

RESOLUTION

WHEREAS, the Reading Area Water Authority (the "Authority") operates and maintains a water distribution and conveyance system (the "Water System") which it leases from the City of Reading, Pennsylvania (the "City"), pursuant to a Lease and Operating Agreement, dated May 20, 1994, but effective as of June 1, 1994, as amended and supplemented (the "Lease"); and

WHEREAS, the Authority has promulgated its Water Service Resolution, adopted June 30, 1994, as amended and supplemented (the "Resolution"), which sets forth, among other things, the Rules and Regulations of the Authority (the "Regulations") governing the furnishing of water service to the customers of the Authority; and

WHEREAS, Section 28 of the Regulations provides that no allowance shall be made for excessive consumption of water by a customer due to leaks or other waste of water by such customer; and

WHEREAS, the Board of the Authority desires to address certain perceived inequities in the Regulations with respect to certain customers by adopting a policy which sets forth guidelines whereby a customer, whose water service develops a leak, may be eligible for an allowance towards an unusually high water bill.

NOW, THEREFORE, BE IT RESOLVED, by the Board of the Reading Area Water Authority, as follows:

1. The Board of the Authority hereby amends and supplements Section 28 of the Regulations, and hereby adopts the following guidelines (the "Policy") which shall be applied when evaluating the claim of a Water System customer who applies to the Board for relief from a water bill, which bill reflects higher than normal water consumption due to a leak in the customer's water service:

(a) A customer may qualify for relief if:

(i) The customer establishes that the water bill in question reflects water consumption that is extraordinarily high in comparison to the customer's "ordinary and customary" (defined herein) level of water consumption.

(ii) The customer establishes that the unusually high consumption in question resulted from a leak in the customer's water service.

(iii) The customer establishes that the leak was repaired to the satisfaction of the Authority within thirty (30) days of the discovery of such leak.

(iv) The Board is satisfied that the customer is a customer in good standing with the Authority, and has a good payment history with respect to prior period billings.

(b) If the Board determines that a customer has satisfactorily met the conditions set forth at Subsections (a)(i) through (a)(iv) of this Section 1, the customer's water bill may be adjusted. Such adjustment shall be equal to the amount which would otherwise be due and payable if the customer's water consumption during the billing period in question was two (2) times the volume of the customer's "ordinary and customary" level of water consumption. The customer's "ordinary and customary" level of water consumption shall be determined by calculating the customer's average water consumption over the four billings periods next preceding the billing period in question.

2. The Board of the Authority may amend the Policy outlined in Section 1 hereof in its discretion as circumstances may dictate.

3. Except as amended or supplemented hereby, the Resolution is hereby ratified and confirmed in all respects and shall remain in full force and effect.

4. All resolutions previously adopted by the Authority inconsistent herewith are hereby repealed.

Duly resolved this 6th day of June, 1996, by the Board of the READING AREA WATER AUTHORITY, Berks County, Pennsylvania, in lawful session duly assembled.

By Edward F. L...
Chairman

Attest: [Signature]
Secretary