

MUHLENBERG TOWNSHIP AUTHORITY
MINUTES OF A REGULAR MEETING OF THE BOARD

A regular meeting of the Board of Muhlenberg Township Authority, Water and Sewer Projects, was held on Thursday, January 7, 2021, beginning at 7:00 p.m., at 210 George Street, Muhlenberg Township, Berks County, Pennsylvania, pursuant to notice both advertised and posted according to law.

The following members of the Board were present:

John Imhoff
John Morganti
Richard Heffner
Otto W. Voit, II
Scott Lehr

In attendance were Authority Manager Jeffrey A. Calpino, Thomas A. Rothermel of counsel, and Darryl A. Jenkins, P.E. of Spotts, Stevens and McCoy, consulting engineers to the Authority. Also in attendance were Authority Supervisor Tim Feltenberger and Assistant Distribution Superintendent Jeff Krick. Richard Hoffmaster and Stacey Feltenberger attended as members of the public.

The meeting was called to order at 7:00 p.m. by Chairman Imhoff.

The Minutes of the previous regular meeting of the Board held on December 10, 2020 were approved on motion of Voit, seconded by Mr. Morganti and unanimously adopted, based on photocopies thereof provided to each member of the Board prior to the meeting.

Mr. Imhoff turned over conduct of the meeting to the Solicitor for purposes of reorganization of the Board.

Mr. Rothermel confirmed that at the end of 2020, the following members of the Board occupied the following Offices: Chairman – John Imhoff; Vice Chairman – John Morganti; Secretary – Otto W. Voit, III; Treasurer – Richard Heffner; and Assistant Secretary/Treasurer – Scott Lehr. Nominations for the 2021 Board offices were taken from the floor, and confirmed by majority voice vote. Mr. Voit nominated Mr. Morganti for Chairman and Mr. Imhoff nominated himself for that position; Mr. Morganti was elected Chairman by majority vote. Mr. Voit nominated Mr. Lehr for Vice Chairman, and Mr. Heffner nominated Mr. Imhoff for that position; Mr. Lehr was elected Vice Chairman by majority vote. Mr. Lehr nominated Mr. Voit for Secretary, and he was elected to that position by majority vote. Mr. Voit nominated Mr. Heffner for Treasurer, and he was elected to that position by majority vote. Mr. Voit nominated Mr. Lehr for Assistant Secretary/Treasurer, and he was elected to that position by majority vote. At the conclusion of the elections process, Mr. Voit made a motion to accept the results of the votes cast, which motion was seconded by Mr. Lehr and passed unanimously.

The solicitor advised the Board that the Authority should also appoint consultants for 2021. Mr. Voit made a motion to retain the Authority's existing consultants, those being: Consulting Engineer – Spotts, Stevens and McCoy; Solicitor – Bingaman, Hess, Coblentz & Bell, P.C.; and Auditor – Herbein & Company. The motion to retain those consultants for 2021 was seconded by Mr. Heffner, and passed unanimously. Mr. Rothermel returned conduct of the meeting to Chairman Morganti.

Under the first public comment portion, Richard Hoffmaster, a 21-year employee of the Authority who had recently retired, came before the Board to voice appreciation for his longstanding position of employment with the Authority. Mr. Hoffmaster additionally remarked that that the Authority has strong leadership and a good crew, and that he would miss the work. The entire Board thanked Mr. Hoffmaster for his dedicated service to the Authority and wished him well in his retirement. There was no further public comment on which to report at that time.

Mr. Jenkins of Spotts, Stevens and McCoy (SSM) provided a report of the Authority's consulting engineer for work completed December 1 through December 31, 2020. Mr. Jenkins referenced a two-page report, together with attachments, of Spotts, Stevens and McCoy that had been circulated to the Board in advance of the meeting. The report provides a narrative of the status of each of the sixteen projects of the Authority on which Spotts, Stevens and McCoy is currently engaged.

With regard to the Leiszcs Bridge interceptor upgrade project, Mr. Jenkins informed the Board that SSM was in the process of coordinating responses from UGI to finalize plans for review with the Township regarding road restoration options. Thereafter, this project will be set for bid.

The Tuckerton Road sewer replacement project is almost complete. Mr. Jenkins reported that the contractor, BP Paterson, Inc., returned to the site and re-laid the sanitary sewer line to correct the slope to ensure proper flow. In addition, the contractor restored Township roads that were disturbed in connection with completion of point repairs, but trench sealing must still be completed. A final payment application will be presented for review once the remaining work is finalized.

With regard to the Laurel Run pump station project, Mr. Jenkins confirmed that SSM issued a Notice to Proceed to the contractor, Blooming Glen Construction. A pre-construction meeting was held on December 23, 2020. Mr. Jenkins anticipates that the contractor will mobilize in approximately 4 – 6 weeks once materials are received.

Despite the holidays, work at the maintenance building and garage continues to progress at a steady pace. Both portions of the buildings are completely under roof, above-ceiling items are being installed, and drywall hanging is in process. Bi-weekly meetings continue to take place, and Mr. Jenkins encouraged the Board to attend. Overall, Mr. Jenkins estimates that the project is approximately 50% complete, and importantly, it is on-schedule notwithstanding a delay in progress with regard to installation of the sprinkler system performed by the plumbing contractor, The Warko Group, Inc. Mr. Jenkins has

notified the plumbing contractor to bring its work back on schedule so as not to affect the other trades. SSM will continue to closely monitor that situation.

Three of four contractors submitted payment applications for work completed on the maintenance building and garage project in the preceding month, as follows:

Application for Payment No. 6, Contract 1 – Balton Construction, is before the Board for approval in the amount of \$352,423.30. Mr. Jenkins advised that the site work performed under that payment application was satisfactorily completed, and SSM recommended approval. Mr. Heffner made a motion to approve Balton Construction Payment Application No. 6 in the amount stated. That motion was seconded by Mr. Imhoff and unanimously adopted.

Balton Construction also submitted two change orders. First, Change Order 13 pertained to use of a higher spec vapor barrier to be applied to the concrete foundation, which was recommended due to cold weather dampness. The added cost was \$3,558.97, and SSM recommended this product change. Approval of Change Order 13 was ratified unanimously after motion of Mr. Imhoff, seconded by Mr. Heffner. Mr. Calpino was authorized to sign Change Order 13, upon motion of Mr. Imhoff, seconded by Mr. Lehr, and unanimously approved. Second, Change Order 14 pertained to the use of fuel, tenting, and related materials associated with temporary heating of the building. After discussion, including review of the contract specifications, Mr. Lehr made a motion to reject Change Order 14 in the amount stated, which was seconded by Mr. Heffner and passed unanimously.

Application for Payment No. 4, Contract 2 – Shannon A. Smith, Inc., is before the Board for approval in the amount of \$30,318.30. Mr. Jenkins advised that the work performed under that payment application was satisfactorily completed, and SSM recommended approval. Mr. Imhoff made a motion to approve Shannon A. Smith, Inc. Payment Application No. 4 in the amount stated. That motion was seconded by Mr. Voit and unanimously adopted.

Application for Payment No. 3, Contract 4 – The Warko Group, Inc., is before the Board for approval in the amount of \$15,705.00. Mr. Jenkins advised that the plumbing work performed under that payment application was satisfactorily completed, and SSM recommended approval. Mr. Imhoff made a motion to approve The Warko Group, Inc. Payment Application No. 3 in the amount stated. That motion was seconded by Mr. Voit and unanimously adopted.

With regard to change orders processed thus far for the maintenance building and garage project, Mr. Jenkins informed the Board that the total increase was approximately 1.0% of the project cost. At this point in the construction phase, given the scope of the project, Mr. Jenkins was pleased with that percentage, especially considering one of larger change orders pertained to installation of an illuminated flag pole at the request of the Board. With respect to processing future change orders, the Board discussed the feasibility of delegating review and approval of change orders totaling less than \$5,000 to the Building Committee and Mr. Calpino, in consultation with SSM. After discussion,

Chairman Morganti made that motion authorizing the same, which was seconded by Mr. Voit and unanimously approved.

Lastly, Mr. Jenkins informed the Board that the cost to prepare the annual DEP Chapter 94 reports would total \$5,600.00, which is a \$200.00 reduction over last year's cost. Mr. Voit made a motion to authorize SSM to proceed with preparation and submission of the Chapter 94 reports, for the cost stated. Mr. Heffner seconded the motion, which passed unanimously.

There being no further active projects on which to report, and no additional questions posed by the Board, the report of the Engineer concluded. Mr. Imhoff made a motion to accept the Engineer's Report as presented. That motion was seconded by Mr. Lehr and unanimously approved.

Mr. Calpino presented the Operations Report for the preceding month, a full copy of which has been appended to these Minutes. It was an active month for Authority crewmembers. 12 curb boxes were serviced, 3/4" service was renewed at a residence on 7th Avenue, and 3/4" service was repaired on Earl Street. 6" water main breaks were repaired on Beaumont Avenue and Stoudts Ferry & Grandell Avenue. Mr. Calpino indicated that he may reasonably expect more water main break activity secondary to rapidly lowering and increasing air temperatures common this time of year. He and the crew continue to monitor the situation. Lastly, Mr. Calpino reported that by-pass piping work at the Laurel Run pump station was completed, and he again complimented the Authority crew on the quality and timing of the work.

The engineering bills for the preceding month were reviewed. Mr. Imhoff made a motion to approve the engineering bills for payment. That motion was seconded by Mr. Voit and unanimously adopted.

The accounts payable for both the water and sewer departments for the preceding month had been distributed prior to the meeting, a full listing of which has been appended to these Minutes. Mr. Imhoff made a motion to approve payment of the accounts payable for both the water and sewer departments as presented. That motion was seconded by Mr. Heffner and unanimously adopted.

Under the Solicitor's report, Mr. Rothermel confirmed that the Property Access Agreement with Folino Holdings, LLC as to a portion of the Authority's vacant lot next to 1007 Mt. Laurel Avenue, which Agreement was approved at the December 2020 Board meeting, was finalized. The initial 5-year term commences December 22, 2020. A satisfactory insurance certificate naming the Authority as an additional insured was received from Folino Holdings, LLC, and it will be tracked for annual renewal.

The Solicitor advised that the 18-month maintenance period on the Monroe Street subdivision project expires January 11, 2021. Mr. Feltenberger has since performed a visual inspection of the site to confirm that all municipal improvements remain operational and in satisfactory condition. On motion of Mr. Imhoff, seconded by Mr. Voit and unanimously approved, Mr. Calpino was authorized to release maintenance security to

the developer effective January 12, 2021, contingent on no complications arising in the interim period.

With regard to 1011 Floret Avenue, Mr. Rothermel reminded the Board that the Municipal Improvements Agreement with the Berks County Nonprofit Development Corporation for improvements associated with construction of a single family residence was finalized in September 2020. Financial security was previously received, but satisfactory insurance documentation was pending until just recently. At this point, all documentation is in place and the project may proceed with coordination of Mr. Calpino.

The Board was apprised that the Pennsylvania Department of Labor & Industry published the authority and municipal bidding thresholds for 2021. Under Act 90 of 2011, the bidding thresholds provide for an annual inflation adjustment based on the Consumer Price Index for all urban consumers. Mr. Rothermel confirmed that beginning January 1, 2021, the bidding thresholds for municipal authorities will be as follows: purchases and contracts below \$11,500.00 require no formal bidding or written/telephonic quotations; purchases and contracts between \$11,500.00 and \$21,300.00 require three written/telephonic quotations; and purchases and contracts over \$21,300.00 require formal bidding. This is a net increase of 1.4% over the 2020 thresholds.

Mr. Imhoff made a motion to accept the Solicitor's report as presented. That motion was seconded by Mr. Lehr and passed unanimously.

Mr. Heffner provided the Treasurer's Report. Interest rates at Tompkins Vist Bank for both the water and sewer ICS and investment accounts remain stagnant at 0.10%. After discussion of interest rate forecasts with representatives at the bank, Mr. Heffner reported that the bank was not anticipating interest rates rising in the near future. Mr. Heffner next reported that account balances for both the water and sewer divisions realized net losses over the prior month. The water division had a net loss of \$168,853.15, which was largely related to costs expended on the maintenance building and garage project. The sewer division realized a net loss over the prior month of \$1,441,959.44, which was largely related to both maintenance building and garage project costs and the fact that the City of Reading had recently processed the Authority's payment under the Sewer Intermunicipal Agreement. The Treasurer's Report was approved by motion of Mr. Imhoff, seconded by Mr. Voit and unanimously approved.

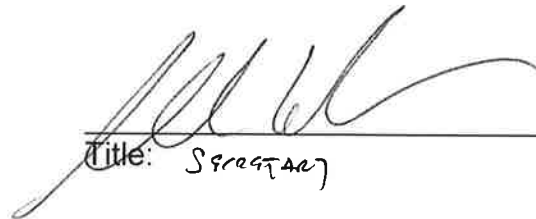
Under New Business, Mr. Calpino reminded the Board that inclusive of Mr. Hoffmaster, 3 longtime crewmembers were set to retire in January 2021. The replacement hires have performed well thus far, as further confirmed by Mr. Feltenber and Mr. Krick. With regard to the 3 retirees, the Board discussed scheduling a party to celebrate the retirees after the COVID-19 pandemic subsides.

At 7:55 p.m., on motion of Mr. Voit, seconded by Mr. Lehr, and unanimously approved, the meeting was called to recess for purposes of the Board entering Executive Session to discuss personnel matters. The meeting was called to order thereafter at 8:23 p.m.

Under the second public portion, there was no comment.

Under the Member and Staff Comments portion of the meeting, there was brief discussion confirming the Authority's ongoing commitment to strict adherence of COVID-19 protocols and mitigation guidelines. It was further confirmed that Mr. Lehr would work in concert with Mr. Calpino and the Solicitor for purposes of reviewing the Authority's current protocols as the CDC continues to refine its recommended guidelines.

There being no further business before the Board, the meeting was adjourned at 8:30 p.m. on motion of Mr. Voit, seconded by Mr. Imhoff and unanimously approved. The next regular meeting of the Board of the Muhlenberg Township Authority will be held at 7:00 p.m. on Thursday, February 4, 2021 in the main meeting room of the Muhlenberg Township Building at 210 George Street.



Title: Secretary