

**MUHLENBERG TOWNSHIP AUTHORITY**  
**MINUTES OF SPECIAL MEETING OF THE BOARD**

A special meeting of the Board of Muhlenberg Township Authority, Water and Sewer Projects, was held on Monday, April 6, 2026, beginning at 6:00 p.m., at 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania, pursuant to notice both advertised and posted according to law.

The following members of the Board were present:

Jim Kelly  
Rick Mountz  
Mike Merkel

In attendance were Authority Director of Operations, Nathan Roush; Thomas A. Rothermel, Solicitor, of Bingaman, Hess, Coblenz & Bell, P.C.; Bruce Koller, Transcend Business Advisors, Authority controller consultant; and Jay Wenger of RBC Capital Markets.

The meeting was called to order at 6:00 p.m. by Chairman Kelly. Chairman Kelly noted that the Board met in Executive Session immediately prior to this meeting to discuss matters involving personnel.

There was no public comment.

Under New Business, the Board engaged in discussion regarding the impending \$10 million bond financing that is being utilized to fund various water and sewer system capital improvement projects. The principal focus of discussion was the length of term, i.e. 20 versus 25 years. In determining which length term is advisable, Mr. Koller indicated that the general rule is to finance long-term projects with long-term debt. In that regard, Mr. Roush advised that the equipment utilized in the planned projects carries a service life of approximately 20 years. Over a 20-year term, debt service would total approximately \$838,250 annually. Over a 25-year term, annual debt service would total approximately \$745,000, but would carry a higher interest rate (increase of 0.4%), and result in higher accumulated interest. Mr. Wenger advised that generally, a longer term offers more flexibility. The debt may also be pre-paid without penalty, regardless of term. After discussion, the consensus of the Board was to elect a 20-year term. The Board is expected to consider approval of the same at its regular meeting scheduled on April 9, 2026.

Mr. Wenger and Mr. Koller additionally advised that bond financing must include a debt service reserve fund, which can either be financed as part of the bond offering or paid from capital reserves. Mr. Koller and Management plan to review this issue in greater detail for purposes of making an appropriate recommendation to the Board. The Board will be required to confirm its election in this regard at a future date, prior to closing.


Next, brief discussion was held regarding the tapping fee study prepared by SSM, which was a topic of discussion at the last Board meeting. Mr. Roush referenced the study, which confirmed the Authority's current tapping fee, which dates to 2013, totals the aggregate amount of \$3,278.26 (\$1,824.90 sewer collection/capacity; \$1,453.36 water collection/capacity). Based on a review of costs associated with the respective systems, including capital improvements, SSM assessed that the maximum allowable tapping fee totals the aggregate amount of \$10,896.00 (\$8,649.72 sewer collection/capacity; \$2,246.01 water collection/capacity). The Board indicated that further review and discussion was warranted.

With regard to the Laureldale main replacement project, PennDOT requires a bond or letter of credit as financial security for road work planned on Elizabeth Avenue. The Board previously authorized issuing a letter of credit; however, it was determined that a bond was less expensive, at a total cost of \$1,681.45. Mr. Mountz made a Motion to authorize Management to secure a bond for this project through Tompkins Insurance, at the stated cost. That Motion was seconded by Mr. Merkel and unanimously approved.

Mr. Mountz made a Motion to authorize, ratify and approve the Severance Agreement dated March 17, 2026. That Motion was seconded by Mr. Merkel and unanimously approved.

There being no further business of the Board, the meeting was adjourned at 6:30 p.m. on Motion of Mr. Mountz, seconded by Mr. Merkel, 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, April 9, 2026, in the main meeting room of the Muhlenberg Township Administration Building, 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania 19605.



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Title: SECRETARY