of 850,000 gallons of sewage from all of its connection points to the City's Sewage System but was otherwise under 500,000 gallons per day for the rest of the calendar month

The total number of gallons used for purposes of calculating the Volume Exceedance Surcharge under the assumptions noted above would be determined by subtracting the Reserved Capacity (inclusive of the peak factor identified in IV.A from the total gallons discharged:  $850,000 - (500,000 \times 1.5) = 100,000$  gallons. The Volume Exceedance Surcharge would then be calculated based on the following formula:

$$\left( \frac{(\$165 + \$90) \times 100,000}{(50,000)} \right) \times 0.25 = \$127.50$$

**Example Calculation 6 (Monthly Volume Exceedance):** Assumptions for purpose of this example:

1. The current Treatment Unit Rate is \$165
2. The current Transportation Unit Rate is \$90
3. The Municipality has a Reserved Capacity of 500,000 gallons per day
4. Each day during January of Year 5, the Municipality measured an average daily aggregate discharge of 520,000 gallons of Sewage from all of its connections points to the City's Sewage System but was otherwise under the Reserved Capacity 1.5 peaking factor on each day

The total number of gallons used for purposes of calculating the Volume Exceedance Surcharge under the assumptions noted above would be determined by subtracting the Reserved Capacity from the daily average number of gallons discharged and then multiplying the result by the number of calendar days in January:  $(520,000 - 500,000) \times 31 = 620,000$  gallons. The Volume Exceedance Surcharge would then be calculated based on the following formula:

$$\left( \frac{(\$165 + \$90) \times 620,000}{(50,735)} \right) \times 0.5 = \$1,581.00$$

**EXHIBIT "I": ANNUAL REPORT FORMS**

Quarter Ending: \_\_\_\_\_, 20\_\_

**Quarterly Debt Service Statement**

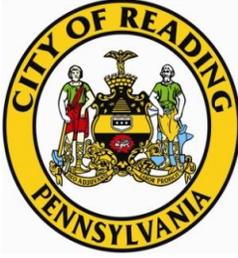
USER	DEBT SERVICE PAYMENT	INFRASTRUCTURE CONTINGENCY FUND PAYMENT
Antietam Valley Municipal Authority		
Bern Township		
Cumru Township		
Kenhorst Borough		
Laureldale Borough		
Mohnton Borough		
Muhlenberg Township		
City of Reading		
Robeson Township		
Shillington Borough		
Spring Township		
Wyomissing Borough		
<b>TOTAL FOR CURRENT QUARTER</b>		\$
<b>PREVIOUS BALANCE</b>		+ \$
<b>INTEREST</b>		+ \$
<b>VOLUME EXCEEDANCE SURCHARGES COLLECTED</b>		+ \$
<b>INFRASTRUCTURE CONTINGENCY CUMULATIVE TOTAL</b>		\$
<b>LESS REDUCTIONS **</b>		- \$
<b>INFRASTRUCTURE CONTINGENCY FUND BALANCE</b>		= \$

\*\* Explanation provided on separate sheet

**Quarterly Sewer Flow Information**

Total Volume of Sewage Flow at the Sewage Treatment Plan: \_\_\_\_\_ (Millions of Gallons)

USER	Reserved Capacity (GPD)	Quarterly Flow (Mil. Gals.)	Average Daily Flow (GPD)	Percent of Total Flow	Treatment Charge \$_____ (per EDU)	Transport Charge \$_____ (per EDU)	Date Payment Received by City
AVMA							
Bern Tp.							
Cumru Tp.							
Kenhorst Boro.							
Laureldale Boro.							
Mohnton Boro.							
Muhlenberg Tp.							
City of Reading							
Robeson Tp.							
Shillington Boro.							
Spring Tp.							
Wyomissing Boro.							



**CITY OF READING, PA  
OFFICE OF THE MANAGING DIRECTOR**

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**David B. Kersley, MBA**  
Business Analyst & Director of Continuous  
Improvement

**MEMORANDUM**

To: Carole Snyder, Managing Director  
Lenin Agudo, Director of Community Development  
Members of City Council

Date: November 13, 2012

Re: Proposed Housing Fee Amnesty Program

The Administration is asking City Council to approve a proposed housing fee amnesty program; the enacting ordinance is currently scheduled for a vote on November 19.

**Timing**

The City is in the process of selecting an outside collections agency, and should name that provider by the end of November. The Administration is proposing the effective dates of the amnesty will be from Monday, December 17, 2012 to Friday, February 15, 2013.

**Benefits of the Program**

Upon completion of the program, unpaid housing fees will be transferred for third-party collection; by taking advantage of the amnesty, property owners responsible for delinquent fees will avoid paying higher costs for the external collection process.

In addition, staff will work with individuals opting into the program to develop workable payment plans. The Administration is also exploring accepting payments via credit and debit cards. These options may not be available after the delinquent accounts are transferred for external collection. The City also has significant further enforcement options pertaining to rental housing.

**Scope of the Amnesty Program**

The following delinquent fees will be included in the program: Quality of Life violation fines, rental housing inspection fees, fees assessed for property owners' (or their designees') failure to attend a

scheduled rental housing inspection, annual rental housing permit renewal fees, and reimbursements owed to the City for the expense of cleaning up or securing private properties.

**Financial Recovery Goals**

The Administration is budgeting \$500,000 in additional revenue associated with the program for 2013, which is slightly less than 20% of delinquencies which have accrued in the past three years, which include 22,393 unpaid bills for a total of \$2,825,000. Here’s a breakdown:

**Delinquent Housing-Related Accounts**

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12,689 Quality of Life Ordinance Violation Fines:	\$892,000
1,466 Delinquent Rental Inspection Fees:	\$701,000
606 Inspection No-Show Fees:	\$101,000
6,549 Rental Housing Permit/Renewals:	\$903,000
1,096 Work Order Reimbursements:	\$278,000

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**Temporary Staffing**

The Property Maintenance Division will be managing the amnesty program, and the Administration is requesting that Council approve two full-time, temporary employees across a 10-week period to assist.

**ORDINANCE \_\_-2012**

**AN ORDINANCE AUTHORIZING THE ADMINISTRATION TO DEVELOP AND IMPLEMENT AN AMNESTY PROGRAM TO ENCOURAGE RESPONSIBLE PARTIES TO PAY DELINQUENT HOUSING-RELATED FEES AND QUALITY-OF-LIFE VIOLATIONS.**

WHEREAS the City of Reading has duly billed property owners for various rental registration and inspection fees; and

WHEREAS the City is facing financial difficulties and has a responsibility to taxpayers and citizens to collect these fines and fees; and

WHEREAS the Administration has proposed to implement an aggressive, internal collection effort before assigning collections to an external collection agency.

NOW, THEREFORE, the Council of the City of Reading hereby ordains as follows:

1. The Administration is authorized to develop a Housing Fee and Quality-of-Life Violation Amnesty Program and to implement the program in accordance with an expedited schedule but with a duration not to exceed 90 days.
2. The Administration is authorized to negotiate reasonable payment plans to be administered in accordance with pre-determined guidelines.
3. The Administration is authorized to remove penalties upon the settlement of delinquent accounts and fines, but to fully recover amounts originally billed.
4. Upon expiration of the Amnesty Program, the Administration shall implement an aggressive collection strategy that may include the filing of civil complaints, referrals to one or more external collection provider whose services are procured according to established procedures, or other appropriate enforcement and collection efforts.
5. The Administration shall provide periodic reports to City Council, including a post-Amnesty summary of funds collected, anticipated future receipts based on payment agreements, and plans related initiatives outlined in number four above.
6. The Administration is authorized to hire full-time, temporary aides to assist in the administration of the Amnesty Program at a cost not to exceed \$8,300.

This ordinance shall be effective ten (10) days after its adoption and approval by the Mayor, in accordance with Section 219 of the City of Reading Home Rule Charter.

Enacted \_\_\_\_\_, 2012

\_\_\_\_\_  
President of Council

Attest:

\_\_\_\_\_  
City Clerk

Submitted to Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Received by the Mayor's Office: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Vetoed by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

**BILL NO. \_\_\_\_\_ 2012**

**AN ORDINANCE**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, FEE SCHEDULE, TO REFLECT NEW RATES FOR RENTAL HOUSING INSPECTIONS**

**THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:**

**SECTION 1:** The Code of Ordinances of the City of Reading, Berks County, Pennsylvania, Fee Schedule for Rental Housing Inspections shall be amended as attached.

**SECTION 2:** All other items, parts, sections, etc. of the Code of Ordinances of the City of Reading, Berks County, Pennsylvania, which are contrary to the schedule set forth above in Section 1 are hereby repealed; otherwise, all other items, parts, sections, etc. of said Code shall remain in effect unchanged and likewise are ratified.

**SECTION 3:** This ordinance shall be effective January 1, 2013 in accordance with Section 219 of the City of Reading Home Rule Charter.

Enacted \_\_\_\_\_, 2012

\_\_\_\_\_  
President of Council

Attest:

\_\_\_\_\_  
City Clerk

Submitted to Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Received by the Mayor's Office: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Vetoed by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

**Current  
Fee/Fine**

**Rental Housing Inspection Fees**

Boarding House

Initial 3-Year	\$155
120-Day Re-Inspect	\$155
1 <sup>st</sup> Non-Compliance Penalty	\$350
Extension Inspection	\$200
2 <sup>nd</sup> Non-Compliance Penalty	\$1000
3 <sup>rd</sup> Non-Compliance Penalty	\$2000
Subsequent Penalties	Prior penalty amount plus \$1000
Delinquency Fee	15% of billing
No-Show Fee	\$150

Single Family Rental

Initial 3-Year	\$140
120-Day Re-Inspect	\$140
1 <sup>st</sup> Non-Compliance Penalty	\$350
Extension Inspection	\$200
2 <sup>nd</sup> Non-Compliance Penalty	\$1000
3 <sup>rd</sup> Non-Compliance Penalty	\$2000
Subsequent Penalties	Prior penalty amount plus \$1000
Delinquency Fee	15% of billing
No-Show Fee	\$150

Two-Unit Rental Property

Initial 3-Year	\$165
120-Day Re-Inspect	\$165
1 <sup>st</sup> Non-Compliance Penalty	\$350
Extension Inspection	\$200
2 <sup>nd</sup> Non-Compliance Penalty	\$1000
3 <sup>rd</sup> Non-Compliance Penalty	\$2000
Subsequent Penalties	Prior penalty amount plus \$1000
Delinquency Fee	15% of billing
No-Show Fee	\$150

Three- and Four-Unit Rental Properties

Initial 3-Year	\$195
120-Day Re-Inspect	\$195
1 <sup>st</sup> Non-Compliance Penalty	\$350
Extension Inspection	\$250
2 <sup>nd</sup> Non-Compliance Penalty	\$1000
3 <sup>rd</sup> Non-Compliance Penalty	\$2000
Subsequent Penalties	Prior penalty amount plus \$1000
Delinquency Fee	15% of billing
No-Show Fee	\$150

Five- and Six-Unit Rental Properties

Initial 3-Year	\$235
120-Day Re-Inspect	\$235
1 <sup>st</sup> Non-Compliance Penalty	\$350
Extension Inspection	\$300
2 <sup>nd</sup> Non-Compliance Penalty	\$1000
3 <sup>rd</sup> Non-Compliance Penalty	\$2000
Subsequent Penalties	Prior penalty amount plus \$1000
Delinquency Fee	15% of billing
No-Show Fee	\$150

Seven- to Fifteen-Unit Rental Properties

Initial 3-Year	\$315
120-Day Re-Inspect	\$315
1 <sup>st</sup> Non-Compliance Penalty	\$350
Extension Inspection	\$400
2 <sup>nd</sup> Non-Compliance Penalty	\$1000
3 <sup>rd</sup> Non-Compliance Penalty	\$2000
Subsequent Penalties	Prior penalty amount plus \$1000
Delinquency Fee	15% of billing
No-Show Fee	\$150

Rental Properties with 16 or More Units

Initial 3-Year	\$315+\$10 per unit
120-Day Re-Inspect	\$315+\$10 per unit
1 <sup>st</sup> Non-Compliance Penalty	\$350
Extension Inspection	125% of Initial 3-Year Inspection Fee
2 <sup>nd</sup> Non-Compliance Penalty	\$1000
3 <sup>rd</sup> Non-Compliance Penalty	\$2000
Subsequent Penalties	Prior penalty amount plus \$1000
Delinquency Fee	15% of billing
No-Show Fee, 16-49 Units	\$200
No-Show Fee, 50+ Units	\$300

**BILL NO. \_\_\_\_\_ 2012**

**AN ORDINANCE**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, FEE SCHEDULE, TO REFLECT NEW RATES FOR HEALTH PERMIT INSPECTIONS**

**THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:**

**SECTION 1:** The Code of Ordinances of the City of Reading, Berks County, Pennsylvania, Fee Schedule for Health Permit Inspections shall be amended as attached.

**SECTION 2:** All other items, parts, sections, etc. of the Code of Ordinances of the City of Reading, Berks County, Pennsylvania, which are contrary to the schedule set forth above in Section 1 are hereby repealed; otherwise, all other items, parts, sections, etc. of said Code shall remain in effect unchanged and likewise are ratified.

**SECTION 3:** This ordinance shall be effective January 1, 2013 in accordance with Section 219 of the City of Reading Home Rule Charter.

Enacted \_\_\_\_\_, 2012

\_\_\_\_\_  
President of Council

Attest:

\_\_\_\_\_  
City Clerk

Submitted to Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Received by the Mayor's Office: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

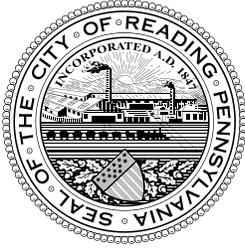
Vetoed by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

**Health Permit Inspection Fees**

Small Restaurant	\$160 yearly
Large Restaurant	\$165 yearly
Itinerant Restaurant	\$100 yearly
Ancillary Restaurant	\$80 yearly
Small Grocery	\$150 yearly
Large Grocery	\$175 yearly
Supermarket	\$180 yearly
One Item Wholesale LLC	\$335 yearly
Multi Item Wholesale LLC	\$150 yearly
Mobile Vending	\$75 yearly
Catering/Commissary License	\$175 yearly
Bakery License	\$160 yearly
Deli License	\$150 yearly
Food Permit Failure	\$55 occurrence
Health Permit Failure	\$50 occurrence
Health Code Violation 1st	\$70 occurrence
Health Code Violation 2nd	\$95 occurrence
Health Code Violation No	\$70 occurrence
Show	—

Ancillary Restaurant - includes non profits & concessions	\$100.00
Catering/Commissary	\$200.00
Small Grocery - less than 1,500 gross square feet	\$220.00
Large Grocery - 1,500 up to 2,500 gross square feet	\$400.00
Supermarket - greater than 2,500 gross square feet	\$600.00
Mobile Vending	\$125.00
Small Restaurant - 50 seats or less	\$220.00
Large Restaurant - more than 50 seats	\$400.00
Commercial Laundry	\$50.00
Re-inspection Fee	\$75.00
Non-corrected item at 1st re-inspection	\$10.00
Non-corrected item at 2nd re-inspection	\$25.00
Per Establishment Processing fee	\$50.00



**AGENDA MEMO**  
**COMMUNITY DEVELOPMENT**

**TO:** CITY COUNCIL  
**FROM:** LENIN AGUDO, DIRECTOR  
**MEETING DATE:** November 19<sup>th</sup>, 2012  
**AGENDA MEMO DATE:** November 14<sup>th</sup>, 2012  
**REQUESTED ACTION:** TO APPROVE the Transfer of funding from the UDAG account to Fulton Bank for the Community Development Department's Micro-Loan Program

CD is asking City Council to pass the resolution no later than the **November 19, 2012** City Council meeting.

**BACKGROUND:**

The City of Reading's Micro-Loan Program began on January 1st 2011 after Brian Jeremiah, who at the time was with the Community and Economic Development Office at Pennsylvania Department of Economic Development reminded the city that it had \$550,000.00 in EZ-Fred funds available for use.

With the help of the City's accounting department, the C.D. Department transferred \$550,000 to the Community Initiatives Development Corporation (CIDC). The CIDC now does the management and underwriting for the City's micro-loan program. Under the CIDC's and C.D. Department's management, the program has had much success and garnered great attention within the community.

The City has had over 100 micro-loan inquiries since the program's inception. Of those who have inquired, 36 have completed applications, and nine of those applicants have had loans approved. The City has assisted those ten local residents to significantly improve the viability of their businesses. Each received a loan in the amount of \$35,000 to be used for working capital purposes, renovations, and equipment.

To date, the program has loaned \$336,199.00, of which, \$34,664.65 has been repaid. All loans except for one are current and paid through August.

Given the good track record and management of this program, I am asking council to formally approve this program and the contract that has been in place with CIDC since January 2011.

**BUDGETARY IMPACT:** None.

**PREVIOUS ACTION:** None.

**SUBSEQUENT ACTION:** Continued review, outreach and interest within the Community for small business working capital

**RECOMMENDED BY:** Community Development Director, Managing Director and Mayor.

**RECOMMENDED MOTION** : To approve/deny a Council Resolution authorizing of the transfer of \$550,000.00 to Fulton Bank in partnership with Community Initiatives Development Corporation.

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE COUNCIL OF THE CITY OF READING  
AUTHORIZING THE MAYOR TO CREATE A  
SEPARATE ACCOUNT FOR MICROLOAN PROGRAM FOR SMALL BUSINESSES**

WHEREAS, the Council has approved a micro-loan program financed with State Funds, funds from Community Initiatives Development Corporation (CIDC) and the U.S Small Business Administration (SBA), and jointly managed by the City and CIDC, and

WHEREAS several sources of funding are being used for the program and it is desirable that such funds be segregated into a separate managed account for the Micro Loan Program

NOW, THEREFORE BE IT RESOLVED:

1. That a separate account be established for the City of Reading Micro-Loan Program at Fulton Bank in the amount of \$550,000.00 dollars.
2. That each withdrawal from the account require a signatory of the City of Reading which shall be the Mayor of the City or such designee as the Mayor appoints and the President of CIDC or such designee that the President appoints.

PASSED COUNCIL \_\_\_\_\_, 2012

\_\_\_\_\_  
PRESIDENT OF COUNCIL

ATTEST:

\_\_\_\_\_  
City Clerk

**R E S O L U T I O N N O.**\_\_\_\_\_

THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS FOLLOWS:

That Michael Reese is appointed to the Charter Review Commission.

Adopted by Council\_\_\_\_\_, 2012

\_\_\_\_\_  
Francis G. Acosta  
President of Council

Attest:

\_\_\_\_\_  
Linda A. Kelleher  
City Clerk

**RESOLUTION NO. \_\_\_\_\_ 2012**

**THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS FOLLOWS:**

Upholding and affirming the suspension of Officer Christopher Cortazzo, #392, as attached in the Recommendation of Charges dated July 24, 2012 and Conclusions of Law.

Adopted by Council \_\_\_\_\_ 2012

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Francis D. Acosta, President of Council

Attest:

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Linda A. Kelleher CMC, City Clerk