

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 5, 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
Giovanni Morganti
Richard Heffner
Otto Voit, III

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 Commissioners Michael Malinowski, Steve Wolfinger, Vanessa Pagan, and Walter LaSota were present. Authority Supervisor Tim Feltenberger, and Jaime Nace, were also in attendance.

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

The Minutes of the previous regular meeting of the Board held on December 8, 2022 were approved on Motion of Mr. Morganti, seconded by Mr. Voit and unanimously adopted.

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

Mr. Rothermel confirmed the current composition of the Board, which includes pending reappointment of Mr. Morganti, and a vacancy created by virtue of Mr. Imhoff's passing. Discussion was held regarding the timing of Board reorganization pending Township action concerning those Board appointments. The Township is expected to address this issue at its next scheduled meeting on January 16, 2023. After consideration, the Board elected to postpone reorganization until the February 9, 2023 meeting, on Motion of Mr. Morganti, seconded by Mr. Voit, and unanimously approved; the current Officer positions will continue until the Board reorganizes. Notwithstanding, the Board proceeded to appoint consultants for 2023. Mr. Voit made a Motion to retain and reappoint the Authority's existing consultants, those being: Spotts, Steven and McCoy as consulting engineer; Bingaman, Hess, Coblenz & Bell, P.C. as Solicitor; and Herbein & Company as Auditor. That Motion was seconded by Mr. Heffner and passed unanimously. Mr. Rothermel returned conduct of the meeting to Chairman Lehr.

Under the first public portion, Commissioner Wolfinger introduced the two (2) newly appointed Township Commissioners, Vanessa Pagan and Walter LaSota. The Board welcomed the new Commissioners and congratulated them on their appointments.

Commissioner Wolfinger further confirmed that appointment of Authority Board members was slated for discussion at the upcoming Township meeting. In that regard, Commissioner Malinowski noted that the Township takes these appointments very seriously, and that prospective candidates would only be appointed after careful consideration.

Commissioner Malinowski next addressed the Board, in part, in continuation of discussion of the prior meeting regarding the 12" water main break that occurred the evening of Friday, November 25, 2022, in the 500 block of Eisenbrown Street. Mr. Malinowski reiterated that communication needs to improve so that all Township residents who may be impacted by a loss of service have knowledge of the situation and know what to expect in terms of service restoration. Chairman Lehr acknowledged the concern, the seriousness of the issue, and confirmed that the Authority had already taken steps to guard against this issue occurring again in the future. It was further noted that the Authority's Emergency Response Plan was a topic of discussion under New Business.

Commissioner Malinowski also addressed the prospect of the Authority leasing space at the Township Administration Building on George Street. Such an arrangement would be of benefit to Township residents who would like to make payment, or who would like to discuss any issue with their water or sewer account. The Authority would also have more of a presence within the Township in terms of personnel being housed within the full spectrum of Township administrative offices. Chairman Lehr noted that the Board was weighing all options in regard to potential relocation of Authority administrative office personnel, and further discussion in that regard was planned under New Business.

Commissioner Wolfinger additionally commented that he would like to see better communication between the two entities, and suggested that Mr. Calpino renew attending periodic meetings with the Township Manager, Jim Bobeck. Mr. Calpino noted that he would welcome attending such meetings with Mr. Bobeck, which had been a fairly routine occurrence in the recent past.

The Board thanked the Commissioners for their input and appearance at the meeting.

Mr. Jenkins of Spotts, Stevens and McCoy provided a report of the Authority's consulting engineer for work completed December 3, 2022 through December 29, 2022. Mr. Jenkins referenced a one-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 SSM prepared updates to the Authority's Emergency Response Plan, which would be further discussed under New Business. With regard to GIS mapping, Mr. Jenkins reported that work is ongoing. SSM has been adding recently-completed projects to the GIS database. In addition, and in conjunction with Mr. Feltenberger, SSM will be adding water main break data to the database. The main break data, which will be coded per severity level, will be available in report form for Board meeting purposes.

Replacement pump motors for the Laurel Run pump station project were delivered, installed, and continue to function without any issue. SSM has started close-out procedures for the project, including making a request of the contractor, Blooming Glen Contractors, Inc., to submit final payment documentation.

SSM timely submitted grant application paperwork to the H2O PA Water and Sewer Grant Program relating to the proposed Maiden creek water main interconnection. Mr. Jenkins advised the Board that a response would likely be circulated at some point in mid to late summer of this year. While the total estimated project amount of \$5 million was requested, it is rare that the full amount is awarded. Of any awarded sum, the Authority will receive two-thirds. In terms of the status of the underlying project, Mr. Jenkins noted that SSM is conducting ongoing project planning. A meeting will be arranged with Maiden creek Township in the near future to further status this matter.

There being no further active projects on which to report, and no additional questions posed by the Board to Mr. Jenkins, the report of the Engineer concluded. Mr. Morganti made a Motion to accept the Engineer's Report as presented. That Motion was seconded by Mr. Heffner 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 a busy month for crew personnel. 3/4" service was renewed at two residences on Centre Avenue, and 6" main breaks were repaired on Freemont Street and Floret Avenue. Concrete restoration was completed at three (3) locations where there had been prior service repairs. In addition, chlorinator piping was repaired at Well #13, a piston bolt was repaired on a pump at College Heights pump station, and repairs are pending on pumps located at River Road and Well #9. Mr. Calpino confirmed that despite the pending pump repairs, there are no pressure or service issues in the area. Mr. Calpino noted that a sewer lateral was cleaned or checked at only one (1) location this month, N. Alabama Avenue. Lastly, Mr. Calpino reported that Authority crewmembers utilized the new flusher truck to perform trunkline cleaning at Route 61 near Clover Farms. Mr. Lehr questioned whether the value of the new truck could be captured on an ongoing basis for purposes of comparing it against what the Authority used to pay third-party vendors for equivalent work. Mr. Calpino confirmed that he would prepare a summary report for Board meeting purposes that shows the number of personnel and equipment hours, and value of each, regarding that piece of equipment. Mr. Calpino was also asked to include more detail in the Operations Report regarding the category of each main break. The Operations Report then concluded.

Engineering bills for the preceding month were reviewed. Mr. Morganti 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. Voit 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. Morganti and unanimously adopted.

Under the Solicitor's Report, the Board was apprised that the Pennsylvania Department of Labor & Industry published the authority and municipal bidding thresholds for 2023. 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, 2023, the bidding thresholds for municipal authorities will be as follows: purchases and contracts below \$12,200.00 require no formal bidding or written/telephonic quotations; purchases and contracts between \$12,300.00 and \$22,500.00 require three (3) written/telephonic quotations; and purchases and contracts over \$22,500.00 require formal bidding. This is a net increase of approximately 8.2% over the 2022 thresholds.

Resolution No. 2023-1 was presented to the Board regarding approval of a Resolution to honor and commemorate the memory of John "Butch" Imhoff. That Resolution was unanimously approved on Motion of Mr. Voit, seconded by Mr. Heffner.

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

Mr. Heffner presented the Treasurer's Report. Interest rates at MidPenn Bank remained steady at 1.96%; interest rates at Tompkins Vist Bank for the remaining water and sewer clearing fund and investment accounts were 0.83%. 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 and Addendum No. 1 thereto, was 1.96%; the principal escrow balance of that account is currently \$7,346,422.67, with \$39,786.69 in interest earned thus far. Mr. Heffner also reported that with certain funds having been transferred to CDs over the past month, interest has accrued at a higher level than before. In that regard, he recommended that the Authority take further advantage of the sewer escrow funds by rolling it over to a successive 90-day CD. This recommendation was made after the Solicitor commented that the City had not yet contracted with an outside firm to review and complete the annual reconciliation. With regard to account balances for both the water and sewer divisions, Mr. Heffner confirmed that the water division realized a net loss over the prior month of \$113,696.89, which is largely attributable to two (2) payments having been made to the Township. The sewer division realized a net loss over the prior month of \$77,339.93. Across both accounts, the Authority realized a net loss in December 2022 of \$191,036.82. Overall, the Authority's total cash flow is approximately \$214,000 more than compared to this time last year. Mr. Heffner noted that the reduced cash flow, especially in the sewer division, is due to increased sewer transmission rates assessed by the City of Reading. The Treasurer's Report, and Mr. Heffner's recommendation to roll over the sewer escrow account to another 90-day CD term, was approved by Motion of Mr. Morganti, seconded by Mr. Voit, and unanimously approved.

Under New Business, further discussion was held regarding the 12" water main break and the Authority's Emergency Response Plan. Mr. Jenkins led discussion regarding the incident, which was deemed a Level III break. Of all breaks that occur in any given year,

90% are considered Level I or II, which result in no service interruption, and repairs are completed within a period of eight (8) hours or less. What transpired over the Thanksgiving Holiday weekend was therefore an infrequent occurrence, involving several complicating factors, and culminating with the existence of a second, unrelated water main break in Riverview Park. The magnitude of the break, and the Authority's actions in responding thereto, did, however, reveal certain areas where improvements could be made to its Emergency Response Plan. Mr. Jenkins confirmed that while the Authority has an existing Emergency Response Plan in place, which is very detailed, it can be supplemented and improved to increase Authority efficiency and communication. SSM has already begun drafting revisions to the Emergency Response Plan that will serve to create added criteria with regard to classification of the severity of a main break, and clear flow charts to follow depending upon the level of the break. This information was already in place, but it will be further enhanced, and, the presentation will be simplified in order to create uniformity among all supervisors, crewmembers, and staff. Overall, the Authority will continue to strive to repair all main breaks with no loss of service. However, in the event service interruption occurs, an improved process will be in place that will involve immediate notification to the Township, in addition to website notifications, reverse 911 protocols, and announcements circulated by way of other forms of media. The principal goal is to more clearly communicate with Authority customers, and to keep them informed of the status of repair and restoration of service. These issues were reviewed by Mr. Jenkins, and discussed at a workshop session conducted specifically for this purpose, on January 4, 2023. Mr. Jenkins will circulate a revised Emergency Response Plan to the Board for its review in advance of the February meeting. An Agenda item will be added to consider approval of the revised plan.

With regard to the reverse 911 system, Mr. Calpino noted that its effectiveness is limited in scope by reduction in the number of households with landline telephones. To counter that situation, Mr. Calpino will attempt to make the emergency enrollment notification more visible on the Authority website, in addition to placing notifications in the Township newsletter, renewed notice on Authority bills, and a plan to hand out reminder postcards to each person who visits the Authority office. Apart from efforts in improving customer notification in the event of service interruption issues, Mr. Calpino noted that he has also implemented new staffing changes whereby not more than one (1) supervisor is scheduled off work at any time. That change will result in more redundancy and support should a significant service interruption occur. In addition, Mr. Calpino and Mr. Feltenberger are further improving staffing policies and procedures whereby younger crewmembers will be provided added training for purposes of increasing response times and work efficiency.

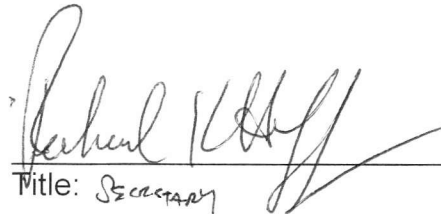
Lastly under New Business, further discussion was held regarding potential relocation of the administrative office building. After discussion, there was consensus that in order to better and more thoroughly evaluate the prospective relocation of some or all of the office personnel either to the Authority maintenance building or leased space at the Township administration building on George Street, further clarification was needed with regard to the principal job duties of each office employee. After that information is compiled and reviewed, the Board will then weigh and consider the objectives of the Authority in terms

of operations, efficiency, and customer service, as well as addressing the concerns voiced by the Township and the residents it serves. In this preliminary discussion, the Board was clear that it favored maintaining at least some level of presence at the Township administration office building located on George Street. What that entails depends on further discussion regarding Authority personnel, operations, as well as input from SSM, its architect, and the Township. The Solicitor was directed to circulate dates for an informational workshop session, to occur prior to the February meeting, for purposes of reviewing the respective duties and responsibilities of Authority office personnel. Mr. Feltenberger and Ms. Nace were asked to join in the workshop session. Discussion on this issue is expected to resume at the February Board meeting.

There was no comment under the second public portion.

There were no Member or Staff Comments on which to report.

There being no further business of the Board, the meeting was adjourned at 8:40 p.m. on Motion of Mr. Voit, seconded by Mr. Heffner, 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 9, 2023, in the Authority Maintenance Facility main meeting room, 3711 Oak Street, Temple, Muhlenberg Township, Berks County, Pennsylvania 19560.


Title: SECRETARY