

Drafted by City Clerk
Sponsored by/Referred by Managing Director
Introduced on November 9, 2015
Advertised on N/A

BILL NO. 75-2015
AN ORDINANCE

DIRECTING THE MAYOR TO EXECUTE THE 5th ADDENDUM TO THE LEASE AGREEMENT WITH THE READING AREA WATER AUTHORITY (RAWA) AS ATTACHED IN EXHIBIT A.

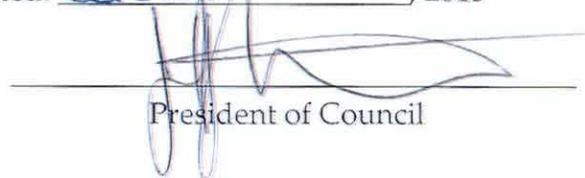
Whereas the Council of the City of Reading hereby ordains as follows:

Section 1. Directing the mayor to execute the 5th Addendum to the Lease Agreement with the Reading Area Water Authority (RAWA) as attached in Exhibit A.

Section 2. All ordinances or resolutions, or parts of ordinances or resolutions, insofar as they are inconsistent with this Ordinance are hereby repealed.

Section 3. This ordinance shall become effective ten (10) days after it adoption, in accordance with Sections 219 & 221 of the City of Reading Home Rule Charter.

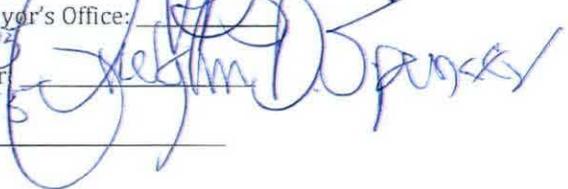
Enacted: Dec 21, 2015



President of Council

Attest: 

City Clerk

(Council Staff)
Submitted to Mayor: _____
Date: 12/22/15
Received by the Mayor's Office:  _____
Date: 12/22/15
Approved by Mayor:  _____
Date: 12/22/15
Vetoed by Mayor: _____
Date: _____

**FIFTH ADDENDUM TO THE LEASE AND OPERATING AGREEMENT
BETWEEN THE CITY OF READING, PENNSYLVANIA AND
THE READING AREA WATER AUTHORITY**

THIS FIFTH ADDENDUM, (the "Fifth Addendum") by and between the City of Reading, Berks County, Pennsylvania ("City") and the Reading Area Water Authority ("Authority"), is hereby entered into this ____ day of December 2015 ("Addendum Date"), and hereby amends the Lease and Operating Agreement between the City and the Authority dated May 20, 1994, effective June 1, 1994, as supplemented in January, 1995, and amended in October, 1997, in December, 2010, in 2012 and as of November 2014 (the "Original Lease, as amended").

RECITALS

A. WHEREAS, the Authority has been incorporated pursuant to an Ordinance of the Council of the City and is existing under the provisions of the Act of Assembly approved May 22, 1945, P.L. 382, as amended and supplemented, known as the "Municipality Authorities Act of 1945" (the "Act");

B. WHEREAS, the City leases its Water System to the Authority pursuant to the terms of the Original Lease, as amended;

C. WHEREAS, under the Original Lease, as amended, RAWA operates the regional Water System of the City, and provides certain other services under the oversight of, and with the assistance and cooperation of the City;

D. WHEREAS, the parties mutually desire to enter into this Fifth Addendum in order to, among other things, amend and clarify certain matters addressed in the Original Lease, as amended and to supplement the Original Lease, as amended; and

NOW THEREFORE, the Authority and the City, in consideration of the agreements, conditions and covenants herein contained, each intending to be legally bound, hereby covenant and agree as follows:

(1) Definitions. Unless otherwise defined herein, all capitalized terms used in this Fifth Addendum shall have the meanings ascribed to them in the Original Lease, as amended. All references in this Fifth Addendum to the "Lease" or "herein" or "hereunder" or other similar terms shall mean the Original Lease, as amended, as amended by this Fifth Addendum.

(2) Confirmation. Except as the same is amended or supplemented hereby, the terms, provisions and conditions of the Original Lease, as amended, are confirmed in all respects.

(3) Curbside Waste Services Billing by RAWA.

(a) Commencing January 1, 2016, RAWA shall serve as the City's billing agent for purposes of billing and collecting fees for City Curbside Waste Services delivered to residents by the City on and after January 1, 2016 ("Curbside Fees"). RAWA will no longer purchase Curbside Fees from the City after December 31, 2015; provided that it shall continue to own receivables for fees billed by RAWA for City Curbside Waste Services delivered to residents by the City on and before December 31, 2015, heretofore purchased from the City.

(b) RAWA shall transfer to the City by electronic means any and all receipts for Curbside Fees on a daily business day basis not later than the end of the business day after such receipts are received by RAWA.

(c) By previous agreements, which are hereby confirmed, RAWA bills and collects its own water fees and charges, as well as the City's sewer fees and charges, as the City's agent. RAWA and the City agree, in order to keep the cost of billing services to City residents as low as possible, that RAWA will bill for City Curbside Fees on the same bill as that delivered to residents and customers for Water and Sewer services. RAWA will apply all payments made to it in respect of such billings on a pro-rata, across the board basis, such that the amount of any payment credited to any service shall bear the same relationship to the entire payment made as the billed amount for such service bears to the total amount billed.

(d) Annually, as soon as practicable after the end of each calendar year, RAWA and the City shall reconcile receipts from the prior year and shall make such necessary transfers as are necessary to assure that payments for each year conform to the amounts required by this agreement.

(e) The agreement set forth above with respect to curbside waste billing shall continue in force until December 31, 2017 and may be extended indefinitely by agreement between the parties hereto. The parties hereto shall meet to discuss any desired modifications or amendments to the agreement set forth above with respect to curbside waste billing on a mutually selected date between August 15, 2017 and September 15, 2017. If no agreement can be reached by September 15, 2017 to extend in accordance with the agreement set forth above or to modify or amend the agreement, then either party may terminate the agreement with respect to curbside waste billing.

IN WITNESS WHEREOF, the City of Reading, Berks County, Pennsylvania, has caused this Fifth Addendum to be executed in its name and on its behalf by its Mayor and its official seal to be affixed hereunder and attested by its City Clerk, and the Reading Area Water Authority has caused this Agreement to be executed in its name and on its behalf by its Chairperson or Vice Chairperson and its corporate seal to be affixed hereto and attested by its Secretary or Assistant Secretary, all as of the day and year first above written.

City of Reading

Reading Area Water Authority

By: _____

Mayor

By: _____

Chairperson

Attest: _____

City Clerk

Attest: _____

Asst. Secretary

EXHIBIT "A"

1. Guaranteed Collection Payments by RAWA – For each calendar year beginning after December 31, 2015, RAWA shall pay to the City, as a guaranteed collection payments and not as purchase price, a total amount equal to the average of total collections for trash and recycling for the three preceding calendar years (calculated by combining the total amount of current and delinquent collections by RAWA for trash and recycling billings during such three-year period, except with respect to calendar year 2013 only, for which the City's delinquent collections shall also be included). Such amount shall be payable in equal monthly installments (each equaling one-twelfth of the total average amount), on the 15th day of each month beginning January 15, 2016. For 2016, the Guaranteed Collection Payment amount shall be \$6,031,007.03.

2. Rate Changes – With respect to the guaranteed collection payments set forth above, the calculations provided for therein shall be adjusted upwards or downwards to reflect any changes in service charge rates imposed by the City for Trash or Recycling services.