

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, February 9, 2023, beginning at 7:00 p.m., at 3711 Oak Street, Temple, Muhlenberg Township, Berks County, Pennsylvania, pursuant to notice both advertised and posted according to law.

The following members of the Board were present:

Scott Lehr
Richard Heffner
Jim Kelly
Rick Hoffmaster
Otto Voit, III (virtual; exited meeting at 7:45 p.m.)

In attendance were Authority Manager Jeffrey A. Calpino, Thomas A. Rothermel of counsel, and Darryl Jenkins, PE, of Spotts, Stevens and McCoy (SSM), consulting engineer to the Authority. Muhlenberg Township Commissioner Steven Wolfinger was present. Authority Supervisor Tim Feltenberger, and Jaime Nace, were also in attendance. Stacey Feltenberger and Beverly Hackling were present as members of the public.

The meeting was called to order at 7:00 p.m. by Chairman Lehr. Mr. Lehr announced that the Board had met earlier in executive session to discuss matters involving personnel and litigation.

Mr. Heffner made a Motion to approve the Minutes of the previous regular meeting of the Board held on January 5, 2023. That Motion was seconded by Mr. Hoffmaster. Discussion ensued regarding reference in the Minutes to the scheduling of a meeting between Mr. Calpino and Muhlenberg Township Manager Jim Bobeck, the purpose of which was to foster improved communication between the two organizations. Mr. Calpino confirmed that the first such meeting was scheduled for Thursday, February 16, 2023. After discussion concluded, the Minutes were unchanged. Mr. Heffner's Motion passed unanimously.

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

Mr. Rothermel first confirmed the current Board member terms, as follows: Mr. Voit – December 31, 2023; Mr. Lehr – December 31, 2024; Mr. Heffner – December 31, 2025; Mr. Hoffmaster – December 31, 2026; and Mr. Kelly – December 31, 2027. Next, Mr. Rothermel proceeded to reorganize the Board for the Officer positions consisting of Chairman, Vice Chairman, Secretary, Treasurer, and Assistant Secretary/Treasurer. Nominations for the 2023 Officer positions were taken from the floor, and confirmed by majority voice vote. Mr. Voit nominated Mr. Lehr for Chairman, and Mr. Heffner

nominated himself for that position; Mr. Lehr was elected Chairman by majority vote. Mr. Hoffmaster nominated Mr. Voit for Vice Chairman; Mr. Voit was elected Vice Chairman by majority vote. Mr. Heffner was nominated for Secretary; Mr. Heffner was elected to that position by majority vote. Mr. Voit nominated Mr. Hoffmaster for Treasurer; Mr. Hoffmaster was elected to that position by majority vote. Mr. Kelly was nominated for the Assistant Secretary/Treasurer position; Mr. Kelly was elected to that position by majority vote. At the conclusion of the election process, Mr. Hoffmaster made a Motion to accept the results of the votes cast, which Motion was seconded by Mr. Kelly and passed unanimously. Following reorganization, the Solicitor returned the meeting to Chairman Lehr.

Under the first public portion, Ms. Hackling of Raymond Street in Hyde Park addressed the Board regarding an issue involving a damaged water service line to her home. The leaking service line, located near the curb stop, was discovered as MTA crewmembers were performing service at a neighboring property. The extent of the leak forced the MTA to stop service to her home. Temporary water service was provided to Ms. Hackling, at no cost, pending repair. Ms. Hackling requested the Board compensate her for the cost of repair of the damaged water service line. The Board advised that it would take the matter under advisement and inform her of the decision in writing.

Commissioner Wolfinger confirmed that the Township appointed him Board liaison. He previously served that role in 2014. In addition to planned attendance at monthly Board meetings, Mr. Wolfinger further indicated that he is available for contact at any time, should the need arise. The Board welcomed Commissioner Wolfinger to the liaison position, and thanked him for his appearance at the meeting.

Mr. Jenkins of Spotts, Stevens and McCoy provided a report of the Authority's consulting engineer for work completed January 1, 2023 through January 31, 2023. Mr. Jenkins referenced a two-page report of SSM that had been circulated to the Board in advance of the meeting. The report provides a narrative of the status of each of the eleven (11) projects of the Authority on which SSM is currently engaged.

Mr. Jenkins confirmed that DEP has issued a permit associated with the Ebling Memorial Bridge replacement project on Spring Valley Road. No further action is anticipated at this time.

With regard to the ongoing GIS mapping process, Mr. Jenkins reported that a meeting was recently held with Mr. Calpino and Mr. Feltenberger to review current practices for data collection. During that meeting, discussion ensued regarding implementation of certain improvements that would make the data more usable. To that end, SSM recommended the Authority consider adding an external GPS unit to the current data collection system to improve accuracy. Mr. Feltenberger would utilize that equipment as part of the GIS mapping work he currently oversees. In the interim, supplemental data regarding service renewals and main breaks continues to be migrated to the primary mapping system.

Mr. Jenkins confirmed that as-built plans were received, reviewed, and approved with regard to the Hay Road apartment project. No further action is anticipated with respect to that project.

SSM submitted grant application paperwork to the H2O PA Water and Sewer Grant Program relating to the proposed Maiden Creek water main interconnection. In response, the grant reviewer requested minor changes relating to the budget, which SSM will address. Overall, Mr. Jenkins anticipates a determination as to the award of grant funds will be rendered at some point in or around August 2023.

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. Hoffmaster made a Motion to accept the Engineer's Report as presented. That Motion was seconded by Mr. Kelly and unanimously approved.

Mr. Calpino presented the Operations Report for the preceding month, a full copy of which has been appended to these Minutes. 3/4" service was renewed at residences on Elizabeth Avenue and Raymond Street, and a 2" service was repaired at a residence on Edgewood Avenue. 6" main breaks (all Type I per revised Emergency Response Plan) were repaired on Sefranka Road, Florida Avenue, and Rhodora Avenue. Chlorinator pumps were replaced at Well #8 and Well #14. The probe system was also replaced at Well #8 with a float system, which is working well. While performing repairs at Well #8, crew members discovered that one of the effluent pumps was not working, and that both check valves were not functioning. Kohl Brothers is scheduled to repair the effluent pump, at which time the check valves will also be replaced. Once repairs at Well #8 are complete, similar work will be performed at Well #9. Sewer laterals were cleaned or checked at thirteen (13) different locations throughout the Township. Lastly, Mr. Calpino reported that the vacuum truck was used a total of twenty-one (21) man hours, at an equivalent labor cost of \$5,565.00. Mr. Lehr requested that future Operations Reports reference a running tally of the number and type of main breaks, as well as the total number of vacuum truck man hours in use. The Operations Report then concluded.

Engineering bills for the preceding month were reviewed. Mr. Heffner made a Motion to approve the engineering bills for payment. That Motion was seconded by Mr. Hoffmaster 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. Heffner 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. Kelly and unanimously adopted.

Under the Solicitor's Report, Mr. Rothermel reported that the developer of the Hay Road apartments provided maintenance security to the Authority in the amount of \$32,899.35, or 15% of the cost of the municipal improvements. All other requirements have been met for purposes of the Authority accepting dedication of the municipal improvements. Mr. Hoffmaster made a Motion to accept dedication of the municipal improvements and to

authorize signature on the Dedication Agreement. That Motion was seconded by Mr. Heffner and unanimously approved. Mr. Rothermel confirmed that the 18-month maintenance period will commence as of February 9, 2023 and expire August 9, 2024.

With regard to the City of Reading Inter-Municipal Agreement, as amended ("IMA"), the Solicitor confirmed that all payment deadlines due under the IMA remain deferred until such time as the City of Reading: (i) performs an annual reconciliation dating to 2018; (ii) provides any reimbursement due the Authority dependent upon the findings of such reconciliation; and (iii) provides timely Exhibit I reports. With regard to reconciliation, Mr. Rothermel advised that in recent discussion with City Solicitor Fred Lachat, it was confirmed that Raftelis has been engaged to perform such task. Mr. Lachat represented that completion of the reconciliation reports is anticipated in the next two (2) months. Mr. Rothermel will provide further updates to the Board as they occur.

With no further questions posed to Mr. Rothermel, the Solicitor's Report was approved by Motion of Mr. Hoffmaster, seconded by Mr. Heffner and unanimously approved.

Mr. Heffner presented the Treasurer's Report. All remaining accounts at Tompkins Vist Bank have been closed effective January 3, 2023. All Authority funds are now held at MidPenn Bank. Interest rates remain steady at 1.96%. The interest rate of the sewer escrow account, which was established to account for deferred payments owed to the City of Reading under the IMA, was 1.96%; the principal escrow balance of that account is currently \$7,287,775.97, with \$57,138.13 in interest earned thus far. Mr. Heffner reported that as of January 31, 2023, the total aggregate amount of \$26,691,595.58 in Authority funds were held in CDs, with maturity dates spanning May 15 through November 15, 2023, and interest rates ranging between 3.03% and 3.81%, depending on the length of maturity. Mr. Heffner recommended that the Authority take further advantage of the sewer escrow funds by rolling it over to a successive 90-day CD, and adding a second 90-day CD account. Both CDs would yield interest at a rate of 3.11% for three (3) months, effective February 15, 2023. With regard to account balances for both the water and sewer divisions, Mr. Heffner confirmed that the water division realized a net gain over the prior month of \$42,828.59. The sewer division realized a net gain over the prior month of \$711,442.73, which is largely attributable to payment not yet having been made to the City of Reading. Across both accounts, the Authority realized a net gain in January 2023 of \$754,271.32. Overall, the Authority's total cash flow is approximately \$2.2 Million more than compared to this time last year. Mr. Kelly made a Motion to allocate a portion of the sewer escrow account funds into another 90-day CD term, with creation of a second 90-day CD for such funds, and to authorize two (2) Board members to sign the new escrow CD account. That Motion was seconded by Mr. Hoffmaster and unanimously approved. On Motion of Mr. Hoffmaster, seconded by Mr. Kelly and unanimously adopted, the Treasurer's Report was accepted as presented.

Under New Business, non-union wage increases for 2023 were unanimously approved, on Motion of Mr. Kelly, seconded by Mr. Heffner. Discussion was held regarding a change in comp time policy. In that regard, the Solicitor was directed to prepare revisions to the MTA General Policies and Practices for Board review and consideration of approval at

the March 2023 meeting. With regard to request of the Union to review certain provisions of the Collective Bargaining Agreement currently in effect, Mr. Calpino was directed to coordinate the scheduling of a meeting between the Union and designated Board members. Mr. Calpino reported that as part of discussion surrounding enhancements to the Emergency Response Plan, the need for a new backhoe became evident. The existing backhoe is undersized, and not fit for use. Mr. Calpino and Mr. Feltenberger sourced a John Deere extend-a-hoe unit, which would improve the repair capabilities of the Authority crew. Costars pricing totals \$135,000, after trade-in and 37% discount pricing. Delivery is expected in four (4) months. Mr. Hoffmaster made a Motion to approve the purchase of the John Deere extend-a-hoe backhoe unit in the amount stated. That Motion was seconded by Mr. Heffner and unanimously approved. Next, Mr. Calpino resumed discussion from the Engineer Report regarding purchase of new GIS mapping equipment, as recommended by SSM. The total purchase price is \$3,500. Mr. Heffner made a Motion to purchase the GIS mapping equipment in the amount stated, seconded by Mr. Kelly and unanimously approved.

Mr. Jenkins led further discussion regarding enhancements to the Authority's existing Emergency Response Plan. Following a workshop session held on January 14, 2023, SSM implemented changes to the plan, including completion of flow charts that clearly detail the plan of action dependent upon the type of break. Mr. Jenkins highlighted some of the additional changes, which now include Township notification in the event any customer loses service, together with Authority website enhancements, customer notifications and postcards regarding updates to the reverse 911 system, and utilization of Township social media platforms to provide added updates to the public. Notwithstanding these enhancements, the Authority continues to strive to be on-site at any break within one (1) hour of notification, and to complete the repair within no more than 6 – 8 hours, depending on the severity. Mr. Jenkins will work towards finalizing the enhanced Emergency Response Plan, which the Board expects to review for approval at the March 9, 2023 meeting. In advance of the next Board meeting, the Authority will conduct a tabletop exercise in order to test these new procedures.

With regard to potential relocation of the administrative office building, discussion was tabled until the Board could review and consider terms of the draft lease agreement prepared by Township Solicitor Michael Setley. Discussion on this issue is expected to resume at the March Board meeting.

Mr. Calpino reported that insurance rates renewed effective February 1, 2023. The Authority is currently in the second year of a 3-year rate lock through Cincinnati Insurance Company. Overall, across all policies, the Authority realized a net increase in premiums totaling 2.7%. With respect to the Delta Dental policy for non-union employees, Mr. Calpino reported that it decreased by 4% over last year. Lastly under New Business, Mr. Calpino apprised the Board that Conrad Siegel would be attending the March 2023 Board meeting for purposes of presenting the Annual Pension Report.

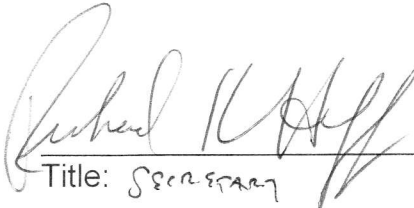
There was no comment under the second public portion.

Under the Member or Staff Comments portion of the meeting, Mr. Feltenberger requested that his K-9 search and rescue group be permitted to use the maintenance building lunchroom for purposes of hosting a one-time meeting to occur sometime in May 2023. That request was granted. Mr. Feltenberger also thanked the Board for approving purchases of the new backhoe and GIS mapping device. Mr. Hoffmaster thanked Commissioner Wolfinger for the Township appointing him to the MTA Board. Mr. Jenkins reported that a new DEP regulation requires the MTA to inventory the existence of all lead or galvanized water service lines throughout its distribution system. While the service line is the responsibility of the customer, the Authority is charged to notify the customer of the type of pipe that services their home. The deadline to comply with this new regulation is October 2024. Grant funds may be available dependent upon any requisite action undertaken by the Authority. Mr. Jenkins will consult with Mr. Calpino for purposes of formulating a plan to ensure compliance. Mr. Calpino inquired with Mr. Jenkins as to the status of the proposed Maiden creek interconnection. Mr. Jenkins noted that he will proceed to schedule another meeting with Maiden creek's engineers to further review and discuss the design. So far, the pressure differences between the two systems are favorable, which may result in a reduced need of certain pumping equipment. Lastly, Mr. Lehr directed Mr. Calpino to participate in a benchmark survey offered through the American Water Works Association ("AWWA"). Participation in the AWWA survey will enable the MTA to assess key performance indicators compared to other similarly-situated municipal authorities. Mr. Jenkins will assist Mr. Calpino in completion of the survey.

At 8:20 p.m., on motion of Mr. Heffner, seconded by Mr. Hoffmaster, and unanimously approved, the meeting was called to recess for purposes of the Board entering Executive Session to discuss matters involving litigation. The meeting was called to order by Mr. Lehr thereafter at 8:50 p.m.

On Motion of Mr. Hoffmaster, seconded by Mr. Heffner and unanimously approved, the Solicitor was authorized to draft an agreement for Mr. Calpino's signature regarding the Raymond Street property.

There being no further business of the Board, the meeting was adjourned at 8:55 p.m. on Motion of Mr. Heffner, seconded by Mr. Hoffmaster, 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, March 9, 2023, in the Authority Maintenance Facility main meeting room, 3711 Oak Street, Temple, Muhlenberg Township, Berks County, Pennsylvania 19560.


Title: Secretary